

ClearBridge Growth Fund

Class A: SHRAX Class I: SAGYX
Commentary | as of March 31, 2025

Key Takeaways

- **Markets:** Equities sold off sharply in the first quarter, with volatility accelerating into April, as a rotation out of mega caps followed by a raft of U.S. tariff actions raised fears of an economic slowdown and higher inflation. While growth stocks suffered the widest losses, the “mid cap plus” segment of growth stocks we target, most of which reside in the benchmark Russell Midcap Growth Index (-7.12%), held up better than both the Russell 1000 Growth Index (-9.97%) and Russell 2000 Growth Index (-11.12%).
- **Contributors:** Holdings in CrowdStrike, Cintas, TKO Group. Stock selection in communication services and health care sectors.
- **Detractors:** Holdings in Vertiv. Stock selection in the information technology (IT) and consumer staples sectors.
- **Outlook:** We believe the market correction that picked up speed to start the second quarter will lead to a reprioritization among investors toward growth stocks built on sound, profitable business models.

Performance Review

- While The Fund marginally underperformed the benchmark, we believe our balanced, pyramid of growth approach to portfolio construction has supported its resilience.
- This balance was on display with defensive health care holdings Vertex Pharmaceuticals and UnitedHealth Group as well as uniform and workplace products provider, Cintas, and off-price apparel retailer, TJX. Cintas' strong quarterly results were boosted by new business wins driven by cost savings, a value proposition particularly salient in today's more uncertain macro environment. TJX also put up a high-quality beat and has historically benefited from trade-down and inventory availability during periods of weaker consumer spending.
- A handful of holdings indexed to AI and/or federal government contracts, including semiconductor maker Broadcom, software developer ServiceNow as well as Vertiv, a provider of HVAC services to data centers, endured losses.
- E.L.F. Beauty in consumer staples fell sharply after lowering its revenue and earnings guidance for its fiscal year due to a declining beauty category and heavy holiday promotions.
- As active managers, we can take advantage of market dislocations to buy quality names at attractive levels. We opportunistically scaled up newer positions such as Palantir Technologies and Robinhood Markets. Volatility also motivated our first purchase in the utility sector, Vistra, as well as reduce our underweight to the consumer discretionary sector with the addition of CAVA Group.
- We also upgraded the Fund's growth profile with five sales. Exits from AbbVie and Ionis Pharmaceuticals consolidate our health care exposure toward companies with more attractive and predictable long-term growth prospects as did our closeouts of cyclical technology positions Seagate Technology and Western Digital.

Outlook

- In a period of increased macro uncertainty, we regularly evaluate our existing positions and portfolio construction to ensure the Fund is positioned well for various economic scenarios. We seek a balanced approach to growth to offer clients the right mix of offense and defense, which should serve them well through the course of a market cycle.
- We believe the market correction that picked up speed to start the second quarter will lead to a reprioritization among investors toward growth stocks built on sound, profitable business models. This is the way we have managed shareholder capital for more than four decades, by owning cash-flow-generating businesses run by experienced management teams. Those businesses that can continue to invest through downturns and improve productivity and returns for their clients and customers can deepen and even extend their competitive moats during uncertain macro environments. As longer-term investors, we can similarly use dislocations created by broad market selloffs to better position the portfolio for the next upcycle of growth.

Top Equity Issuers (% of Total)

Holding	Fund
Vertex Pharmaceuticals Inc	6.93
Broadcom Inc	5.65
TE Connectivity PLC	4.72
Autodesk Inc	4.36
CrowdStrike Holdings Inc	4.28
HubSpot Inc	4.14
TJX Cos Inc/The	3.69
L3Harris Technologies Inc	3.28
Johnson Controls International plc	2.99
Madison Square Garden Sports Corp	2.57

Sector Allocation (Equity as a % of Total)

Sector	Fund
Information Technology	36.04
Industrials	17.24
Health Care	14.27
Consumer Discretionary	11.79
Communication Services	9.77
Financials	7.72
Materials	1.94
Consumer Staples	0.76
Utilities	0.37

Average annual total returns and fund expenses (%)

Class	CUSIP	Ticker	Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception Date
			3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	
Class A	52468C109	SHRAX	-7.73	-7.73	-0.58	1.45	8.80	4.64	10.56	-12.80	-12.80	-6.05	-0.54	7.52	4.02	10.40	1.14	1.14	5.50	—	10/24/1983
Class I	52468C406	SAGYX	-7.66	-7.66	-0.28	1.76	9.13	4.96	9.40	-7.66	-7.66	-0.28	1.76	9.13	4.96	9.40	0.83	0.83	—	—	1/30/1996
Benchmark	—	—	-7.12	-7.12	3.57	6.16	14.86	10.14	—	-7.12	-7.12	3.57	6.16	14.86	10.14	—	—	—	—	—	

Benchmark(s)

Benchmark = Russell Midcap Growth Index

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 12/31/2025 without Board consent. Actual expenses may be higher and may impact portfolio returns.

Maximum sales charges have been updated as of August 15, 2022, please refer the Fund's prospectus for more information.

What are the Risks?

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Glossary

Moat is an advantage a company has which allows it to protect its market share and profitability.

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

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

Important Information

Prior to May 1, 2024, the fund was named ClearBridge Aggressive Growth Fund. Effective May 1, 2024, the fund changed its benchmark to the Russell Midcap Growth Index.

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. 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 fund's portfolio selection process. Holdings are subject to change.

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

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

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.