

Media Release
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Legg Mason aims for bigger slice of NZ market with PIE fund launch

Key points:

- Legg Mason expands NZ presence with launch of Legg Mason Brandywine Global Opportunistic Fixed Income Fund as a PIE fund.
- PIE fund available to wholesale and retail clients;
- Strategy popular with NZ investors – highly rated by both retail research houses and institutional asset consultants;
- Opportunity for Legg Mason to launch other funds in New Zealand.

Leading global investment manager Legg Mason is expanding its presence in the New Zealand market with the launch of a PIE (Portfolio Investment Entity) fund targeting both institutional and, for the first time, retail investors.

Legg Mason Australia Managing Director, Andy Sowerby, said the Legg Mason Brandywine Global Opportunistic Fixed Income Fund stood out as the obvious choice for the group's first PIE on the rack given its already substantial support from NZ wholesale investors.

"Legg Mason's NZ clients have expressed strong interest in having a PIE fund, so we are really pleased to be able to meet this demand," Sowerby said. "NZ investors have already entrusted more than \$NZ800 million invested in the Brandywine Global strategy and a sizable portion of this money is expected to move across to the new PIE fund."

The flagship Brandywine Global Opportunistic Fixed Income Fund, renown for a 'benchmark agnostic' concentrated portfolio approach, has attracted more than US\$28 billion from investors worldwide.

Sowerby said the new Brandywine Global NZ PIE fund would be registered under the Financial Markets Conduct Act regime, allowing retail investors and their advisers to invest alongside Legg Mason's wholesale clients – a first for the group in New Zealand.

"Having a PIE fund provides a solution that is open to both wholesale and retail investors, while also providing regulatory oversight and the tax benefits associated with the regime," he said. "We look forward to building relationships with financial advisory groups, investment platforms and retail clients with this commitment to the New Zealand market."

The move to offer a top quality global investment product tailored specifically for the local audience has been welcomed by both wholesale and retail investment consultants in NZ.

Ben Trollip, principal and head of investment consulting for Auckland-based Melville Jessup Weaver (MJW), said the Legg Mason PIE announcement was a vote of confidence in the NZ market from one of the world's best-known fund management houses.

"It is very pleasing to see the launch of a PIE vehicle for Legg Mason Brandywine," Trollip said. "From an investment consultant's perspective, this gives us further tools with which to tailor NZ clients' portfolios."

Chris Douglas, Morningstar Asia-Pacific Director Manager Research Ratings, said the arrival of the Legg Mason Brandywine Global product in retail-friendly PIE form would benefit investors and advisers looking for alternative fixed income solutions.

“High quality active global fixed income PIE funds are hard to find in New Zealand, especially those with a competitive price,” Douglas said. “It’s very pleasing to see Legg Mason bring their highly successful Legg Mason Brandywine Global Opportunistic Fixed Income Fund to New Zealand investors in a PIE structure and hedged back to NZD.”

Legg Mason has teamed up with Wellington-based Implemented Investment Solutions (IIS) to create the PIE fund wrapper. IIS head, Anthony Edmonds, said that his team is delighted to be working with Legg Mason.

“Legg Mason has a big footprint in the NZ market with wholesale clients, so it’s exciting to see them build on this presence by launching a PIE fund,” Edmonds said.

He said the door was now open to launch other Legg Mason-affiliated manager products under the PIE format.

“Within the Legg Mason investment group there are managers such as Western Asset Management, QS Investors and Martin Currie sitting alongside Brandywine that are also well known to NZ wholesale investors,” Edmonds said. “The fact that a global funds giant like Legg Mason has opted to structure a product specifically for the NZ market – rather than taking the usual route of offering an offshore-domiciled fund – is also evidence of the growing attractiveness of NZ as an investment destination.

“It’s great to see international fund managers competing directly in NZ with locally-designed products – we expect other firms will follow suit.”

For the time-being Legg Mason would focus on growing the Brandywine PIE fund as “first cab off the rank” but Sowerby said the group would consider offering other NZ-domiciled products over time.

Legg Mason is one of the world's largest funds management groups overseeing A\$962 billion invested across its nine ‘affiliate’ managers.

About Implemented Investment Solutions

Implemented Investment Solutions (IIS) is a Wellington-headquartered specialist financial services firm providing tailored solutions for a range of local and offshore funds management businesses operating in NZ. In addition to its ‘fund-hosting’ services – similar to those provided by Responsible Entity firms in Australia – IIS offers the innovative direct-to-consumer managed fund platform, InvestNow

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.

- Australia operations started in 1954, local offices in Melbourne and Sydney
- Funds under management in Australia AUD\$56.3b as at 31 December 2017
- Globally funds under management AUD\$982b as at 31 December 2017

www.leggmason.com.au

About Brandywine Global

Brandywine Global Investment Management, LLC (“Brandywine Global”) believes in the power of value investing. Acting with conviction and discipline, Brandywine Global looks beyond short-term, conventional thinking to rigorously pursue long-term value. Since 1986, the Firm has provided a range of differentiated fixed income, equity, and alternative solutions to both institutional and retail clients. An independent affiliate of Legg Mason, Brandywine Global manages \$69 billion in assets under management as of March 31, 2017, with headquarters in Philadelphia and offices in San Francisco, Montreal¹, Toronto¹, Singapore² and London³.

Visit www.brandywineglobal.com and the Firm's industry-leading Around the Curve blog for further information and regular market insights.

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1 Brandywine Global Invest Management (Canada), ULC

2 Brandywine Global Investment Management (Asia) Pte. Ltd

3 Brandywine Global Investment Management (Europe) Limited

Media contacts:

Simrita Virk at Shed Connect

M: + 61 2 434531172

E: simrita.virk@shedconnect.com

Important

No application monies are currently being sought and investors cannot currently apply for units in the Legg Mason Brandywine Global Opportunistic Fixed Income Fund. If an offer of units is made, it will be made in accordance with the Financial Markets Conduct Act 2013.

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