

# ClearBridge International Growth Fund

Class I: LMGNX Class A: LGGAX

Commentary | as of March 31, 2026

## Key Takeaways

- **Markets:** International equities declined in March as the U.S.-Israel conflict with Iran escalated, resulting in mixed quarterly performance. The MSCI EAFE Index fell 1.2% but still outperformed the S&P 500 Index (4.3%). Value stocks continued to lead amid rising energy prices and higher interest rates.
- **Contributors:** Agnico Eagle Mines, Siemens Energy, ASML. Exposure to materials, utilities and select industrials.
- **Detractors:** Sea Limited, Tencent, SAP. Underweight to energy; holdings in financials and software.
- **Outlook:** After an extended period of value leadership, we believe growth stocks have materially compressed their valuation premium. We see improving opportunities in international growth equities, particularly in markets with rising earnings, supportive fiscal policy and attractive valuations.

## Performance Review

- The Fund underperformed its primary MSCI EAFE benchmark for the quarter, reflecting persistent value leadership — most notably in energy — and a sharp selloff in higher beta growth stocks following the escalation of the Middle East conflict. Energy prices surged as supply concerns intensified, driving the sector up roughly 40% and creating a meaningful headwind given the Fund's limited direct energy exposure.
- Financials weighed on results as European banks experienced profit taking after strong performance in 2025 and amid concerns that energy driven inflation could force a reversal in European Central Bank policy. The closure of the Strait of Hormuz amplified inflation risks and pressured holdings including Adyen, Intesa Sanpaolo and NatWest Group. We trimmed select bank positions during the quarter as several approached valuation targets.
- Technology stocks were also challenged. Heightened concerns that AI native software could disrupt competitive dynamics led to broad based multiple compression across the software sector, including companies with strong fundamentals and AI exposure. This affected holdings such as SAP and contributed to our decision to reduce overall software exposure.
- Higher beta segments, including consumer discretionary and IT, were most negatively impacted late in the quarter, while value oriented and defensive areas outperformed. On the final day of March, more constructive rhetoric around the conflict sparked a sharp rebound after European market hours, allowing the Fund to outperform the MSCI EAFE Growth Index for the period.
- Market volatility in March triggered indiscriminate selling across growth stocks, particularly among emerging growth companies with higher revenue growth and more innovative business models. We used this dislocation to repurchase shares of Spotify. Prior to the conflict driven selloff, we exited Shopify and MercadoLibre after they reached price targets.
- We increased exposure to companies aligned with European energy security and fiscal expansion. New positions included French utility Engie, reflecting our view that grid investment and energy transition spending will accelerate. We also added Rio Tinto to benefit from rising demand for copper, aluminum and other industrial metals critical to electrification and infrastructure spending.
- We continued to build exposure in Japan, adding five new positions that reflect improving fundamentals. Japan stands out among developed markets due to rising interest rates, governance reforms supporting higher returns on equity, and expansionary fiscal policy that should boost domestic demand, defense spending and technology investment.
- Within semiconductor capital equipment, we remained roughly neutral, taking profits in ASML and Tokyo Electron while adding ASM International and Lasertec to broaden exposure to AI related manufacturing and inspection technologies.

## Outlook

- Geopolitical conflict has reshaped global cost dynamics, particularly for energy dependent Europe, increasing uncertainty around inflation, interest rates and consumer demand. We are closely assessing the impact of higher commodity prices on both household spending and industrial input costs.
- In response, we have aligned the portfolio more closely with the current risk environment by reducing our IT overweight and increasing exposure to utilities, materials and select industrials — areas we view as structural growth beneficiaries amid rising infrastructure and power demand. We continue to emphasize regions such as Japan, and to a lesser extent Australia, where valuations remain attractive and earnings momentum is improving.
- While limited direct oil and gas exposure detracted during the quarter, we view utilities, infrastructure investments and select energy exposure — including the addition of Woodside Energy — as effective ways to participate defensively in a period of rising global power demand. We remain confident the portfolio is well positioned for improved outcomes as growth leadership ultimately reasserts itself.

## Morningstar Rating™

Overall Rating as of March 31, 2026



**(4-Star) Class I**



**(4-Star) Class A**

As of 03/31/2026 the fund's Class I and Class A shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 359, 332 and 225 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	4.38
Astrazeneca Azn Ln	3.44
HSBC Holdings PLC	3.13
Siemens Energy AG	3.05
Taiwan Semiconductor Manufacturing Company	3.05
BAE Systems plc	2.89
Hoya Corp.	2.74
Mitsubishi UFJ Financial Group	2.53
Prysmian SpA	2.52
E.ON SE	2.50

## 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 I	524686524	LMGNX	-4.06	-4.06	12.73	9.53	4.25	9.28	5.39	-4.06	-4.06	12.73	9.53	4.25	9.28	5.39	0.80	0.80	—	—	3/4/2004
Class A	524686540	LGGAX	-4.15	-4.15	12.40	9.23	3.97	8.98	11.07	-9.41	-9.41	6.23	7.19	2.74	8.34	10.68	1.10	1.06	5.50	—	2/3/2009
Benchmark 1	—	—	-1.24	-1.24	21.27	13.62	7.91	8.38	—	-1.24	-1.24	21.27	13.62	7.91	8.38	—	—	—	—	—	
Benchmark 2	—	—	-4.71	-4.71	12.67	7.51	3.55	7.13	—	-4.71	-4.71	12.67	7.51	3.55	7.13	—	—	—	—	—	

## 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](http://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

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 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 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. 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.

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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®, 03/31/2026. 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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