FRANKLIN TEMPLETON | ClearBridge

ClearBridge Growth Fund

Class A: SHRAX Class I: SAGYX **Commentary | as of June 30, 2026**

Key Takeaways

- **Markets:** U.S. equities advanced sharply in the second quarter, supported by improved risk appetite and continued AI-related capital spending. Mid cap growth stocks participated in the rally but lagged the strongest areas of the market, with the benchmark Russell Midcap Growth Index returning 14.5% versus 16.7% for the Russell 1000 Growth Index and 25.7% for the Russell 2000 Growth Index.
- **Contributors**: Holdings in CrowdStrike, Vertiv and Snowflake An overweight to IT, lack of exposure to energy and stock selection in financials.
- **Detractors**: Holdings in L3Harris Technologies, not owning Astera Labs and Datadog. Stock selection in IT and industrials, overweight to communication services.
- **Outlook:** We expect volatility to ease in the third quarter, and we are encouraged that some outsize moves driven more by flows and momentum than fundamentals have begun to reverse. While mindful of the consequences of increased portfolio turnover, we believe repositioning efforts should support positive long-term performance and greater stability of returns over time.

Performance Review

- In a period when benchmark flows and constituent changes had an unusually large impact, the Fund generated double-digit absolute returns but underperformed its Russell Midcap Growth benchmark. While some of the Fund's larger holdings were laggards, much of the quarter's underperformance reflected what we did not own rather than weakness across portfolio holdings.
- IT was the largest detractor from relative performance. Higher-beta semiconductor and hardware names in the benchmark rallied sharply, creating a headwind for our more balanced approach to growth. In terms of portfolio holdings, Autodesk came under pressure after announcing its acquisition of MaintainX, a frontline operations software vendor.
- At the same time, IT provided several of the quarter's bright spots. Information security provider CrowdStrike rebounded sharply, data warehouse platform Snowflake delivered strong relative performance and long-time holding Broadcom continued to contribute, underscoring the ongoing importance of cloud, cybersecurity and AI infrastructure exposure within the portfolio.
- Stock selection in industrials also proved a headwind. This was largely driven by a decline in aerospace and defense technology company L3Harris Technologies as the stock took a breather after a period of substantial outperformance. Our positioning in Rocket Lab also detracted. Despite taking advantage of weakness to scale up the position over the quarter, our initial underweight pressured results.
- Financials contributed, led by Robinhood, which benefited from strong trading volumes across equities, options and prediction markets. Communication services was helped by Madison Square Garden Sports, where enthusiasm around the proposed separation of the New York Knicks and New York Rangers into independently traded companies supported shares. In consumer discretionary, Viking benefited from healthy demand for its river cruises and easing concerns over fuel costs, while Wayfair was supported by strong intra-quarter data showing continued share gains.

Outlook

- We expect volatility to ease in the third quarter, and we are encouraged that some outsize moves driven more by flows and momentum than fundamentals have begun to reverse. While mindful of the consequences of increased portfolio turnover, we believe repositioning efforts should support positive long-term performance and greater stability of returns over time.
- The broader backdrop remains constructive but unsettled. AI capital spending continues to create large opportunities, but the market is increasingly distinguishing durable fundamental beneficiaries from companies more dependent on speculative momentum. We enter the second half of the year with a risk-aware and balanced expression of growth across durable compounders, disruptors, cyclical businesses and improving growth stories, and we remain focused on businesses with competitive advantages, strong balance sheets and clear paths to revenue growth and free cash flow generation.

Top Securities (% of Total)

Holding	Fund
Vertiv Holdings Co.	5.00
Broadcom Inc.	4.81
Vertex Pharmaceut	4.51
Crowdstrike Holdings Inc.	3.99
TE Connectivity PLC	3.79
Johnson Controls Int'l	3.56
Madison Square Garden Co.	3.43
Tjx Companies Inc	3.22
HILTON WORLDWIDE HOLDINGS IN	2.79
L3Harris Technologies Inc.	2.72

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of June 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 A	52468C109	SHRAX	11.67	3.67	7.34	12.86	3.16	8.29	10.86	5.53	-2.04	1.44	10.75	1.95	7.66	10.71	1.13	1.13	5.50	—	10/24/1983
Class I	52468C406	SAGYX	11.75	3.82	7.65	13.20	3.47	8.63	9.89	11.75	3.82	7.65	13.20	3.47	8.63	9.89	0.84	0.84	—	—	1/30/1996
Benchmark	—	—	14.55	7.27	6.17	15.61	6.03	13.04	—	14.55	7.27	6.17	15.61	6.03	13.04	—	—	—	—	—	—

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.*
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

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.

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

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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