FRANKLIN TEMPLETON | ClearBridge

ClearBridge International Growth Fund

Class I: LMGNX Class A: LGGAX **Commentary | as of June 30, 2026**

Key Takeaways

- **Markets:** International equities rebounded in the second quarter as easing geopolitical tensions and accelerating AI infrastructure investment fueled broad gains across developed and emerging markets. The MSCI EAFE Index rose 10.8% as growth stocks regained leadership, with the MSCI EAFE Growth Index outperforming the MSCI EAFE Value Index by 700 basis points. Japan (+14.2%) and Europe ex-U.K. (+12.8%) led regional returns, while information technology surged 55% on continued semiconductor and AI-related strength.
- **Contributors**: Tokyo Electron, ASML, ASM International, Lasertec, Prysmian.
- **Detractors**: BAE Systems, Brambles, Mitsubishi Heavy Industries; underweight in Kioxia.
- **Outlook**: We believe maintaining diversified exposure across the AI ecosystem and other durable growth themes positions the Fund well to participate in the next phase of international equity leadership.

Performance Review

- The Fund outperformed its MSCI EAFE Index benchmark as holdings benefiting from the accelerating global AI infrastructure buildout more than offset weakness among several industrial companies. Semiconductor equipment manufacturers, advanced chip suppliers and enabling infrastructure businesses were the primary contributors to relative performance.
- We believe generative AI has evolved beyond the largest technology platforms into a global supply chain story. The scale of AI capital spending continues to create bottlenecks across semiconductors, networking and optical infrastructure, strengthening pricing power for many companies held in the portfolio.
- Semiconductor capital equipment holdings were among the Fund's strongest contributors. Tokyo Electron doubled during the quarter, while ASML, ASM International and Lasertec generated strong gains as customers accelerated spending on advanced manufacturing capacity. Taiwan Semiconductor also advanced as its technology leadership and dominant market position continued to support pricing power and a growing production backlog.
- Companies supporting AI infrastructure also performed well. Italian cable manufacturer Prysmian benefited from persistent shortages across fiber optic infrastructure, while SoftBank advanced on growing optimism surrounding AI capital spending, OpenAI-related investments and the potential for future large-scale AI public offerings.
- These gains offset weakness from industrial holdings including BAE Systems, Brambles and Mitsubishi Heavy Industries. Relative performance was also negatively impacted by not owning several AI-related benchmark constituents that appreciated sharply, most notably Japanese memory manufacturer Kioxia, which we added late in the quarter.
- The Fund increased exposure to IT, industrials and Japan while reducing financials. New investments focused on businesses benefiting from structural AI infrastructure demand where supply constraints are creating pricing power or expanding long-term growth opportunities.
- We added several semiconductor-related companies that we believe are well positioned for the next phase of AI adoption. Kioxia is benefiting from improving NAND memory pricing as AI inference workloads increase demand for advanced storage, while Infineon continues to benefit from rising demand for power management semiconductors used in AI servers.
- We also expanded exposure across other critical AI infrastructure categories. Ibiden is benefiting from growing demand for advanced semiconductor packaging, Seagate Technology from increasing data storage requirements, Celestica from AI networking deployments, Nokia from expanding optical networking infrastructure and Halma from rising demand for optical photonics supporting AI connectivity.
- Within financials, we repositioned the portfolio toward businesses with stronger long-term growth opportunities. We realized gains in NatWest Group and Intesa Sanpaolo after earnings momentum moderated and redeployed capital into UBS Group, where we expect more favorable capital requirements to support higher shareholder returns. We also exchanged AXA for Prudential, reflecting our positive outlook for wealth management demand across Asia.

Outlook

- The global AI capital spending cycle remains our highest conviction investment theme. While today's beneficiaries include semiconductor equipment, networking, optical infrastructure, utilities and electrical equipment suppliers, we expect AI adoption to broaden across financial services, health care, manufacturing and many other industries, creating meaningful productivity gains and new business models.
- Regionally, Japan remains our highest-conviction opportunity. Its emergence from decades of deflation, improving corporate governance, shareholder-friendly reforms and supportive fiscal policies continue to drive higher returns on equity and stronger capital allocation. We have increased exposure accordingly, particularly within industrial companies benefiting from electrification, the energy transition and defense spending.
- As active managers focused on long-term secular growth, we remain willing to reposition the portfolio as new opportunities emerge. While not every holding will immediately benefit from improving market sentiment, we believe maintaining diversified exposure across the AI ecosystem and other durable growth themes positions the Fund well to participate in the next phase of international equity leadership.

Morningstar Rating™

Overall Rating as of June 30, 2026

★★★★ **(4-Star)** Class I

★★★★ **(4-Star)** Class A

As of 06/30/2026 the fund's Class A and Class I shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 350, 333 and 223 Foreign Large Growth funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics. The number of funds in the category for the Overall Rating are listed under the 3-year period.

Top Securities (% of Total)

Holding	Fund
ASML Holding NV	6.28
Prysmian SpA	3.12
Siemens Energy AG	3.07
Astrazeneca Azn Ln	2.84
Schneider Electric	2.73
Taiwan Semiconductor Manufacturing Company	2.62
ASM INTERNATIONAL NV	2.49
CIE Financiere Richemont SA	2.44
Hoya Corp.	2.44
Banco Santander SA	2.28

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of June 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	524686524	LMGNX	11.63	7.10	12.59	12.99	5.17	10.68	5.85	11.63	7.10	12.59	12.99	5.17	10.68	5.85	0.80	0.80	—	—	3/4/2004
Class A	524686540	LGGAX	11.56	6.94	12.29	12.69	4.89	10.38	11.60	5.43	1.06	6.11	10.58	3.65	9.73	11.22	1.10	1.06	5.50	—	2/3/2009
Benchmark 1	—	—	10.82	9.44	20.23	16.44	9.05	9.66	—	10.82	9.44	20.23	16.44	9.05	9.66	—	—	—	—	—	—
Benchmark 2	—	—	14.53	9.14	13.65	11.47	4.88	8.61	—	14.53	9.14	13.65	11.47	4.88	8.61	—	—	—	—	—	—

Benchmark(s)

Benchmark 1=MSCI EAFE Index-NR

Benchmark 2=MSCI EAFE Growth 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. The **investment style** may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **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 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

A **basis point (bp, or bps)** is one one-hundredth of one percent (1/100% or 0.01%).

The **MSCI EAFE Value Index** is designed to measure performance of stocks exhibiting overall value style characteristics in developed markets, 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.

Important Information

Effective March 1, 2026, the MSCI EAFE Growth Index 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. The **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.

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

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

Morningstar Rating™: Source: Morningstar®, 06/30/2026. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund's Class A shares received a Morningstar Rating of 3, 3 and 4 and fund's Class I shares received a Morningstar Rating of 3, 3 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Class A and Class I shares only. Other share classes may have different Morningstar ratings. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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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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