FRANKLIN TEMPLETON | ClearBridge

ClearBridge International Growth Fund

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

Key Takeaways

- **Markets:** International equities produced mixed results as a sharp reversal in momentum-driven AI stocks pressured growth companies while rising rates and inflation concerns supported value. The MSCI EAFE Index gained 0.8%, while the MSCI EAFE Growth Index fell 2.5%, trailing the MSCI EAFE Value Index by 680 basis points.
- **Contributors**: Mitsubishi UFJ, KBC, Agnico Eagle Mines, Woodside Energy and Recruit Holdings.
- **Detractors**: Kioxia, Infineon, Tokyo Electron, ASM International, Prysmian and Siemens Energy.
- **Outlook**: We believe the third-quarter AI-related selloff was primarily rotational and sentiment driven. We remain focused on durable growth businesses positioned to benefit from AI investment, while diversifying exposure and managing portfolio risk in a narrow, trend-driven market.

Performance Review

- International growth equities were pressured by a sharp unwind in AI-related momentum stocks during July and into August. Concerns about the return on historically high AI capital expenditures, compute oversupply, high-bandwidth memory execution, lower-cost Chinese AI models and hedge fund deleveraging drove a reversal in companies that had led earlier in the year.
- The MSCI EAFE Growth Index fell 1.7% in July while the MSCI EAFE Value Index gained 5.7%, the second-largest monthly differential favoring value in the past 10 years. Year to date, value has outperformed growth by more than 790 basis points.
- The Fund's performance was hurt by an overweight to IT, an underweight to the strong-performing financials sector and exposure to AI infrastructure companies that declined sharply. Changes to the composition of the EAFE Growth and Value indexes during the May reconstitution also affected relative results.
- While the portfolio had meaningful exposure to the AI investment cycle, benchmark leadership extended into higher-beta, cyclical businesses whose historical return characteristics had generally not met our investment criteria.
- The largest individual detractors were AI infrastructure holdings Kioxia, Infineon, Tokyo Electron and ASM International. High-voltage cable supplier Prysmian and power generation equipment manufacturer Siemens Energy also detracted as investor sentiment weakened despite continued earnings upgrades. Nearly every AI hardware company held in the portfolio reported record results, underscoring that the quarter's pressure reflected a technical and sentiment-driven correction rather than an earnings shortfall.
- Diversified contributions from more value-like structural growth holdings partially offset these declines. Mitsubishi UFJ and KBC benefited from higher interest rates in Japan and Europe, respectively. Agnico Eagle Mines and Woodside Energy gained alongside higher gold, crude oil and natural gas prices. Recruit Holdings was resilient despite concerns that AI could disintermediate its job-board businesses.
- We expanded structural-growth exposure and selectively repurchased secular growers following oversold conditions. SAP was the largest addition after our view evolved on its AI opportunity; we believe its mission-critical offering, embedded customer relationships and proprietary enterprise data position it to benefit from enterprise AI adoption. Other repurchases included Hong Kong Exchanges & Clearing, Canadian Pacific Kansas City and Thomson Reuters. In health care, we purchased Novartis and sold Roche following Roche's disappointing multiple sclerosis trial results.
- We exited Swedish mining equipment manufacturer Sandvik after it reached our price targets following strong appreciation, organic order growth and margin expansion. Dutch semiconductor equipment maker ASM International and Japanese semiconductor packaging provider IBIDEN were sold to consolidate our AI infrastructure exposure.

Outlook

- We view the third-quarter selloff in AI-related holdings as rotational and sentiment driven. We continue to participate in the long-term AI capital expenditure cycle through companies with durable earnings potential, attractive returns on capital and sustainable shareholder value creation.
- AI infrastructure demand continues to create scarcity, supply bottlenecks and pricing power across semiconductors, advanced packaging, storage, networking and optical infrastructure. This global investment cycle is benefiting companies across Japan, South Korea, Taiwan and parts of Europe. We have reduced overweights to IT and consumer discretionary while establishing exposure to energy.
- We expect AI's next phase to extend beyond infrastructure into broader enterprise adoption across financial services, health care, manufacturing and other industries. We are also strengthening our risk-monitoring tools and collaboration with ClearBridge's data science team to better evaluate portfolio correlations, activity and risk factors in a narrow international equity market.

Morningstar Rating™

Overall Rating as of September 30, 2026

★★★★ **(4-Star)** Class I

★★★★ **(4-Star)** Class A

As of 09/30/2026 the fund's Class A and Class I shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 353, 333 and 222 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	6.59
Schneider Electric	3.07
CIE Financiere Richemont SA	2.61
Banco Santander SA	2.53
SAP SE	2.42
Atlas Copco AB	2.23
Siemens Energy AG	2.22
Astrazeneca Azn Ln	2.21
Prysmian SpA	2.10
Industria De Diseno Textil Inditex SA	2.06

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	524686524	LMGNX	-7.03	-0.43	0.38	13.48	4.21	9.22	5.44	-7.03	-0.43	0.38	13.48	4.21	9.22	5.44	0.80	0.80	—	—	3/4/2004
Class A	524686540	LGGAX	-7.10	-0.65	0.11	13.18	3.92	8.92	10.96	-12.21	-6.11	-5.41	11.06	2.70	8.28	10.59	1.10	1.06	5.50	—	2/3/2009
Benchmark 1	—	—	0.81	10.33	15.69	18.40	9.32	9.07	—	0.81	10.33	15.69	18.40	9.32	9.07	—	—	—	—	—	—
Benchmark 2	—	—	-2.53	6.38	8.36	13.90	4.33	7.81	—	-2.53	6.38	8.36	13.90	4.33	7.81	—	—	—	—	—	—

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%).

Capital Expenditure (capex) are funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

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 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®, 09/30/2026. 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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