

# QS U.S. LARGE CAP EQUITY FUND

## Investment overview

Seeks long-term capital appreciation in a diversified, core approach

Invests primarily in U.S. large cap companies

Uses a quantitative process that assesses stocks by relative attractiveness based on a variety of measures including value, cash flow, earnings growth and sentiment

## Average annual total returns & fund expenses<sup>A</sup> (%) as of Jun. 30, 2019

	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Expenses		Inception date
						Gross	Net	
Class I	4.53	13.29	—	—	8.08	0.74	0.74	05/01/15
Class IS	4.58	13.30	8.61	13.56	8.23	0.74	0.70	04/30/08
Benchmark	10.02	14.15	10.45	14.77	—			

## Cumulative Total Returns (%) as of Jun. 30, 2019

	3 Mo	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
Class I	2.53	15.94	-7.34	23.50	8.81	—	—	—	—	—	—
Class IS	2.58	16.00	-7.34	23.49	8.81	-1.65	14.21	33.33	16.62	1.62	14.43
Benchmark	4.25	18.84	-4.78	21.69	12.05	0.92	13.24	33.11	16.42	1.50	16.10

**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. Performance for other share classes will vary due to differences in sales charge structure and class expenses. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance would have been lower if fees had not been waived in various periods. YTD is calculated from January 1 of the reporting year. All classes of shares may not be available to all investors or through all distribution channels. YTD is calculated from January 1 of the reporting year. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit [www.leggmasonfunds.com](http://www.leggmasonfunds.com).

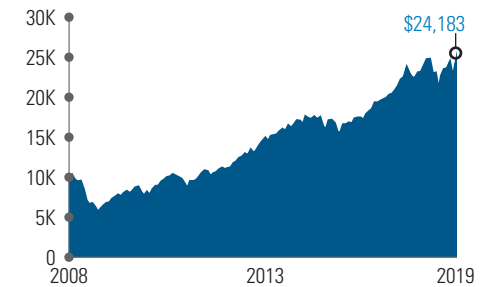
<sup>A</sup> Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) FI, I & IS reflect contractual fee waivers and/or reimbursements, where these reductions reduce the Fund's gross expenses, which cannot be terminated prior to Dec 31, 2020 without Board consent.

## Sector allocation (%) as of Jun. 30, 2019

	Fund	Benchmark
Information Technology	21.8	21.8
Health Care	14.2	13.9
Consumer Discretionary	13.3	10.3
Communication Services	10.5	9.6
Financials	10.3	13.3
Industrials	10.1	9.8
Energy	4.6	4.8
Utilities	4.4	3.2
Consumer Staples	4.2	6.7
Real Estate	4.0	3.7
Materials	1.8	2.9
Cash	0.8	—

## Growth of \$10,000

Class IS shares – Inception through Jun. 30, 2019



## Share class codes

	Symbol	CUSIP
A	LMUPX	52469H347
C	LMUGX	52469H339
FI	LMUSX	52469H321
I	LMTIX	52469H297
IS	LMISX	52469H289
R	LMUOX	52469H313

## Benchmark (BM)

Russell 1000 Index

## Fund facts as of Jun. 30, 2019

Dividend frequency, if any	Annual
Morningstar category	Large Blend
Lipper category	Large-Cap Core Funds
Turnover (fiscal yr)	40%

*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.*

## QS U.S. LARGE CAP EQUITY FUND

### Top 10 holdings (%) as of Jun. 30, 2019

Amazon.Com, Inc.	3.8
Apple Inc.	3.7
Microsoft Corp	3.0
Cisco Systems, Inc.	2.1
The Home Depot, Inc.	1.9
The Boeing Company	1.8
Facebook Inc	1.7
Adobe Systems Incorporated	1.7
Merck & Co. Inc.	1.7
Chevron Corp	1.6
<b>Total</b>	<b>22.9</b>

### Risk statistics as of Jun. 30, 2019

Measures based on a trailing 10-year period  
Class IS shares

	Fund
Beta	1.03
R-squared	0.99
Sharpe ratio	0.99
Standard deviation(%)	13.40

### Statistics as of Jun. 30, 2019

	Fund	Benchmark
Net assets	\$675.5M	–
Number of holdings	145	977
Weighted average cap	\$187.1B	\$212.9B
Weighted median cap	\$35.7B	\$91.6B

### Portfolio management

Stephen Lanzendorf, CFA (industry since 1984), Russell Shtern, CFA (industry since 1998) and Jacqueline Hurley, CFA (industry since 2008) manage your Fund. QS Investors is a quantitative asset manager that provides multi-asset class and global equity solutions built on a deeper understanding of investment and human dynamics. They believe quantitative investing provides a better framework to be more creative when solving for client challenges. Their approach unites the intellectual and academic precision of science, engineering, mathematics, finance and investment expertise with the power of data and technology in their quest to elevate the certainty of the outcomes they deliver.

Legg Mason's unique structure provides you with access to this specialized expertise. We offer a powerful portfolio of solutions through our independent investment management firms.

### What should I know before investing?

Equity securities are subject to price fluctuation and possible loss of principal. Real estate investment trusts (REITs) are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small and mid-cap investments. The manager's investment style may become out of favor and/or the manager's selection process may prove incorrect, which may have a negative impact on the Fund's performance. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility.

### Where can I find more information?

You'll find the most current performance data, commentary, prospectus and more information on each of our managers and products at [www.leggmasonfunds.com](http://www.leggmasonfunds.com).

**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. **R-squared** measures the strength of the linear relationship between the Fund and its benchmark. R Squared at 1 implies perfect linear relationship and zero implies no relationship exists. **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 fund's historical risk-adjusted performance. **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. **Alpha** measures 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%. **Tracking Error** is the dispersal of differences between the returns obtained by the Fund and the benchmark variation. **Information Ratio** is the ratio of annualized expected residual return to residual risk. **Turnover** is a measure of the Fund's trading activity which represents the portion of the Fund's holdings that has changed over a year. There is no assurance that the Fund will maintain its current level of turnover.

The **Russell 1000 Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 90% of the total market capitalization of the Russell 3000 Index. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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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, which is available at [www.leggmasonfunds.com](http://www.leggmasonfunds.com). Please read it carefully.

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