

ClearBridge International Growth Fund

Class I: LMGNX Class A: LGGAX

Commentary | as of June 30, 2025

Key Takeaways

- **Markets:** International equities maintained positive momentum in the second quarter as Europe signaled progress on fiscal stimulus and reform measures and investment flows into the region increased. The benchmark MSCI EAFE Index advanced 11.8%, besting its U.S. counterpart, the S&P 500 Index (+10.9%), for the second-straight quarter. Non-U.S. currencies continued their rally against the dollar. In a sign of strengthening local market conditions outside the U.S., the MSCI EAFE Small Cap Index jumped 16.6% while the MSCI Emerging Markets Index advanced 12.0%.
- **Contributors:** Holdings in Siemens Energy, Mitsubishi Heavy Industries, Tokyo Electron and Dollarama. Stock selection in the industrials and consumer staples sectors.
- **Detractors:** Holdings in argenx, London Stock Exchange Group, Lenovo Group and BYD. Stock selection in the information technology and communication services sectors.
- **Outlook:** The regions where we invest across the globe continue to make progress on growth and equity-friendly policies. Earnings growth among European stocks is improving with forecasts for double-digit EPS growth over the next year.

Performance Review

- Improving sentiment over global trade following President Trump's early April Liberation Day U.S. tariff announcement raised investor appetite for risk, helping international growth stocks outperform their value counterparts for the first time since the first quarter of 2024. The MSCI EAFE Growth Index gained 13.5% for the period, besting the MSCI EAFE Value Index by over 340 basis points.
- The Fund outperformed its MSCI EAFE benchmark on a gross basis, boosted by solid contributions in Japan, Canada and Europe Ex U.K. that offset weakness in the U.K.
- German electricity equipment and services provider Siemens Energy saw its shares rerate thanks to robust second-quarter results, a record order backlog and raised full-year forecasts. Companies tied to increasing defense spending in Europe and Japan were also solid contributors, led by Mitsubishi Heavy Industries, Airbus and Safran.
- Companies supporting the buildout of generative AI capabilities did well, led by semiconductor equipment maker Tokyo Electron, contract manufacturer Taiwan Semiconductor and optical cable maker Fujikura.
- One of the hardest hit areas has been health care due to upheaval in U.S. health care administration, funding and trade policies plus a weak dollar, hurting diabetes and obesity drug maker Novo Nordisk and Dutch biotech argenx.
- Other detractors included Chinese PC maker Lenovo Group, EV maker BYD and London Stock Exchange Group.
- We are finding attractive opportunities in the grocery industry with our largest purchase during the quarter being Tesco, the leading grocery chain in the U.K. We also increased exposure to European power upgrades and defense spending with additions of German utility E.ON and U.K. defense contractor BAE Systems.
- Concerns over the U.S. economy and U.S. dollar led us to sell higher dollar-weighted companies at high prices, including Irish building materials supplier CRH, and redeploy the proceeds into more domestic businesses that can benefit from the fiscal stimulus in Europe.

Outlook

- The regions where we invest across the globe continue to make progress on growth and equity-friendly policies. While still early days in the development of more stimulative economic and regulatory policies, earnings growth among stocks in the pan European Stoxx 600 has begun to improve with forecasts for double-digit EPS growth over the next year.
- In addition to a more independent EU that has pledged to improve its competitiveness through governance reform and greater investment in research and development, Japan is also taking steps to modernize its economy. Despite its leadership in consumer electronics and robotics, the country has traditionally lagged other regions in digitizing its broader economy. The Japanese government is leading a massive push to transform business functions still done on paper to the cloud and has instituted deadlines for this transition. Companies like IT consulting and software company Nomura Research Institute are helping lead the move to the cloud.
- We believe China is also becoming more investable, with its push to develop a self-sufficient health care system leading to a burgeoning homegrown biotechnology industry. The world's second-largest economy has the necessary institutional commitment to R&D and life sciences infrastructure to become a profitable global competitor to Western biopharmaceutical companies. We are actively looking at the key players in this rapidly developing market.

Morningstar Rating™

Overall Rating as of June 30, 2025



(4-Star) Class I



(4-Star) Class A

As of 06/30/2025 the fund's Class A and Class I shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 365, 333 and 219 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.

Top Holdings (% of Total)

Holding	Fund
SAP SE	3.64
Siemens Energy AG	2.93
Sony Corporation	2.85
Sea Cl. A ADR	2.81
Tokyo Electron Ltd.	2.78
RELX PLC	2.51
NatWest Group PLC	2.39
Intesa Sanpaolo	2.25
Danone SA	2.25
Novo Nordisk A/S	2.19

Sector Allocation (Equity as a % of Total)

Sector	Fund
Industrials	20.42
Financials	19.65
Information Technology	14.42
Consumer Discretionary	13.92
Health Care	11.06
Consumer Staples	9.20
Communication Services	5.40
Materials	3.31
Utilities	1.52

Average annual total returns and fund expenses (%) - as of June 30, 2025

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	11.76	17.05	17.22	15.00	8.15	8.36	5.55	11.76	17.05	17.22	15.00	8.15	8.36	5.55	0.79	0.79	—	—	3/4/2004
Class A	524686540	LGGAX	11.67	16.89	16.91	14.70	7.85	8.07	11.56	5.54	10.47	10.49	12.45	6.58	7.43	11.16	1.10	1.07	5.50	—	2/3/2009
Benchmark	—	—	11.78	19.45	17.73	15.97	11.16	6.51	—	11.78	19.45	17.73	15.97	11.16	6.51	—	—	—	—	—	—

Benchmark(s)

Benchmark =MSCI EAFE 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. 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%).

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. 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.

The MSCI EAFE Small Cap Index is an unmanaged, free float-adjusted, market-weighted index of small capitalization companies in each industry group of each country represented by the MSCI EAFE Index, which is designed to measure the equity market performance of developed markets outside of the U.S. & 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.

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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.

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.

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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. 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.

Morningstar Rating™: Source: Morningstar®, 06/30/2025. 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 4, 3 and 4 and fund's Class I shares received a Morningstar Rating of 4, 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.

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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.