

CLEARBRIDGE ALL CAP VALUE ESG CATHOLIC PORTFOLIOS

Investment overview

The ClearBridge All Cap Value ESG Catholic Portfolios are designed for investors seeking long-term growth aligned with Catholic values, focused on large-, medium- and small-company value stocks.

The ESG Investment Program actively incorporates environmental, social and governance (ESG) factors into the fundamental research platform and the stock-selection process. In addition, ongoing company engagement and shareholder advocacy are key components of the Program.

A few examples of the ESG considerations include:

- Innovative workplace policies, employee benefits and programs
- Environmental management system strength, eco-efficiency and life-cycle analysis
- Community involvement, strategic philanthropy and reputation management
- Strong corporate governance and independence on the board

ClearBridge is a Signatory to the UN Principles for Responsible Investment, and is affiliated with the Investor Network on Climate Risk, the Carbon Disclosure Project, the Interfaith Center on Corporate Responsibility, the Global Impact Investing Network, and the US Forum for Sustainable and Responsible Investment.

Investment objective

Seeks to:

- Focus on consistent growth of capital while managing volatility
- Current income as a secondary consideration
- Outperform the Russell 3000 Value Index over a full market cycle, and with less risk
- Actively evaluate a company's "non-financial" drivers of business performance to gauge its level of social awareness and consistency with Catholic values

Investment philosophy

- The strategy applies value criteria to attempt to find the most inefficiently priced stocks in the small-, mid- and large-capitalization sectors. The goal is to achieve above-average returns while seeking to manage risk.
- The managers integrate environmental, social and governance (ESG) factors into the stock selection process.
- They believe competitive risk-adjusted returns can be achieved by capitalizing on the convergence between a company's investment potential and its ESG management aspects.

When evaluating an individual stock, the portfolio managers look for:

- Low market valuations
- Positive changes in earnings prospects because of factors such as:
 - New, improved or unique products and services
 - New or rapidly expanding markets for the company's products
 - New management
 - Changes in the economic, financial, regulatory or political environment, particularly affecting the company
 - Effective research, product development and marketing
 - A business strategy not yet recognized by the marketplace

Risks: All investments involve risk, including loss of principal and there is no guarantee that investment objectives will be met.

Investments may be made in small- and mid-cap companies, which involve a higher degree of risk and volatility than investments in large-cap companies.

While most investments are in U.S. companies, 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.

The managers may sometimes hold significant portion of portfolio assets in cash equivalents while waiting for buying opportunities.

Diversification does not assure a profit or protect against market loss.

¹ Market, security and/or other investment considerations may result in higher turnover from time to time. Also, all capitalization ranges will not necessarily be represented in an individual account.

Key differentiators

Incorporates additional measures to avoid traditional pitfalls of value investing

- Fundamental research around high Return on Invested Capital (ROIC) business is bedrock to investment process.
- Use of quantitative screening focuses fundamental budget on key valuation measures by sector and areas to tilt the portfolio.
- Use of top down themes and trends (with multi-year view) shapes areas to avoid and exploit the market.

Strong research support across organizations

- Dedicated research team of fundamental and quantitative analysts.

Experienced investment management team

Portfolio positioning

- Designed for investors seeking a core, value portfolio, with the ability to invest in all market capitalizations
- Offers a long-term buy-and-hold strategy, which may reduce portfolio turnover¹

Investment management team

Albert Grosman

Managing Director

- Portfolio Manager
- Industry since 1993

Mary Jane McQuillen

Managing Director

- Portfolio Manager

- Head of Environmental, Social and Governance Investment

- Industry since 1996

Sam Peters, CFA

Managing Director

- Portfolio Manager
- Industry since 1993

Management team

ClearBridge Investments is a well-established global investment manager focusing on proprietary research and fundamental investing. With over 50 years of experience building portfolios for clients seeking income solutions, high active share or low-volatility, long-tenured portfolio managers provide strong leadership in a centralized investment structure.

Investment process

STEP 1

Define the investment universe

- Identify quality equity investments in different categories, which may include common stocks in the Russell 3000 Value Index.

STEP 2

Evaluate stocks using proprietary discipline

- Emphasize market and industry themes and trends.
- Stress long-term value in analyzing quantitative, fundamental and technical factors.

STEP 3

Apply fundamental analysis to select securities

- Emphasize companies with healthy balance sheets and shares selling at or near book value and at prices that do not accurately reflect cash flows, tangible assets or management skills.

STEP 4

Construct a diversified portfolio and review holdings

- Build a portfolio of best ideas that have met the ESG and Catholic criteria. Re-examine a current holding when fundamentals or technical factors deteriorate, full growth potential is reached, there is unusual insider buying/selling, or a decline in company's social/environmental performance causes it to violate social and Catholic values screens.

Performance

Annualized rates of return - gross and net of fees (%) as of December 31, 2018 - PRELIMINARY

	Dec '18	Q4 '18	YTD	1-year	3-year	5-year
All Cap Value ESG Catholic (gross)	-10.01	-16.65	-15.11	-15.11	5.22	4.18
All Cap Value ESG Catholic (net)	-10.26	-17.31	-17.63	-17.63	2.16	1.15
Russell 3000 Value Index	-9.78	-12.24	-8.58	-8.58	7.01	5.77
S&P 500 Index	-9.03	-13.52	-4.38	-4.38	9.26	8.49

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

	2018	2017	2016	2015	2014	2013
All Cap Value ESG Catholic (gross)	-15.11	15.55	18.77	-4.64	10.50	29.66
All Cap Value ESG Catholic (net)	-17.63	12.21	15.35	-7.44	7.30	25.95
Russell 3000 Value Index	-8.58	13.19	18.40	-4.13	12.70	32.69
S&P 500 Index	-4.38	21.83	11.96	1.38	13.69	32.39

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Please visit www.leggmason.com for the latest performance figures. YTD numbers are not annualized. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

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 vary. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Legg Mason Private Portfolio Group (LMPPG), refer to LMPPG's Form ADV disclosure document. Returns reflect the reinvestment of dividends and other earnings.

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. There is no guarantee that investment objectives will be achieved.

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.

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

Separately Managed Accounts (SMAs) are investment services provided by Legg Mason Private Portfolio Group, LLC (LMPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Legg Mason-affiliated subadvisors: ClearBridge Investments, LLC and Western Asset Management Company. Management is implemented by LMPPG, the designated subadvisor or, in the case of certain programs, the program sponsor or its designee.

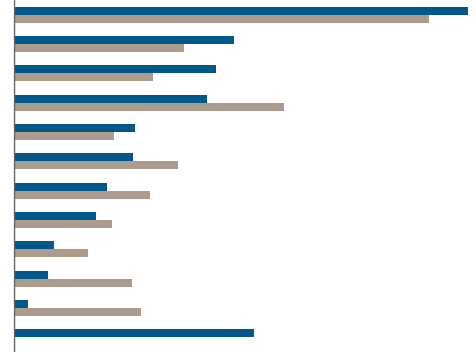
Portfolio information¹ as of December 31, 2018

Top ten equity holdings (%)

	Portfolio
Citigroup Inc	4.65
Oracle Corp	3.52
Bristol-Myers Squibb Co	3.46
Cisco Systems Inc	3.23
US Bancorp	3.12
Biogen Inc	3.08
Synchrony Financial	2.66
KeyCorp	2.25
Unilever PLC	2.02
Service Corp International/US	1.99
Total	29.98

Sector weightings (%)

	Portfolio	BM
Financials	25.10	22.95
Information Technology	12.17	9.41
Industrials	11.16	7.66
Health Care	10.64	14.95
Consumer Discretionary	6.68	5.52
Energy	6.57	9.03
Consumer Staples	5.11	7.48
Real Estate	4.52	5.41
Materials	2.21	4.07
Utilities	1.87	6.53
Communication Services	0.75	7.00
Cash	13.24	0.00

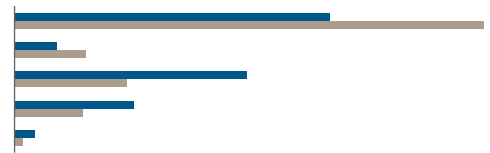


Characteristics

	Portfolio	BM
Number of Holdings	63	2112
Dividend Yield	2.32	2.76
Forecasted P/E Ratio -1 Year	11.07	13.24
Price/Book Ratio	2.35	2.32
Long-Term EPS Growth	11.31	9.76
Weighted Median Market Capitalization	21.94	51.62
Weighted Average Market Capitalization	65.15	109.87

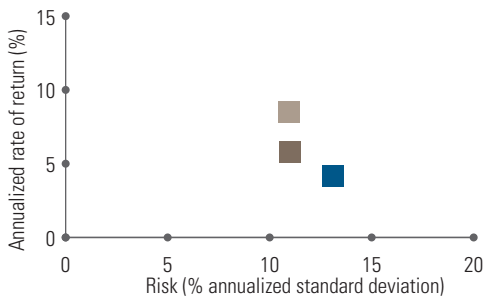
Market capitalization (%)

	Portfolio	BM
Above \$50B	36.28	50.99
\$25 - \$50B	10.05	12.89
\$10 - \$25B	28.31	16.79
\$3 - \$10B	17.45	12.57
0 - \$3B	7.91	6.77



Performance statistics (gross of fees)²— Preliminary (based on 5-year period ended December 31, 2018)

Risk/return profile (%)



All Cap Value ESG Catholic

Rate of return	4.18
Standard deviation	13.11

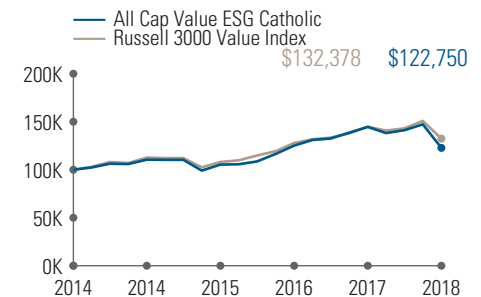
Russell 3000 Value Index

Rate of return	5.77
Standard deviation	11.01

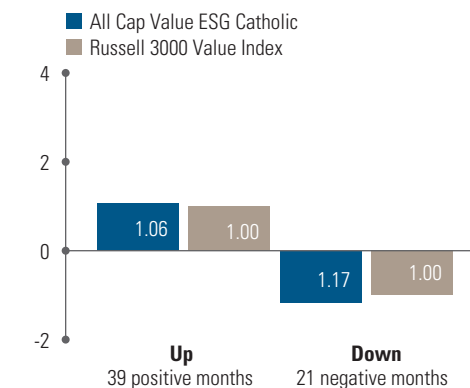
S&P 500 Index

Rate of return	8.49
Standard deviation	10.94

Growth of \$100,000³



Up/Down market capture ratios (%)



Modern portfolio statistics

Alpha	-2.09
Beta	1.15
Sharpe ratio	0.33
R-Squared	0.93

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Please visit www.leggmason.com for the latest performance figures. YTD numbers are not annualized. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

¹ Source: FactSet. Portfolio characteristics are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the portfolio characteristics are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors.

² Source: Legg Mason.

³ 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.

Period	Total Return (Net, %)	Total Return (*Pure Gross, %)	Benchmark Return (%)	Number of Portfolios	% of Bundled Fee Portfolios in the Composite	Composite Dispersion (%)	Composite 3 Yr. St. Dev. (%)	Benchmark 3 Yr. St. Dev. (%)	Total Composite Assets at End of Period (\$MM)	Percentage of Firm Assets	Total Firm Assets at End of Period (USD million)
2017	12.21	15.55	13.19	5	100	n/m	12.88	10.48	2.1	0.0	119,187.1
2016	15.35	18.77	18.40	5	100	n/m	13.43	11.12	1.3	0.0	100,936.9
2015	-7.44	-4.64	-4.13	<5	100	n/m	11.84	10.90	1.0	0.0	92,536.4
2014	7.30	10.50	12.70	5	100	0.20	n/a	n/a	3.2	0.0	100,721.5
2013	25.95	29.66	32.69	5	100	n/m	n/a	n/a	3.1	0.0	85,024.7

*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 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Compliance Statement:

ClearBridge Investments, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

ClearBridge Investments, LLC has been independently verified for the periods January 1, 1997 - December 31, 2017. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Firm Information:

ClearBridge Investments, LLC ("ClearBridge") is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason"). The investment advisory business now known as ClearBridge was registered in September 2005 to facilitate Legg Mason's acquisition of substantially all the equity asset management businesses known as Citigroup Asset Management. These former businesses serve as the foundation of ClearBridge and its claim of GIPS compliance for institutional accounts through predecessor firms, effective as of January 1997. In June 2008, ClearBridge combined this business with its retail business to form a single GIPS firm. As of April 1, 2013 and January 1, 2016, ClearBridge's affiliates, Global Currents Investment Management, LLC, and ClearBridge, LLC, respectively, have become part of the ClearBridge GIPS firm.

Composite Information:

The ClearBridge All Cap Value ESG Catholic SMA composite consists of discretionary wrap accounts with an account minimum of US \$25,000. The managers actively integrate criteria inclusive of environmental, social and governance (ESG) issues into the portfolio construction of the strategy. In addition, the portfolios are constructed to be in line with USCCB socially responsible guidelines, as directed by the client. Accounts within the composite are primarily invested by applying value criteria to attempt to find the most inefficiently priced stocks in the small, mid and large capitalization sectors. The strategy is implemented by Legg Mason Private Portfolio Group, LLC (LMPPG). LMPPG claims compliance with the Global Investment Performance Standards (GIPS®) and has been independently verified for the periods January 1, 2013 - December 31, 2017. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The main risks of this strategy are General Investment Risk, Small Cap Risk, Mid Cap Risk, ESG Investing Risk, and Non-U.S. Investment Risk.

Input and Calculation Data:

The fee schedule currently in effect is 3.00% on all assets. 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. The internal dispersion of annual returns is measured by the asset-weighted standard deviation of portfolio returns included in the composite for the entire year. The three-year annualized ex-post standard deviation is not available prior to 2015 because the composite did not have 36 months of data. A list of composite descriptions is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not necessarily indicative of future results.

Benchmark Information:

The Russell 3000® Value Index measures the performance of the broad value segment of the U.S. equity value universe.

The investment strategies described herein are those of Legg Mason Private Portfolio Group, LLC (LMPPG). These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these LMPPG materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor.

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 a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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