

L&G Russell 2000 US Small Cap Quality UCITS ETF

FUND SUPPLEMENT

No.2

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 Russell 2000 US Small Cap Quality 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 23 February 2022 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.

The date of this Fund Supplement is 23 February 2022.

INVESTMENT OBJECTIVE

The investment objective of the L&G Russell 2000 US Small Cap Quality UCITS ETF (the “**Fund**”) is to provide exposure to U.S. small cap companies that are weighted according to their size and quality characteristics.

INVESTMENT POLICY

In order to achieve this investment objective, the Fund will seek to track the performance of the Russell 2000 0.4 Quality Target Exposure Factor Net Tax 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 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. 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 Fund 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 the following additional assets subject to the conditions and within the limits laid down by the Central Bank:

- equity securities of companies 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 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 10%. The proportion of the Net Asset Value of the Fund that will be subject to securities lending is expected to range from 0% to 10%.

TRACKING ERROR

The estimated anticipated (ex-ante) tracking error for the Fund in normal market conditions is 0.300% (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.

TAXONOMY

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

INDEX DESCRIPTION

The Index measures the performance of a basket of stocks within the small-capitalisation segment of the U.S. equity market. The Index derives its universe from the Russell 2000 Index which includes approximately 2000 of the smallest securities based on a combination of their market capitalisation and current index membership. The Index then applies a quality tilt by adjusting the market cap weight of those constituents with better quality characteristics upwards and adjusting the market cap weights of those with poorer quality characteristics downwards such the target active quality factor exposure, set at 0.4, is achieved. Securities with a weight of less than 2 basis points are removed from the Index. Quality factor is defined as a composite measure of a company's profitability and leverage and is determined by FTSE International Limited (the Index Provider) using a rules-based approach, as further described in the index methodology document.

Rebalancing frequency

The Index is rebalanced on an annual basis on the last Friday in June.

Further information

The index rules contain further details relating to the index rebalancing and reweighting including the circumstances under which extraordinary adjustments may be made.

This is a summary of the principal features of the Index and does not purport to be an exhaustive description. Further information including the rules and calculation methodology governing the Index, can be found in the "*FTSE Global Factor Index Series Rules*" methodology and other informational materials which are available at <https://www.ftserussell.com/products/indices/factor> (as of the date of this Fund Supplement). The constituents and weightings of the Index and various other informational materials can be found at <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights?text=quality>.

	ISIN	Bloomberg	Reuters
Index			
Russell 2000 0.4 Quality Target Exposure Factor Net Tax Index	N/A	R2QTEN	.TFTR2QTENU

As at the date of this Fund Supplement, FTSE International Limited (the Index Provider) and the Index are not included in the Benchmarks Regulation Register. The provision of the Index is on the basis of the transition period provided under the Benchmarks Regulation.

Portfolio Composition

The portfolio of Investments held by the Fund is available daily at www.lgim.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, understand the risks associated with an investment in the Fund, are able to bear the risk of losing their investment and who can accept the levels of volatility associated with the relevant equity markets (or sectors thereof) to which the Fund has exposure.

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 all relevant risk factors prior to investing in the Fund including those relevant to investment in equities.

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 in the Fund will fluctuate accordingly. Investors can lose all of the capital invested in 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	15,000 Shares	0.30%	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	IE00B3CNHJ55	RTWO LN	RTWO.L
		London Stock Exchange	GBX	IE00B3CNHJ55	RTWP LN	RTWP.L
		Borsa Italiana	EUR	IE00B3CNHJ55	RTWO IM	RTWO.MI
		Deutsche Börse	EUR	IE00B3CNHJ55	ETLZ GY	ETLZ.DE
		Euronext Amsterdam	EUR	IE00B3CNHJ55	RTWO NA	RTWO.AS

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
Share Class Currency	The dealing currency and currency of denomination for each class of Shares as specified in the table contained in the section above entitled “ <i>The Shares</i> ”.
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: www.lgim.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 www.lgim.com , which information shall be kept up to date.
Minimum Amount	Subscription	Please refer to the table contained in the section above entitled “ <i>The Shares</i> ”.
Minimum Amount	Redemption	Please refer to the table contained in the section above entitled “ <i>The Shares</i> ”.
Settlement Time		Settlement of subscriptions and redemptions must generally occur within two Business Days after the relevant Dealing Day (as prescribed by the Manager or its delegate from time to time).
Valuation		<p>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 to 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: www.lgim.com. This document is also available on request from the Manager and from the Investment Manager.</p> <p>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.</p>
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 – 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>

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 85% 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 Russell 2000 0.4 Quality Target Exposure Factor Net Tax Index (the "Index") is a trademark of Frank Russell Company ("Russell") and has been licensed for use by the Fund. The Fund is not in any way sponsored, endorsed, sold or promoted by Russell or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the Index (upon which the Fund is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Fund. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to the Company or to its investors. The Index is calculated by Russell or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

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