

LEGG MASON EMERGING MARKETS LOW VOLATILITY HIGH DIVIDEND ETF

Investment overview

The Legg Mason Emerging Markets Low Volatility High Dividend ETF (LVHE) seeks to track the investment results of an underlying index composed of equity securities of emerging markets with relatively high yield and low price and earnings volatility.

- LVHE may benefit investors seeking dividend-paying emerging market companies with lower volatility than traditional equity investments in these regions.
- Hedges currency exposure in an attempt to further reduce volatility

The QS Emerging Markets Low Volatility High Dividend Hedged Index (the Index):

- The Index starts with the securities across a range of market capitalizations that are included in the MSCI Emerging Markets IMI Index.
- Based on historical and projected data using QS Investors proprietary methodology,
 - The index screens for profitable companies that have the potential to pay relatively high sustainable dividend yields.
 - Yields of the remaining securities are then scored higher or lower based on the attractiveness of their price and earnings volatility.
 - The portfolio is constructed to have the highest scoring securities subject to concentration limits: no individual component of the Index will exceed 25% of the Index, no individual sector will exceed 25%, no country will exceed 15%, no individual geographic region will exceed 50%, and real estate investment trust (REITs) components as a whole will not exceed 15%.
- The Underlying Index's components are reconstituted annually and rebalanced quarterly.

Country allocation (%) as of Mar. 31, 2019

Taiwan	15.7	South Africa	2.0
China	14.6	Qatar	1.8
South Korea	12.2	Chile	1.7
Thailand	11.7	United States	0.8
Malaysia	10.1	Pakistan	0.8
Russia	8.9	Czechia	0.3
Brazil	5.1	Philippines	0.3
United Arab Emirates	5.1	Poland	0.3
India	4.8	Greece	0.2
Mexico	3.5	Hungary	0.1

Sector allocation (%) as of Mar. 31, 2019

Financials	20.9
Materials	15.3
Energy	13.9
Communication Services	12.0
Information Technology	8.9
Consumer Staples	7.3
Utilities	7.1
Consumer Discretionary	5.7
Industrials	3.7
Real Estate	3.6
Other	0.1
Cash	1.5

Fund Data as of Mar. 31, 2019

Symbol	LVHE
Listing Exchange	CBOE BZX
Expense Ratio (gross/net)	0.50/0.50
CUSIP	52468L604
IOPV / IIV ¹	LVHE.IV
Net Asset Value (NAV) ²	\$26.24
Market Price ²	\$26.35
Premium/Discount ³	4%
Net Assets	\$6.3M

Fund Benchmark	QS Emerging Markets Low Volatility High Dividend Hedged Index (NTR)
Fund Benchmark Ticker	LVHENR
Market Index	MSCI EM IMI Local (Net)
Market Index Ticker	MIMLEMРН
Fund Benchmark	
Rebalance Frequency	Quarterly
Inception Date	11/17/16
Fiscal Year End	Oct
Distribution Frequency, if any	Quarterly
Lipper Category	Emerging Markets Funds
Morningstar Category	Diversified Emerging Mkts

Statistics as of Mar. 31, 2019

Weighted Average Market Cap	\$36.0B
Price/book ratio ⁴	2.0
Harmonic P/E ratio (trailing 12 months) ⁵	10.9
Harmonic P/E ratio (forecasted 12 months) ⁶	10.7
Number of holdings	182
30-day SEC yield ⁷	4.12%

Market Capitalization (%) as of Mar. 31, 2019

Over \$50 billion	12.3
\$25-50 billion	20.1
\$10-25 billion	34.1
\$3-10 billion	21.5
\$0-3 billion	12.0

¹ The **Indicative Optimized Portfolio Value (IOPV)** represents the underlying basket of securities plus the cash component and it is updated every 15 seconds through the trading day.

² **Net Asset Value (NAV)** is total assets less total liabilities divided by the number of shares outstanding. **Market Price**, determined by supply and demand, is the price an investor purchases or sells the fund. The Market Price may differ from a fund's NAV.

³ Shareholders may pay more than net asset value when they buy Fund shares and receive less than net asset value when they sell those shares, because shares are bought and sold at current market prices.

⁴ The **price book ratio (P/B)** of a fund is the weighted average of the price book ratios of all stocks in a fund. The price-to-book (P/B) ratio is a stock's price divided by the stock's per share book value.

⁵ **Harmonic P/E ratio trailing 12 months:** The harmonic average is the inverse of the average of the inverse of each data point. In other words, it is the reciprocal of the average of the reciprocals. Data points with a value of zero and NA are excluded from the calculation. The price earnings ratio of a fund is the weighted average of the price earnings ratios of the stocks in a fund.

⁶ **Harmonic P/E ratio forecasted 12 months:** The harmonic average is the inverse of the average of the inverse of each data point. In other words, it is the reciprocal of the average of the reciprocals. Data points with a value of zero and NA are excluded from the calculation. **The P/E ratio** is arrived at by dividing the stock or share price by the earnings per share (profit after tax and interest divided by the number of ordinary shares in issue).

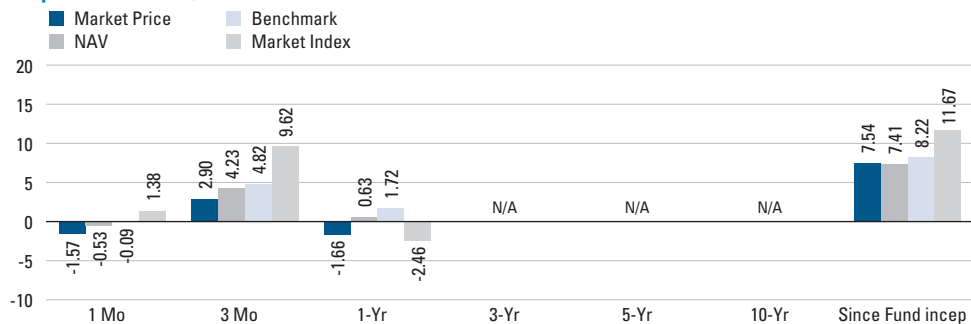
⁷ The **30-day SEC yield** is based on dividends accrued by the Fund's investments over a 30-day period, and not on the dividends paid by the fund, which may differ and are subject to change.

Percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security. Negative allocations and allocations in excess of 100% are primarily due to the Fund's unsettled trade activity.

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Average Annual Total Returns (%) as of Mar. 31, 2019

Inception Date: Nov. 17, 2016



Cumulative Total Returns (%) as of Mar. 31, 2019

	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Market Price	2.90	-0.59	11.87	-	-	-	-	-	-	-	-
NAV	4.23	-1.61	11.89	-	-	-	-	-	-	-	-
Benchmark	4.82	-0.77	11.88	-	-	-	-	-	-	-	-
Market Index	9.62	-10.52	29.99	-	-	-	-	-	-	-	-

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. Retail investors buy and sell shares of ETFs at market price (not NAV) in the secondary market throughout the trading day. These shares are not individually available for purchase or redemption directly from the ETF. Market price returns are typically based upon the mid-point between the bid and ask on the fund's principal trading market when the fund's NAV is determined, which is typically 4 pm eastern time (US). These returns will not represent your returns had you traded shares at other times. YTD is calculated from January 1 of the reporting year. For the most recent month-end information, please visit www.leggmason.com. Return figures for periods over one year are annualized. Effective April 30th, 2018 the fund changed its end-of-day market price calculation methodology. Subsequently, all prior periods have been restated as well. As a result, data shown using market price (including market price returns and premiums/discounts) may be higher or lower than previously shown.

Fund Benchmark and Index Methodology:

The **QS Emerging Markets Low Volatility High Dividend Hedged Index** (the "Index") is based on a proprietary methodology created and sponsored by QS Investors, LLC. The methodology calculates a composite "stable yield" score, with the yield of stocks with relatively higher price and/or earnings volatility adjusted downward and the yield of stocks with relatively lower price and/or earnings volatility adjusted upward. In addition, the "stable yield" score of stocks from countries with relatively high interest rates compared to the US is adjusted downward and the score of stocks with relatively low interest rates is adjusted upward, so as to reflect the implicit cost of currency hedging. The Index weights are then calculated to maximize its stable yield score subject to concentration limits, liquidity requirements and turnover restraints. The Index includes stocks with a high "stable yield" score, with weightings taking into account liquidity requirements and concentration limits on sector exposures, country exposures, and individual stock holdings. Process takes into account foreign withholding taxes on dividend payments to minimize their impact on distribution yield. Strategy uses local terms (currencies) to measure volatility. The components of the Underlying Index, and the degree to which these components represent certain sectors and geographies, may change over time.

Market Index:

MSCI EM IMI Local (Net)- The MSCI Emerging Markets IMI Local Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. "Local" in the MSCI Emerging Markets IMI Local index (Net) refers to a calculation approach. Please note an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

If you are neither a resident nor a citizen of the United States or if you are a non-U.S. entity, the ETF'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 which is available on the website www.leggmason.com. 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. For more information, please see the ETF's statement of additional information (SAI) which can be found on www.leggmason.com.

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.

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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. Please read it carefully.

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Portfolio management

Russell Shtern, CFA (industry since 1998) and Michael LaBella, CFA (industry since 2005) have been associated with the Fund since 2015, have leadership responsibility for the day-to-day management of the Fund and each is responsible for the strategic oversight of the Fund's investments. The managers are responsible for the strategic oversight of the fund's investments. Their focus is on portfolio structure, and they are primarily responsible for ensuring that the fund complies with its investment objective, guidelines and restrictions and current investment strategies. QS Investors is a quantitative asset manager that provides multi-asset class and global equity solutions built on a deeper understanding of investment and human dynamics. They believe quantitative investing provides a better framework to be more creative when solving for client challenges. Their approach unites the intellectual and academic precision of science, engineering, mathematics, finance and investment expertise with the power of data and technology in their quest to elevate the certainty of the outcomes they deliver.

Legg Mason's unique structure provides you with access to this specialized expertise. We offer a powerful portfolio of solutions through our independent investment management firms.

What should I know before investing?

The Fund is newly organized, with a limited history of operations. Equity securities are subject to price fluctuation and possible loss of principal. International investments are subject to special risks including currency fluctuations, social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. The Fund may focus its investments in certain industries, increasing their vulnerability to market volatility. There is no guarantee that a Fund will achieve a high degree of correlation to the index it seeks to track. The Fund does not seek to outperform the index it tracks, and does not seek temporary defensive positions when markets decline or appear overvalued. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. In rising markets, the value of large-cap stocks may not rise as much as that of smaller-cap stocks. Small- and mid-cap stocks involve greater risks and volatility than large cap stocks. Real estate investment trusts (REITs) are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small and mid-cap investments. Currency investing contains heightened risk that includes market, political, and regulatory conditions, and may not be suitable for all investors. Dividends are not guaranteed, and a company may reduce or eliminate its dividend at any time.

Distributions are not guaranteed and are subject to change.

Where can I find more information?

Online you'll find the most current performance data, commentary, prospectus and more information on each of our managers and products. Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, and summary prospectus, if available, at www.leggmason.com. Please read the prospectus carefully.