

ClearBridge Growth Fund

Class A: SHRAX Class I: SAGYX
Commentary | as of December 31, 2025

Key Takeaways

- **Markets:** U.S. equities delivered resilient but volatile performance in the fourth quarter. While major indexes remained close to all-time highs, market conditions shifted meaningfully beneath the surface. The S&P 500 Index returned 2.7% during the quarter, while the benchmark Russell Midcap Growth Index declined 3.7%.
- **Contributors:** Holdings in Vertex Pharmaceuticals, Broadcom and Freeport McMoRan. Stock selection in information technology (IT) and communication services, an overweight to materials.
- **Detractors:** Holdings in e.l.f. Beauty, Doximity and Robinhood Markets. Overweights to IT and communication services, stock selection in consumer staples.
- **Outlook:** Markets remain resilient, but volatility has increased as momentum-driven areas cooled and stock-level dispersion widened, reinforcing the importance of disciplined stock selection and a balanced approach to portfolio construction.

Performance Review

- The Fund outperformed the benchmark gross of fees, driven by a combination of balanced portfolio construction and strong stock selection. Early in the quarter, momentum tied to AI and technology supported results, while the portfolio's exposure to steadier compounders and defensive growth names helped protect performance as volatility increased.
- Shopify, an e-commerce platform that enables merchants to operate and scale digital storefronts, benefited from continued adoption by larger enterprises and improving monetization across its ecosystem.
- While communication services was the greatest detractor within the benchmark, our differentiated positioning supported relative outperformance. For example, a number of portfolio holdings in sports and live media, such as Madison Square Garden Sports, Madison Square Garden Entertainment and TKO Group, were positive contributors in the quarter.
- Following a period of strong performance, shares of e.l.f. Beauty, a cosmetics company focused on affordable, digitally native products, declined as sales growth was hurt by management's decision to stop shipments to retailers that were slow to pass through tariff-related price increases. That said, we are encouraged that consumption trends for the brand remain healthy and management is already seeing shipment growth recover in the current quarter.
- Within health care, top individual contributor Vertex Pharmaceuticals benefited from growing optimism around its kidney disease pipeline and continued to demonstrate the value of idiosyncratic, innovation-driven growth.
- Within industrials, for instance, we rotated our exposure in the fourth quarter from Old Dominion Freight Line, a leading less-than-truckload (LTL) carrier, into XPO, the fourth-largest LTL provider in North America. We remain mindful of the still-challenging macro environment for freight and see greater idiosyncratic growth potential at XPO. Under new leadership, the company is improving service levels, pricing discipline and margins, leaving more room for outperformance should macro malaise persist.

Outlook

- Our outlook remains consistent with what we articulated earlier in the year — and importantly, what played out in the fourth quarter. Markets remain resilient, but volatility has increased as momentum-driven areas cooled and stock-level dispersion widened, reinforcing the importance of disciplined stock selection and a balanced approach to portfolio construction.
- AI continues to represent a powerful long-term opportunity, though early beneficiaries such as semiconductors and infrastructure have already seen significant gains. We are focused on making sure we have not only the right exposure within the AI complex but also other offensive bets in the portfolio to position the Strategy well should market leadership broaden further. At the same time, we continue to emphasize balance, owning companies not only with offensive growth potential but also defensive characteristics built on strong free cash flow, clean balance sheets and proven management teams, which should help to mitigate the portfolio's risk should the environment weaken.
- We remain opportunistic — taking advantage of pockets when stocks are oversold and trimming when enthusiasm runs ahead of fundamentals — while staying committed to a bottom-up, high active share, and long-term oriented approach. We believe this discipline positions the Strategy well to navigate continued volatility, identify durable winners beyond broad market trends, and drive long-term performance for clients.

Top Securities (% of Total)

Holding	Fund
Broadcom Inc.	6.16
TE Connectivity PLC	5.92
Vertex Pharmaceut	5.20
Tjx Companies Inc	4.12
Autodesk, Inc.	4.03
Johnson Controls Int'l	3.53
L3Harris Technologies Inc.	3.50
Vertiv Holdings Co.	3.42
CrowdStrike Holdings Inc.	3.21
HILTON WORLDWIDE HOLDINGS IN	2.89

Average annual total returns and fund expenses (%) - as of December 31, 2025

Class	CUSIP	Ticker	Without Sales Charge						With Maximum Sales Charge						Expenses		Sales Charges		Inception		
			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 A	52468C109	SHRAX	-1.82	13.40	13.40	16.28	4.78	7.62	10.90	-7.23	7.16	7.16	14.11	3.55	6.98	10.75	1.13	1.13	5.50	—	10/24/1983
Class I	52468C406	SAGYX	-1.76	13.72	13.72	16.63	5.10	7.95	9.92	-1.76	13.72	13.72	16.63	5.10	7.95	9.92	0.84	0.84	—	—	1/30/1996
Benchmark	—	—	-3.70	8.66	8.66	18.64	6.65	12.49	—	-3.70	8.66	8.66	18.64	6.65	12.49	—	—	—	—	—	—

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 franklintonlepton.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 to 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.

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.

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.franklintonleptondatasources.com. All data is subject to change.

Source: FTSE.

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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.franklintonlepton.com. Please read it carefully.