Conference Call Series

The following are notes based on a conference call on January 28, 2010. The call featured Richie Freeman from ClearBridge Advisors ("ClearBridge"). Mr. Freeman is a Senior Portfolio Manager at ClearBridge and Co-Portfolio Manager of the Legg Mason ClearBridge Aggressive Growth Fund. During the call, he provided a recap on the equity markets and his portfolio in 2009, as well as his views on 2010.

Market Environment

- Despite a recent soft patch in the market, Freeman said he has not seen anything to dissuade him from believing that this is still primarily a bull market.
- According to Freeman, what has been occurring in the market of late is very constructive. He feels it would have been very negative if the market continued moving up like it did last year, with investors throwing caution to the wind.
- Freeman pointed out that in 2009, money market account assets declined and the proceeds were largely invested in bond, not equity funds. He said this should be viewed as "incredibly constructive" for equities.
- Freeman said that we've just exited a decade that included two stock market crashes, the housing bubble, a financial implosion and a very severe recession. In addition, we experienced other horrific events. According to Freeman, it's almost surprising that the stock market did not decline more than it did over the 10 year period.

Portfolio Positioning and Performance

- Freeman explained that he and co-manager Evan Bauman are first and foremost bottom-up stock pickers. They don't look at what's in the benchmark, but rather focus on individual names.
- In terms of the healthcare sector in 2009, Freeman said that seemingly every day there would be another negative headline coming out of Washington. Yet, Freeman said they were still hard pressed to find individual companies that were selling at such compelling valuations, with strong balance sheets and the potential for consolidation. As such, they continued to hold their healthcare names and still do given their multiples that are "as low as they've ever been."
- Freeman expects to see increased consolidation activity within the healthcare sector. He doesn't know if he is going to own the companies that are going to be in the forefront of this trend but, regardless, he feels good about the healthcare names he owns.
- Freeman explained that cyclical stocks are correcting, yet these companies have been building tremendous value. He declined to make a forecast on the price of energy. Rather, he wants to own the best exploration company, with the best price, the best balance sheet, and with the best management. Freeman said that's why he owns Anadarko Petroleum.
- In the oil service area, Freeman said their largest holding is Weatherford International. The company has had challenged earnings results over the last six months. But Freeman feels that it has probably reached a trough, with a potential return to a normalized cycle during the second half of 2010 and into 2011.
- Freeman explained that they experienced an extremely difficult year in 2008, followed by a very good year in 2009. Despite their results in 2009, some of his names lagged the market in 2009. Freeman pointed out that several of these holdings are starting to show a sign of life. He pointed out that their earnings are very strong, which he thinks justifies their solid recent performance.

Outlook

- Freeman did not want to provide a specific market forecast, outside of believing that if we had a consolidation sometime in the first half of 2010, it would probably increase the chance of another strong period in the market later in the year.
- According to Freeman, he is very excited about what he owns, especially when he looks at their recent earnings reports. Freeman doesn't remember a time when so many of his holdings handily surpassing expectations. In addition, his holdings are collectively selling at roughly 15-times earnings and they're growing much faster than the overall market.
- Freeman believes that there will be an ongoing economic recovery. He has never seen a yield curve that's positively sloping without an economic recovery that follows. If the Federal Reserve Board raises interest rates, he said it would probably be a long-term positive, as it shows that the economy is on firmer footing.

Q&A

Q: How are you approaching the technology sector?

Freeman: We don't own the large-cap tech stocks. We've always tried to find the next layer, or the ones that have the potential to become the next great company. We got very fortunate with Intel back in the 1980's. If you look at the way that we approach technology, we own a number of companies that have generated very strong results over the years. And we continue to look for ways to capitalize on the secular trends we're seeing.

Q. You mentioned consolidation potentially picking up in healthcare. Do you see this happening in other areas, such as in the energy sector?

Freeman: For several years, I thought we'd see consolidation within healthcare and energy, but we really haven't seen much occur in the energy sector. Then in December, Exxon announced that it would buy natural gas company XTO. It's rare that you see one of the majors act and not have the others follow.

Q: What other thoughts do you have on the energy sector?

Freeman: It's much cheaper, in my opinion, to buy oil assets on the New York Stock Exchange than it is to be digging for them. That's why I think exploration and production companies like Anadarko Petroleum's goal is to reinvest some of their cash flow to purchase the best pipeline properties, develop them, and then monetize some of them. I don't have any information or idea if we're going to be seeing more deals in the energy sector, but usually when you see one occur, it is very rarely the last.

Investment Risks

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. International investments are subject to special risks including currency fluctuations, social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Short selling is a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short.

Past performance is no guarantee of future results. Any statistics have been obtained from sources the portfolio managers believed to be reliable, but the accuracy and completeness of the information cannot be guaranteed. All investments involve risk, including possible loss of principal. Dividends represent past performance, and there is no guarantee that dividend payments will continue. Diversification does not assure a profit or protect against market loss.

Class A Shares Average Annual Total Returns and Expense Ratios (%) as of 12.31.09

	Inception date	1 YR	3 YR	5 YR	10 YR	Since Inception	Expenses Gross*	Expenses Net*
Excluding Sales Charge	10/24/83	32.69	-8.20	-1.23	0.78	11.17	1.35	1.35
Including Maximum Sales Charge	10/24/83	25.06	-10.00	-2.39	0.19	10.92	1.35	1.35
Russell 3000 Growth Index		37.01	-2.06	1.58	-3.79	-	-	-

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. Class A shares have a maximum front-end sales charge of 5.75%. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Performance data does not reflect trade date adjustments made to the NAV at month-end. Performance would have been lower if fees had not been waived in various periods. For the most recent month-end information, please visit www.leggmason.com/individualinvestors.
*Gross expenses are the Fund's total annual operating expenses for the share class indicated as of the date of the Fund's most current prospectus and do not reflect fee waivers or reimbursements. These expenses include management fees, 12b-1 distribution and service fees and other expenses. Because Class A shares of the Fund do not currently have fee waivers or reimbursements, gross and net expense ratios are the same.

Holdings discussed are as of December 31, 2009 and subject to change. There is no guarantee that these holdings remain in the portfolio (or represent the same portfolio weights) at the time this report was prepared. Please refer to www.leggmason.com/individualinvestors for a complete list of the fund's holdings.

Top Ten Holdings (%)	As of 12/31/09
Anadarko Petroleum Corp	9.03
Biogen IDEC Inc	6.95
UnitedHealth Group Inc	6.86
Weatherford Intl Ltd	6.47
Amgen Inc	6.44
Genzyme Corp - Genl Division	5.24
Forest Labs Inc	4.46
Cablevision NY Group	4.37
Comcast Corp	4.33
L 3 Communications Holding Corp	3.47

Top Sectors (%)	As of 12/31/09
Health Care	36.84
Energy	19.98
Consumer Discretionary	15.99
Information Technology	14.16
Industrials	8.16

Definitions:
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. Please note an investor cannot invest directly in an index.

The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.