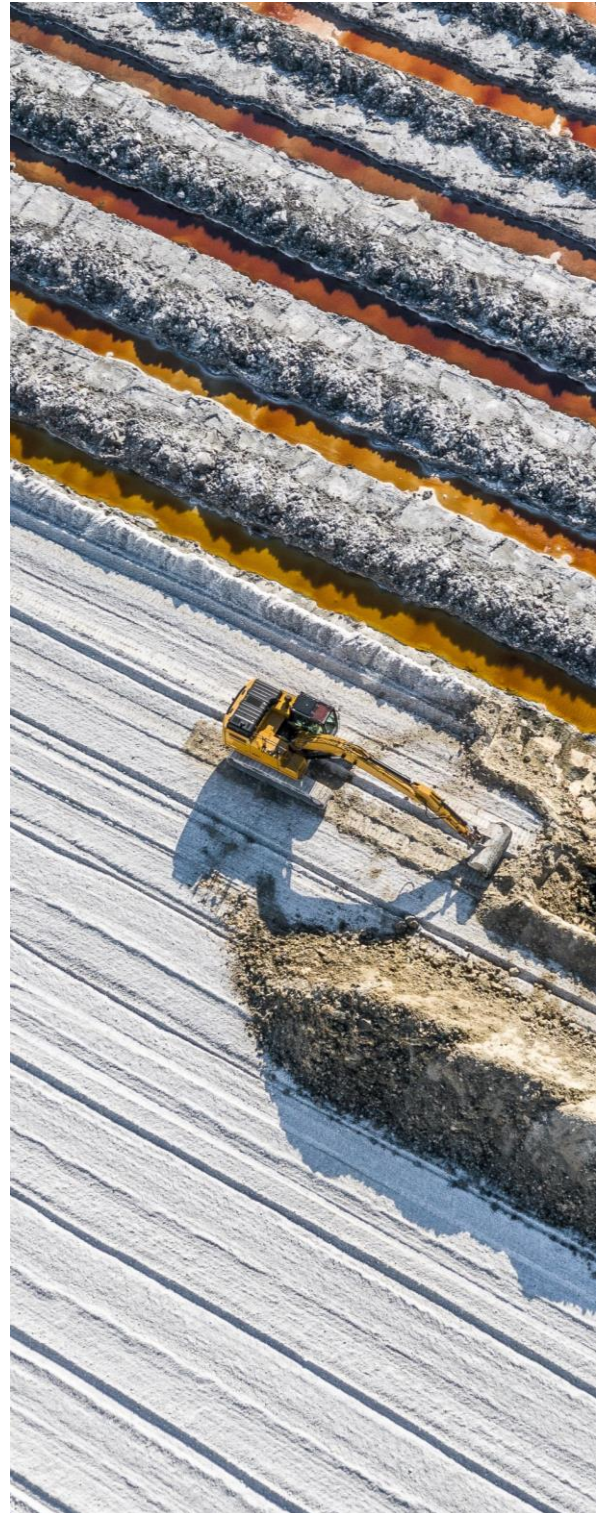


# L&G Multi-Strategy Enhanced Commodities UCITS ETF

An update on the underlying index performance for December 2023 and 2023

## Executive summary

- In December 2023, the Barclays Backwardation Tilt Multi-Strategy Capped Total Return index lost -3.76%, underperforming the Bloomberg Commodity TR index by -1.07% as this index lost only -2.69% over the same period.
- In 2023, the Barclays Backwardation Tilt Multi-Strategy Capped Total Return index was down by -3.17%. It thus outperformed the Bloomberg Commodity TR index by +4.74% as the latter was down by -7.91% in 2023.



## Key risk

Past performance is not a guide to the future. 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. <sup>1</sup>Rolling annualised return, calculated on a quarterly basis. Performance is calculated net of fees.

**Performance Commentary for December 2023 and 2023**

- In December 2023, the Barclays Backwardation Tilt Multi-Strategy Capped Total Return index (“BCC3C3TT”) lost -3.76%, underperforming the Bloomberg Commodity TR index (“BCOMTR”) by -1.07% as this index lost only -2.69% over the same period.
- The Multi-Strategy curve-enhancement mechanism contributed positively (+0.24%) while the Backwardation Tilt mechanism contributed negatively (-1.30%), the latter having resulted in the underperformance vs. BCOMTR in November.
- Contributions to the performance by individual commodities or sectors were fairly mixed in December. However, Sugar was by far the worst contributor, both in term of performance of BCC3C3TT or in terms of relative performance of BCC3C3TT vs. BCOMTR.
- Indeed, Sugar front-month rolling price collapsed by almost -21% in December. This was driven by bumper sugar cane harvests in Brazil, while the proportion of the production allocated to making Sugar instead of ethanol has now increased to almost 50%. Also, sugar processing was still strong in December when it is usually getting slower. Meanwhile, the outlook for Sugar production in Thailand has improved thanks to beneficial rainfalls. Finally, India is expected to significantly cut production of ethanol from sugar cane juice, thus leaving more sugar cane for Sugar production, which could leave 2024-2025 Sugar opening inventories at a higher level than at the beginning of the 2023-2024 season. Sugar was overweighted in BBC3C3TT, which was detrimental to BCC3C3TT performance and relative performance vs. BCOMTR. However, the Momentum Alpha mechanism used for curve-enhancement selected the 5-month deferred exposure for December, which was beneficial to BCC3C3TT performance as this Momentum Alpha exposure dropped less than the front-month exposure in December (-16.7% instead of -21%).
- For 2023, the underweighted and longer-dated exposure to US Natural Gas was the best contributor to the positive relative performance of BCC3C3TT vs. BCOMTR. US Natural Gas annual performance was one of the worst ever on warmer-than-usual 2022-2023 winter and start of 2023-2024 heating season.



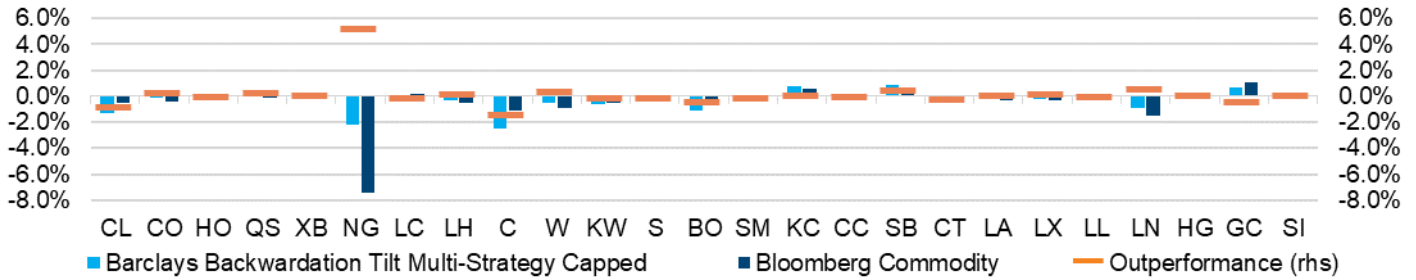
<b>Annualised index performance</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Bloomberg Commodity Index Total Return</b>	7.69%	-3.12%	27.11%	16.09%	-7.91%
<b>Bloomberg Commodity Index 3 Month Forward Total Return</b>	8.42%	3.48%	33.11%	19.53%	-6.88%
<b>Barclays Backwardation Tilt Multi-Strategy Capped Total Return Index</b>	8.23%	4.42%	44.47%	24.99%	-3.17%

As at 29 December 2023, all values are in USD. Performance is shown net of fees embedded in the index when applicable. Past performance is not a guide to the future. 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. <sup>1</sup>Actual year-to-date performance, not annualised.



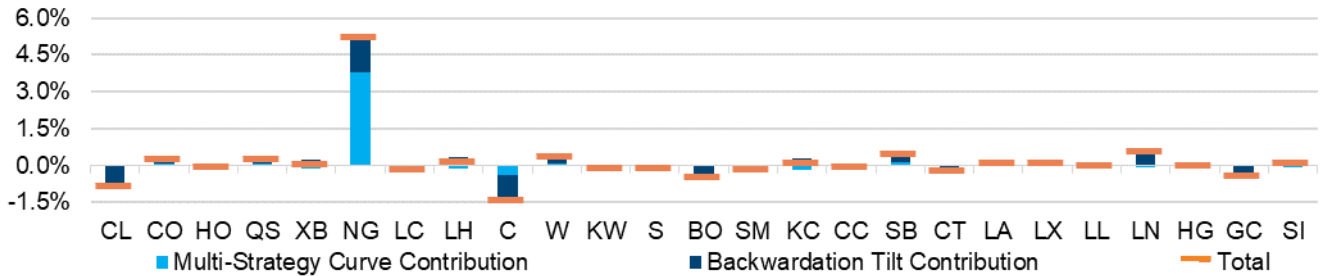
# Performance

**BCC3C3TT Index Performance Attribution by Commodity – 30-Dec-2022 to 29-Dec-2023**



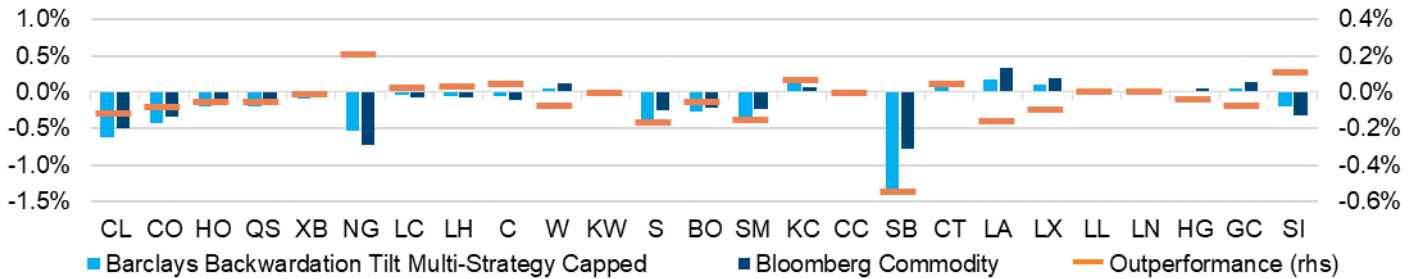
Source: Barclays. For illustrative purposes only.

**BCC3C3TT Index Outperformance Attribution by Commodity and Enhancement – 30-Dec-2022 to 29-Dec-2023**



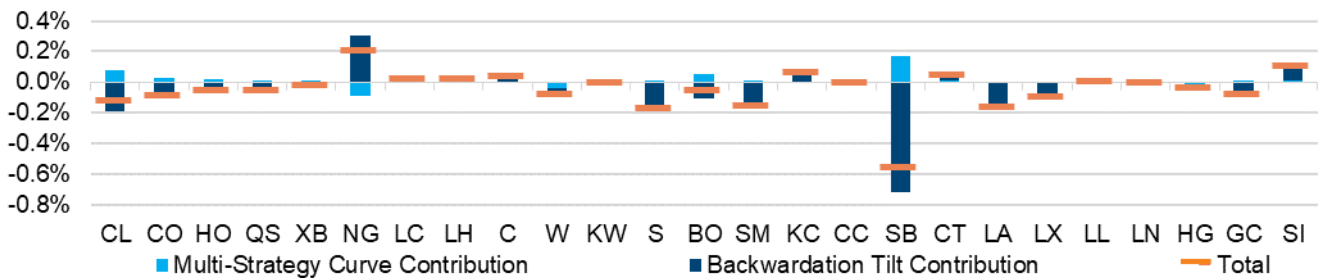
Source: Barclays. For illustrative purposes only.

**BCC3C3TT Index Performance Attribution by Commodity – 30-Nov-2023 to 29-Dec-2023**



Source: Barclays. For illustrative purposes only.

**BCC3C3TT Index Outperformance Attribution by Commodity and Enhancement – 30-Nov-2023 to 29-Dec-2023**



Source: Barclays. For illustrative purposes only.

X-axis legend: CL: NYMEX WTI ; CO: ICE Brent ; HO: NYMEX Heating Oil ; QS: ICE Gasoil ; XB: NYMEX Gasoline ; NG: NYMEX Natural Gas ; LA: LME Aluminium ; LX: LME Zinc ; LL: LME Lead ; LN: LME Nickel ; HG: COMEX Copper ; GC: COMEX Gold ; SI: COMEX Silver ; C: CBOT Corn ; W: CBOT Wheat ; KW: Kansas Wheat ; S: CBOT Soybean ; BO: CBOT Soybean Oil ; SM: CBOT Soybean Meal ; KC: ICE Coffee ; SB: ICE Sugar ; CT: ICE Cotton ; LC: CME Live Cattle ; LH: CME Lean Hog.

As at 29 December 2023. Performance is shown net of fees embedded in the index when applicable. Past performance is not a guide to the future. 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.

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