FRANKLIN TEMPLETON | ClearBridge

ClearBridge Emerging Markets Fund

Class I: MCEIX Class A: MACEX **Commentary | as of September 30, 2026**

Key Takeaways

- **Markets:** Emerging markets delivered mixed results in the third quarter, with a late rally in semiconductor stocks not enough to offset a sharp, AI-driven July selloff. The MSCI Emerging Markets Index declined 0.4% with regional returns reflecting diverse technology, policy and investor-flow dynamics. Brazil (+8.2%) was the strongest major market on optimism over the approaching October election and interest-rate cuts. Taiwan (+4.8%) also advanced, led by steady results from its information technology (IT) sector.
- **Contributors**: Shinhan Financial Group, China Merchants Bank, PKO Bank Polski, MediaTek and not owning Yageo. Stock selection in communication services.
- **Detractors**: SK Hynix, Sieyuan Electric, Samsung Electronics, CATL and HD Hyundai Electric. Stock selection in industrials, IT, financials, health care and energy, an IT overweight.
- **Outlook**: Our AI-related portfolio holdings have come through the latest drawdown with fundamentals intact, and we believe continued delivery of strong operational and financial results can help allay fears about the steepness of the July selloff.

Top Securities (% of Total)

Holding	Fund
Taiwan Semiconductor Manufacturing Company	16.30
Samsung Electronics	11.18
SK Hynix Inc.	8.00
Tencent Holdings Ltd.	4.66
MediaTek Inc	3.10
Delta Electronics Inc	3.03
Shinhan Financial Group Co Ltd	2.94
Taiwan Semiconductor-Sp	2.49
CAPITEC BANK HOLDINGS LTD	1.93
ICICI Bank Ltd	1.91

Performance Review

- The Fund underperformed its benchmark gross of fees, hurt by weakness in IT and industrials as well as stock selection in China, Taiwan and South Korea. In China, our underweight to banks, lack of health care exposure and modest underweight to IT weighed on relative results, reflecting our continued caution toward businesses we view as more volatile.
- South Korean memory companies SK Hynix and Samsung Electronics were among the leading detractors, caught in the AI selloff and additional pressure from leveraged exchange-traded funds in their domestic market. Both received earnings upgrades during the quarter, and subsequent results from Micron Technology helped reinforce the underlying memory outlook.
- CATL declined as investors weighed potential U.S. restrictions, an uncertain domestic outlook and increased competition. Sieyuan Electric underperformed on concerns about U.S. restrictions on imported grid equipment and volatile Chinese grid contracts, while HD Hyundai Electric weakened with the AI infrastructure trade even though its long-cycle business should benefit from U.S. demand over time.
- Shinhan Financial was a leading contributor as the South Korean market broadened and financials benefited from the country's technology-driven economic gains. China Merchants Bank benefited from domestic investors' search for yield, while PKO Bank Polski was supported by sustained profitability, resolution of legacy issues and growth in its mortgage business.
- MediaTek advanced after issuing a convertible bond taken up by Nvidia, which we view as a meaningful endorsement of the company's role in the AI buildout. Prio benefited from higher oil prices, an easing rate cycle and an improving political backdrop.
- The Fund initiated positions in China's Zhongji Innolight and NAURA Technology Group, meaningfully reducing its underweight to Chinese IT. We believe Innolight is well-placed to benefit from increasing optical content and growth in AI data centers. NAURA has established itself as a leading domestic semiconductor-equipment supplier and should benefit from the separation of U.S./EU and Chinese semiconductor supply chains.
- We exited Walmex after Mexican consumer weakness and tariff uncertainty held back the investment and hoped-for U.S.-Mexico-Canada Agreement-related investment failed to materialize.

Outlook

- Our AI-related portfolio holdings have come through the latest drawdown with fundamentals intact and we believe that continued delivery of strong operational and financial results can help allay any fears on the steepness of the July selloff. We had previously trimmed positions in these stocks as they gained in price throughout the first half of 2026, but more recently we have maintained our positions, seeing no reason to react to short-term price action. While we acknowledge that these stocks have endured periods of high volatility, we think our benchmark-relative weights in these stocks are reasonable given the high conviction we have in their fundamentals.
- We remain positive on the outlook for the IT hardware industry as we continue to see a supportive combination of growing global demand and constrained supply. The latest indications are for the supply-demand situation to tighten further heading into 2027, which should support to our AI-related IT and industrial holdings.
- While performance in EM had been relatively concentrated in recent months, we view the rotation into non-tech areas during the quarter, especially in South Korea, as healthy. That market, the third largest in the index and second largest in the portfolio, continues to benefit from a solid economic foundation and robust growth attributes.

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of September 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 I	52471E621	MCEIX	-5.95	19.86	29.15	21.98	5.35	8.68	7.39	-5.95	19.86	29.15	21.98	5.35	8.68	7.39	1.03	0.96	—	—	5/29/2015
Class A	52471E282	MACEX	-6.06	19.58	28.74	21.53	5.00	—	6.66	-11.23	13.01	21.68	19.27	3.76	—	5.89	1.44	1.31	5.50	—	7/16/2018
Benchmark	—	—	-0.37	23.38	29.22	24.09	8.94	9.09	—	-0.37	23.38	29.22	24.09	8.94	9.09	—	—	—	—	—	—

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 12/31/2027 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.

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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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