ClearBridge Growth Portfolios

Commentary | as of March 31, 2026

Key Takeaways

- **Markets:** Surging volatility pressured U.S. equities to start 2026, as rapidly evolving macro conditions and the outbreak of a military conflict in the Middle East contributed to sharp shifts in investor sentiment. A broad-based sell off among more liquid, larger cap holdings put pressure on the Russell 3000 Growth Index, which declined 9.5% for the quarter, while small and mid cap growth categories held up relatively better, with the Russell Midcap Growth and Russell 2000 Growth indexes declining 6.3% and 2.8%, respectively.
- **Contributors:** Holdings in Vertiv, L3Harris Technologies and Freeport-McMoRan. Stock selection in the consumer discretionary and industrials sectors, overweight to materials.
- **Detractors:** Holdings in AppLovin, now owning Comnfort Systems USA and Quanta Services. Stock selection and an overweight to IT and a lack of exposure to energy.
- **Outlook:** Our outlook remains consistent: while macro uncertainty and volatility are likely to persist and may even increase as geopolitical developments evolve, these environments often create the most attractive opportunities for active, bottom-up investors. We continue to emphasize balance — owning companies with both offensive growth potential and defensive characteristics, including strong balance sheets, durable cash flows and capable management teams. This approach is designed to support performance across a wide range of market environments, rather than relying on a single factor or theme.

Top Equity Issuers (% of Total)

Holding	Portfolio
Vertiv Holdings Co	5.47
TE Connectivity PLC	5.32
Vertex Pharmaceuticals Inc	5.26
Broadcom Inc	5.13
TJX Cos Inc/The	4.78
Johnson Controls International plc	3.87
Hilton Worldwide Holdings Inc	3.47
L3Harris Technologies Inc	3.11
Autodesk Inc	2.87
Crowdstrike Holdings Inc	2.82

Performance Review

- The Portfolios underperformed their Russell Midcap Growth benchmark (gross and net of fees) during the first quarter, giving back a small portion of the strong relative performance achieved over the past several quarters. Performance was pressured primarily by stock selection within the information technology (IT) and financials sectors, while strength in areas such as communication services and historically underrepresented industrials and consumer discretionary sectors underscored the benefits of our multi-year portfolio diversification efforts.
- Within IT, a broad-based selloff in software and higher-multiple growth names weighed on results. Despite solid quarterly results, holdings such as Autodesk, Shopify and CrowdStrike declined as investors questioned growth durability and valuation levels across the subsector. AppLovin, which operates a software platform for advertisers to enhance the marketing and monetization of their content — particularly within mobile apps — was also a notable detractor, on fears of AI disruption and rising competition from Meta. We see AppLovin as an early adopter and longer-term beneficiary of AI, as greater gaming and application development should increase the need for discovery.
- In financials, Robinhood Markets detracted from performance due to a pullback in retail trading volumes and bitcoin pricing following a strong 2025. While near-term cryptocurrency trends have moderated, we continue to see long-term potential in the platform's ability to expand its ecosystem and capture share across a broader set of financial services offerings.
- In industrials, Vertiv, a manufacturer of power and precision cooling systems, continued to benefit from the buildout of data center and AI infrastructure, while defense contractor L3Harris delivered solid performance amid sustained global defense spending trends. Relatively new addition XPO, the fourth-largest less-than-truckload carrier in North America, continued to benefit from initiatives under its new leadership to improve service levels, pricing discipline and margins.
- Holdings in the consumer discretionary sector were also key contributors, led TJX, which put up better than expected same-store sales growth despite a more constrained consumer spending environment.

Outlook

- Our outlook remains consistent: while macro uncertainty and volatility are likely to persist and may even increase as geopolitical developments evolve, these environments often create the most attractive opportunities for active, bottom-up investors. We continue to emphasize balance — owning companies with both offensive growth potential and defensive characteristics, including strong balance sheets, durable cash flows and capable management teams. This approach is designed to support performance across a wide range of market environments, rather than relying on a single factor or theme.
- Importantly, we remain active. We are not standing still in the face of volatility but are instead using it to refine the portfolio — trimming positions where risk-reward has become less favorable and adding to high-conviction ideas where valuations have become more compelling. We also believe the ongoing broadening of market leadership, particularly beyond mega cap technology, is a constructive development for our investment universe. After a prolonged period of concentration, a more balanced market should reward differentiated, high active share portfolios such as ours.
- Ultimately, we are confident that the Portfolio's improved diversification, disciplined process and focus on high-quality growth businesses position it well to navigate current conditions and continue delivering long-term value for clients.

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	-8.73	-11.25	-8.73	10.74	9.29	1.26	7.23	8.25	7.24	7.24	10.33	12/31/1993
Pure Gross of Fees	-8.25	-10.33	-8.25	12.98	11.51	3.32	9.41	10.45	9.42	9.42	12.56	12/31/1993
Benchmark	-6.35	-9.82	-6.35	9.56	12.74	5.37	11.69	11.12	9.54	9.43	9.93	—

*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: 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. 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 2.07%. 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.
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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.

Glossary

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

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

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE.

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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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