FRANKLIN TEMPLETON | ClearBridge

ClearBridge Dividend Strategy Portfolios

Commentary | as of September 30, 2026

Key Takeaways

- **Markets:** During the third quarter, the S&P 500 Index rose 2.3% while shares of the ClearBridge Dividend Strategy increased modestly. The Strategy rose strongly in the first two months of the period, outperforming the index, but retraced those gains in September. AI developments continued to drive the markets, and the information technology (IT) sector was the largest contributor to the S&P 500's return for the quarter. Superficially, this resembled most recent quarters, with a one-dimensional market dominated by AI. Beneath the surface, however, turbulence increased.
- **Contributors:** On an individual stock basis, the largest contributors to relative returns were ExxonMobil, Becton Dickinson, Automatic Data Processing and not owning Tesla and Applied Materials. Stock selection in industrials, IT and financials, an overweight to energy and an underweight to consumer discretionary contributed to performance.
- **Detractors:** The largest detractors were Honeywell Aerospace, Williams and Nestle and underweights to Apple and Nvidia. Stock selection in energy, health care and materials, an underweight to IT and overweights to industrials and real estate weighed on results.
- **Outlook:** Against a backdrop of rising rates, greater market volatility and intensifying competition around AI, we are maintaining measured exposure to AI leaders while emphasizing diversified, attractively priced companies with strong balance sheets, healthy dividends and predictable revenue streams.

Top Equity Issuers (% of Total)

Holding	Portfolio
Microsoft Corp	4.70
ExxonMobil Holdings Corp	4.36
Williams Cos Inc/The	4.06
Alphabet Inc	3.26
NVIDIA Corp	3.25
Apollo Global Management Inc	2.63
Unilever PLC	2.59
Marsh & McLennan Cos Inc	2.57
Air Products and Chemicals Inc	2.56
American Tower Corp	2.52

Performance Review

- The portfolio underperformed the S&P 500 Index during the third quarter. Its underweight to IT was the principal relative headwind, and measured positions in Apple, Nvidia and Microsoft detracted, although not owning several high-beta beneficiaries of the AI infrastructure buildout helped as those stocks sold off.
- The energy overweight contributed, but stock selection detracted as Williams declined while investors awaited additional data center projects. ExxonMobil benefited from higher oil prices. In health care, Becton Dickinson rose as the sector rebounded from depressed valuations, while CVS Health weakened despite strong results and increased 2026 guidance.
- In industrials, Honeywell Aerospace detracted after reporting lower adjusted earnings and separation-related costs and reducing its full-year sales and adjusted earnings outlook amid supply-chain constraints. Automatic Data Processing contributed on solid revenue and adjusted earnings growth, strong retention, pricing and new-business bookings.
- We bought Kinder Morgan, a high-quality energy infrastructure company with recurring contracted revenues and a solid growth outlook tied to natural gas demand. We exited RTX and Honeywell International after strong performance, and also exited Roche and PG&E.

Outlook

- In a world undergoing profound technological innovation, we emphasize companies with low risk of disintermediation. Our holdings have strong balance sheets, healthy dividends and predictable revenue streams, making them more defensive in periods of economic uncertainty. Our companies are positioned to compound earnings and dividends, which may insulate portfolios from inflation and protect purchasing power.
- Given the current combination of market concentration and profound technological change, we believe a traditional approach to diversification is more important than ever and the Strategy is well-positioned to navigate today's turbulent waters.

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns (%) - as of September 30, 2026-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	-0.30	5.79	5.33	6.07	13.63	8.71	9.90	10.82	8.20	–	8.14	5/31/2003
Pure Gross of Fees	0.20	6.84	6.91	8.20	15.91	10.89	12.10	13.04	10.38	–	10.31	5/31/2003
Benchmark	2.30	17.85	12.75	15.74	22.89	13.79	15.33	15.68	11.21	–	11.37	–

*Cumulative total returns

Benchmark(s)

Benchmark =S&P 500 Index

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

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.
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 2.02%, the maximum fee charged by Primerica Advisors to clients invested in the strategy through the Primerica Advisors Lifetime Investment Program wrap fee program.Net of fee returns presented within marketing materials created prior to 3/31/2020 were shown reflecting a maximum fee charged by Primerica Advisors to clients of 2.05%. 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 Advisors 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.

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. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. **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**.

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 **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization.

Source: © 2026 S&P Dow Jones Indices LLC. All rights reserved.

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

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

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.

FRANKLIN TEMPLETON