

# ClearBridge Mid Cap Growth Portfolios

Commentary | as of March 31, 2026

## Key Takeaways

- **Markets:** Mid cap growth equities declined during the first quarter, with the Russell Midcap Growth Index falling 6.4%, but they outperformed the larger cap Russell 1000 Growth Index, which declined 9.8%. Neither group was immune to the broader market selloff, which was driven largely by investor concerns surrounding the ramifications of the conflict pitting the U.S. and Israel against Iran. Performance among mid cap growth companies exhibited less dramatic sector dispersion than large cap growth companies, with company-specific fundamental inflections and exposure to artificial intelligence (AI) proving to be more material drivers.
- **Contributors:** Holdings in Casey's General Stores, RBC Bearings and XPO. Stock selection in Consumer staples, overweight to energy, underweight to financials.
- **Detractors:** Holding in AppLovin and not owning Quanta Services and Targa Resources. Stock selection in health care, energy and materials.
- **Outlook:** We are spending more time challenging long-held assumptions, particularly in areas where technological change could alter competitive dynamics. At the same time, we are mindful that periods of uncertainty often create opportunity, especially for companies with clear strategies, strong execution and the ability to adapt. We also believe that many mid cap growth companies are better positioned than commonly appreciated to incorporate generative AI into their operations — not just as a risk, but as a potential source of efficiency and long-term value creation. Whether in logistics, industrial manufacturing or health care delivery, the ability to rethink cost structures and productivity could become an important differentiator over time.

## Performance Review

- The Portfolios outperformed their Russell Midcap Growth benchmark (gross and net of fees), supported by its more cyclical positioning and strength across a wide range of industrials and consumer staples.
- Industrials performance was driven by high-quality compounders positioned to benefit from improving or stabilizing end markets, enthusiasm for cyclical recovery stories and AI infrastructure/power beneficiaries. For example, long-standing holding RBC Bearings, a manufacturer of highly engineered precision components, continued to grow revenues and profit margins in its aerospace and industrial segments. Vertiv, a manufacturer of power, precision cooling and infrastructure management systems primarily serving data centers, is benefiting from the generational data center infrastructure investment. Meanwhile, XPO, a less-than-truckload transportation provider, benefited from ongoing initiatives to improve pricing, service and network efficiency.
- Consumer staples also contributed positively, in particular Casey's General Stores, whose value-focused consumer appeal is seeing resilient demand in an increasingly uncertain macro environment. The company continues to outperform industry trends in both fuel and food service.
- Health care was an area of weakness during the quarter. Declines were particularly prevalent in contract research organizations (CROs) Medpace and ICON, as well as digital health platform Doximity, due to investor concerns over the possibility of AI disruption in drug development and advertising. ICON faced additional pressure after management announced it was withdrawing its guidance and investigating some of its historical accounting practices and, coupled with the rise in uncertainty over its long-term growth opportunities, we elected to exit the position.
- Within information technology (IT), performance was mixed. AppLovin, a mobile advertising and app monetization platform, detracted modestly as investors evaluated potentially shifting competitive dynamics and reconsidered the near-term potential of its new e-commerce product. More broadly, several software and platform companies — including HubSpot, a customer relationship management provider, Monday.com, a work management platform, and Rubrik, a data security and cloud data management company — faced pressure as investors reassessed competitive positioning in an increasingly AI-driven landscape.
- However, there were also notable bright spots within the IT sector. Entegris, which provides advanced materials and process solutions for the semiconductor and other high-technology industries, continued to see strong demand due to an improving cyclical backdrop, while Teledyne Technologies, which provides advanced instrumentation and aerospace electronics, contributed as demand tied to defense, sensing and advanced industrial instrumentation began to inflect positively.

## Outlook

- As we look ahead, the range of potential outcomes remains wide. The path of economic growth, the durability of a recovery across cyclical end markets and the ultimate impact of artificial intelligence on business models are all still taking shape. Our focus remains on understanding businesses at a fundamental level — how they generate returns, how durable those returns are and how they may evolve over time.
- We are spending more time challenging long-held assumptions, particularly in areas where technological change could alter competitive dynamics. At the same time, we are mindful that periods of uncertainty often create opportunity, especially for companies with clear strategies, strong execution and the ability to adapt. We also believe that many mid cap growth companies are better positioned than commonly appreciated to incorporate generative AI into their operations — not just as a risk, but as a potential source of efficiency and long-term value creation. Whether in logistics, industrial manufacturing or health care delivery, the ability to rethink cost structures and productivity could become an important differentiator over time.
- Ultimately, our approach remains grounded in selectivity and discipline. We are focused on owning businesses that can perform across a range of scenarios, while remaining flexible as the environment evolves.

## Top Equity Issuers (% of Total)

Holding	Portfolio
Vertiv Holdings Co	4.60
Monolithic Power Systems Inc	3.57
Casey's General Stores Inc	2.99
RBC Bearings Inc	2.87
Hilton Worldwide Holdings Inc	2.85
Burlington Stores Inc	2.61
Royal Caribbean Cruises Ltd	2.47
Live Nation Entertainment Inc	2.45
Vistra Corp	2.31
United Rentals Inc	2.25

## Average annual total returns (%) - as of March 31, 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	-6.24	-10.85	-6.24	5.03	8.51	1.07	8.46	—	—	—	6.99	6/30/2014
Pure Gross of Fees	-5.53	-9.49	-5.53	8.17	11.74	4.10	11.70	—	—	—	10.19	6/30/2014
Benchmark	-6.35	-9.82	-6.35	9.56	12.74	5.37	11.69	—	—	—	10.37	—

\*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).**

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## 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

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

## Important Information

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

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Source: FTSE.

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