

Media Release

11 October 2018

LEGG MASON'S WESTERN ASSET SWEEPS FIXED INCOME AWARDS

- Winner of the Professional Planner | Zenith Fund Award for Australian Fixed Income in 2016, 2017 and again in 2018

- Winner of the three major Australian fixed income manager awards presented in 2018: Professional Planner | Zenith, Money Management | Lonsec and Morningstar

For the third year in a row, Western Asset Management, a Legg Mason affiliate and one of the world's leading fixed income investment managers, was awarded the prestigious Professional Planner | Zenith Fund Award for Australian Fixed Income at the annual awards ceremony held in Sydney last Friday, 5 October 2018.

This award recognises excellence in funds management as judged by Zenith's robust methodology, which examines each manager's investment philosophy and process, along with the expertise of the investment team, portfolio construction, risk management and performance.

This award gives Western Asset a clean sweep of the top three Australian fixed income awards in 2018:

- Professional Planner | Zenith Fund Award for Australian Fixed Income - October 2018
- Money Management | Lonsec Fund Manager of the Year, Australian Fixed Income - May 2018
- Morningstar Australia's Fund Manager of the Year 2018: Fixed Interest Category, Australia - March 2018

Andy Sowerby, Managing Director, Legg Mason Australia said, "Western Asset has now won the Professional Planner | Zenith award for three consecutive years which validates our belief that this fund is a stand-out solution in this key asset class."

He added; "As investor concerns continue to mount around market direction and valuation, the need for a proven fixed income performer in Australian bonds has never been starker. Typically, investors are under-allocated to fixed income assets and a high-quality bond fund can help build resilience and deliver protection to a broader investment strategy."

The Fund is a 'traditional' fixed income solution that invests across the full spectrum of Australian fixed income markets - government and semi-government bonds, supranational and corporate bonds. Western Asset manages the Fund using a blend of top-down and bottom-up approaches to actively allocate across diverse fixed interest sectors. This active approach has been critical to the Fund's long-term success.

"We are very proud of these awards as they clearly demonstrate how our stable and highly experienced investment team has been able to deliver on our clients' investment objectives over the past 20 years, despite the many challenging market environments that have occurred during this time," said Mr Anthony Kirkham, Head of Investment Management Australia and NZ, Western Asset Management.

"As long-term value investors, we believe the asset class continues to provide the critical defensive

ballast in investor portfolios. Risk management is central to investing in any market. We actively manage overall portfolio risk and maintain the average credit quality of the Fund at AA– or higher.”

“As always, it is difficult to predict the next left tail event for risk assets and therefore it is important that investors maintain a balanced portfolio. In our opinion, high quality bonds, like those found in the Legg Mason Western Asset Australian Bond Fund, provide valuable portfolio ballast in the face of a genuine risk-off event. We like to think of it as portfolio insurance that provides monthly income.” says Mr Kirkham.

Highlights of the Legg Mason Western Asset Australian Bond Fund:

- Highly recommended by Zenith and Lonsec, Morningstar - Silver qualitative rating and 5 star quantitative rating
- Fund size as of June 2018: AUD \$598 million
- Performance record: Ranked in the top quartile over 1, 3 and 5 years (Morningstar Direct, September 2018)

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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 June 2018.

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 Facts:

- Legg Mason’s Australian business was established in 1954
- Funds under management in Australia are AUD\$55 billion as at 30 June 2018 (Source: Rainmaker Data. Consists of AUM in funds managed in Australia for both Australian and offshore clients)
- Legg Mason Australia was awarded the Money Management/Lonsec Fund Manager of the Year in both 2015, 2017 and 2018.

To learn more, visit leggmason.com.au

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\$569 billion as at 30 June 2018

Media contacts Australia:

Peter White at Shed Connect

M: 0416041390

E: peter.white@shedconnect.com

Simrita Virk at Shed Connect

M: 0434531172

E: simrita.virk@shedconnect.com

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