

For Immediate Release

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LEGG MASON LAUNCHES INTERNATIONAL ETF FOR INCOME SEEKING INVESTORS

BALTIMORE, MD – August 1, 2016 – Legg Mason Inc., (NYSE:LM), today announced that it has launched an international version of its Low Volatility High Dividend ETF. The **Legg Mason International Low Volatility High Dividend ETF (BATS: LVHI)** is an all-cap ETF composed of international stocks and is benchmarked against the QS International Low Volatility High Dividend Hedged Index. The domestic version, LVHD was launched in December 2015.

Investors will now have access to the higher dividend potential of international stocks in an ETF focused on dividend sustainability and lower volatility. In an attempt to further mitigate risk, especially in times of extreme market disruption, currency exposure will be hedged in the portfolio. Increasing concerns about macroeconomic risk, equity volatility, and the continuing search for income have led investors to look beyond traditional dividend paying equities for strategies that seek to minimize downside risk. Using a disciplined, rules-based methodology, LVHI seeks to invest in stocks of profitable companies with higher dividend yields, lower price volatility and consistent earnings.

LVHI is built around the idea that combining stable dividend potential and lower volatility is far more powerful than any one attribute on its own. Higher yielding equities often come with higher risk. Incorporating a low volatility component can counter that risk while providing – growth and income – to meet investor’s needs without taking undue risk.

“As market volatility returns to more normal levels, equity positions are susceptible to market pullbacks. At the same time, investors are finding traditional fixed income investments offer a low level of income and pose risk of their own. That means investors who are looking to meet their investment goals of capital appreciation and income are looking for outcome oriented solutions to address these needs.” stated James Norman, President of QS Investors.

He continued, “This ETF seeks to generate attractive levels of income from dividends, create long-term appreciation while addressing equity and currency market volatility and downside risk. At QS Investors, one of our main goals is to provide creative outcome oriented solutions to meet our client’s needs. LVHI is a classic example of us working to fulfill client requests as they asked us to create an international version of LVHD to provide additional opportunities while addressing increased volatility across the globe.”

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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 \$741.9 billion in assets under management as of June 30, 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 track, 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.

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 international companies with relatively high yield and low price and earnings volatility. The Index is based on a proprietary methodology created and sponsored by QS Investors, LLC. The QS International Low Volatility High Dividend Index seek to reflect the investment results of equity securities of international developed-market companies with relatively high yield and low price and earnings volatility. The Index is composed of stocks of international developed-market companies across a wide range of market capitalizations, based on the constituents of the MSCI World ex. USA Investable Market 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 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 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. Investors 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.

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