

## News Release

### For Immediate Release

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### **Growth Opportunities in U.S. Can be Found Outside Benchmarks**

*Active Managers' Focus on Revenues, Earnings and Cash Flow can Deliver Increased Value in Diverse Sectors*

**New York, May 15, 2017** - Two portfolio managers of the ClearBridge All Cap Growth ETF believe that investing in U.S. growth stocks – without the limitations of traditional benchmarks – can help investors achieve solid results over market cap weighted passive products.

“Looking at it longer-term, and trying to have a relatively broad definition of growth, has helped us find opportunities that are a little bit different from the index,” explained Margaret Vitrano, who co-manages the ClearBridge large cap growth and all cap growth strategies, “and hopefully add value.”

“I think there are a lot of different definitions of growth,” she said. “And if you ask me what constitutes a growth stock, it can mean terrific, outsized revenue growth [but] it can also mean a company going from earnings of less than two dollars a share to something 2 or 3 times that amount. That's still good growth to us, and I think that can really add value in a portfolio.”

“We're not benchmark-centric at ClearBridge Investments,” agreed Evan Bauman, co-manager of the firm's multi cap growth, and all cap growth strategies. “By design, the goal [is] to get right the names that we do own, looking for durable businesses that can generate a solid amount of cash. So, software and storage – even energy, which at times looks really interesting because valuations can get so inexpensive.”

To Mr. Bauman and the ClearBridge team, the focus is less about what sectors they own or others might own, and more about finding areas of growth.

“In principle, we'll go anywhere,” he said. “We worry less about sector over- and under-weights, about certain relative exposures, and more about finding well-positioned, well-run, long-term-growth businesses where managements are really well trained in capital allocation.”

“Today we have health care, media, tech and energy – those are kind of the four key areas. But [it] doesn't mean we can't find a stock in another sector.”

Ms. Vitrano pointed to the media space, especially in programming assets, which have pricing power and generate a significant amount of cash flow.

“I think they're in an area that's going to go through a substantial amount of consolidation the way you've seen in some of the distributors within the media space,” she noted.

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Mr. Bauman and Ms. Vitrano also see opportunities in energy, with U.S. production and rig counts rising, supported by the price of oil recently trading in the \$50 to \$60 per barrel range.

“We tested the lows in the market and in that sector in February,” Mr. Bauman reported. “But you’ve experienced a rally since then. It’s important to focus on top-tier, quality assets, good management teams, and particularly in an industry like that, good balance sheets, to identify companies that can survive and in some cases, thrive through a downturn.”

“Right now where we’re seeing opportunity is in the service space, in the drilling space, the equipment space, where you have the potential for a pretty sizable move higher in some of these equities, simply because you have years’ worth of investment that still has to be made.”

“Both of us are finding opportunity in energy,” Ms. Vitrano concurred. “It’s not because either of us have any great insight as to where oil prices will be next week or next month. It’s really about the longer term and thinking on a global basis.”

“What’s the cost of extracting a barrel of oil from the ground?” she asked. “That price is higher than the current price ... Unless we have a global economic slowdown, we should consistently march towards that over the next couple years.”

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### 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, San Francisco and Wilmington.

### 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).

**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. In addition to investments in large-capitalization companies, investments may be made in speculative and/or small-cap and mid-cap companies which involve a higher degree of risk and volatility than investments in larger, more established companies. 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. 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](#).

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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.

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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/etf](http://www.leggmason.com/etf). Please read it carefully.***

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