

ClearBridge

ClearBridge Growth ESG Portfolios

Commentary | as of September 30, 2025

Key Takeaways

- Markets: U.S. equities continued their momentum in the third quarter, with the S&P 500 Index up 8.1% and the benchmark Russell Midcap Growth Index increasing 2.8%. Investor optimism was fueled by better-than-feared tariff outcomes, the passing of the One Big Beautiful Bill Act, a Fed rate cut and robust corporate earnings.
- Contributors: Holdings in AppLovin, TE Connectivity, Broadcom, and Robinhood. Stock selection in information technology (IT) and financials.
- Detractors: Holdings in Vertex Pharmaceuticals, Chipotle Mexican Grill, HubSpot and an underweight to Roblox. Stock selection in communication services, consumer discretionary and materials.
- Outlook: Monetary easing and potential regulatory changes could provide tailwinds in 2026, but we appreciate that
 many stocks have begun to price in a more optimistic environment and remain cognizant of a number of economic and
 geopolitical risks that could derail the market's current momentum.

Performance Review

- The Portfolios outperformed the benchmark gross of fees, supported by a broad base of contributors, reflecting our commitment to diversified growth rather than a reliance on a few standout names or contributing factors.
- AppLovin, a software-based platform for advertisers to enhance the marketing and monetization of their content. AppLovin
 shares rose on solid second quarter earnings, with sustained growth from the company's core gaming business and
 increased optimism around catalyst driven growth in its emerging e-commerce business.
- Also in IT, Broadcom, a multidecade holding that remains the Fund's top position, stood out after announcing a fourth
 customer for its specialized XPU chips geared to AI workloads, underscoring its leadership in the market for custom silicon in
 AI applications. TE Connectivity was a strong contributor on the strength of its AI-enabled sensors and embedded systems
 while Palantir contributed meaningfully, as its role in infrastructure software positioned it to capitalize on the accelerating
 adoption of AI across industries.
- · Robinhood saw notable share growth, fueled by increased interest in cryptocurrency and a series of new product launches.
- The quarter saw pockets of weakness among consumer discretionary holdings like Chipotle, CAVA and Airbnb, reflecting
 macro uncertainty and a softer spending environment. We did see bright spots such as outperformance of off-priced retailer
 T.IX.
- Application software names such as HubSpot and ServiceNow also faced pressure as concerns around AI disintermediation
 continued to weigh on the sector. That said, we have reduced our exposure to this area within technology.
- The Portfolios added five new positions. On Holding, a disruptive Swiss designer of premium footwear and apparel is well-positioned to continue gaining market share through a combination of growing its brand awareness and wholesale presence. Also in the disruptor category, we added Roblox, the leading user-generated gaming platform experiencing a re-acceleration in growth due to improved discovery algorithms and Al driving increased velocity of game development. Media company TKO struck an attractive seven-year deal with Paramount for its UFC rights, highlighting the value for premium content.
- Natera, in the health care sector, specializes in DNA testing across oncology, women's health and organ health. We believe
 Natera has a long runway for growth as adoption of minimal residual disease testing, a nascent post-cancer treatment area,
 increases. XPO, the fourth largest less than truckload (LTL) provider in North America, adds cyclical growth. Under new
 leadership, XPO is improving service levels and pricing.
- We stayed disciplined in exiting positions where our investment thesis had evolved from its original premise. We exited
 UnitedHealth Group, which has been in the portfolio for several decades, providing steady returns to shareholders. We are
 concerned that the challenges the company faces, particularly at its health services unit Optum, will take time to address.

Outlook

- On the ESG front, recent engagements with ClearBridge portfolio companies have touched on ways they are developing
 carbon capture and sequestration across several industries and how in most cases advanced carbon-capturing capabilities
 are driving share gains and improving cash flows.
- Looking ahead, we remain focused on maintaining a balanced portfolio that can capture upside in strong markets while
 providing downside protection during periods of volatility. While monetary easing and potential regulatory changes could
 provide tailwinds in 2026, we appreciate that many stocks have begun to price in a more optimistic environment and remain
 cognizant of a number of economic and geopolitical risks that could derail the market's current momentum.
- While consistent in applying our orientation as long-term investors, we remain vigilant in monitoring stock-specific and sector allocations, trimming positions in areas facing headwinds or where valuation has become more extended and reallocating capital to opportunities with more attractive risk-reward profiles.

Top Equity Issuers (% of Total)

Holding	Portfolio
Broadcom Inc	7.18
TE Connectivity PLC	5.82
Vertex Pharmaceuticals Inc	4.32
Autodesk Inc	4.21
TJX Cos Inc/The	4.00
Vertiv Holdings Co	3.48
Crowdstrike Holdings Inc	3.36
Johnson Controls International plc	3.20
AppLovin Corp	3.00
Robinhood Markets Inc	2.83
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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	4.33	22.63	12.91	17.22	15.92	7.97	7.28	9.46	_	_	7.37	6/30/2006
Pure Gross of Fees	5.09	24.40	15.41	20.69	19.36	11.19	10.49	12.73	_	_	10.58	6/30/2006
Benchmark	2.78	21.49	12.84	22.02	22.85	11.26	13.37	13.44	_	_	10.80	_

^{*}Cumulative total returns

Benchmark(s)

Benchmark = Russell Midcap Growth 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: 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.

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What are the Risks?

All investments involve risks, including possible loss of principal. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The managers' environmental, social and governance (ESG) strategies may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance.

Glossary

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

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

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