

Media Release
19 November 2018

Australia's first Fixed Income Active ETF launches today

ASX ticker: BNDS

SYDNEY, 19 November 2018: Legg Mason and BetaShares today launch the third Active ETF under their strategic alliance and **Australia's first Fixed Income Active ETF**. The new Fund, the BetaShares Legg Mason Australian Bond Fund (managed fund) (ASX:BNDS), is managed by multi award-winning Legg Mason affiliate, Western Asset, led by veteran Fixed Income investor, Anthony Kirkham.

In 2018, Western Asset have been awarded the best Australian Fixed Income manager by all three major independent research houses - Zenith, Lonsec and Morningstar.

Andy Sowerby, Managing Director, Legg Mason said: "The launch of this Active ETF marks a significant milestone for Australian investors. For the first time, they can access a **Fixed Income Active ETF** through one simple trade on the ASX. This Fund fills a gap in the current investment marketplace, in terms of both the nature of the product and by providing access to elite specialist asset management skills."

Anthony Kirkham, Head of Investment Management and Australian Operations at Western Asset, added: "Australian investors have typically held an underweight exposure to fixed income. However, with equity market volatility increasing, as well as broader concerns around global growth and political outcomes, the defensive qualities of a well-constructed bond fund can add much needed diversification and protection to an overall portfolio.

"Fixed Income is generally considered to be lower risk than growth assets - such as shares and property - and can deliver returns with much lower volatility. BNDS invests in Australian government and semi-government bonds, supranational and Australian corporate bonds and other eligible securities. The portfolio favours higher quality assets and currently has an average 'AA' credit rating." said Mr Kirkham.

"This is the third Active ETF that we have launched in partnership with Betashares this year. The BetaShares Legg Mason Active ETF series allows investors to access Legg Mason's highly acclaimed and successful investment strategies via a simple trade on the ASX. Our two equity income strategies already available on the ASX are EINC and RINC*, managed by Martin Currie Australia." said Mr Sowerby.

BetaShares CEO, Alex Vynokur, added: "We're proud to be continuing to deepen our alliance with Legg Mason and to carry on the BetaShares tradition of offering first-to-market products on the ASX, further broadening the set of intelligent investment tools for Australian investors and their advisers. BNDS adds an additional high-quality investment option to our already well-received set of Fixed Income & Cash ETF solutions."

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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 AUD\$6 billion in assets under management. BetaShares is owned and managed by its Australian based management team along with a strategic shareholding from Mirae Asset Global Investment Group, one of Asia's largest asset management firms. As at October 2018, Mirae manages over US\$135 billion.

About Legg Mason

Guided by a mission of 'Investing to Improve Lives™', Legg Mason helps investors globally achieve better financial outcomes by expanding choice across investment strategies, vehicles and investor access through independent investment managers with diverse expertise in equity, fixed income, alternative and liquidity investments. Legg Mason's assets under management are AUD\$1 trillion as at 30 September 2018.

Legg Mason provides 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 Facts:

- Legg Mason's Australian business was established in 1954
- Assets Under Management (AUM) in Australia are AUD\$55 billion as at 30 September 2018 (Source: Rainmaker Data. Consists of AUM managed in Australia for Australian and offshore investors and AUM managed offshore for Australian investors)
- Legg Mason Australia was awarded the Money Management/Lonsec Fund Manager of the Year in 2015, 2017 and 2018.

- * In February 2018 Legg Mason and BetaShares launched two income Active ETF's
- BetaShares Legg Mason Equity Income Fund (managed fund) (ASX: EINC)
 - BetaShares Legg Mason Real Income Fund (managed fund) (ASX: RINC)

Visit leggmason.com.au to learn more

About Western Asset Management

Western Asset is one of the world's leading dedicated fixed income managers. From offices in Pasadena, Hong Kong, London, Melbourne, New York, São Paulo, Singapore, Tokyo and Dubai, the company provides investment solutions for a wide variety of global clients, across a diverse range of mandates. Western Asset's long performance track record and global presence has positioned the company to continue its commitment to excellence in fixed income investment management and client service. With a focus on long-term fundamental value investing that employs a top-down and bottom-up approach, the firm has experience across the full range of fixed income sectors.

- Established 1971
- Head office Pasadena, USA
- Funds managed AUD\$582 billion as at 30 September 2018

For further information, please contact:

Simrita Virk at Shed Connect

M: 0434531172

E: simrita.virk@shedconnect.com

Disclaimer

BetaShares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (BetaShares) is the issuer and responsible entity of the BetaShares Legg Mason Australian Bond Fund (managed fund) (ARSN 621 856 406) (Fund), BetaShares Legg Mason Equity Income Fund (managed fund) (ARSN 621 856 406) and BetaShares Legg Mason Real Income Fund (managed fund) (ARSN 621 862 619) (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 Fund. Legg Mason Australia is part of the Global Legg Mason Inc. group. **Western Asset**, a division within Legg Mason Australia, provides the investment management services for the BetaShares Legg Mason Australian Bond Fund (managed fund) (ARSN 621 856 406). **Martin Currie**, a division within Legg Mason Australia, provides the investment management services for the BetaShares Legg Mason Equity Income Fund (managed fund) (ARSN 621 856 406) and BetaShares Legg Mason Real Income Fund (managed fund) (ARSN 621 862 619) (Funds). Any reference to 'Legg Mason Australia', 'Western Asset' or 'Martin Currie' 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

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