

# ClearBridge

## ClearBridge Mid Cap Portfolios

### Commentary | as of September 30, 2025

### **Key Takeaways**

- Markets: Mid caps advanced in the third quarter as the investment landscape was shaped by a combination of
  monetary policy shifts, stabilizing earnings and improving sentiment. The Federal Reserve's decision to cut rates in
  September, along with rising hope of further easing and expectations for earnings resilience in third-quarter reports,
  helped provide relief from headwinds that had weighed on small and mid cap stocks. As a result, the benchmark
  Russell Midcap Index returned 5.3% for the quarter. Value stocks outpaced their growth peers, with the Russell Midcap
  Value Index returning 6.2% compared to the Russell Midcap Growth's 2.8% return.
- Contributors: Holdings in AppLovin, Resideo Technologies and Argenx. Stock selection in the consumer staples, information technology (IT) and health care sectors.
- Detractors: Holdings in WillScot, Light & Wonder and EQT. Stock selection in the consumer discretionary, materials and industrials sectors.
- Outlook: We expect dispersion to remain elevated, which plays to our strength: the names we own are generally not
  index-dependent, but driven by differentiated fundamentals, catalysts and structural advantages. We remain disciplined
   seeking businesses with durable competitive moats, resilient free cash flow, balance sheet flexibility and clear paths
  to growth.

# Top Equity Issuers (% of Total)

Holding	Portfolio
Teledyne Technologies Inc	2.91
Casey's General Stores Inc	2.91
PPL Corp	2.66
API Group Corp	2.66
Clean Harbors Inc	2.65
Chewy Inc	2.58
Resideo Technologies Inc	2.57
Performance Food Group Co	2.55
EQT Corp	2.51
AppLovin Corp	2.46

#### **Performance Review**

- The Portfolios outperformed their benchmark for the quarter (gross of fees, underperformed net of fees), driven by standout stock selection in consumer staples and health care — two areas where portfolio holdings delivered strong results amid muted sector performance in our benchmark. This strength offset softness in consumer discretionary and materials.
- Consumer staples the only negative sector of the Russell Midcap Index proved a clear standout for the Strategy, led by Performance Food Group, a top U.S. foodservice distributor that supplies a broad range of fresh, frozen, dry and non-food products. The stock benefited from constructive activist engagement and news that the company entered an agreement with US Foods to explore the merits of a strategic combination. The company's strong execution and steady earnings underscore its leadership in U.S. food distribution.
- Health care was another key driver of outperformance, anchored by strength in biotechnology and the addition of new
  opportunities in life sciences tools. Argenx delivered robust second-quarter results, supported by continued adoption of its
  lead therapy for autoimmune disorders and promising progress across its clinical pipeline. Alnylam Pharmaceuticals also
  advanced, driven by accelerating uptake of its treatment for transthyretin cardiac amyloidosis (ATTR-CM) and a raise to fullyear revenue guidance, reinforcing confidence in its commercial execution and deep RNA-based drug pipeline.
- Top contributor AppLovin, a mobile technology company specializing in gaming and e-commerce monetization and
  marketing, rallied on continued investor excitement about the launch of its e-commerce business in the fourth quarter. A
  longtime holding, AppLovin continues to deliver best-in-class AI demand generation to its customers, and we believe this
  new e-commerce business has the potential to further drive incremental cash flow growth.
- Stock selection in the consumer discretionary sector proved the greatest overall headwind. Chewy, the e-commerce pet
  products and services retailer, declined despite solid revenue growth as the company's increased growth investments for the
  second half of the year weighed on investor sentiment. However, we are confident in its strategic direction and believe these
  initiatives will increase the company's recurring revenue and growth rate.
- Stock selection within the materials sector also weighed on performance, as global packaging solutions provider Crown
  Holdings sold off on macro jitters and commodity worries, and paper and forest products company International Paper came
  under pressure due to soft end-market demand.

#### **Outlook**

- Heading into year end, we remain constructive on mid cap equities though with a healthy respect for near-term volatility.
   The Fed's rate cut in September provides a potential inflection in sentiment and relief for rate-sensitive sectors. Combined with moderating macro data and fewer policy surprises, we believe the environment is better suited for selective stock pickers.
- We expect dispersion to remain elevated, which plays to our strength: the names we own are generally not index-dependent, but driven by differentiated fundamentals, catalysts and structural advantages. We remain disciplined — seeking businesses with durable competitive moats, resilient free cash flow, balance sheet flexibility and clear paths to growth.
- In short, we are optimistic but humble. The environment may not offer broad and easy gains, but it should reward
  fundamental differentiation. We believe our process is robust and our portfolio is well-positioned to navigate this backdrop
  and capture upside where it emerges.

#### Average annual total returns (%) - as of September 30, 2025-PRELIMINARY

Composite	3-Mo*	6-Mo*	YTD*	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	20-Yr	25-Yr	Inception	Inception Date
Net of Fees	5.14	15.09	7.32	9.52	11.72	7.83	7.22	9.03	7.51	_	7.41	4/30/2004
Pure Gross of Fees	5.67	16.23	8.95	11.74	13.98	10.02	9.40	11.24	9.70	_	9.59	4/30/2004
Benchmark	5.33	14.31	10.42	11.11	17.69	12.66	11.39	12.06	9.61	_	10.32	_

<sup>\*</sup>Cumulative total returns

#### Benchmark(s)

Benchmark = Russell Mid Cap Index

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward).

Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Fees: Returns for periods less than one year are not annualized. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net Composite Returns referenced above represent Pure Gross Composite performance of the portfolio reduced by an annual fee of 2.04%, the maximum fee charged by Primerica Advisors to clients invested in the strategy through the Primerica Advisors Lifetime Investment Program wrap fee program. The Net of fee composite returns presented in the attached strategy GIPS Report are calculated by reducing each monthly composite pure gross rate of return by the highest "bundled" fee charged (3.00%) annually, prorated to a monthly ratio. Returns reflect the reinvestment of dividends and other earnings. All performance is reported in US dollars. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs.

The composite is comprised of accounts that are separately managed accounts (SMAs) managed in accordance with the strategy.

For investors that access strategies through the Primerica Ádvisors Lifetime Investment Program, Primerica Advisors or its service providers, not Franklin Templeton Private Portfolio Group, LLC (FTPPG), is responsible for implementing the strategy in your account. Gross performance of the strategy, as implemented by Primerica Advisors, will vary from FTPPG's composite performance. Net performance for individual investors will vary based on the fees charged by Primerica Advisors, as well as Primerica Advisors' management of its program and each client's account.

ClearBridge Investments, LLC claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

To obtain specific information on available products and services or a GIPS Report, contact your Franklin Templeton separately managed account sales team at (800) DIAL BEN/342-5236.

#### What are the Risks?

All investments involve risks, including possible loss of principal. Small- and mid- cap stocks involve greater risks and volatility than large-cap stocks. 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.

#### Glossary

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

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. Source: FTSE.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. Source: FTSE.

The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. Source: FTSE.

The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. Source: FTSE.

The **S&P 500 Index** is a list of 500 of the largest public companies in the U.S.

#### **Important Information**

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or portfolio. 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 portfolio's selection process. Holdings are subject to change.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Professional or contact your sponsor firm.

Franklin Templeton (FT) is not undertaking to provide impartial advice. Nothing herein is intended to provide fiduciary advice. FT has a financial interest.

The Russell Mid Cap Index measures the performance of the mid-cap 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.

Separately Managed Accounts (SMAs) are investment services provided by Franklin Templeton Private Portfolio Group, LLC (FTPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton affiliated sub-advisors: ClearBridge Investments, LLC. Management is implemented by FTPPG, the designated sub-advisor or, in the case of certain programs, the program sponsor or its designee.

ClearBridge Investments, LLC is a Franklin Templeton affiliated company.

© Franklin Templeton. All rights reserved.

This material is intended for informational purposes only, and it is not intended to be relied on to make any investment decision. Franklin Templeton, LLC, is not affiliated with Primerica or PFS Investments. Inc.

