

L&G Artificial Intelligence UCITS ETF

FUND SUPPLEMENT

No.32

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 Artificial Intelligence 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.

The date of this Fund Supplement is 20 April 2020.

INVESTMENT OBJECTIVE

The investment objective of the L&G Artificial Intelligence UCITS ETF (the “Fund”) is to provide exposure to the global artificial intelligence technology industry.

INVESTMENT POLICY

In order to achieve this investment objective, the Fund will seek to track the performance of the ROBO Global® Artificial Intelligence Index (the “Index”). It will do so by investing primarily in a 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 and **may have exposure to or invest directly up to 20% of its Net Asset Value in shares issued by the same body, which limit may be raised to 35% for a single issuer in exceptional market conditions, including (but not limited to) circumstances in which such issuer occupies a dominant market position.**

Where it is not possible or practicable for the Fund to invest directly in all of the component securities of the Index (for reasons such as, but not limited to, where this would involve difficulties or substantial costs, where one or more securities in the Index becomes temporarily illiquid or unavailable, or as a result of legal restrictions or regulatory limitations that apply to the Fund but not the Index) and/or 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 involved in the technology sector 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 and exchange-traded equity futures – which may be used for investment purposes (such as gaining exposure to the Index and/or any particular constituents of the Index) in accordance with the terms set out in the sections entitled “*Fund Investments*”, “*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, in addition, employ other techniques relating to transferable securities, including 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 45%. The proportion of the Net Asset Value of the Fund that will be subject to securities lending is expected to range from 0% to 45%.

TRACKING ERROR

The estimated anticipated tracking error for the Fund in normal market conditions is 0.75 % (annualised).

INDEX DESCRIPTION

The Index is designed to measure the performance of certain companies involved in the artificial intelligence technology industry. The companies included in the Index derive a proportion of their revenues from the field

of artificial intelligence and are selected in accordance with the ROBO Global® Industry Classification methodology.

At each rebalance of the Index:

- each constituent of the Index must have its shares listed on one or more eligible stock exchanges;
- each existing constituent of the Index must have a minimum market capitalisation of US\$100 million to continue to be eligible for inclusion;
- each company that is not an existing constituent of the Index must have a minimum market capitalisation of US\$200 million to be eligible for inclusion;
- each existing constituent of the Index must have an average daily value traded (based on a trailing 3 month average) of US\$700,000 to continue to be eligible for inclusion unless its average daily value traded in respect of both the current rebalance date and the previous rebalance date was less than US\$850,000, in which case it shall be excluded; and
- each company that is not an existing constituent of the Index must have an average daily value traded (based on a trailing 3 month average) of US\$1,000,000 to be eligible for inclusion.

ROBO Global® Industry Classification

The classification of artificial intelligence related companies and the determination of the exchanges from which these stocks are identified is carried out by ROBO Global® LLC.

The companies included in the Index derive a proportion of their revenues from the field of artificial intelligence and have been sub-classified into the following sub-sectors under either “Technology” or “Applications and Services”:

Technology:

- Big Data/Analytics
- Cloud Providers
- Cognitive Computing
- Network and Security
- Semiconductor

Applications and Services:

- Business Process
- Consulting Services
- Consumer
- Ecommerce
- Factory Automation
- Healthcare

Further information relating to the industry classification process can be found in the document entitled “*ROBO Global® Industry Classification*” which, as at the date of this Fund Supplement, is available by clicking on the tab entitled “*Industry Classification*” at the following web address: <http://roboglobal.com/eu-index>.

Selection of Index constituents

All companies classified within the ROBO Global® Industry Classification as companies involved in the artificial intelligence technology industry are assigned a score which is a measure of a company’s revenue, investment exposure and the market positioning in the artificial intelligence industry, based on research conducted by ROBO Global® LLC (the “**Score**”). Companies whose Score is greater than or equal to 50, and who meet all other eligibility requirements as set out above, are eligible for inclusion in the Index.

Index Weighting

Constituents are weighted according to their Score. Each constituent's weight is calculated by dividing its Score by the sum of all available Scores in the eligible universe.

Calculation Frequency

The Index is a *real-time* index which is calculated every business day from 8:00am London (UK) time to 4:30pm, EST (Eastern Standard Time). It is calculated every 15 seconds.

Ownership

ROBO Global® LLC is the Index owner and sponsor, and is the owner of the "ROBO Global®" trademark currently registered in Europe.

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 rebalanced 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 "Calculation Guidelines" for the ROBO Global® Set of Indices which (as of the date of this Fund Supplement) is available, along with the constituents and weightings of the Index and various other informational materials, at: <https://www.solactive.com/Indices/?index=DE000SLA64P8> and <http://roboglobal.com/eu-index>.

| | ISIN | Bloomberg | Reuters |
|--|--------------|------------------|----------------|
| Index ROBO Global® Artificial Intelligence Index | DE000SLA64Q6 | THNQTR Index | .THNQTR |

As at the date of this Fund Supplement, ROBO Global® LLC is listed as a recognised benchmarks administrator on the public register maintained by ESMA under 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 global equity markets, in particular in artificial intelligence technology companies.

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 and should consider the following risk factors prior to investing in the Fund.

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 Fund invests primarily in the equity securities of companies whose business is focused on the artificial intelligence technology industry and, as such, is particularly sensitive to risks to those types of companies. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, slow downs in world economic growth and/or technological progress, rapid obsolescence, and government regulation. The publicly traded securities of artificial intelligence technology focused companies can be more volatile than securities of companies that do not rely heavily on technology. Rapid developments in technologies that affect a company's products could have a material adverse effect on such company's operating results. Artificial intelligence technology companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology.
3. The Index is typically comprised of a mix of micro, small, mid and large capitalisation companies. Micro, small and 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 micro, small and 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.
4. 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.

THE SHARES

As at the date of this Fund Supplement, the Fund only has a single class of Shares which are 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.

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.

| Share Class | Share Class Type | Minimum Subscription / Redemption Amount | TER* | Dividend policy |
|----------------------|------------------|--|-------|-----------------|
| USD Accumulating ETF | ETF Shares | 50,000 Shares | 0.49% | N/A |

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

STOCK EXCHANGE LISTINGS

As at the date of this Fund Supplement, the following classes of ETF Shares have been admitted to trading on the stock exchanges listed below. 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 Accumulating ETF | ETF Shares | London Stock Exchange | USD | IE00BK5BCD43 | AI AI LN | LGAI AI.L |
| | | London Stock Exchange | GBX | IE00BK5BCD43 | AI AG LN | AI AG.L |

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: http://www.lgimetf.com , 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 http://www.lgimetf.com , 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 | The Valuation Point is the time at which the value of the Index is determined. 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. |

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| 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> |
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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 51% 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

INDEX DISCLAIMER

The Fund is not sponsored, promoted, sold or supported in any other manner by ROBO Global® LLC or Solactive AG (the “Index Parties”) nor do the Index Parties offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trademark or the Index price at any time or in any other respect. The Index is calculated and published by Solactive AG. The Index Parties uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Company, the Index Parties have 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 Solactive AG nor the licensing of the Index or Index trademark by ROBO Global® LLC for the purpose of use in connection with the Fund constitutes a recommendation by the Index Parties to invest capital in the Fund nor does it in any way represent an assurance or opinion of the Index Parties with regard to any investment in this Fund.