



# ClearBridge Emerging Markets Fund

# Class I: MCEIX Class A: MACEX

### Commentary | as of September 30, 2025

## **Key Takeaways**

- Markets: The MSCI Emerging Markets Index was up 10.6% in the third quarter, outpacing developed markets. One of
  the strongest regions was China, which rose 20.7% spurred by excitement around artificial intelligence (AI) opportunities
  and increasing investor interest due to the market's valuation. Taiwan advanced 14.3% and Korea climbed 12.7%. India was
  the weakest of the major EM markets, down 7.6% mainly due to a rotation into other regions as well as a subdued
  consumer backdrop.
- Contributors: Delta Electronics, CATL, Tencent, Samsung Electronics, Alibaba and Antofagasta.
- Detractors: HDFC Bank, ICICI Bank, China Merchants Bank, Titan, Reliance Industries and MercadoLibre.
- Outlook: Looking ahead, we are particularly excited by the powerful synergy of technology adoption, urbanization, and services sector growth prevalent in emerging markets.

## **Performance Review**

- Several Chinese holdings were leading contributors in the quarter. CATL benefited from improving investor sentiment in
  China and its leadership role as a battery supplier, with electric vehicle and energy storage system demand strong. Tencent
  delivered strong operating results and the positive sentiment towards China has benefited the company as the largest
  Chinese name in the index. Alibaba continues to attract interest due to its leading cloud and Al capabilities, and the positive
  sentiment change towards the China market. The company announced an increase in Al investment and a new LLM.
- Other leading contributors included Taiwan's Delta Electronics, a supplier of power and cooling systems boosted by its
  current and forecasted leading market share in data center buildouts. It's AI exposure has led to significant earnings
  upgrades as the market has started to quantify the demand for its products. Korean memory supplier Samsung benefitted
  from the strong demand for memory, given the intensity of demand for memory in AI applications. Additionally, supply is tight
  in conventional DRAM. Copper miner Antofagasta, which operates in Chile, was higher as supplies tightened due to a mine
  shutdown by a competitor. Copper continues to be a beneficiary of the electrification demand.
- On the downside were a number of Indian holdings including HDFC and ICICI, which failed to keep pace due to weak Indian market performance. HDFC has broadly been delivering in line with expectations, with an expectation that growth can reaccelerate having improved its deposit base. ICICI has been delivering solid operational fundamentals but has suffered a valuation de-rating. Titan delivered strong growth in its quarterly results but a soft consumer backdrop in India and higher gold prices had some impact on demand. Titan continues to outperform other Indian consumer businesses in terms of growth. Multi-industry conglomerate Reliance Industries has been pressured by weak sentiment towards the Indian market. The market is awaiting potential upcoming IPOs.
- Outside of India, the primary detractors were China Merchants Bank, which suffered from a rotation out of financials as well
  as the still tepid Chinese economy; and MercadoLibre, which has faced growing pressures in its key markets of Argentina and
  Brazil.

## Outlook

- We firmly believe that the long-term investment outlook for EM remains robust and we maintain strong confidence in our
  portfolio holdings. The market persistently undervalues high-quality, sustainable growth companies and we are convinced
  that despite the recent, prolonged style rotation, investing in these companies will yield positive results in the long term.
- Looking ahead, we are particularly excited by the powerful synergy of technology adoption, urbanization, and services sector
  growth prevalent in EM. We anticipate that our highly selective, stock-focused strategy will thrive by identifying companies
  with high returns on equity, operating in structurally growing sectors. Furthermore, the current environment—with its
  regulatory pressures, human conflicts, and ever-evolving macroeconomic landscape—highlights the importance of focusing
  on strong sustainability and governance characteristics, and sustainable growth as critical factors in determining companies
  that will remain relevant and lead the way in the long run.
- As we progress toward 2026, we think the key drivers of EM returns, and thus the biggest opportunities, will be technology, India, and China. Technology companies in EM are core to the global adoption of AI, and the longer-term structural growth opportunity of EM information technology is broader across the whole ecosystem. This should place them well to succeed in the next 12 months and beyond. Similarly, India has had an interesting 2024 and we think that as the market returns to recognizing fundamentals in share prices, there may be a market correction that benefits high-quality, sustainable growth companies. Finally, as the largest country in the asset class, China will continue to play a key role and we believe its recovery has only just begun.

## **Top Equity Issuers (% of Total)**

Holding	Fund
Taiwan Semiconductor Manufacturing Co Ltd	13.00
Tencent Holdings Ltd	9.40
Samsung Electronics Co Ltd	5.49
HDFC Bank Ltd	3.79
SK hynix Inc	3.43
Alibaba Group Holding Ltd	3.09
ICICI Bank Ltd	2.99
Alibaba Group Holding Ltd	2.34
Contemporary Amperex Technology Co Ltd	2.32
Reliance Industries Ltd	2.17

## 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 I	52471E621	MCEIX	11.36	26.84	17.53	15.44	3.26	7.94	5.49	11.36	26.84	17.53	15.44	3.26	7.94	5.49	0.94	0.94	_	_	5/29/2015
Class A	52471E282	MACEX	11.28	26.53	17.06	15.03	2.93	_	3.92	5.16	19.59	10.64	12.88	1.71	_	3.06	1.36	1.30	5.50	_	7/16/2018
Benchmark	_	_	10.64	27.53	17.32	18.21	7.02	7.99	_	10.64	27.53	17.32	18.21	7.02	7.99	_	_	_	_	_	_

#### Benchmark(s)

Benchmark = MSCI Emerging Markets 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 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. 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. 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. The portfolio is non-diversified and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. The managers' environmental, social and governance (ESG) strategies may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance. Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. These and other risks are discussed in the fund's prospectus.

### **Important Information**

### Effective September 30, 2025, the Martin Currie Emerging Markets Fund was renamed ClearBridge Emerging Markets 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 Emerging Markets Index is a market capitalization-weighted index that is designed to measure equity market performance in the global emerging markets. 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.

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

© Franklin Distributors, LLC. Member FINRA/SIPC.

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.

