

Legg Mason Launches First Suite Of ETF Products

New funds designed to meet investor needs for diversified core holdings and income

Company Release - 1/5/2016 8:00 AM ET

BALTIMORE, Jan. 5, 2016 /PRNewswire/ -- Legg Mason Inc., (NYSE: LM), today announced that it has launched four new outcome-oriented index-based ETF funds in partnership with investment affiliate QS Investors. The four funds are branded under the Legg Mason name and began trading on the Nasdaq Stock Market® on December 29, 2015.

Increasing concerns about macroeconomic risks, equity volatility and the continuing search for stable income are pressuring investors to look beyond traditional market cap weighted indices

"We are excited to partner with Legg Mason to bring an investment approach we developed for institutions over a decade ago to retail investors in an ETF fund format. Many investors think of ETFs only as market cap indexed vehicles, but our macro diversification and sustainable income approaches target specific investment outcomes in a cost-effective format. This launch is part of our long-term focus on innovating to serve investor needs and create better solutions," said James Norman, President of QS Investors.

Three of the new funds take a macro approach to building portfolios and balancing risk to deliver broad market exposure that can complement core portfolios. Based upon QS Investors' proprietary rules-based methodology, Diversification Based Investing (DBI), the new funds are predicated on the understanding that capitalization-weighted indices are not balanced across opportunities and risks in the market place. Better diversification across macro exposures, like geography and economic sector can improve risk/return characteristics and mitigate unintended bets and therefore potentially lower drawdowns during macro-economic events. The funds are:

- Legg Mason Developed ex-US Diversified Core ETF (NASDAQ: DDBI)
- Legg Mason Emerging Markets Diversified Core ETF (NASDAQ: EDBI)
- Legg Mason US Diversified Core ETF (NASDAQ: UDBI)

Legg Mason is launching a fourth fund, the Legg Mason Low Volatility High Dividend ETF (NASDAQ: LVHD), focused on income, risk mitigation and capital appreciation. It is based upon the idea that a stock's ability to sustain a strong dividend payout is often associated with lower volatility, making these two characteristics complementary. Using a disciplined, rules-based methodology, the fund will screen for stocks with the potential for sustainable high dividends, while simultaneously screening out historically volatile stocks in the market.

"There are compelling opportunities to help investors achieve their objectives, whether capital preservation, income, or growth in an ETF format as the market grows and the ETF vehicle evolves. These innovative, outcome-oriented products have the potential to serve the needs of investors looking to better diversify across risks in their portfolios. We are excited to begin building our ETF offering and will continue to identify ways in which we can capitalize on the investment strengths of the Legg Mason investment affiliates," said Rick Genoni, Head of the ETF business at Legg Mason.

The firm plans to launch additional ETF products in the coming months.

About QS Investors

A wholly-owned, independently-managed affiliate of Legg Mason, Inc., QS Investors, LLC was formed in 1999 as the quantitative platform of a global asset manager. As an investment firm providing asset management and advisory services to a diverse array of institutional clients, QS Investors delivers disciplined, systematic solutions that address clients' complex challenges. The QS team has developed unique approaches to integrating quantitative and behavioral investment insights and dynamically weighting opportunities in response to changing economic and market conditions. Risk identification, assessment and management are intrinsic to their process. Based in New York and Boston, QS Investors offers a broad spectrum of strategies to clients worldwide, including actively managed U.S. and global equities, liquid alternatives and customized solutions.

About Legg Mason

Legg Mason is a global asset management firm with \$691 billion in assets under management as of November 30, 2015. The Company provides active asset management in many major investment centers throughout the world. Legg Mason is headquartered in Baltimore, Maryland, and its common stock is listed on the New York Stock Exchange (symbol: LM).

BEFORE INVESTING, CAREFULLY CONSIDER A FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. YOU CAN FIND THIS AND OTHER INFORMATION IN EACH PROSPECTUS, AND SUMMARY PROSPECTUS, IF AVAILABLE, AT WWW.LEGGMASON.COM/ETF. PLEASE READ THE PROSPECTUS CAREFULLY.

Diversification does not assure a profit or protect against a loss.

Authorized participants ("APs") may acquire shares in the primary market directly from the ETFs and may tender their shares for redemption directly to the ETFs, at net asset value per share only in Creation Units or Creation Unit Aggregations. Once created, shares of the funds generally trade in the secondary market in amounts less than a Creation Unit.

Retail investors buy and sell shares of ETFs at market price (not NAV) in the secondary market throughout the trading day. These shares are not individually available for purchase or redemption directly from the ETF. Market price returns shown are based upon the National Best Bid and Offer (NBBO) at 4:00 p.m. Eastern time. These returns will not represent your returns had you traded shares at other times.

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