



LEGG MASON LOW VOLATILITY HIGH DIVIDEND ETF

Investment overview

The Legg Mason Low Volatility High Dividend ETF (LVHD) seeks to track the investment results of an underlying index composed of equity securities of U.S. companies with relatively high yield and low price and earnings volatility.

- LVHD may benefit investors who want income but are concerned about the volatility that can come from traditional equity income investments.

The QS Low Volatility High Dividend Index (the Index):

- The Index starts with the largest 3,000 U.S. stocks as determined by the Solactive U.S. Broad Market 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 of the highest scoring securities subject to concentration limits: no individual component of the Index will exceed 2.5%, no individual sector (as defined by QS) will exceed 25%, and real estate investment trust ("REIT") components as a whole will not exceed 15%. The number of component securities in the Index is anticipated to range from 50 to 100.
 - The Underlying Index's components are reconstituted annually and rebalanced quarterly.

Top 10 holdings (%) as of Sept. 30, 2020

United Parcel Service	3.5
Public Storage (PSA)	2.9
Eaton Corp PLC	2.7
Verizon Communications Inc.	2.6
Kimberly-Clark Co	2.5
DTE Energy Company	2.5
3M Co	2.5
The Coca-Cola Company	2.4
AbbVie, Inc.	2.4
PPL Corporation	2.4
Total	26.5

Sector allocation (%) as of Sept. 30, 2020

Utilities	17.3	Financials	6.5
Consumer Staples	17.0	Communication	6.3
Real Estate	16.1	Services	6.3
Health Care	11.8	Materials	2.4
Industrials	10.9	Consumer Discretionary	1.3
Information Technology	9.5	Cash	1.0

Market Capitalization (%) as of Sept. 30, 2020

Over \$50 billion	34.9
\$25-50 billion	22.1
\$10-25 billion	23.6
\$3-10 billion	15.6
\$0-3 billion	3.9

Fund Data as of Sept. 30, 2020

NASDAQ Symbol	LVHD
Listing Exchange	NASDAQ - XNMS
Expense Ratio (gross/net)	0.27/0.27
CUSIP	52468L406
IOPV / IIV ¹	LVHD.IV
Net Asset Value (NAV) ²	\$29.62
Market Price ²	\$29.55
Premium/Discount ³	-2%
Net Assets	\$694.5M
Fund Benchmark	QS Low Volatility High Dividend Index
Fund Benchmark Ticker	LVHDNR
Market Index	Russell 3000 Index
Market Index Ticker	RU30INTR
Fund Benchmark Rebalance Frequency	Quarterly
Inception Date	12/28/15
Fiscal Year End	Oct
Distribution Frequency, if any	Quarterly
Lipper Category	Multi-Cap Value Funds
Morningstar Category	Large Value

Statistics as of Sept. 30, 2020

Weighted Average Market Cap	\$66.8B
Price/book ratio ⁴	4.1
Harmonic P/E ratio (trailing 12 months) ⁵	18.0
Harmonic P/E ratio (forecasted 12 months) ⁶	16.5
Number of holdings	77
30-day SEC yield ⁷	3.82%

Risk statistics as of Sept. 30, 2020

	3-Yr	
	NAV	Mkt Index
Standard deviation (%)	15.45	18.44
Tracking error (%)	7.99	—
Beta	0.76	1.00
Sharpe ratio	0.14	0.60
Alpha	-6.01	—
R-squared	0.82	1.00
Information ratio	-1.12	—

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.

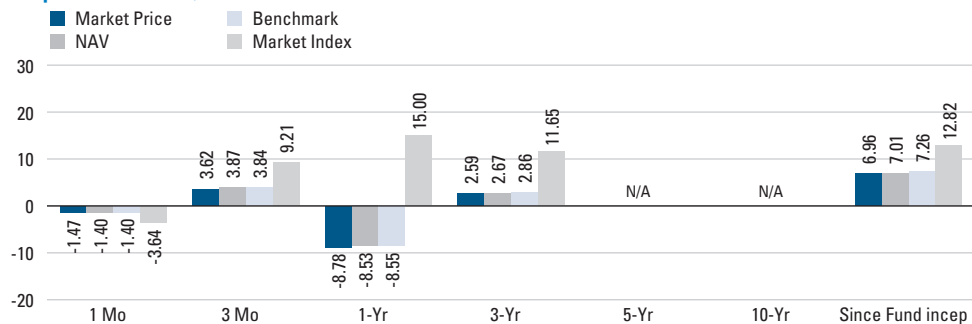
* Solactive US Broad Market Index is calculated and published by Solactive AG and is composed of 3,000 U.S. large-cap, mid-cap and small-cap US companies.

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 Sept. 30, 2020

Inception Date: Dec. 28, 2015



Cumulative Total Returns (%) as of Sept. 30, 2020

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Market Price	-11.45	22.57	-5.30	14.21	18.08	-	-	-	-	-	-
NAV	-11.24	22.57	-5.18	14.11	18.32	-	-	-	-	-	-
Benchmark	-11.30	22.93	-4.93	14.47	18.72	-	-	-	-	-	-
Market Index	5.41	31.02	-5.24	21.13	12.74	-	-	-	-	-	-

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. The NAV return is based on the NAV of the Fund and effective July 1, 2020, market price returns typically will be based upon the official closing price of the ETF's shares. Prior to July 1, 2020, market price returns generally were based upon the mid-point between the bid and ask on the Fund's principal trading market when the Fund's NAV was determined, which was typically 4:00 p.m. Eastern time (US). Market price performance reported for periods prior to July 1, 2020 will continue to reflect market prices calculated based upon the mid-point between the bid and ask on the Fund's principal trading market typically as of 4:00 p.m. Eastern time (US). These returns do not represent investors' returns had they traded shares at other times. Performance figures for periods shorter than one year represent cumulative figures and are not annualized. 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.

Fund Benchmark and Index Methodology:

The **QS Low Volatility High Dividend Index** (the "Index") is based on a proprietary methodology created and sponsored by QS Investors, LLC (QS), the sub-adviser. The methodology calculates a composite "stable yield" score, with the yield of stocks with relatively high price and earnings volatility adjusted downward and the yield of stocks with relatively low price and earnings volatility adjusted upward. The composition of the Index after annual reconstitution and rebalancing may fluctuate and exceed the aforementioned limits due to market movements. The components of the Underlying Index, and the degree to which these components represent certain sectors and industries, may change over time.

Market Index: The **Russell 3000 Index** is an unmanaged index of the 3,000 largest U.S. companies. Please note that an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark. **R-squared** measures the strength of the linear relationship between the Fund and its benchmark. R Squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe ratio** is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. **Standard deviation** measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk. **Alpha** measures performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. **Tracking Error** is the dispersal of differences between the returns obtained by the Fund and the benchmark variation. **Information Ratio** is the ratio of annualized expected residual return to residual risk.

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.

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), Michael LaBella, CFA (industry since 2005) and Michael Ripper, CFA, UK (industry since 1988) 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.

What should I know before investing?

Equity securities are subject to price fluctuation and possible loss of principal. Dividends are not guaranteed, and a company may reduce or eliminate its dividend at any time. In rising markets, the value of large-cap stocks may not rise as much as smaller-cap stocks. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The Fund may focus its investments in certain industries, increasing its vulnerability to market volatility. There is no guarantee that the 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. **Distributions are not guaranteed and are subject to change.** 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.

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.

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