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Legg Mason adds 17 to global fund range

The funds were inherited after a merger with Citigroup's asset management arm

product range

Legg Mason has consolidated 17 products into its offshore global range, having inherited them when it bought Citigroup's asset management arm.

The funds, formally run by Salomon Brothers Global Horizons, were passed to the asset house in 2005, and are now to be managed by the Legg Mason investment subsidiaries.

As a result of the merger, the Legg Mason Global funds now also includes sub-funds managed by US-based equity house ClearBridge Advisors.

This team, which focuses on bottom-up stock picking and selects companies with strong risk-adjusted returns, has seen seven of the Salomon Brothers funds feed into existing vehicles.

These included the European and US Growth portfolios, a US and an international large cap fund and two value funds.

Royce & Associates received Salomon Brothers' US Small Cap Growth Opportunities fund, while the rest, a variety of bond funds, were given to Western Asset Management.

Terence Johnson, managing director of international distribution for Legg Mason, said: "We are excited about the expansion of our flagship fund range, alongside the development of our on-the-ground presence."

He highlighted the international presence of Legg Mason - which has offices in cities in Europe, the US and Asia - as a strong factor in the group's asset management skills.

"The Legg Mason business model enables us to bring something special to our clients. The structure is like a family of specialists, with the added strength of a large parent company," he said.

Mr Johnson added: "We are focused on building relationships with third-party distributors - such as top-end investment intermediaries, asset managers, fund of fund managers, private banks and the global distribution platforms - and providing them with a superior product offering through our range of mutual funds."

However, Keith Churchouse, director of Guildford-based IFA Churchouse, was less enthusiastic. He said: "Legg Mason's US Equity fund only has a two star S&P rating, and my experience of the group has not been strong in recent times, so they certainly have some work to do.

"The changes they are making are possibly in response to their average performance," he added.

As well as this, the firm's house view of the US was highly cautious, said Mr Churchouse. "Our concern with regards to the US is that the underlying economy - particularly smaller companies - is not thriving as well as the US would like you to think. We generally try to avoid that particular area, so the portfolios we have been constructing in the last 12 months have really been trying to stay away from the US."

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