FRANKLIN TEMPLETON

ClearBridge

ClearBridge Growth Fund

Class A: SHRAX Class I: SAGYX | **Commentary | as of September 30, 2025**

Key Takeaways

- **Markets:** U.S. equities continued their momentum in the third quarter, with the S&P 500 Index up 8.1% and the benchmark Russell Midcap Growth Index increasing 2.8%. Investor optimism was fueled by better-than-feared tariff outcomes, the passing of the One Big Beautiful Bill Act, a Fed rate cut and robust corporate earnings.
- **Contributors**: Holdings in Broadcom, Robinhood Markets, L3Harris Technologies and TKO. Stock selection in information technology (IT) and an overweight to communication services.
- **Detractors**: Holdings in Vertex Pharmaceuticals, Chipotle Mexican Grill, HubSpot and an underweight to Roblox. Stock selection in communication services and consumer discretionary.
- **Outlook:** Monetary easing and potential regulatory changes could provide tailwinds in 2026, but we appreciate that many stocks have begun to price in a more optimistic environment and remain cognizant of a number of economic and geopolitical risks that could derail the market's current momentum.

Performance Review

- The Fund outperformed the benchmark gross of fees, supported by a broad base of contributors, reflecting our commitment to diversified growth rather than a reliance on a few standout names or contributing factors.
- Broadcom, a multidecade holding that remains the Fund's top position, stood out after announcing a fourth customer for its specialized XPU chips geared to AI workloads, underscoring its leadership in the market for custom silicon in AI applications. Palantir also contributed meaningfully, as its role in infrastructure software positioned it to capitalize on the accelerating adoption of AI across industries.
- Robinhood saw notable share growth, fueled by increased interest in cryptocurrency and a series of new product launches. Defense contractor L3Harris benefited from heightened demand for spending on air and missile defense as well as appetite for investment in communication and space capabilities. Media company TKO delivered a solid quarter and struck an attractive seven-year deal with Paramount for its UFC rights, highlighting the value for premium content.
- The quarter saw pockets of weakness among consumer discretionary holdings like Chipotle, CAVA and Airbnb, reflecting macro uncertainty and a softer spending environment. We did see bright spots such as outperformance of off-priced retailer TJX.
- Application software names such as HubSpot and ServiceNow also faced pressure as concerns around AI disintermediation continued to weigh on the sector. That said, we have reduced our exposure to this area within technology.
- The Fund added four new positions. On Holding, a disruptive Swiss designer of premium footwear and apparel is well-positioned to continue gaining market share through a combination of growing its brand awareness and wholesale presence. Also in the disruptor category, we added Roblox, the leading user-generated gaming platform experiencing a re-acceleration in growth due to improved discovery algorithms and AI driving increased velocity of game development.
- Natera, in the health care sector, specializes in DNA testing across oncology, women's health and organ health. We believe Natera has a long runway for growth as adoption of minimal residual disease testing, a nascent post-cancer treatment area, increases. XPO, the fourth largest less than truckload (LTL) provider in North America, adds cyclical growth. Under new leadership, XPO is improving service levels and pricing.
- We stayed disciplined in exiting positions where our investment thesis had evolved from its original premise. We exited UnitedHealth Group, which has been in the portfolio for several decades, providing steady returns to shareholders. We are concerned that the challenges the company faces, particularly at its health services unit Optum, will take time to address.

Outlook

- Looking ahead, we remain focused on maintaining a balanced portfolio that can capture upside in strong markets while providing downside risk mitigation during periods of volatility. While monetary easing and potential regulatory changes could provide tailwinds in 2026, we appreciate that many stocks have begun to price in a more optimistic environment and remain cognizant of a number of economic and geopolitical risks that could derail the market's current momentum.
- While consistent in applying our orientation as long-term investors, we remain vigilant in monitoring stock-specific and sector allocations, trimming positions in areas facing headwinds or where valuation has become more extended and reallocating capital to opportunities with more attractive risk-reward profiles. This disciplined approach ensures that the Fund maintains a healthy balance between offensive growth drivers and defensive stability, positioning it to potentially perform well across a range of market scenarios.

Top Equity Issuers (% of Total)

Holding	Fund
Broadcom Inc	7.05
TE Connectivity PLC	5.96
Autodesk Inc	4.44
Vertex Pharmaceuticals Inc	4.25
L3Harris Technologies Inc	3.87
TJX Cos Inc/The	3.67
Vertiv Holdings Co	3.45
Johnson Controls International plc	3.45
Crowdstrike Holdings Inc	3.37
AppLovin Corp	2.68

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-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Class A	52468C109	SHRAX	5.47	15.50	19.36	18.25	8.82	8.29	11.02	-0.34	9.15	12.80	16.04	7.54	7.66	10.86	1.14	1.14	5.50	—	10/24/1983
Class I	52468C406	SAGYX	5.55	15.75	19.70	18.61	9.15	8.63	10.07	5.55	15.75	19.70	18.61	9.15	8.63	10.07	0.83	0.83	—	—	1/30/1996
Benchmark	—	—	2.78	12.84	22.02	22.85	11.26	13.37	—	2.78	12.84	22.02	22.85	11.26	13.37	—	—	—	—	—	—

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 12/31/2025 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

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. Source: FTSE.

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

ClearBridge Investments, LLC, and Franklin Distributors, LLC, are Franklin Templeton companies.

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.