

Media Release
6 March 2018

Newly launched BetaShares Legg Mason Australian Active ETFs receive strong ratings from Lonsec

Lonsec has awarded the BetaShares Legg Mason Equity Income Fund (managed fund) (ASX: EINC) a “Highly Recommended” rating which mirrors the rating assigned to the unlisted version¹ of this strategy having built sufficient conviction that the active ETF structure adopted by this fund is likely to deliver returns that closely resemble those generated by its unlisted counterpart.

The fund is one of two initial offerings from a strategic alliance between BetaShares and Legg Mason to launch a range of Active ETFs on the ASX. A second product launched simultaneously, the BetaShares Legg Mason Real Income Fund² (managed fund) (ASX: RINC), received a Lonsec “Recommended” rating.

Lonsec’s “Highly Recommended” rating is the highest rating available and indicates “the financial product is considered a preferred entry point to this asset class or strategy.”

The fund is managed by the Melbourne-based Australian equities team of Legg Mason affiliate, Martin Currie. The fund is a “long-only” Australian equity product that invests in a diversified portfolio of securities that Martin Currie believes can deliver a ‘sustainable’ and growing dividend yield that is greater than the broad Australian sharemarket.

Of EINC, Lonsec commented: “...the Fund benefits from a well structured investment process and a consistently implemented philosophy specifically targeting retirees”.

The second Active ETF launched last week by the partnership, the BetaShares Legg Mason Real Income Fund (managed fund) (ASX: RINC), has been given a “Recommended” rating by Lonsec. RINC invests in a diversified portfolio of A-REITS, utilities and infrastructure securities listed on the ASX, aiming to deliver a pre-tax income yield above that of the S&P ASX 200 Index with distribution growth exceeding the rate of inflation (as measured by the Consumer Price Index).

Of RINC, Lonsec commented: “...the Fund’s structure has proved suitable and effective in offering investors a diversified exposure to ‘real assets’ and being able to deliver a consistent and growing income stream with less volatility than the broader Australian equity market.”

Legg Mason Managing Director, Australia and New Zealand, Andy Sowerby, welcomed the Lonsec ratings, saying he was delighted with the initial response to the products from both the financial advisory community and individual investors.

¹ The inception date for the Legg Mason Martin Currie Equity Income Fund was May 2010

² The inception date for the Legg Mason Martin Currie Real Income Fund was November 2010

“These two new Active ETFs combine proven, highly rated and award-winning active investment strategies with the key benefits of exchange traded funds such as liquidity, intraday pricing, and ease of access.”

-ends-

For further information, please contact:

Simrita Virk at Shed Connect

M: 0434531172

E: simrita.virk@shedconnect.com

Notes to editors

About BetaShares

Awarded ETF Fund Manager of Year for 2017 and 2016 by Professional Planner/Zenith and 2016 ETF Manager of the Year by Money Management/Lonsec, BetaShares Capital Ltd ("BetaShares") is a leading Australian manager of exchange traded products ("ETPs") which are traded on the Australian Securities Exchange. BetaShares offers a range of ETPs which cover Australian and International equities, cash, currencies, commodities and alternative strategies. BetaShares currently has approximately \$5.3 billion in assets under management. BetaShares is a member of the Mirae Asset Global Investments Group, one of Asia's largest asset management firms. Mirae currently manages over US\$100B.

About Legg Mason

Legg Mason is one of the world's largest funds management groups, with a history that dates to 1899 with the head office in Baltimore, USA. The firm is listed on the New York Stock Exchange and employs approximately 3,300 employees in 39 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. The Australian business was established in 1954 and has grown from strength to strength and recently has been awarded the Money Management/Lonsec Fund Manager of the Year in both 2015 and 2017.

- Funds under management in Australia A\$56b as at 31 December 2017
- Globally funds under management A\$982b as at 31 December 2017

About Martin Currie

Martin Currie is an independent investment affiliate of Legg Mason, a global asset management firm. Legg Mason provides active asset management in many major investment centres throughout the world. The firm is headquartered in Baltimore, Maryland, and its common stock is listed on the New York Stock Exchange (symbol: LM).

Martin Currie is an active equity specialist, driven by investment expertise and focused on managing money for a wide range of global clients. Its approach to investing is simple: it focuses on companies. The integrated investment floor seeks out those companies it believes have the fundamentals to deliver material outperformance on a medium to long-term basis. Once identified, these ideas are moulded into well-balanced portfolios. The firm's approach to portfolio construction reduces and controls macro-factor sensitivity, aiming for client portfolios to derive maximum value from stock insights and for returns to be delivered in a predictable and sustainable fashion.

- Established 1881
- Head office Edinburgh, Scotland
- Martin Currie Australia team has 35+ years of experience managing Australian equities
- Total funds managed as at 30 September 2017: A\$25 billion

Disclaimer

BetaShares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (BetaShares) is the issuer and responsible entity of the BetaShares Legg Mason Real Income Fund (managed fund) (ARSN 621 862 619) and BetaShares Legg Mason Equity Income Fund (managed fund) (ARSN 621 856 406) (Funds). BetaShares has appointed Legg Mason Asset Management Australia Ltd (ABN 76 004 835 849 AFSL 240827) (Legg Mason Australia) as investment manager for the Funds. Legg Mason Australia is part of the global Legg Mason Inc. group. Martin Currie Australia, a division within Legg Mason Australia, provides the investment management services for the Funds referenced in this article. Any reference to 'Legg Mason Australia' or 'Martin Currie Australia' is a reference to Legg Mason Asset Management Australia Limited. Before making an investment decision you should read the Product Disclosure Statement (PDS) for the Fund carefully and consider, with or without the assistance of a financial advisor, whether such an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. The PDS is available and can be obtained by contacting BetaShares on 1300 487 577 or Legg Mason Australia on 1800 679 541 or at www.betashares.com.au or www.leggmason.com.au. This information does not take into account the investment objectives, financial objectives or particular needs of any particular person. Neither BetaShares, Legg Mason Australia, nor any of their related parties guarantees any performance or the return of capital invested. Past performance is not necessarily indicative of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.

The Lonsec Ratings (assigned 23/02/2018) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold BetaShares Legg Mason funds, and you should seek independent financial advice before investing in this product(s). The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document(s) following publication. Lonsec receives a fee from the Fund Manager for researching the product(s) using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at <http://www.lonsecresearch.com.au/research-solutions/our-ratings>