

press release

29 November 2011

Fund in Focus: Legg Mason US Smaller Companies fund

Andy Parsons, head of investment research at The Share Centre, explores the benefits of investing in small to medium cap US companies as well as the blue chips.

“History has taught us that whenever an economy and stock market suffer, it is generally the small and mid-cap companies that produce the biggest losses. However, the reverse is also true when the recovery starts with mid and smaller caps generally benefiting from the biggest rises.

“For many US companies the outlook for 2012 is one of caution as consumers continue to tighten the purse strings. However, investors prepared to venture away from traditional core blue chip style funds and move down the market cap scale to focus on small to mid cap companies, the potential rewards may be greater.

“For many investors, their portfolios are likely to include some US exposure, however this predominantly tends to be from funds that invest in large mega cap organisations such as Apple, Google, Microsoft and Exxon. The Legg Mason US Smaller Companies fund however, offers investors exposure to companies much further down the market cap spectrum. We advise investors seek to invest in a blend of funds that offer exposure to the traditional big core blue chip funds as well as the small to mid cap arena.

“The fund is managed by wholly-owned subsidiary Royce & Associates, one of the largest and oldest small cap managers in the US, with almost 40 years' experience in the asset class.

“This fund invests in a focused portfolio of approximately 100 companies. The manager seeks to purchase companies trading at discounts of at least 30% and preferably 50% to the investment manager's estimate of their worth as businesses. Approximately 35% of company revenues are from

outside the US. The fund benefits from a consistently applied investment approach together with the strength and experience of the team.

“Investors looking at this area need to be fully aware of certain risks. The underlying investments will primarily be focused on smaller companies and in this case generally those with a market cap between \$500m and \$5bn. However, investors should be aware that the US market is on a very different scale from that of the UK in terms of market cap. In addition, exposure to just one geographical region will in itself mean a currency risk needs to be factored in.”

---Ends---

Note to editors:

About The Share Centre's Platinum 120 range:

The Share Centre launched its Platinum 120 funds range in June 2009 in order to help investors identify the funds with the best long-term prospects and strong management. Customers who invest in a Platinum 120 fund will benefit from no purchase commission on all funds and no initial charge on almost 90%. Please visit www.share.com/p120 to view the full Platinum 120 range. Please be aware this may require registration.

Notes to editors:

New! The Share Centre is now on Facebook and Twitter.



Join us on Facebook



Follow us on Twitter

To view all our press releases and more from our investment advisers please go to blog.share.com

For further information please contact:

The Share Centre

Stephanie Reynolds

PR Manager

01296 439 256

Stephanie.reynolds@share.co.uk

Rebecca Kempself

PR Executive

01296 439 426

Rebecca.kempself@share.co.uk

Lansons Communications

Chantal Heckford / Lisa Grando / Sarah Waterson

0207 294 3630 / 0207 294 3669 / 0207 294 3649

Chantalh@lansons.com / Lisag@lansons.com / SarahW@lansons.com

Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.