

Media Release
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Zenith 'RECOMMENDS' Legg Mason QS Investors Global Equity Fund

Legg Mason, a leading global multi-affiliate fund manager, is pleased to announce that independent research and rating house Zenith has initiated coverage of and allocated a 'Recommended' rating to the Legg Mason QS Investors Global Equity Fund.

Launched in 1998, this fund has a proven long-term record and over the past five years has returned 20.49% p.a. after fees versus the MSCI World ex Australian AUD 17.39% annualised return*. The fund is ranked top decile in its peer group over three and five years.

Designed to provide core global equity exposure, QS Investors employs a quantitative investment approach that incorporates bottom-up fundamental analysis with dynamic quantitative tools to select the best international stock opportunities. The fund is benchmark-aware with a strong risk-control discipline around market beta exposure alongside strict controls in terms of factor, sector and industry exposures. Returns are primarily driven by stock selection and the portfolio typically holds 120 to 160 stocks.

According to Zenith: "The fund's stock selection process is driven by QS Investors' proprietary, quantitative, multi-factor model which addresses two key criteria: valuation and sentiment. QS Investors seeks to build a portfolio which approximately neutralises – to the benchmark – all common risk factors such as sector, region and size. Zenith believes the neutralisation of these factors allows investors to benefit primarily from QS Investors' stock selection skills.

Significantly, Zenith states that "...given the quantitative, style-neutral nature of the fund it is comfortable for the fund to be held as a stand-alone exposure to the international equities sector..." although noting that in its view "it is more appropriate to be used as part of a diversified international equities portfolio."

Commenting on this rating award, Andy Sowerby, Managing Director said "Ultimately, as a global business, we want to make our very best international funds available to the Australian market. The Legg Mason QS Investors Global Equity Fund is a flagship fund in this regard with outstanding risk-adjusted returns for over almost two decades. This fund could be considered as a core holding for international exposure and is a good complement to the popular unconstrained and factor driven strategies currently favoured in the market."

*Past performance is not a reliable indicator of future performance.

About QS Investors

QS Investors is an active specialist in equity and multi-asset class investment solutions headquartered in New York City, USA. Formed in 1999, it was already an established investor of its kind when it became a part of Legg Mason in 2014.

QS Investors is known for integrating quantitative and qualitative analysis into an agile investment approach. Their investment strategy is derived from multiple sources of proprietary investment insights seeking to systematically harness insights from behavioural finance and traditional qualitative research. Through a process that is diversified, systematic and adaptive, QS Investors seeks to deliver consistent, repeatable and risk-controlled returns.

About Legg Mason

Legg Mason is one of the world's largest funds management groups, with a history that dates to 1899. The firm is listed on the New York Stock Exchange and employs approximately 3,400 employees in 40 offices worldwide. One of Legg Mason's most distinguishing characteristics is its global multi-affiliate model. Legg Mason provides a global platform and centralised business and distribution support for its nine affiliated fund managers that include: Brandywine Global, Clarion Partners, ClearBridge, EnTrustPermal, Martin Currie, RARE Infrastructure, Royce & Associates, QS Investors and Western Asset. Each affiliate operates independently under its own brand and investment process, and is considered an industry expert in its asset class. Legg Mason offers a diverse set of investment solutions across institutional, wealth management and direct investor channels, covering a range of asset classes including Australian equities, global equities, fixed income, real assets, income, alternatives, emerging markets, direct lending and multi-asset products.

- Established 1899
- Head office Baltimore, USA
- Australia operations started in 1954, local offices in Melbourne and Sydney
- Funds under management in Australia A\$52 billion as at 30 June 2017
- Globally funds under management A\$975 billion as at 30 June 2017

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Disclaimer

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