



L&G Digital Payments UCITS ETF

An investment strategy focused on the growth potential of digital payment technologies and the global transition to a cashless economy

The ETF will seek to gain exposure to the full digital payments value chain, drawing on the experience and expertise of Payments Cards & Mobile, a research and consultancy specialist that has analysed the global payments industry since 1994.

From global digitalisation to growing digital payments

We expect high current and forecast growth rates...

The global digital payments market was valued at \$58 billion in 2020; it is expected to expand at a **19.4% CAGR** (compounded annual growth rate) from 2021 to 2028.¹

The payment-gateway market was valued at \$17.2 billion in 2020; it is expected to expand at a **16.4% CAGR** from 2021 to 2026.²

...to be sustained by secular long-term dynamics



Many converging trends – such as the global shift to ecommerce, greater adoption of smartphones in emerging markets, and anti-money-laundering policies – should drive **the transition to an increasingly cashless economy.**

Advances in the **development of safer and more secure digital payments** should at the same time reinforce confidence, while merchants continue to value the efficiency of purely digital transactions.

¹ Grand View Research, Market Analysis Report, 2021.

² Research and Markets, Payment Gateway Market – Growth, Trends, COVID-19 Impact, and Forecast (2021-2026).

Key risk: The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested.



Fostering financial inclusion to help meet SDGs

We believe digital financial technology and payments are integral to broadening financial inclusion and are thus aligned with several UN Sustainable Development Goals (SDGs). Among others, these include:



1. No poverty



3. Good health and well-being



8. Decent work and economic growth



11. Sustainable cities and communities



In Sierra Leone,

during the Ebola crisis in 2014-16 digital payments helped reduce the time taken to make payments to critical health workers from over a month to one week.

In Kenya,

the spread of mobile money helped lift approximately one million people out of extreme poverty from 2008 to 2014.

In Sweden,

digitally enabled congestion charges in Stockholm were associated with a 22% reduction in traffic volume after a few weeks and a 10-15% reduction in emissions over seven years.

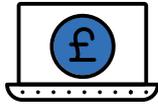
Sources: United Nations, Betterthancash.org

Understanding the payments ecosystem

There are three primary ways to pay for goods and services in the economy



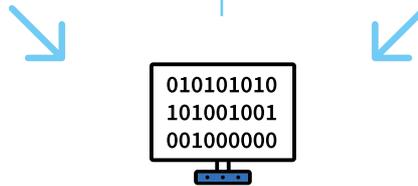
1. Cash payment ecosystem



2. Cardless open banking payment ecosystem*



3. Card payment ecosystem



Digital payments



This digital payments universe spans several categories

Source: Payments Cards & Mobile, 2021.

*Also known as the cardless payment ecosystem or account-to-account payments (A2A payments).

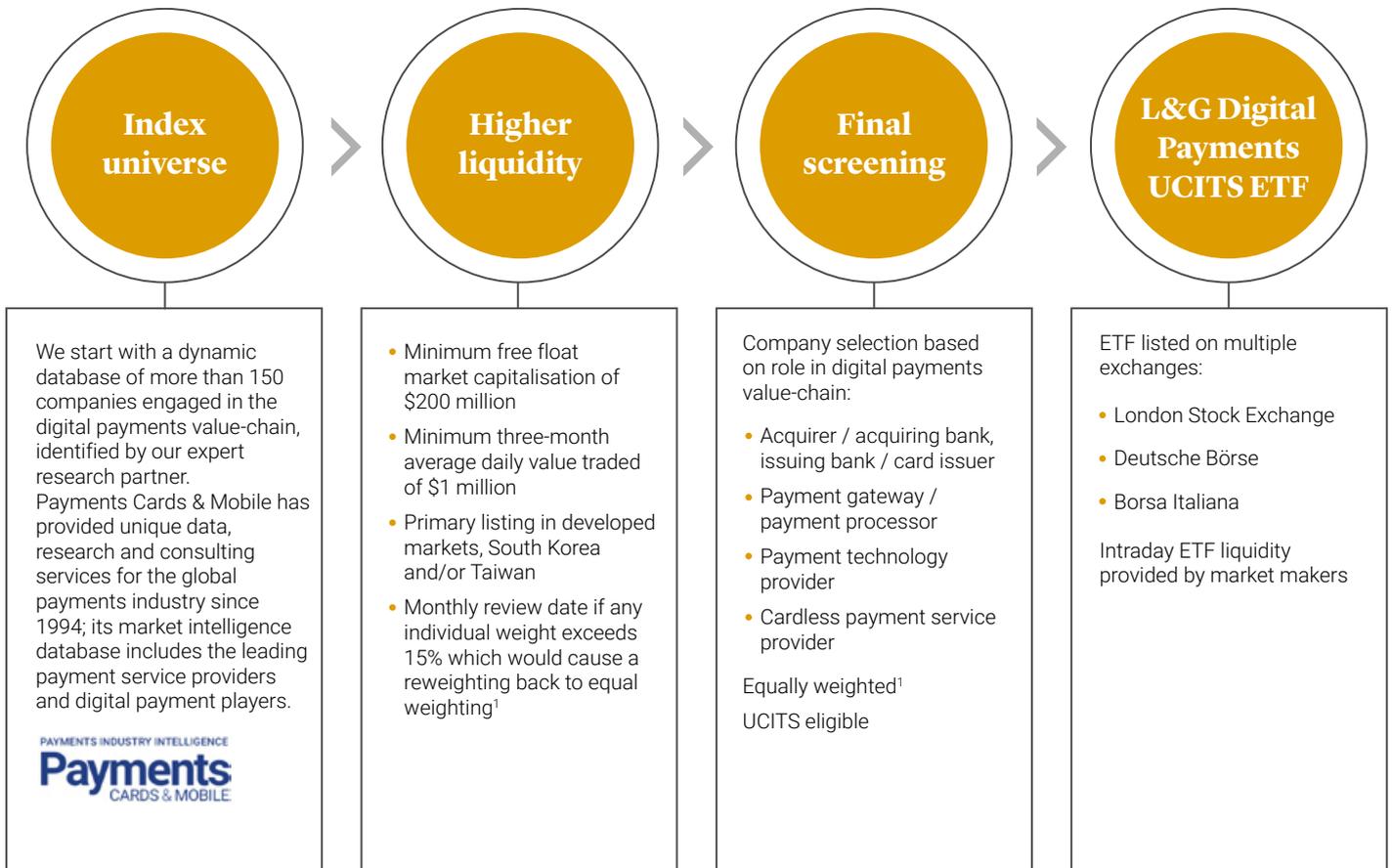
Issuing Bank / Card Issuer	Acquiring Bank / Acquirer	Payment Gateway	Payment Processor	Payment Technology Provider	Ancillary Payment Service Provider	Cardless Payment Service Provider
Card issuing banks	Card acquirers	POS network gateways	Card payment processors	Card networks	Technical card services	Cardless mobile payment apps
Card-issuing e-money institutions	Merchant account provider	ATM network gateways	Online payment service processors (PSPs)	Payment platforms	ATM/POS/MPOS/ SmartPOS* device vendors	Payment initiation service providers
		Online payment gateways	Mobile payment processors	Digital wallets	Credit check	Account information service provider
		Mobile payment gateways	Cardless Open Banking Payment processors (OBP processors)	Online/ ecommerce payment platforms	Other services	
				Payment security technology, fraud & risk management solutions/services		

Source: Payments Cards & Mobile, 2021. The above is a non-exhaustive overview of the index universe.

*POS = point of sale; ATM = automatic teller machine; MPOS = mobile point of sale.

About the strategy

L&G Digital Payments UCITS ETF



Source: Payments Cards & Mobile, Solactive, LGIM. All data are as of April 2021.

¹On any rebalancing day. Subject to liquidity constraints in the underlying securities, some securities of companies may have a smaller weight.

Product details

Fund name	L&G Digital Payments UCITS ETF	
Index	Solactive Digital Payments Index NTR	
ISIN	IE00BF92J153	
TER	0.49%	
Base currency	USD	
		LSE (USD) – DPAY
		LSE (GBP) – DPAG
		Borsa Italiana (EUR) – DPAY
		Deutsche Börse (EUR) – DPGA



Contact us

For further information about LGIM, please visit www.lgimetf.com or contact your usual LGIM representative.



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Past performance is not a guide to the future.

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