LEGG MASON
GLOBAL ASSET MANAGEMENT

News Release

For Immediate Release

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LEGG MASON COMPLETES SUITE OF LOW VOLATILITY, HIGH DIVIDEND ETFS

Launches Third Low Volatility, High Dividend ETF Focused on Emerging Markets

BALTIMORE, MD – November 18, 2016 – Legg Mason Inc., (NYSE:LM), today announced that it has launched an emerging market version of its Low Volatility High Dividend ETF. The **Legg Mason Emerging Markets Low Volatility High Dividend ETF (BATS: LVHE)** is an all-cap ETF composed of emerging market stocks and is benchmarked against the QS Emerging Markets Low Volatility High Dividend Hedged Index.

LVHE is the third ETF in the firm's low volatility suite and a complement to the Legg Mason Low Volatility High Dividend ETF (NASDAQ: LVHD) and the Legg Mason International Low Volatility High Dividend ETF (BATS: LVHI). The suite was built around three principles: low volatility, high dividends and the profitability and earnings to sustain dividend potential. Both LVHI and LVHE employ currency hedging in attempts to further mitigate risk which may help during times of extreme market disruption.

Emerging market equities can offer attractive investment opportunities due to faster economic growth and lower valuations than developed markets. However, increasing concerns about geopolitical and macroeconomic risk and equity volatility make it important for strategies to seek to minimize downside risk. The use of currency hedging attempts to further mitigate risk. Investors are also in search of sustainable high levels of income in a low income environment. Higher yielding equities often come with higher risk. Incorporating a low volatility component can counter that risk while seeking to provide – growth and income – to meet investors' needs.

"The Holy Grail for many investors has been to have their investments generate income while still achieving principal growth with enough stability to keep panic at bay when the market is turbulent. Today's low yielding environment makes this harder to achieve but we believe a low volatility high dividend approach in emerging market equities can be part of the solution," stated James Norman, President of QS Investors.

He continued, "These strategies are designed to benefit spenders who are looking for capital appreciation in their retirement years and savers who are in the wealth accumulation phase. When dividends are reinvested, they can lower risk and increase total annualized returns over time."

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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 $716.3 billion in assets under management as of October 31, 2016. 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).

What should I know before investing: The Funds are newly organized, with a limited history of operations. Equity securities are subject to price fluctuation and possible loss of principal. Dividends are not guaranteed, and a company may reduce or eliminate its dividend at any time. In rising markets, the value of large-cap stocks may not rise as much as that of smaller-cap stocks. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The Funds may focus their investments in certain industries, increasing its vulnerability to market volatility. There is no guarantee that the Funds will achieve a high degree of correlation to the indices they seek to track. The Funds do not seek to outperform the indices they tracks, and they do not seek temporary defensive positions when markets decline or appear overvalued. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance.

Specific to the *Legg Mason International Low Volatility High Dividend ETF:* International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. Currency investing contains heightened risk that include market, political, regulatory, and natural conditions and may not be suitable for all investors.

Specific to the *Legg Mason Emerging Markets Low Volatility High Dividend ETF:* International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. **These risks are greater in emerging markets.** Currency investing contains heightened risk that include market, political, regulatory and natural conditions and may not be suitable for all investors.

The **QS International Low Volatility High Dividend Hedged Index** (the Index) seeks to track the investment results of an index composed of equity securities of emerging market companies with relatively high yield and low price and earnings volatility. The Index is composed of stocks of emerging market companies across a wide range of market capitalizations, based on the constituents of the MSCI Emerging Markets Index (IMI). Stocks whose yields are not supported by earnings are excluded from the Index. The Index also takes into account foreign withholding taxes on dividend payments to minimize their impact on distribution yield. The methodology calculates a composite score, with the yield of stocks with relatively higher price and/or earnings volatility adjusted downward and the yield of stocks with relatively lower price and/or earnings volatility adjusted upward. Price and earnings volatility metrics are measured in local currency. In addition, the stable yield score of stocks from countries with relatively high interest rates compared to the US is adjusted downward and the score of stocks with relatively low interest rates is adjusted upward, so as to reflect the implicit cost of currency hedging. The Index weights are then calculated to maximize its high stable yield score subject to concentration limits, liquidity requirements and turnover restraints. The Index includes stocks with a high score, with weightings taking into account liquidity requirements and concentration limits on sector exposures, country exposures, and individual stock holdings. Please note that an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at www.leggmason.com/etf. Please read it carefully.

All investments involve risk, including loss of principal. Past performance is no guarantee of future results.