

**ClearBridge Socially Aware Investment (SAI) Large Cap Growth Portfolios** are designed for investors seeking long-term capital appreciation through investing in large-capitalization companies with the potential for high future earnings growth.

**The SAI research team, headed by Mary Jane McQuillen, actively incorporates environmental, social and governance (ESG) issues into the portfolio construction process. SAI convergence parameters include, but are not limited to:**

- Innovative workplace policies, employee benefits and programs
- Environment management system strength, eco-efficiency and life-cycle analysis
- Community involvement, strategic philanthropy, and reputation management
- In addition to the integration of SAI sustainability research, active issue engagement (e.g., human rights, water scarcity and renewable energy) and advocacy efforts at the company level are applied to portfolio assets.

### Management team

- Established in 2005, ClearBridge Advisors has over 45 years of asset management experience. The firm is known for its research-driven, fundamental approach to investing, offering actively managed U.S. equity products in a wide range of capitalizations and styles.

### Investment objective

#### Seeks to:

- Focus on consistent growth of capital while managing volatility
- Outperform the Russell 1000 Growth Index<sup>1</sup> over a full market cycle with less risk
- Perform well in rising markets and outperform the Russell 1000 Growth Index in declining markets
- Actively evaluate a company's "non-financial" drivers of business performance to gauge its level of social awareness

### Investment philosophy

#### We believe that:

- Ownership of high-quality, large-company stocks can provide the potential for superior long-term performance
- Competitive risk-adjusted returns may be achieved by capitalizing on the convergence between a company's investment potential and how it manages the ESG aspects of its business
- A price sensitive, buy-and-hold approach to stock selection seeks favorable entry-point for growth at a reasonable price

**Risks:** All investments involve risk, including loss of principal and there is no guarantee that investment objectives will be met. Investments may also be made in ADRs and other securities of non-U.S. companies in developed and emerging markets which involve risks in addition to those ordinarily associated with investing in domestic securities, including the potentially negative effects of currency fluctuation, political and economic developments, foreign taxation and differences in auditing and other financial standards. These risks are magnified in emerging markets.

<sup>1</sup> The Russell 1000 Growth (R1000G) Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 92% of the total market capitalization of the Russell 3000 Index. An investor cannot invest directly in an index. The index is not managed and not subject to management or brokerage commission. Dividends are subject to reinvestment.

## Investment management team

**Peter Bourbeau**  
Managing Director

- Portfolio Manager
- 21 years of investment industry experience

**Scott Glasser**  
Managing Director

- Senior Portfolio Manager
- 20 years of investment industry experience

**Mary Jane McQuillen**  
Managing Director

- Portfolio Manager
- Head of Environmental, Social and Governance Investment

- 16 years of investment industry experience

## Investment process

STEP 1

### Define initial investment universe

- Consider companies with market capitalizations similar to those in the S&P 500 Index;

STEP 2

### Apply fundamental & business model analysis

- Identify companies that can sustain high growth rates, have competitive advantages and maintain sustainable margins;

STEP 3

### Utilize key investment valuation measures

- Select from these candidates those with attractive valuations using measures such as reinvestment and growth rates and discount rate (risk);

STEP 4

### Select securities and construct portfolio

- Identify relevant socially aware considerations for each sector. Compare management culture, programs and corporate policies against "best of class;" and

STEP 5

### Monitor continuously

- Re-examine a current holding when fundamentals decline, full value is reached or a decline in company's social/environmental performance causes it to violate social screen.

## Performance

### Annualized rates of return - net and gross of fees (%) as of March 31, 2012

	YTD	1-year	3-year	5-year	7-year
SAI Large Cap Growth (net)	13.40	9.32	17.10	0.36	1.09
SAI Large Cap Growth (gross)	14.20	12.58	20.57	3.37	4.12
Russell 1000 Growth Index	14.69	11.02	25.28	5.10	6.49
S&P 500 Index	12.59	8.54	23.42	2.01	4.71

### Calendar-year total returns-net and gross of fees (%) ending December 31

	2011	2010	2009	2008	2007	2006	2005	2004
SAI Large Cap Growth (net)	-1.46	7.23	30.12	-37.10	0.06	5.69	-0.56	0.67
SAI Large Cap Growth (gross)	1.50	10.43	33.94	-35.14	3.06	8.84	2.42	3.69
Russell 1000 Growth Index	2.64	16.71	37.21	-38.44	11.81	9.07	5.26	6.30
S&P 500 Index	2.11	15.06	26.46	-37.00	5.49	15.79	4.91	10.88

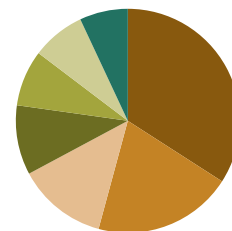
The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios.

**Past performance is not a guarantee of future results.** Please see GIPS® Endnotes for important additional information regarding the portfolio performance shown and for effects of fees. 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.

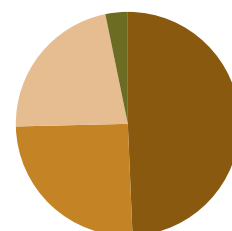
**Fees:** Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce portfolio performance. Net performance includes the deduction of a 3.0% annual wrap fee, which is the maximum anticipated wrap fee for equity and balanced portfolios. Actual fees may vary. For fee schedules, contact your financial professional or if you may enter into an agreement directly with LMPPG, refer to LMPPG's Form ADV disclosure document.

# Portfolio information<sup>1</sup> as of March 31, 2012

Top 10 equity holdings (%)		Sector weightings (%)	
Amazon.com Inc.	4.69	Information Technology	34.09
Google Inc.	3.96	Consumer Discretionary	20.12
Visa Inc.	3.64	Health Care	12.97
eBay Inc.	3.42	Consumer Staples	10.04
Home Depot Inc.	3.30	Energy	8.10
Blackrock Inc. Class A Shares	3.16	Financials	7.71
Microsoft Corp.	3.11	Industrials	6.97
CVS Caremark Corp.	3.11	Utilities	0.00
Celgene Corp.	2.99	Materials	0.00
Biogen Idec Inc.	2.92	Telecommunication Services	0.00



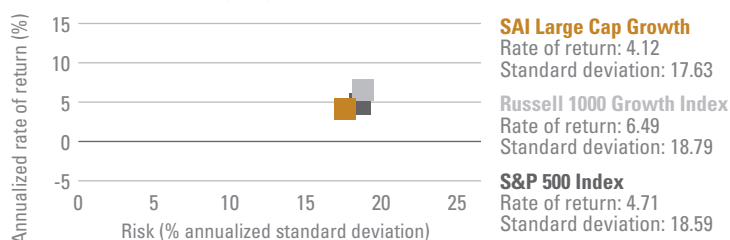
Characteristics		Market capitalization (%)	
Number of Holdings	44	Above \$50B	49.32
Dividend Yield	1.32	\$25 - \$50B	25.30
Forecasted PE ratio -1 Year	15.67	\$10 - \$25B	22.15
Price/Book	4.43	\$3 - \$10B	3.22
Long-term EPS growth	14.55	0 - \$3B	0.00
Weighted Median Market Capitalization	49.76		
Weighted Average Market Capitalization	83.32		



## Performance statistics (gross of fees)<sup>2</sup>

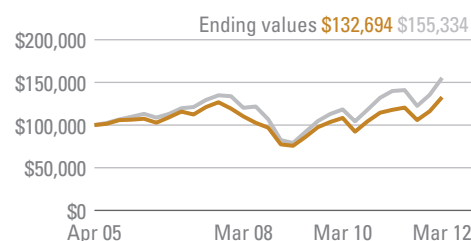
### Risk/return profile (%)

Gross of fees (based on 7-year period ended March 31, 2012)



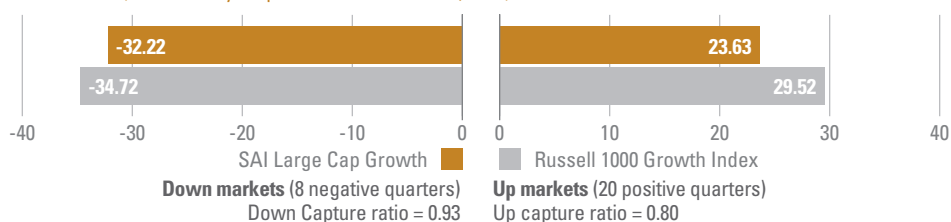
### Growth of \$100,000<sup>3</sup>

Gross of fees (based on 7-year period ended March 31, 2012)



### Annualized up/down market returns (%)

Gross of fees (based on 7-year period ended March 31, 2012)



### Modern portfolio statistics

Gross of fees (based on 7-year period ended March 31, 2012)

Alpha	-1.86
Beta	0.90
Sharpe ratio	0.21
R-squared	0.91

Client portfolios are managed based on investment instructions or advice provided by one or more of the following Legg Mason-affiliated investment management firms, as indicated in portfolio names or otherwise: ClearBridge Advisors, LLC, Western Asset Management Company and Global Currents Investment Management, LLC. Management is implemented by Legg Mason Private Portfolio Group, LLC or, in the case of certain programs, by the program sponsor or its designee.

<sup>1</sup> Holdings, sector weightings, market capitalization and portfolio characteristics are subject to change at any time and are based on a representative portfolio. Holdings, sector weightings, market capitalization and portfolio characteristics of individual client portfolios in the program may differ, sometimes significantly, from those shown. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities and sectors listed. Source: Vestek.

<sup>2</sup> Source: Legg Mason.

<sup>3</sup> For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on gross-of-fees quarterly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

**ClearBridge SAI Large Cap Growth-Retail GIPS® Endnotes Inception date: January 2006. Composite creation date: June 2008**

Period	Total net return (%)	Total pure gross† return (%)	R1000G return (%)	Number of portfolios	Bundled fee portfolios (%)	Composite dispersion (%)	Composite assets (\$mm)	Firm assets (%)	Total firm assets (\$mm)
2010	7.23	10.43	16.71	214	100	0.58	23.3	0.04	55,361
2009	30.12	33.94	37.21	244	100	0.91	25.2	0.05	53,523
2008	-37.10	-35.14	-38.44	265	100	0.56	22.0	0.04	50,615
2007	0.06	3.06	11.81	436	100	0.72	46.1	0.10	47,112
2006	5.69	8.84	9.07	607	100	0.75	64.0	0.12	54,078
2005	-0.56	2.42	5.26	955	100	1.00	—	—	—
2004	0.67	3.69	6.30	621	100	0.37	—	—	—
11/03 - 12/03	4.88	5.39	4.54	1,074	100	n/m	—	—	—

† Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs, and are presented as supplemental to the net of fee returns.

n/m - Equal-weighted standard deviation is not meaningful because the composite consisted of fewer than five portfolios throughout the period presented or the time period is less than one year. ClearBridge Advisors (also referred to as "CBA") has prepared and presented this report in compliance with the Global Investment Performance Standards ("GIPS®").

For purposes of compliance with GIPS, the "firm" is defined as ClearBridge Advisors, which encompasses all assets managed or advised on a discretionary or non-discretionary basis by ClearBridge Advisors, LLC and ClearBridge Asset Management Inc (collectively, "ClearBridge Advisors"). In June 2008, ClearBridge Advisors combined its separate institutional and retail firms to form a single GIPS firm, CBA. The two predecessor firms were "ClearBridge Advisors Institutional" and "ClearBridge Advisors Retail". ClearBridge Advisors Institutional ("CBA-Inst") encompassed ClearBridge Advisors' mutual fund and other collective investment vehicle businesses and separately managed accounts contracted directly with ClearBridge Advisors. ClearBridge Advisors Retail ("CBA-Retail") was created in 2008 and encompassed separately managed accounts for which ClearBridge Advisors served as sub-advisor under sponsored programs ("retail separately managed accounts"). CBA-Retail's claim of GIPS compliance is effective as of January 2006. In accordance with GIPS, CBA-Retail's historical performance returns prior to January 2006 are presented as non-compliant information. The ClearBridge Advisors entities are wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason") and are not affiliated with Citigroup Inc. ("Citigroup").

For the institutional business only, CBA-Inst's predecessor "firm" for GIPS purposes was CAM Institutional ("CAM-NA"). CAM-NA encompassed assets managed by North America-based units of Citigroup Asset Management ("CAM"), the worldwide asset management business of Citigroup that was conducted through various subsidiaries of Citigroup on behalf of certain of its institutional, mutual fund and other collective investment vehicle clients. The CAM-NA "firm" definition was substantially similar to the "firm" definition of CBA-Inst. On December 1, 2005, Citigroup completed the sale of CAM, including CAM-NA, to Legg Mason. In connection with the transaction, ClearBridge Advisors became the manager of a significant portion of the institutional, mutual fund and other collective investment vehicle accounts, including most active equity accounts that were managed by CAM-NA up until the date of the Citigroup-Legg Mason transaction. Assets that were not transitioned to ClearBridge Advisors in connection with the transaction transitioned to other Legg Mason affiliates that were not part of CBA-Inst. Prior to January 2001, CAM maintained three separate AIMR (the predecessor to GIPS) firms. These firms were combined to form CAM-NA effective January 2001. For the retail separately managed account business only, the performance returns prior to January 2006 represent a composite of accounts from a formerly-affiliated sponsor channel, which historically represented an overwhelming majority of the strategy's retail assets under management. The aforementioned composite returns were calculated on an equal weighted basis, where each portfolio contributed an equal weight to the resulting composite return for the period. As such and in accordance with GIPS, the historical performance returns prior to January 2006 are presented as non-compliant information. Total firm assets for years ending 2006 and 2007 represent the CBA-Retail firm.

**Composite Description:**

The ClearBridge SAI Large Cap Growth composite consists of fully discretionary accounts with a minimum net asset value of US \$25,000 (prior to June 2008 the minimum was \$5,000). "Sleeves" of multi-style portfolios and segments of balanced accounts are excluded. The SAI Large Cap Growth portfolios actively integrate criteria inclusive of environmental, social and governance issues into the portfolio construction of ClearBridge Large Cap Growth. Avoidance screening is applied to investments that derive significant revenues from tobacco, alcohol, gaming, nuclear power and weapons production. Portfolios are invested in issuers that demonstrate high earnings growth rates. Accounts within the composite are primarily invested in large-capitalization U.S. equities, with an objective of outperforming the Russell 1000 Growth Index.

New accounts enter the composite during the third full month under management. Accounts with external cash flows during a month that are equal to or greater than 10% of an account's market value will cause that account to be excluded from the composite during the month in which the flows occurred. Accounts will be added back to the composite in the following month. Closed accounts are included in the composite rate of return calculations through the completion of the last full month under management. All accounts are valued at calendar month end based on principal market values plus cash and accrued income. Account returns are calculated in U.S. dollars and utilize the Daily Time Weighted methodology. The composite's monthly rates of return are the asset-weighted averages of the accounts' monthly results, which are then linked to determine the composite's annual returns. Net of fee composite returns 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. The "bundled" fee includes transaction costs, investment management, custodial, and other administrative fees. Pure gross returns shown do not reflect the deduction of "bundled" fees and are presented as supplemental information to net returns. Account annual returns are calculated by linking individual monthly returns. Composite dispersion measures represent the consistency of a firm's composite performance results with respect to the individual account returns within a composite. CBA utilizes the Equal-Weighted Standard Deviation measure of dispersion. Only accounts that have been managed within the composite style for a full year are included in the Equal-Weighted Standard Deviation calculation. No alteration of composites has occurred because

of changes in personnel or other reasons at any time. Any material change in the status of an account resulted in the removal of the account from the composite. Leverage has not been used in any of the accounts included in the composite.

A complete list and description of all composites maintained is available upon request. Additional information regarding policies for calculating and reporting returns is available upon request.

**Past performance is not necessarily indicative of future results.**

**Benchmark Description:**

The **Russell 1000 Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 92% of the total market capitalization of the Russell 3000 Index.

The **S&P 500 Index** is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. The index covers industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index (stock price times number of shares outstanding), calculated on a total return basis with dividends reinvested. An investor cannot invest directly in an index. The index is not managed and not subject to management or brokerage commissions. Dividends are subject to reinvestment.

**Terms and Definitions:**

**Dividend yield** is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends.

**P/E (Year 1)** is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

**Weighted Median Market Capitalization** represents the value at which half the portfolio's market capitalization weight falls above and half falls below.

**Weighted Average Market Capitalization** represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

**Market Capitalization** measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

**Standard deviation** measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **Up Capture Ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An Up Capture Ratio of more than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **Down capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A Down Capture Ratio of less than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

**Alpha** is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

**Beta** measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

**Sharpe ratio** is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolios historical risk-adjusted performance.

**R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 100 implies perfect linear relationship and zero implies no relationship exists.

[www.leggmason.com/individualinvestors](http://www.leggmason.com/individualinvestors)

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