

**For Immediate Release**

**Contact Information:**

**Media:**

Madelyn McHugh  
(212) 805-6039  
mmchugh@leggmason.com

**Legg Mason Launches Active ESG ETFs with ClearBridge Investments**

*ClearBridge and Legg Mason Expand Commitment to Socially Responsible Investing with Two ESG-focused ETFs*

**Baltimore, MD – May 23, 2017** – Legg Mason, Inc., (NYSE:LM), today announced it has launched two actively managed, environmental, social and governance (“ESG”) focused ETFs sub-advised by ClearBridge Investments. The **ClearBridge Large Cap Growth ESG ETF** [Nasdaq: LRGE] seeks to invest in large-capitalization companies with the potential for above-average earnings and cash flow growth and a strong commitment to ESG principles. The **ClearBridge Dividend Strategy ESG ETF** [Nasdaq: YLDE] seeks to invest in high-quality companies with a strong commitment to ESG principles that can pay attractive dividends and have the potential to grow dividend payments over time.

“For over 25 years, our firm has prioritized integrating ESG factors into our investment process and developing a proprietary ESG rating system across our research platform,” said Terrence Murphy, Chief Executive Officer of ClearBridge Investments. “ESG analyses are a core part of our fundamental research process and are done for every company in our coverage universe. Our new active ETFs, ClearBridge Large Cap Growth ESG and ClearBridge Dividend Strategy ESG, will leverage this unique ESG expertise.”

The **ClearBridge Large Cap Growth ESG ETF** is managed by Peter Bourbeau, Mary Jane McQuillen and Margaret Vitrano. The managers invest for the long term in large cap growth companies that can have sustainable competitive advantages as evidenced by differentiated business models, high returns on capital, strong balance sheets, and capable management teams that aim to allocate capital in an efficient manner. The performance of the fund is benchmarked against the Russell 1000 Growth Index.

The **ClearBridge Dividend Strategy ESG ETF** is managed by Hersh Cohen, Michael Clarfeld, Mary Jane McQuillen and Peter Vanderlee. This veteran income team leverages fundamental analysis to seeking to select a diversified portfolio of industry-leading companies with long histories of paying and raising dividends and strong ESG characteristics. The performance of the fund is benchmarked against the S&P 500® Index.

For both ETFs, ESG evaluation is fully integrated into the fundamental research process that guides stock selection. The portfolio management teams rely on inputs from sector analysts who assign an ESG rating to every company in their coverage universe. Assessment of corporate

governance practices such as board independence and diversity as well as social factors including labor/hiring practices and community involvement occur across all companies. Environmental considerations specific to a company's industry or sector are also analyzed. ClearBridge seeks to improve risk-adjusted performance through engagement with portfolio companies on ESG practices, proxy voting and by raising awareness of ESG issues.

###

#### **About ClearBridge**

ClearBridge Investments is a leading global equity manager with \$123 billion in assets under management as of March 31, 2017. We are committed to delivering long-term results through active management, as we have for more than 50 years, and continue to offer investment solutions that emphasize differentiated, bottom-up stock selection to move our clients forward. Owned by Legg Mason, ClearBridge operates with investment independence from headquarters in New York and offices in Baltimore, London, Wilmington, and San Francisco.

#### **About Legg Mason**

Legg Mason is a global asset management firm with \$731 billion in assets under management as of April 30, 2017. The Company provides active asset management in many major investment centers throughout the world. Legg Mason is headquartered in Baltimore, Maryland, and its common stock is listed on the New York Stock Exchange (symbol: LM).

**Clearbridge Large Cap Growth ESG ETF Risks:** The Fund is newly organized, with a limited history of operations. Equity securities are subject to price fluctuation and possible loss of principal. In addition to investments in large-capitalization companies, investments may be made in small-cap and mid-cap companies which involve a higher degree of risk and volatility than investments in larger, more established companies. Dividends may fluctuate and a company may reduce or eliminate its dividend at any time. Investments may also be made in depository receipts and other securities of non-U.S. companies in developed and emerging markets which involve risks in addition to those ordinarily associated with investing in domestic securities, including the potentially negative effects of currency fluctuation, political and economic developments, foreign taxation and differences in auditing and other financial standards. These risks are magnified in emerging markets. The fund's environmental social and governance (ESG) investment strategy may limit the types and number of investment opportunities available to the fund and, as a result, may underperform funds that are not subject to such criteria. The managers may sometimes hold significant portions of portfolio assets in cash equivalents while waiting for buying opportunities. Active management and diversification do not ensure gains or protect against market declines.

**Clearbridge Dividend Strategy ESG ETF Risks:** The Fund is newly organized, with a limited history of operations. Equity securities are subject to price fluctuation and possible loss of principal. In rising markets, the value of large-cap stocks may not rise as much as smaller-cap stocks. Investments may also be made in depository receipts and other securities of non-U.S. companies in developed and emerging markets which involve risks in addition to those ordinarily associated with investing in domestic securities, including the potentially negative effects of currency fluctuation, political and economic developments, foreign taxation and differences in auditing and other financial standards. These risks are magnified in emerging markets. The fund's environmental social and governance (ESG) investment strategy may limit the types and number of investment opportunities available to the fund and, as a result, may underperform funds that are not subject to such criteria. Active management and diversification do not ensure gains or protect against market declines.

If you are neither a resident nor a citizen of the United States or if you are a non-U.S. entity, a fund's ordinary income dividends (which include distributions of net short-term capital gains) will generally be

subject to a 30% U.S. federal withholding tax, unless a lower treaty rate applies. For further information, please see the ETF's prospectus.

Redemption payments will be effected within the specified number of calendar days following the date on which a request for redemption in proper form is made. The funds generally intend to effect deliveries of creation units and portfolio securities on a basis of trade date T plus three business days (T+3). Please see the ETF's statement of additional information (SAI) for more information.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. An investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

The **S&P 500 Index** is an unmanaged index of common stock performance. Please note an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

***Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at [www.leggmason.com/etf](http://www.leggmason.com/etf). Please read it carefully.***

**All investments involve risk, including loss of principal. Past performance is no guarantee of future results.**

*Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.*

©2017 Legg Mason Investor Services, LLC, member FINRA, SIPC. Legg Mason Investor Services, LLC and ClearBridge Investments are subsidiaries of Legg Mason, Inc.

**INVESTMENT PRODUCTS: NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE**