

ClearBridge

ClearBridge Value Fund

Class C: LMVTX Class A: LGVAX

Commentary | as of September 30, 2025

Key Takeaways

- Markets: U.S. stocks kept their momentum going in the third quarter, with the S&P 500 Index and tech-heavy Nasdaq Composite setting fresh records. Confidence improved as tariffs landed better than feared, Congress passed the One Big Beautiful Bill Act in July, and the Federal Reserve delivered a 25 bps cut in September while signaling more to come. Strong earnings from mega caps in communication services, information technology (IT) and consumer discretionary sectors added fuel to the rally.
- Contributors: Holdings in Newmont, UCB and Talen Energy. Stock selection in health care and IT sectors, underweight to consumer staples.
- Detractors: Holdings in Charter Communications, Novo Nordisk and Corebridge Financial. Stock selection in the financials, communication services and materials sectors.
- Outlook: The U.S. economy and market are increasingly being led by investment rather than consumption a
 structural shift that we believe will persist for many years, albeit with high levels of volatility. Consistent with this framing,
 we remain very underweight consumption-driven areas, especially the consumer discretionary sector.

Performance Review

- The Fund underperformed its Russell 1000 Value Index benchmark in a subdued period for value stocks, which delivered steady but unremarkable returns amid persistent growth leadership.
- Stock selection within the health care sector was the greatest contributor to relative performance and included three of our
 top five contributors: UCB, Argenx and Elanco Animal Health. Neurology and immunology disease treatment company UCB
 was bolstered by renewed confidence in its leading product as a key rival drug reported inferior efficacy results; autoimmune
 disease treatment company Argenx continued to see strong uptake of its myasthenia gravis and chronic inflammatory
 demyelinating polyneuropathy treatments; and Elanco raised its full-year guidance and expectations for margin expansion
 thanks to new product drivers and innovation.
- However, health care performance was tempered by our holding in Novo Nordisk, whose shares declined following
 management's lowering of full-year guidance; it cited weaker U.S. sales driven by increased competition and continued
 availability of compounded Wegovy. Combined with an unexpected management transition at a critical junction for the
 company, we exited the position in favor of more compelling opportunities.
- Stock selection in the financials sector was the leading detractor from returns, largely due to declines in holdings Corebridge
 Financial and Fiserv. Despite solid second-quarter earnings driven by better-than-expected spreads and stronger variable
 investment income, retirement solutions and insurance products company Corebridge came under pressure after an
 announced secondary offering for 30 million shares by parent company AIG. Payments and fintech company Fiserv declined
 due to softer-than-expected earnings, margin pressures and a reduction in full-year guidance tied to weaker consumer
 spending and slower merchant activity.
- Newmont (NEM), in the materials sector, engages in the production and exploration of gold properties, as well as the
 exploration for copper, silver, zinc, lead, and other metals. The company's stock rose as gold prices climbed, its divestment of
 non-core assets unlocked cash, and stronger free cash flow and balance sheet improvements bolstered investor confidence.
- Talen Energy (TLN), in the utilities sector, is an independent power producer primarily serving the Pennsylvania-New Jersey-Maryland region. The company's share price rose following the announcement of a power purchase agreement with Amazon, largely seen as supportive of Talen's nuclear strategy, and announced plans to acquire two gas power plants that are expected to further bolster the company's market position and free cash flow.
- Charter Communications (CHTR), in the communication services sector, operates as a broadband connectivity and cable
 operator company serving residential and commercial customers. Despite some positive catalysts including strong mobile
 line additions and improving video losses- the company's shares came under pressure following disappointing broadband
 subscriber trends and investor skepticism over Charter's pending merger with Cox Communications.
- One of the largest new positions during the quarter was online retailer, advertising and cloud services provider Amazon.com, in the consumer discretionary sector. We believe the company is trading at an absolute valuation discount given its positioning as a potential Al beneficiary. Given the company's fortress-like balance sheet, likely expansion of its commercial presence in Al cloud, and expected acceleration in FCF generation despite Al investment, we believe that the company represents an attractively valued and compelling opportunity to get further exposure to strong secular Al tailwinds.
- Also in the consumer discretionary sector, we exited our position in online travel company Expedia, capturing profits after its
 relatively strong run-up and on increasing concerns about how the development and buildout of Al travel agents could pose
 a medium- to long-term threat to Expedia's business model.

Outlook

- Capital flows are dominating today's markets. With inelastic buyers distorting risk signals, valuation discipline and resilient
 diversification is essential to harness long-term potential while avoiding manufactured risks. Valuation-wise, we are still
 finding stocks with free cash flow yields in the high single to low double digits a powerful compounding advantage with
 indexes selling well below 3% free cash flow (FCF) yields. We are finding these where the potential valuation energy is the
 greatest, including bond proxies, especially within health care, that have fallen out of favor as the market arced from extreme
 fear to greed. We are also finding attractive FCF yields in the material and energy sectors, which are cheap hedges against
 inflation and other mounting policy risks.
- On the diversification side, one of the most robust ways to diversify a portfolio is to mix the potential energy of value with

Top Holdings (% of Total)

Holding	Fund
Bank Of America Corp	3.6
Alphabet Inc. Class A	3.1
Johnson & Johnson	2.8
Amazon.Com, Inc.	2.5
Chevron Corp	2.3
The Walt Disney Company	2.3
EQT Corp.	2.30
CVS Health	2.1
Siemens AG	2.0
Corebridge Financial Inc	2.0

positive momentum, or kinetic energy. The greatest area of kinetic portfolio diversification is in Al and related infrastructure, where we have reduced our exposure where price and value have converged the most, but still maintain a sizeable active bet. The U.S. economy and market are increasingly being led by investment rather than consumption — a structural shift that we believe will persist for many years, albeit with high levels of volatility. Consistent with this framing, we remain very underweight consumption-driven areas, especially the consumer discretionary sector.

- Persistent investment edge in active management requires being different. We are increasingly different in our absolute valuation discipline and how we put portfolios together. We think very
 few portfolios combine the kind of robust mix of potential value energy with kinetic momentum energy that we have, resulting in a portfolio selling well below its respective index on valuation
 but with much higher expected growth. We also have a compounding advantage by diversifying across time scales.
- While capital flows are the dominant driver of markets over the short- to intermediate-term, valuation remains the dominant long-term signal in driving returns. Given the current level of risk chasing in markets, we think an absolute value lens is our greatest diversifier and edge.

Average annual total returns and fund expenses (%) - as of September 30, 2025

			Without Sales Charge						With Maximum Sales Charge							Expenses		Sales Charges		Inception	
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Мо	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Class C	524686615	LMVTX	3.91	6.59	5.84	17.58	16.50	10.95	11.34	2.96	5.64	4.92	17.58	16.50	10.95	11.34	1.76	1.74	_	0.95	4/16/1982
Class A	524686623	LGVAX	4.08	7.14	6.58	18.42	17.32	11.73	13.17	-1.64	1.25	0.71	16.21	15.95	11.07	12.76	1.04	1.01	5.50	_	2/2/2009
Benchmark	_	_	5.33	11.65	9.44	16.96	13.88	10.72	_	5.33	11.65	9.44	16.96	13.88	10.72	_	_	_	_	_	_

Benchmark(s)

Benchmark = Russell 1000 Value Index

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

Maximum sales charges have been updated as of August 15, 2022, please refer the Fund's prospectus for more information.

What are the Risks?

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. The investment style may become out of favor, which may have a negative impact on performance. Large-capitalization companies may fall out of favor with investors based on market and economic conditions. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. The manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Glossary

Free cash flow (FCF) is a measure of financial performance calculated as operating cash flow minus capital expenditures.

The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © S&P Dow Jones Indices LLC. All rights reserved. A **basis point (bp, or bps)** is one one-hundredth of one percent (1/100% or 0.01%).

Important Information

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE.

Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.

