

QS U.S. SMALL CAPITALIZATION EQUITY FUND

Investment overview

The Fund seeks long-term capital appreciation by investing primarily in small capitalization U.S. companies. Managers utilize a systematic and diversified approach to stock selection grounded in underlying stock fundamentals and with positive investor sentiment.

Stock selection customized by sectors and continually tested as drivers of return vary across sectors and can change over time.

Average annual total returns & fund expenses[^] (%) as of Dec. 31, 2020

	Without sales charges					With maximum sales charges					Expenses		Inception date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	
Class A	10.99	4.11	7.89	8.98	12.74	4.58	2.07	6.62	8.34	12.17	1.13	1.13	02/05/09
Class A2	10.72	3.84	7.65	—	9.80	4.38	1.80	6.38	—	9.01	1.51	1.50	10/31/12
Class C	10.16	3.34	7.10	8.16	11.89	9.16	3.34	7.10	8.16	11.89	1.98	1.98	02/05/09
Class FI	10.94	4.03	7.86	8.94	8.31	10.94	4.03	7.86	8.94	8.31	1.41	1.30	01/09/03
Class I	11.26	4.36	8.18	9.36	6.70	11.26	4.36	8.18	9.36	6.70	1.02	1.00	03/13/00
Class IS	11.47	4.50	8.36	—	9.59	11.47	4.50	8.36	—	9.59	0.86	0.75	03/23/12
Benchmark	19.96	10.25	13.26	11.20	—	19.96	10.25	13.26	11.20	—			

Cumulative total returns (%) as of Dec. 31, 2020 (without sales charges)

	3 Mo	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class A	27.61	10.99	10.99	20.43	-15.58	8.46	19.46	-4.89	9.09	37.82	15.83
Class A2	27.46	10.72	10.72	20.12	-15.82	8.29	19.23	-5.08	8.82	37.69	—
Class C	27.38	10.16	10.16	19.52	-16.18	7.66	18.61	-5.59	8.24	36.72	14.95
Class FI	27.54	10.94	10.94	20.42	-15.73	8.49	19.51	-4.91	8.97	37.87	15.74
Class I	27.70	11.26	11.26	20.74	-15.41	8.77	19.88	-4.51	9.53	38.48	16.50
Class IS	27.72	11.47	11.47	20.92	-15.33	9.02	20.04	-4.47	9.50	38.46	—
Benchmark	31.37	19.96	19.96	25.52	-11.01	14.65	21.31	-4.41	4.89	38.82	16.35

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 and A2 shares have a maximum front-end sales charge of 5.75%. Class C shares have a one-year contingent deferred sales charge (CDSC) of 1.0%. If sales charges were included, performance shown would be lower. 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. For the most recent month-end information, please visit www.leggmasonfunds.com.

Effective April 15, 2019, Class C shares became eligible for conversion to Class A shares, after the shares have been held for 10 years. Class C share performance shown has not been adjusted to reflect the conversion. Customers of certain Service Agents may be subject to different terms or conditions as set by their Service Agent, including non-conversion. Please refer to the Prospectus for more information, or contact your Service Agent directly.

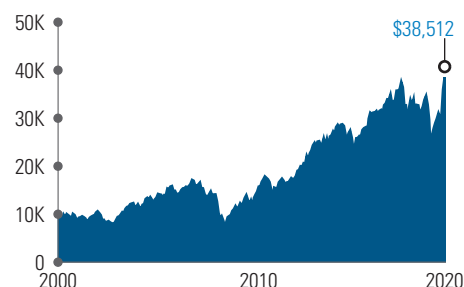
Sector allocation (%) as of Dec. 31, 2020

	Fund	BM		Fund	BM
Health Care	20.6	21.1	Consumer Staples	3.8	3.2
Financials	15.2	15.3	Utilities	2.8	3.0
Information Technology	15.0	14.1	Communication Services	2.4	2.3
Industrials	14.3	15.3	Energy	1.5	2.1
Consumer Discretionary	13.1	13.1	Cash	0.8	0.0
Real Estate	6.7	6.2			
Materials	3.9	4.2			

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Growth of \$10,000

Class I shares – Inception through Dec. 31, 2020



Share class codes

	Symbol	CUSIP
A	LMBAX	524686433
A2	LUSAX	52471E209
C	LMBCX	524686425
FI	LGSCX	524686342
I	LMSIX	524686359
IS	LMBMX	524686391
R	LMBRX	524686417

Benchmark (BM)

Russell 2000 Index (USD)

Fund facts as of Dec. 31, 2020

Dividend frequency, if any	Annual
Morningstar category	Small Blend
Lipper category	Small-Cap Core Funds
Turnover (fiscal yr)	51%

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.

[^]Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) A, A2, C, 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, 2021 without Board consent.

Sector allocation and top holdings percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security.

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Top 10 holdings (%) as of Dec. 31, 2020

SPS Commerce Inc.	0.8
Mr. Cooper Group Inc.	0.7
Herc Holdings Inc.	0.7
WORKIVA INC	0.7
Dycom Industries Inc.	0.6
Darling Int'l Inc.	0.6
Deckers Outdoor Corp	0.6
Manhattan Associates Inc	0.6
Trinseo SA	0.6
Enova Int'l Inc.	0.6
Total	6.6

Statistics as of Dec. 31, 2020

	Fund	Benchmark
Net assets	\$181.6M	–
Number of holdings	372	2042
Weighted average cap	\$2.9B	\$3.2B
Weighted median cap	\$2.0B	\$2.8B

Risk statistics as of Dec. 31, 2020

Measures based on Class I. Benchmark = Russell 2000 Index (USD).

	1-Yr		3-Yr		5-Yr		10-Yr	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Beta	1.04	1.00	1.05	1.00	1.04	1.00	1.03	1.00
R-squared	0.98	1.00	0.98	1.00	0.98	1.00	0.98	1.00
Sharpe ratio	0.45	0.66	0.24	0.45	0.41	0.64	0.53	0.63
Standard deviation (%)	38.23	36.41	27.11	25.63	22.60	21.54	19.65	18.88
Alpha	-7.60	0.00	-5.53	0.00	-4.80	0.00	-1.87	0.00
Information ratio	-1.68	–	-1.64	–	-1.60	–	-0.66	–
Tracking error	5.18	0.00	3.58	0.00	3.17	0.00	2.78	0.00

Portfolio management

Jaqueline Hurley, CFA (industry since 2008) leads the team that manages 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.

What should I know before investing?

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. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Potential active and frequent trading may result in higher transaction costs and increased investor liability. The Fund is more susceptible to any economic, business, political, regulatory or other developments that adversely affect issuers in the financial services industry than a Fund that does not concentrate its investments in the financial services industry.

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.

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 2000 Index** is an unmanaged list of common stocks that is frequently used as a general performance measure of U.S. stocks of small and/or midsize companies. Please note an investor 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. Please read it carefully.

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