

E I N C



BetaShares Legg Mason Equity Income Fund (managed fund)

HIGH INCOME THAT GROWS WITH YOU

ASX: EINC

SEPT 2018

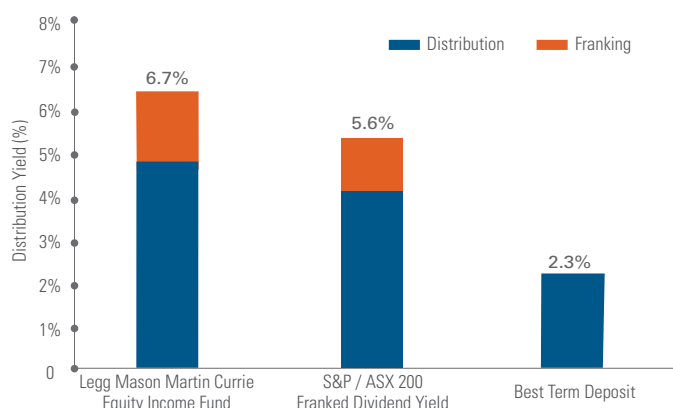
EINC: DELIVERING A GROWING INCOME STREAM

The BetaShares Legg Mason Equity Income Fund (managed fund) (ASX Code: EINC) is an Active ETF that is managed with the proven investment expertise of active equity specialist, Martin Currie Australia.

A high and growing income

EINC invests in Australian companies that have high-quality business models and solid track records of paying dividends through the business cycle. EINC aims to provide investors with the benefits of high, growing income and franking credits combined with the potential for less risk than the overall sharemarket.

Comparable Equity Income Strategy -
Distribution yield comparison (before fees) 12 months to Sept 2018*



Source: Martin Currie Australia as at 30 September 2018, RBA Bank's term deposits (\$10,000), average special rate (all terms). *As EINC commenced in February 2018, no past performance or yield data is currently available. The performance of the unlisted Legg Mason Martin Currie Equity Income Fund is shown above to illustrate how a comparable fund managed by Martin Currie Australia using the same strategy has performed in the past. Excludes net realised capital gains. Historic performance of the unlisted fund is not a reliable indicator of the performance of EINC.



Yield forecast is calculated using the weighted average of broker consensus forecasts of each portfolio holding and research conducted by Legg Mason Australia, and excludes the fund's fees and costs. Franking credit benefit is based on the fund distribution and assumes a zero tax rate. It is not to be interpreted as the offset achieved by unitholders during this period. Actual yield of EINC may differ due to various factors, including changes in the prices of the underlying securities and the number of units on issue. Neither the yield forecast nor past performance is a guarantee of future results. Not all investors will be able to benefit from the full value of franking credits.

WHAT IS AN ACTIVE ETF?

Active ETFs are actively managed investment funds that trade on the Australian stock exchange (ASX). The BetaShares Legg Mason Active ETF series allows investors to easily access Legg Mason's highly acclaimed and successful investment strategies via a simple ASX trade.

Active ETFs have the same legal structure as traditional unlisted managed funds, while additionally providing live intra-day pricing and liquidity. Investors can buy and sell Active ETFs via any stockbroker or online broker as they would a share. This provides administrative ease as there is no extra paperwork required to invest.

FOUR REASONS TO INVEST IN EINC

1 EINC can grow your income stream

Not all income products are capable of growing their income streams. Some attempt to increase income by drawing on capital, but this reduces the base on which future income can be generated. Others, like term deposits, have their income rise and fall based on the interest rate cycle, and may also require investors to lock away their capital for extended periods.

Genuine growth in income really matters as it can help maintain an investor's overall standard of living through retirement. Without such growth, the value of each dollar of income will be eroded in real terms by inflation.

EINC provides:

- A focus on companies with dividends which Martin Currie believes are sustainable and can grow over time.
- Active management, and the selection of companies Martin Currie believes have the quality and potential for long-term income growth.
- A natural bias to companies which Martin Currie believes match consumer spending patterns. This may provide a natural inflation hedge.

2 Lower volatility than the sharemarket

EINC aims to deliver lower volatility than the S&P/ASX 200 over time through active stock selection and relatively lower single stock and sector concentration.

3 Active stock selection

EINC focuses only on companies that can demonstrate a high quality business model that can generate cash for shareholders. Generally, companies that have solid earnings can sustain dividend pay-outs and are likely to be less volatile than other stocks.

4 Simple investment strategy, tax efficient

EINC uses a simple investment strategy – investing only in high quality Australian shares. It does not employ the use of any derivatives to generate income. EINC’s methodology optimises for after-tax income, and aims at maximising franking credits for investors.

MARTIN CURRIE, THE INVESTMENT MANAGER

EINC is managed by wholly owned Legg Mason investment affiliate, Martin Currie Australia. Martin Currie is a global active equity specialist, crafting high-conviction portfolios, which aim to deliver attractive and consistent risk-adjusted returns for clients. Founded in 1881, the company has a long history in funds management with \$23.5 billion* managed globally. Martin Currie has a significant presence in Australia dating back to 1954, through Martin Currie Australia. In Australia, Martin Currie are multiple award winners for both investment performance and product innovation. Martin Currie Australia’s success is built upon a fundamental research process and strong portfolio construction disciplines that are combined with the aim of delivering superior investment outcomes for investors.

*As at 30 September 2018.

EINC’S ROLE IN AN INVESTOR’S PORTFOLIO

Income investors currently face a unique real-world problem. Record low deposit rates, low bond yields, low growth, the risk of rising inflation and rising life expectancy bring a new set of challenges that question many traditional investment solutions.

Term deposits were always assumed to be an attractive source of income, but in recent years, when judged on the income provided, investors in these products have seen a material reduction in dollars paid into their bank accounts. EINC aims to maximise after-tax income and generate income growth to meet the changing needs of Australian investors.

EINC seeks to provide a sustainable, growing and real (after inflation) income stream over time. The Fund may also be suitable for Self-Managed Super Funds (SMSFs) that wish to complement direct holdings with a diversified income orientated Active ETF.



Reece Birtles
Chief Investment Officer,
Martin Currie Australia

“Despite more Australians retiring there are few investment funds specifically designed to meet retiree needs: high tax-effective income, growth in dollar distributions and reasonably low capital volatility. Most Australian equity funds are designed for wealth accumulators, not retirees. EINC has been created to help solve these problems.”

ABOUT BETASHARES & LEGG MASON

BetaShares is one of Australia's leading and most innovative managers of exchange traded funds with over \$6 billion[^] in assets under management and the broadest range of exchange traded solutions available on the market.

Legg Mason manages A\$1 trillion[#] globally and is one of the world's largest and most experienced asset managers operating a highly differentiated business that owns nine independent specialist investment affiliates spanning all major asset classes, including Martin Currie, the investment manager of EINC.

[^]As at 31 October 2018.

[#]As at 30 September 2018.

EINC - KEY CHARACTERISTICS

Inception date	13 February 2018
Investment objective	To provide an after-tax income yield above the S&P/ASX 200 Index and to grow this income above the rate of inflation.
Management costs	0.85% p.a.
Investment universe	Australian listed shares
Number of securities	40-60

CONTACT US FOR MORE INFORMATION ON BETASHARES LEGG MASON ACTIVE ETFs

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There are risks associated with an investment in the Fund, including market risk, individual security risk and market making risk. For more information on risks and other features of the Fund please see the Product Disclosure Statement.

www.betashares.com.au/leggmason4letters

BetaShares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (BetaShares) is the issuer and responsible entity of the BetaShares Legg Mason Equity Income Fund (managed fund) (ARSN 621 856 406) (Fund). BetaShares has appointed Legg Mason Asset Management Australia Ltd (ABN 76 004 835 849 AFSL 240827) (Legg Mason Australia) as investment manager for the Fund. Legg Mason Australia is part of the Global Legg Mason Inc. group. Martin Currie Australia, a division within Legg Mason Australia, provides the investment management services for the Fund. Any reference to 'Legg Mason Australia' or 'Martin Currie Australia' is a reference to Legg Mason Asset Management Australia Limited. Before making an investment decision you should read the Product Disclosure Statement (PDS) for the Fund carefully and consider, with or without the assistance of a financial advisor, whether such an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. The PDS is available and can be obtained by contacting BetaShares on 1300 487 577 or Legg Mason Australia on 1800 679 541 or at www.betashares.com.au or www.leggmason.com.au. This information does not take into account the investment objectives, financial objectives or particular needs of any particular person. Neither BetaShares, Legg Mason Australia, nor any of their related parties guarantees any performance or the return of capital invested. Past performance is not necessarily indicative of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.