

ClearBridge

ClearBridge International Value Fund

Class A: SBIEX Class I: SBIYX

Commentary | as of September 30, 2025

Key Takeaways

- Markets: Global equity markets generated positive returns in the third quarter, as continued progress on tariff
 negotiations between the U.S. and its trade partners helped to soften lingering macro uncertainty and shift attention
 toward the possibility of further Federal Reserve rate cuts. As a result, the benchmark MSCI EAFE Index rose 4.8%, but
 trailed the 8.1% return of the S&P 500 Index. Despite a late-quarter rally for information technology (IT) and more cyclical
 areas of the market, value stocks ultimately outperformed their growth counterparts, with the MSCI EAFE Value Index
 returning 7.4% while the MSCI EAFE Growth Index returned 2.2%.
- **Contributors:** Holdings in Samsung Electronics, Maribeni and Tencent. Stock selection in the financials, IT and materials sectors. Overweight to emerging markets, stock selection in Europe Ex U.K. and Japan.
- Detractors: Holding in CNH Industrial, not owning ASML and Softbank Group. Stock selection in the consumer discretionary and consumer staples sectors, an overweight to the IT sector. Stock selection in emerging markets, the U.K. and North America.
- Outlook: While central banks are signaling caution, the path to normalization is likely to be uneven and region-specific, creating fertile ground for active management.

Top Equity Issuers (% of Total)

Holding	Fund
Siemens AG	3.34
Airbus SE	3.08
Fujitsu Ltd	2.93
Mitsubishi UFJ Financial Group Inc	2.87
Samsung Electronics Co Ltd	2.64
Marubeni Corp	2.59
Lloyds Banking Group PLC	2.56
AXA SA	2.48
KBC Group NV	2.31
Shell PLC	2.24

Performance Review

- The ClearBridge International Value Fund outperformed its benchmark in the third quarter, supported by several of our high-conviction holdings across financials, materials and IT. Our positioning in companies aligned with long-term structural themes such as digital infrastructure, the energy transition and capital markets normalization proved especially beneficial
- Financials remained a key driver of outperformance, led by European banks including BBVA and Piraeus, as well as Japan's
 Mitsubishi UFJ Financial Group (MUFG). Although regionally diverse, our financials holdings are broadly benefiting from
 homogenous trends including inflecting loan growth, cost discipline and a benign credit cycle. In particular, BBVA created
 optionality via a standalone strategy if its offer to acquire Sabadell is not consummated. MUFG gained from reflationary
 tailwinds in Japan as well as its overseas exposure through Morgan Stanley.
- Our IT holdings also positively contributed to outperformance, lagging most of the quarter before a sharp rebound driven by
 a surge of Al data center capital expenditures bolstered companies across the semiconductor supply chain. South Korean
 electronics conglomerate Samsung rallied ahead of the long-awaited qualification of its HBM3E memory chips by Nvidia,
 signaling a narrowing technology gap with peers, while SK Hynix and Murata also benefited from renewed optimism around a
 potential memory supercycle and increased demand for Al-enabling components.
- Emerging markets exposure was another bright spot overall, benefiting from strong contributions from South Korea's SK Hynix and Greek bank Piraeus.
- Chinese communication services company Tencent, which operates value-added services including online advertising, fintech, online gaming and social networking, also delivered gains supported by accelerating growth in advertising and gaming R&D, as well as continued momentum in its fintech and cloud segments.
- On the downside, our consumer discretionary holdings detracted from performance. Homebuilder Bellway declined
 alongside consumer sentiment due to concerns around the U.K. budget, continued slow planning approval and a sluggish
 selling price environment. Luxury goods retailer Burberry, meanwhile, faced investor skepticism around its turnaround
 execution.
- U.K. companies CNH Industrial and Hikma Pharmaceuticals also weighed on results, as CNH continued to grapple with a
 weak agriculture cycle and elevated dealer inventories, while Hikma's earnings were pressured by margin compression in its
 injectables division and unfavorable currency movements.
- During the quarter we initiated a position in financials company JTC, a U.K.-based outsourced fund administrator and trust
 provider. JTC offers high and improving margins, with a strong track record of compounding earnings in the mid-teens. We
 believe the market has overly discounted its exposure to cyclical risk, allowing us to enter at a compelling valuation.
- We exited Capgemini, in the IT sector, as concerns grew around structural disruption from AI. While we initially viewed its
 challenges as cyclical, we now see potential long-term cannibalization of its core IT services.

Outlook

- From levels of extreme pessimism earlier in the year caused by the DeepSeek scare and initial tariff shock, global markets
 have rallied strongly as "worst case" outcomes have been removed from probability nodes and underlying economic growth
 remains resilient. Looking forward to 2026, there appears to be continued optimism as investors point to the Fed's easing
 cycle, European infrastructure spending and potential Chinese stimulus measures as potential future catalysts.
- Within this backdrop of momentum-driven markets, elevated valuations leave considerably less room for error. Importantly,
 we see growing dispersion in valuations across sectors and regions, with non-U.S. markets still offering a more attractive riskreward setup. Also of interest is the extreme pessimism and underperformance of the health care sector, where stocks could
 see some relief if destocking headwinds abate and political pressure can be de-escalated through negotiation. Taking a
 contrarian view here could prove to be a defensive hedge during an eventual market selloff.
- In times when markets are euphoric, remaining disciplined with respect to process and valuation are critical. We remain
 committed to our bottom-up approach, focusing on companies with strong balance sheets and resilient business models
 trading at significant discounts to intrinsic value.

Average annual total returns and fund expenses (%) - as of September 30, 2025

			Without Sales Charge						With Maximum Sales Charge								ses	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	52469X607	SBIEX	5.62	30.36	18.36	21.95	14.28	6.21	5.61	-0.23	23.15	11.85	19.66	12.93	5.59	5.45	1.47	1.29	5.50	_	2/18/1986
Class I	52469X888	SBIYX	5.72	30.63	18.76	22.34	14.69	6.58	3.45	5.72	30.63	18.76	22.34	14.69	6.58	3.45	1.06	0.94	_	_	12/29/2006
Benchmark 1	_	_	4.77	25.14	14.99	21.70	11.15	8.17	_	4.77	25.14	14.99	21.70	11.15	8.17	_	_	_	_	_	_
Benchmark 2	_	_	6.89	26.02	16.45	20.67	10.26	8.23	_	6.89	26.02	16.45	20.67	10.26	8.23	_	_	_	_	_	_

Benchmark(s)

Benchmark 1=MSCI EAFE Index-NR

Benchmark 2=MSCI All Country World ex-US Index-NR

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 analized. 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 12/31/2026 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. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The investment style may become out of favor, which may have a negative impact on performance. 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. Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. 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

Capital Expenditure (capex) are funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

MSCI EAFE Growth Index captures large- and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

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Reflation is a fiscal or monetary policy designed to expand a country's output and curb the effects of deflation.

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 September 1, 2023, the MSCI EAFE Index-NR was added as an additional benchmark for the fund.

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 MSCI EAFE Index is a free float-adjusted market capitalization-weighted index designed to measure developed market equity performance, excluding the U.S. and Canada. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI. The MSCI AII Country World Index ex US (MSCI ACWI Index ex US) is a market capitalization-weighted index designed to measure equity market performance of developed and emerging markets, excluding the U.S. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI. Net Returns (NR) include income net of tax withholding when dividends are paid.

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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.

