ClearBridge Appreciation Portfolios

ClearBridge

Separately Managed Accounts | Fact Sheet as of September 30, 2025

Investment overview

ClearBridge Appreciation Portfolios were designed for investors seeking long-term capital appreciation through investments primarily in a core portfolio of high-quality, large-capitalization companies. By investing in a diversified portfolio of growth and value stocks, the managers believe that they are able to position the portfolios to take advantage of changes in economic and market cycles.

Investment objective

Seeks:
Long-term appreciation of capital

Investment philosophy

We believe that:

- The managers seek to provide consistent and competitive risk-adjusted returns through a market cycle by balancing upside participation in good markets, while trying to limit downside risk during difficult markets
- The managers invest in both growth and value stocks, consisting primarily of large-cap, blue chip companies that tend to have dominant market positions and have met environmental, social and governance criteria in the portfolio construction process

Generally, companies in the portfolio fall into one of the following categories:

- Companies that have assets or earning power that are undervalued or unrecognized by the market, or companies whose stock price has been driven down by cyclical factors
- Companies with superior demonstrated and expected growth characteristics, whose stocks are available at reasonable prices due to temporary market-specific or stock-specific reasons
- Companies the managers believe are well positioned to sustain or increase growth at a faster rate than market expectations

The managers use a disciplined valuation process that attempts to measure upside potential and downside exposure.

Portfolio positioning

Low-volatility core holding:

- Balance upside participation in good markets while trying to limit downside risk during difficult markets
- Core equities: manager has the flexibility to take advantage of both growth- and value-oriented markets
- Typically focused on dominant "blue chips"
- Demonstrates both growth and value characteristics
- Great growth companies at reasonable prices

The managers may sometimes hold significant cash reserves as a portion of the portfolio while waiting for buying opportunities.

Key differentiators

Clear investment philosophy and objective:

- Seeks long-term appreciation of capital

Disciplined approach to security selection:

- Look for high-margin, lower-leverage companies.
- Focus on balance sheet strength and free cash flow measures.
- Use multiple valuation measures to ensure not overpaying for future growth.
- Occasionally incorporate top-down themes to drive areas for security selection.

Performance risk:

- De-risk business model at security level.
- Aware of active bets at sector and security levels, leveraging ClearBridge Investments risk management team.

Management team

ClearBridge Investments is a well-established global investment manager focusing on proprietary research and fundamental investing. With over 60 years of experience building portfolios for clients seeking income solutions, high active share or low volatility, long-tenured portfolio managers provide strong leadership in a centralized investment structure.

Investment management team

Michael Kagan
Managing Director
Portfolio Manager
Industry since 1995

Stephen Rigo, CFA
Managing Director
Portfolio Manager
Industry since 2000

Active share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process

STEP 1

Define the investment universe

- Emphasize domestic large-capitalization stocks but also consider mid- and small-capitalization companies and ADRs of non-U.S. companies opportunistically.

STEP 2

Evaluate stocks using proprietary discipline

- Screen for high-quality companies with dominant market positions, proven management teams and/or superior balance sheets across all market sectors.

STEP 3

Select securities and construct portfolio

- Conduct fundamental research to identify companies with attractive growth characteristics relative to their valuation levels, with a range of 50-80 stocks

STEP 4

Review holdings continuously

- Re-examine a current holding when valuation is realized, fundamentals deteriorate, insiders are selling and/or cyclical shifts alter industry's attractiveness.
- The managers may sometimes hold significant cash reserves as a portion of the portfolio while waiting for buying opportunities or to provide a hedge against possible stock market declines.

The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved.

Portfolio Information‡

As of September 30, 2025

Top Ten Holdings (%)

	Portfolio
Microsoft Corp	9.04
NVIDIA Corp	7.36
Alphabet Inc	5.09
Apple Inc	4.43
Meta Platforms Inc	3.87
Broadcom Inc	3.35
Amazon.com Inc	2.98
JPMorgan Chase & Co	2.89
Bank of America Corp	2.62
Walmart Inc	2.45
Total	**44.08**

Sector Weightings (%)

	Portfolio	BM
Information Technology	28.52	34.78
Financials	13.29	13.54
Communication Services	13.15	10.14
Industrials	11.72	8.29
Health Care	7.47	8.86
Consumer Discretionary	6.97	10.54
Consumer Staples	6.40	4.91
Materials	4.93	1.77
Energy	3.31	2.89
Utilities	1.32	2.35
Real Estate	0.82	1.94
Cash & Cash Equivalents	2.10	0.00

Market Capitalization (%)

	Portfolio	BM
<10 Billion	0.00	0.29
10-50 Billion	5.93	11.50
50-250 Billion	28.90	31.73
250-500 Billion	13.08	10.67
>500 Billion	52.09	45.80

Characteristics

	Portfolio	BM
Number of Issuers	56	503
Estimated 3-5 Year EPS Growth	11.15%	11.83%
Price to Earnings (12-Month Forward)	26.79x	25.04x
Price to Book	8.95x	8.18x
Dividend Yield*	1.08%	1.15%
Median Market Cap (Millions USD)	$581,029	$403,164
Weighted Average Market Capitalization (Millions USD)	$1,347,357	$1,321,552

‡ Source: FactSet. Portfolio characteristics listed are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the portfolio characteristics are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. **Dividend Yield is calculated without the deduction of fees and expenses.**

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of September 30, 2025 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Yrs	10 Year	15 Yrs	20 Year
Appreciation –Pure Gross of Fees—(USD)	2.55	6.09	14.27	16.49	20.69	14.01	11.90	12.81	12.75	10.48
Appreciation –Net of Fees—(USD)	2.31	5.32	11.80	13.13	17.22	10.71	8.66	9.54	9.49	7.28
S&P 500 Index—(USD)	3.65	8.12	14.83	17.60	24.94	16.47	14.45	15.30	14.64	10.97

Calendar-Year Total Returns – Pure Gross and Net of Fees (%) ending December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Appreciation –Pure Gross of Fees—(USD)	20.97	15.87	-11.50	21.73	10.33	26.79	-2.15	17.64	11.76	-0.02
Appreciation –Net of Fees—(USD)	17.49	12.53	-14.11	18.23	7.13	23.16	-5.01	14.25	8.53	-2.94
S&P 500 Index—(USD)	25.02	26.29	-18.11	28.71	18.40	31.49	-4.38	21.83	11.96	1.38

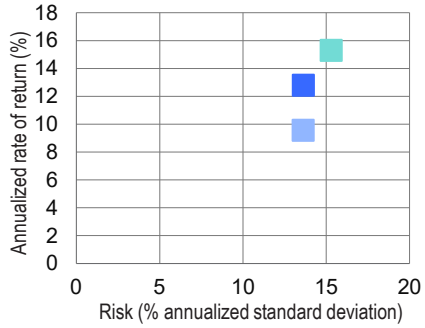
The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

[1] **Fees:** Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

For fee schedules, contact your financial professional, or if you enter into an agreement directly with Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), refer to FTPPG's Form ADV Part 2A disclosure document. 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. **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. 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.**

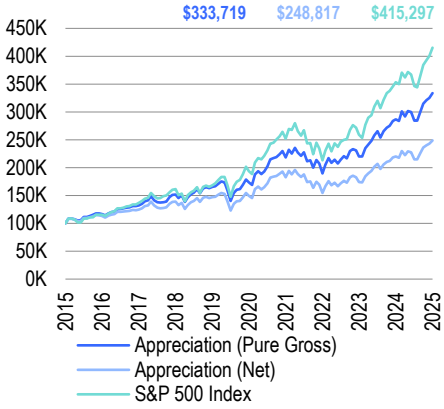
Performance Statistics [1] Preliminary (based on 10-year period ending September 30, 2025)

Risk/Return profile (%)

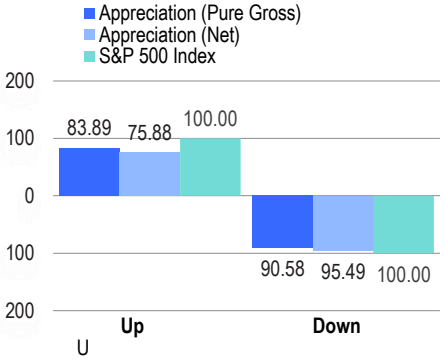


Appreciation (Pure Gross)	
Annualized Return (%)	12.81
Annualized Standard Deviation (%)	13.63
Appreciation (Net)	
Annualized Return (%)	9.54
Annualized Standard Deviation (%)	13.63
S&P 500 Index	
Annualized Return (%)	15.30
Annualized Standard Deviation (%)	15.31

Growth of $100,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.80	0.58	0.87
Beta	0.87	0.87	N/A
Alpha (%)	-0.67	-3.57	N/A
R-Squared	0.95	0.95	N/A

	(+) Months	(-) Months
Pure Gross:	85	35
Net:	85	35

[1] Source: Franklin Templeton.

*For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on pure gross and net-of-fees quarterly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

Terms and definitions:

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends. **Dividend yield is calculated without the deduction of fees and expenses.**

P/E (Year 1) is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

Weighted median market capitalization represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a portfolio and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

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.

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.**

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