

Media Release

2 August 2019

Martin Currie achieves top ESG rating for third year in a row

PRI awards A+ ratings for its responsible investment activities

For the third year running, the Principles for Responsible Investment (PRI) has awarded Martin Currie, a Legg Mason affiliate, an A+ (highest performance band) in all three of its top-level categories: 'Strategy and Governance', 'Incorporation' and 'Active Ownership'. This moves Martin Currie in the top quartile of the investment manager peer group for all aspects of the assessment.

David Sheasby, Head of Stewardship and ESG Martin Currie, said: "We firmly believe in working towards a more sustainable investment environment that can better deliver long-term value creation for our clients. And for us, retaining our A+ PRI rating for a third-year running is clear evidence of stewardship being an integral part of our client proposition. Our firm-wide commitment to stewardship and differentiated approach to ESG were vital to achieving the top ratings in each category.

"During 2018 we have expanded our ESG investor 'toolkit' by launching the ESG knowledge hub, an online directory of all our ESG resources. In addition, we have created two further proprietary tools: a portfolio dashboard to provide a high-level ESG profile of each strategy based on MSCI ESG data and a framework for critically assessing aspects of corporate governance.

"We have also continued to place significant emphasis on collaborating towards global standards of sustainability best practice. As committed advocates of a unified approach to the treatment and inclusion of ESG disclosure and reporting, we have worked with various policy makers and standard setters in 2018 to help implement industry change," said Mr Sheasby.

Andy Sowerby, Legg Mason country head Australia and New Zealand noted: "Since becoming a full signatory to the United Nations sponsored PRI over a decade ago, Martin Currie has consistently proven to be a leader in this field. To underscore this, for the past three years, their ESG strategic positioning, governance processes and engagement activities have all been recognised as amongst the very best in the asset management industry. Investors in the Legg Mason Martin Currie range of funds benefit fully from this expertise which further helps us identify the best investment opportunities for client portfolios."

Key points:

Strategy and Governance: A+

We firmly believe in strong internal policies, goals and transparency around our ESG activities; and in promoting best practice with peers, clients and policymakers. Living the values through the responsible management of our business is a critical aspect of this.

Incorporation: A+

ESG analysis is fully embedded in our investment process, forming an integral part of the assessment of risks and opportunities, alongside traditional financial considerations. This is implemented directly

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by the portfolio managers, with oversight from our Head of Stewardship and ESG – an industry-leading expert.

Active Ownership: A+

As stewards of our clients' capital, we take active ownership very seriously and will engage with companies when we have identified material ESG issues. During 2018, we maintained our significant involvement in ongoing PRI-led collaborative engagements on corporate taxation and cybersecurity; we also began the second round of collaborative engagement on water in the agricultural supply chain. Overall, we participated in 8 collaborative engagement initiatives and 329 private ones.

The PRI Transparency Report for Martin Currie and PRI Assessment Methodology are available to download from www.unpri.org.

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About Legg Mason

Guided by a mission of 'Investing to Improve Lives™', Legg Mason helps investors globally achieve better financial outcomes by expanding choice across investment strategies, vehicles and investor access through independent investment managers with diverse expertise in equity, fixed income, alternative and liquidity investments. Legg Mason's assets under management are A\$1.1 trillion as at 30 June 2019.

Legg Mason provides centralised business and distribution support for its nine affiliated fund managers that include: Brandywine Global, Clarion Partners, ClearBridge, EntrustPermal, Martin Currie, RARE Infrastructure, Royce & Associates, QS Investors and Western Asset. Each affiliate operates independently under its own brand and investment process and is considered an industry expert in its asset class.

Australia Facts:

- Legg Mason's Australian business was established in 1954
- Assets Under Management (AUM) in Australia are A\$57 billion as at 31 March 2019 (Source: Rainmaker Data. Consists of AUM managed in Australia for Australian and offshore investors and AUM managed offshore for Australian investors)
- Legg Mason Australia was awarded the Money Management/Lonsec Fund Manager of the Year in 2015, 2017 and 2018.

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