

ClearBridge Large Cap Value Fund

Class A: SINAX Class I: SAIFX

Commentary | as of March 31, 2026

Key Takeaways

- **Markets:** Value stocks offered a rare bright spot in the first quarter of 2026 as market leadership rotated away from a narrow set of mega cap growth leaders and toward a broader set of companies, including value-oriented and more cyclical areas of the market. Energy companies surged as the U.S.-Iran conflict pushed up oil prices, while materials, industrials, utilities and consumer staples benefited from different combinations of geopolitical supply concerns, AI-related infrastructure demand and a rotation into defensive areas after extended underperformance. Financials and consumer discretionary, meanwhile, lagged as persistent inflation and higher fuel costs weighed on expectations for economic activity, including capital markets, credit, travel and housing.
- **Contributors:** Stock selection in industrials and health care and overweights to energy and materials proved beneficial.
- **Detractors:** Stock selection in the materials and communication services sectors, a health care overweight and consumer staples underweight detracted from relative results.
- **Outlook:** A core tenet of the Fund is that we largely avoid making top-down bets or try to time macro events; we focus on high-quality businesses with durable competitive advantages and reasonable valuations that can drive superior returns throughout the cycle.

Top Securities (% of Total)

Holding	Fund
JPMorgan Chase & Co.	4.24
Johnson & Johnson	3.96
XPO Logistics Inc.	2.85
Alphabet Inc. Class A	2.72
PARKER HANNIFIN CORP	2.56
Chevron Corp	2.55
ConocoPhillips	2.54
Air Products and Chemicals, Inc.	2.51
Schwab (Charles) Corp.	2.44
WEC Energy Group Inc.	2.43

Performance Review

- The ClearBridge Large Cap Value Fund's anchoring in high-quality companies with durable moats and predictable cash flows was rewarded in the quarter's shift in market leadership. The portfolio modestly performed better than the benchmark Russell 1000 Value Index, driven by strong stock selection in industrials and health care and overweights to materials and energy.
- Industrials stocks got a boost from a return to positive territory for the ISM Manufacturing PMI; this helped XPO, a less-than-truckload transportation provider, which is also benefiting from ongoing improvements in service quality, mix and pricing.
- Deere, meanwhile, delivered a 20% earnings beat, helped by outperformance in both its small agriculture (e.g., compact and utility tractors) and its construction and forestry segments. Investors were encouraged that large agriculture (machines for commercial farming) orders were better than expected, suggesting there could be upside to Deere's 2026 guidance, and that this year may be the cyclical trough.
- Negative sentiment for software weighed on our sole software position, Microsoft, which also traded down on worries over higher-than-expected AI capex and delays in monetizing its AI backlog. Despite some timing and perception issues, we maintain strong conviction in Microsoft, given durable Azure demand, accelerating AI workload monetization as capacity comes online and strengthening traction in higher-margin software offerings like M365 Copilot, which deepen customer engagement and reinforce Microsoft's competitive advantage. We added to our position on weakness.
- In financials, Capital One shares were lower amid broad sector weakness, driven by investor concerns around weakening macro conditions potentially leading to a credit cycle; a deal-related overhang tied to the company's Brex acquisition also weighed on near-term sentiment. American Express detracted as regulatory uncertainty around credit card pricing and renewed attention to the Credit Card Competition Act pressured sentiment across the payments and card issuer space, including Capital One, despite stable underlying fundamentals.
- Our conviction in both remains intact: we view these sector pressures as cyclical and transitory, with no anticipated change to Capital One's long-term earnings power and strategic positioning or American Express's attractiveness as a high-quality compounder supported by its premium customer base, strong credit underwriting and durable earnings growth.

Outlook

- A core tenet of the Fund is that we largely avoid making top-down bets or try to time macro events; we focus on high-quality businesses with durable competitive advantages and reasonable valuations that can drive superior returns throughout the cycle. The broadening of the market during the first quarter, with its rotation from a concentrated AI-driven growth market to a more dispersed, fundamentals-driven environment, rewarded this quality bias with outperformance. Tangible earnings, pricing power and lower disruption risk are key components in the quality franchises we seek in the portfolio. In an increasingly complex macro backdrop marked by geopolitical tensions, rising energy prices and ongoing uncertainty around the durability of AI-driven investment cycles, we believe the companies we own will remain resilient.

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	52470J100	SINAX	2.02	2.02	11.86	11.67	8.44	9.89	9.72	-3.59	-3.59	5.69	9.59	7.17	9.24	9.51	0.79	0.79	5.50	—	1/3/1995
Class I	52470J407	SAIFX	2.11	2.11	12.21	11.98	8.70	10.17	—	2.11	2.11	12.21	11.98	8.70	10.17	—	0.49	0.49	—	—	5/29/1958
Benchmark 1	—	—	2.10	2.10	15.87	14.31	9.43	10.58	—	2.10	2.10	15.87	14.31	9.43	10.58	—	—	—	—	—	
Benchmark 2	—	—	-4.33	-4.33	17.80	18.32	12.06	14.16	—	-4.33	-4.33	17.80	18.32	12.06	14.16	—	—	—	—	—	

Benchmark(s)

Benchmark 1=Russell 1000 Value Index

Benchmark 2=S&P 500 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 12/31/2027 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. **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**. **Short selling** is a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The **investment style** may become out of favor, which may have a negative impact on performance. 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

Moat is an advantage a company has which allows it to protect its market share and profitability.

Important Information

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 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization.

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

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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.