FRANKLIN TEMPLETON | ClearBridge

ClearBridge Large Cap Growth Fund

Class I: SBLYX Class A: SBLGX **Commentary | as of September 30, 2026**

Key Takeaways

- **Markets:** U.S. equities saw shifting leadership in the third quarter, with a selloff in higher-beta AI stocks offsetting corporate earnings strength in a period that saw Treasury bond yields rise sharply. The S&P 500 Index advanced 2.3% for the quarter, the NASDAQ Composite recovered from a July decline to finish up 2.5% while the benchmark Russell 1000 Growth Index eked out a gain of 0.9%.
- **Contributors**: Meta Platforms, Thermo Fisher Scientific, Palo Alto Networks, Arista Networks and not holding Applied Materials. Stock selection in industrials, information technology (IT), consumer discretionary, communication services and health care.
- **Detractors**: ASML, W.W. Grainger, an underweight to Microsoft and not holding Palantir Technologies and CrowdStrike. Stock selection in materials, an underweight to IT and an overweight to industrials.
- **Outlook:** The recent AI selloff has created a more constructive backdrop for our process. We remain fundamentally positive on AI and believe adoption is still early, but the market had moved quickly into many infrastructure names to capitalize on high expectations. The reset has given us opportunities to add to infrastructure investments while we have also seen a recovery in software, where our aggregate exposure remains weighted toward security and infrastructure investments.

Top Securities (% of Total)

Holding	Fund
NVIDIA Corp.	15.52
Alphabet Inc. Class A	7.08
Apple Inc.	6.75
Meta Platforms Inc. (FB)	6.28
Visa Inc	4.27
Palo Alto Networks Inc.	4.12
Amazon.Com, Inc.	3.70
Arista Networks Inc	3.25
Netflix Inc	2.76
ASML Holding NV NY Registered Shs	2.56

Performance Review

- The Fund outperformed gross of fees, benefiting from strong stock selection as the unwind in AI momentum rewarded our more disciplined, valuation-sensitive approach. The portfolio's quality characteristics and greater differentiation within AI proved helpful.
- Meta Platforms and Arista Networks as leading contributors during the quarter are positive proof points of this approach. Meta advanced following a strong reception to the launch of its Muse personal AI agent. Early downloads surpassed those of the ChatGPT and Gemini debuts, reinforcing our view that agentic commerce is becoming a broader opportunity.
- Outside of AI, Thermo Fisher Scientific and Airbnb were also positive contributors. Thermo Fisher continued to benefit from its second-quarter earnings beat, with resilient biopharma consumables and pharmaceutical product development end markets and healthy third-quarter guidance.
- Microsoft was a relative detractor due to our underweight during an optimistic period for AI monetization. ASML declined with the broader semiconductor-capital-equipment group even as its second-quarter results were robust; elevated expectations and uncertainty over export controls constrained upside. Grainger also detracted despite a beat-and-raise quarter and no material change in its fundamentals.
- Our portfolio activity was elevated during the quarter, with eight new purchases and three exits, and guided by two objectives: thoughtfully expanding exposure to the AI and semiconductor infrastructure ecosystem while maintaining appropriate risk following the Russell 1000 Growth Index reconstitution. The rebalance materially increased the benchmark's semiconductor weight and reduced software exposure.

Outlook

- The recent AI selloff has created a more constructive backdrop for our process. We remain fundamentally positive on AI and believe adoption is still early, but the market had moved quickly into many infrastructure names to capitalize on high expectations. A usage shift from proprietary to open-source models does not diminish the need for compute; in many cases, their broader use reinforces demand for the underlying infrastructure. The reset has given us opportunities to add to infrastructure investments while remaining cognizant of what adoption, utilization and monetization trends from the leading AI labs suggest about generative AI's secular growth trajectory. We have also seen a recovery in software where we added to our position in ServiceNow while our aggregate software exposure remains weighted toward security and infrastructure investments.
- More broadly, classic measures of market breadth remain weak even as individual business fundamentals are sound. We believe such a combination argues for selectivity: strong companies can perform well, but a narrow market leaves less room for indiscriminate risk-taking. Our non-diversified mandate supports this repositioning: it enables meaningful conviction in mega cap names, nimbleness when valuations improve and measured risk management as the market evolves.

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	52469H784	SBLYX	4.38	6.88	6.05	19.80	9.62	14.52	10.34	4.38	6.88	6.05	19.80	9.62	14.52	10.34	0.73	0.73	—	—	10/15/1997
Class A	52469H826	SBLGX	4.32	6.66	5.78	19.46	9.31	14.18	10.16	-1.42	0.80	-0.05	17.23	8.02	13.51	9.94	1.01	1.01	5.50	—	8/29/1997
Benchmark	—	—	0.92	6.30	7.50	24.26	13.66	18.16	—	0.92	6.30	7.50	24.26	13.66	18.16	—	—	—	—	—	—

Benchmark(s)

Benchmark =Russell 1000 Growth Index

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. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 12/31/2027 without Board consent. Actual expenses may be higher and may impact portfolio returns.
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. **Short selling** is a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. The **investment style** may become out of favor, which may have a negative impact on performance. **Diversification** does not guarantee a profit or protect against a loss. **Active management** does not ensure gains or protect against market declines. 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

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 **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe.

Source: FTSE.

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

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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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