

# ClearBridge Growth Fund

Class A: SHRAX Class I: SAGYX

Commentary | as of March 31, 2026

## Key Takeaways

- **Markets:** Surging volatility pressured U.S. equities to start 2026, as rapidly evolving macro conditions and the outbreak of a military conflict in the Middle East contributed to sharp shifts in investor sentiment. A broad-based sell off among more liquid, larger cap holdings put pressure on the Russell 3000 Growth Index, which declined 9.5% for the quarter, while small and mid cap growth categories held up relatively better, with the Russell Midcap Growth and Russell 2000 Growth indexes declining 6.3% and 2.8%, respectively.
- **Contributors:** Holdings in L3Harris Technologies, Madison Square Garden Sports and Vertiv. Stock selection in communication services, consumer discretionary and industrials sectors.
- **Detractors:** Holdings in AppLovin, not owning Comfort Systems USA and Quanta Services. Stock selection and an overweight to IT and a lack of exposure to energy.
- **Outlook:** Our outlook remains consistent: while macro uncertainty and volatility are likely to persist and may even increase as geopolitical developments evolve, these environments often create the most attractive opportunities for active, bottom-up investors. We continue to emphasize balance — owning companies with both offensive growth potential and defensive characteristics, including strong balance sheets, durable cash flows and capable management teams. This approach is designed to support performance across a wide range of market environments, rather than relying on a single factor or theme.

## Top Securities (% of Total)

Holding	Fund
Vertiv Holdings Co.	5.65
Vertex Pharmaceut	5.34
TE Connectivity PLC	5.33
Broadcom Inc.	5.11
Tjx Companies Inc	4.77
L3Harris Technologies Inc.	4.10
Johnson Controls Int'l	3.93
Madison Square Garden Co.	3.66
HILTON WORLDWIDE HOLDINGS IN	3.40
Autodesk, Inc.	2.88

## Performance Review

- The Fund modestly underperformed its Russell Midcap Growth benchmark during the first quarter, giving back a small portion of the strong relative performance achieved over the past several quarters. Performance was pressured primarily by stock selection within the information technology (IT) and financials sectors, while strength in areas such as communication services and historically underrepresented industrials and consumer discretionary sectors underscored the benefits of our multi-year portfolio diversification efforts.
- Within IT, a broad-based selloff in software and higher-multiple growth names weighed on results. Despite solid quarterly results, holdings such as Autodesk, Shopify and CrowdStrike declined as investors questioned growth durability and valuation levels across the subsector. AppLovin, which operates a software platform for advertisers to enhance the marketing and monetization of their content — particularly within mobile apps — was also a notable detractor, on fears of AI disruption and rising competition from Meta. We see AppLovin as an early adopter and longer-term beneficiary of AI, as greater gaming and application development should increase the need for discovery.
- In financials, Robinhood Markets detracted from performance due to a pullback in retail trading volumes and bitcoin pricing following a strong 2025. While near-term cryptocurrency trends have moderated, we continue to see long-term potential in the platform's ability to expand its ecosystem and capture share across a broader set of financial services offerings.
- In industrials, Vertiv, a manufacturer of power and precision cooling systems, continued to benefit from the buildout of data center and AI infrastructure, while defense contractor L3Harris delivered solid performance amid sustained global defense spending trends. Relatively new addition XPO, the fourth-largest less-than-truckload carrier in North America, continued to benefit from initiatives under its new leadership to improve service levels, pricing discipline and margins.
- Holdings in the communication services and consumer discretionary sectors were also key contributors, led by Madison Square Garden Sports, which is exploring a separation of the New York Knicks and Rangers into two standalone public companies, enhancing strategic flexibility, and TJX, which put up better than expected same-store sales growth despite a more constrained consumer spending environment.

## Outlook

- Our outlook remains consistent: while macro uncertainty and volatility are likely to persist and may even increase as geopolitical developments evolve, these environments often create the most attractive opportunities for active, bottom-up investors. We continue to emphasize balance — owning companies with both offensive growth potential and defensive characteristics, including strong balance sheets, durable cash flows and capable management teams. This approach is designed to support performance across a wide range of market environments, rather than relying on a single factor or theme.
- Importantly, we remain active. We are not standing still in the face of volatility but are instead using it to refine the portfolio — trimming positions where risk-reward has become less favorable and adding to high-conviction ideas where valuations have become more compelling. We also believe the ongoing broadening of market leadership, particularly beyond mega cap technology, is a constructive development for our investment universe. After a prolonged period of concentration, a more balanced market should reward differentiated, high active share portfolios such as ours.
- Ultimately, we are confident that the Fund's improved diversification, disciplined process and focus on high-quality growth businesses position it well to navigate current conditions and continue delivering long-term value for clients.

## Average annual total returns and fund expenses (%) - as of March 31, 2026

Class	CUSIP	Ticker	Without Sales Charge						With Maximum Sales Charge						Expenses		Sales Charges		Inception Date		
			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
Class A	52468C109	SHRAX	-7.17	-7.17	14.08	10.80	2.09	7.11	10.64	-12.28	-12.28	7.81	8.73	0.89	6.48	10.49	1.13	1.13	5.50	—	10/24/1983
Class I	52468C406	SAGYX	-7.10	-7.10	14.40	11.13	2.40	7.44	9.57	-7.10	-7.10	14.40	11.13	2.40	7.44	9.57	0.84	0.84	—	—	1/30/1996
Benchmark	—	—	-6.35	-6.35	9.56	12.74	5.37	11.69	—	-6.35	-6.35	9.56	12.74	5.37	11.69	—	—	—	—	—	—

## Benchmark(s)

Benchmark = Russell Midcap Growth 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](http://franklintempleton.com).

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 12/31/2026 without Board consent. Actual expenses may be higher and may impact portfolio returns.

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. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. 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

**Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE.

## Important Information

**Effective May 1, 2024, the fund changed its benchmark to the Russell Midcap Growth Index.**

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 Midcap Growth Index** measures the performance of the mid-cap growth segment of the U.S. equity universe.

Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). All data is subject to change.

Source: FTSE.

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](http://www.franklintempleton.com). Please read it carefully.**