FRANKLIN TEMPLETON | ClearBridge

ClearBridge Value Fund

Class C: LMVTX Class A: LGVAX **Commentary | as of September 30, 2026**

Key Takeaways

- **Markets:** U.S. equities posted third-quarter gains as value extended its year-to-date advantage over growth. The Russell 1000 Value Index returned 2.6%, versus 0.9% for the Russell 1000 Growth Index. Leadership rotated: July's momentum selloff unwound crowded AI positions and favored value, while growth recovered in August and September on strong earnings and AI-investment optimism. Conflict with Iran drove oil prices higher, while the Federal Reserve's first interest rate hike since 2023 and Treasury yields pressured rate-sensitive stocks.
- **Contributors:** On an individual stock basis, the largest contributors to relative returns were ConocoPhillips, Newmont, Chevron and Intercontinental Exchange, as well as not owning Intel. Stock selection in materials, consumer discretionary and financials, an overweight to energy and a lack of exposure to real estate contributed to performance.
- **Detractors**: The largest detractors from relative returns were Contemporary Amperex Technology, Talen Energy and FedEx Freight, as well as underweights to Microsoft and AppleStock selection in health care, information technology (IT), energy, consumer staples and communication services, and an underweight to the IT sector, weighed on relative results.
- **Outlook**: The July unwind of AI momentum trades, the rebound that followed and the September jump in Treasury yields point to a market that remains sensitive to flows, funding costs and the price of energy. We expect oil to remain an important swing factor, and we believe depleted inventories, energy security and capital discipline should continue to support cash flows for well-capitalized, low-cost producers.

Top Securities (% of Total)

Holding	Fund
Amazon.Com, Inc.	7.13
Apple Inc.	5.45
Microsoft Corp	3.73
Bank Of America Corp	3.56
Johnson & Johnson	3.08
ConocoPhillips	2.50
Chevron Corp	2.10
Newmont Mining Corp.	2.10
Advanced Micro Devices, Inc.	1.85
Block Inc	1.78

Performance Review

- The Fund's underweight to information technology and stock selection in health care and IT more than offset the benefit of an overweight to energy and selection in materials.
- Microsoft was the largest relative detractor because most of its strong quarterly gain occurred before the position was initiated. A new, relatively underweight position in Apple also detracted. Not owning Intel, IBM and Cisco provided offsets as those companies declined following weakness in chip stocks or disappointing second-quarter results.
- CVS Health detracted despite strong second-quarter results, as concerns about 2027 Caremark membership and second-half earnings pressure weighed on the shares.
- Energy was the largest positive allocation contributor: ConocoPhillips and Chevron rose with oil prices, while Newmont contributed through favorable materials selection as higher gold prices and strong free cash flow supported the shares.
- Several industrials holdings detracted. Contemporary Amperex Technology declined on reports of possible output cuts and profitability concerns, while FedEx Freight weakened on higher diesel costs and concern about Amazon entering the less-than-truckload market.
- During the quarter, we initiated positions in Apple, Microsoft and Celestica in IT; L3Harris Technologies and Honeywell Aerospace in industrials; Marsh & McLennan in financials; Reddit in communication services; and Danaher in health care. We exited Globant, Thermo Fisher Scientific, Gilead Sciences, Elanco Animal Health, Broadcom, Nestle, Celsius, GXO Logistics, WESCO International and Teck Resources.

Outlook

- The July unwind of AI momentum trades, the rebound that followed and the September jump in Treasury yields point to a market that remains sensitive to flows, funding costs and the price of energy. We expect oil to remain an important swing factor, and we believe depleted inventories, energy security and capital discipline should continue to support cash flows for well-capitalized, low-cost producers.
- Large technology companies are now a bigger part of the Russell 1000 Value, which makes an IT underweight a larger source of relative risk than in the past. We continue to own AI enablers selectively rather than chase the most extended names, and we remain skeptical that all of the capital being committed to AI can earn an attractive return. With value still well ahead of growth year to date, we believe investors continue to reward tangible earnings power and balance sheet strength, and our focus remains on companies with visible cash generation that can compound value across a range of macro outcomes.

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of September 30, 2026

			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-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Class C	524686615	LMVTX	-0.35	10.89	14.12	15.44	10.32	10.90	11.40	-1.30	9.94	13.17	15.44	10.32	10.90	11.40	1.71	1.71	—	0.95	4/16/1982
Class A	524686623	LGVAX	-0.19	11.45	14.90	16.25	11.10	11.67	13.26	-5.69	5.31	8.58	14.09	9.80	11.01	12.88	1.04	1.01	5.50	—	2/2/2009
Benchmark	—	—	2.61	19.27	23.81	20.07	11.92	11.43	—	2.61	19.27	23.81	20.07	11.92	11.43	—	—	—	—	—	—

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 12/31/2027 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 **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

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.

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

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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.

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