

For Immediate Release

Alison Merrigan - 0207 070 7379
amerrigan@leggmason.com

MRM

Andrew Appleyard / Chris Duncan - 0203 326 9900
andrew.appleyard@mrm-london.com
chris.duncan@mrm-london.com

Legg Mason US Equity Income Fund launches

London – 18 October, 2011. Legg Mason Global Asset Management is pleased to announce the launch of the Legg Mason US Equity Income Fund, a UK ICVC sub fund designed to exploit the growing propensity of US companies to pay and raise dividends.

The fund, managed by ClearBridge Advisors, Legg Mason's largest US equity subsidiary with \$58bn under management, aims to generate sustainable income by investing in high quality companies that are currently paying an attractive dividend yield and have the capacity to grow their income stream over time.

Managed by Hersh Cohen, ClearBridge CIO, Michael Clarfeld, managing director and portfolio manager, and, Peter Vanderlee, managing director and portfolio manager, the fund will be closely aligned with the \$4bn US Equity Income Builder strategy managed by the team.

The UK fund is expected to have similar holdings. Among the current top ten holdings of the US Equity Income Builder strategy are Proctor & Gamble, which has raised its dividend for 55 consecutive years, with rates rising 11.3% per year over the past five years; Kimberley-Clark, currently yielding 4.2%, which has raised its dividend every year since 1972; and Microsoft, a more recent dividend payer whose last dividend increase stood at 25%.

Other major portfolio positions include H.J Heinz, currently paying a dividend of 3.6%, and National Grid, which is paying an annual dividend of 6.8%.

The fund, which will distribute dividends on a quarterly basis, targets a yield of 100-150 bps over its benchmark, the Russell 3000 Value Index. Share classes will be available hedged to sterling. The annual management charge is 1.5%.

Commenting on the launch, Adam Gent, Head of UK Sales at Legg Mason, says: “The ClearBridge team has enjoyed notable success in its domestic market for many years and we are pleased to offer its leading US equity income strategy to UK investors for the first time.

“While the strategy invests in many household names that have been raising dividends for decades, it also seeks to exploit the increasing inclination of large US firms in general to reward shareholders via dividends as opposed to other means, such as share buy-backs. With 76m baby boomers about to retire – and institutional investors like pension funds switching in greater numbers to dividend strategies – we believe we are at the start of a long trend that will see the US market become a fertile hunting ground for income investors.

“With both income and inflation protection likely to be key themes for UK and US investors for many years to come, we believe this fund offers a compelling combination of attractive yield, diversification and experienced on-the-ground management.”

- Ends -

Notes to editors

About Legg Mason Global Asset Management

Legg Mason is a global asset management firm with assets under management of \$612 billion as of September 30, 2011. The Company provides active asset management in many major investment centres throughout the world. Legg Mason is headquartered in Baltimore, Maryland, and its common stock is listed on the New York Stock Exchange (symbol: LM).

About ClearBridge Advisors

ClearBridge Advisors is Legg Mason's largest equity manager with approximately \$58.1 billion in assets under management, as of June 30, 2011. Led by the insight of proprietary, fundamental research and a team of Portfolio Managers with an average of 23 years of investment industry experience, the firm's investment process provides clients with a diverse menu of equity-focused strategies in a number of investment vehicles and personalised, value-added client service.

www.leggmason.co.uk

This document does not constitute an invitation to invest. The value of investments and the income from them can go down as well as up and investors may not get back the amounts originally invested. Fluctuations in exchange rates can affect the value of the Fund and the income from it. This article is for use by Press only and it is not aimed at, or for use by, Retail Clients.

This information has been prepared from sources believed reliable but is not guaranteed by Legg Mason Investments (Europe) Limited and is not a complete summary or statement of all available data. Individual securities mentioned are intended as examples of portfolio holdings and are not intended as

buy or sell recommendations. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors.

The Legg Mason US Equity Income Fund is a sub-fund of Legg Mason ICVC, an umbrella fund established an investment company with variable capital, and is authorised in the UK by the Financial Services Authority as an undertaking for collective investment in transferable securities. The Legg Mason US Equity Income Fund invests in companies concentrated solely within a single country. This means that it is subject to all risks of that country's/region's equity market environment and as a result these Funds carry more risk than other funds that diversify their investments across a broad range of countries/regions. This concentration can lead to increased volatility in the Fund's share price. For the Legg Mason US Equity Income Fund the annual management charge is levied against capital. Therefore, the capital growth of the Fund may be adversely affected. Details of how management charges are levied are explained in the section on Fees and Expenses in the Prospectus.

This Fund is offered solely to non-US investors under the terms and conditions of the Fund's current prospectus - please refer to the Simplified Prospectus and Prospectus documentation, which describe the full risk factors associated with this Fund. Issued and approved by Legg Mason Investments (Europe) Limited, registered office 201 Bishopsgate, London, EC2M 3AB. Registered in England and Wales, Company No. 1732037. Authorised and regulated by the Financial Services Authority. Client Services 0207 070 7444