ClearBridge Investments

A Legg Mason Company

Investor Guide | Separately Managed Accounts (SMAs)

CLEARBRIDGE ALL CAP GROWTH PORTFOLIOS

ClearBridge All Cap Growth Portfolios tap into the insights of four market-tested portfolio managers to help investors navigate market uncertainty while providing potential for growth across market cycles.

The Portfolios offer:

- Broad market-cap diversification
- High conviction stock selection
- Seasoned active management

In today's market, growth opportunities are getting harder to find — and sustain over the long term. ClearBridge All Cap Growth Portfolios actively pursue growth across market capitalizations, potentially reducing the impact of underperformance by a specific market cap segment over any given period.

Designed for investors seeking long-term growth, this actively managed strategy emphasizes high-conviction stock selection of companies that have the potential for above-average long-term earnings and/or cash flow growth. The strategy seeks to provide diversification, which may offer the greatest potential for capturing growth opportunities.

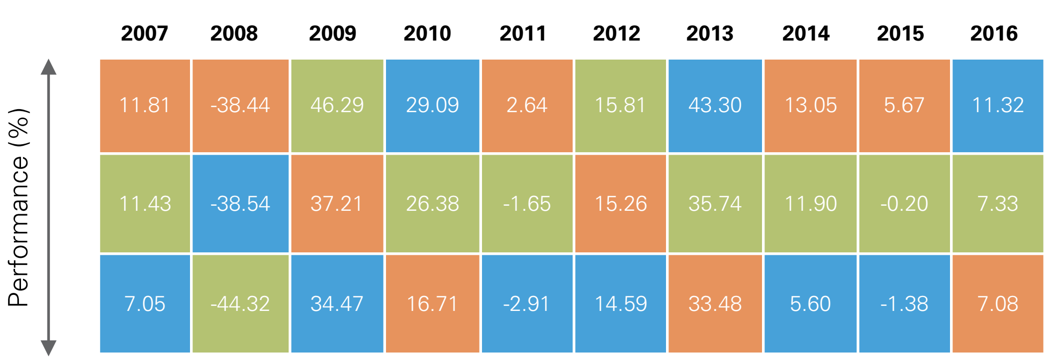
Market leaders have varied by market cap

Calendar year returns (2007–2016) of small-, mid- and large-cap stocks

Russell 1000 Growth Index Represents large-cap growth equity stocks.

Russell Midcap Growth Index Represents mid-cap growth equity stocks.

Russell 2000 Growth Index Represents small-cap growth equity stocks.



Source: Legg Mason. **Past performance is not a guarantee of future results.** 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 2000 Growth Index** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the **Russell 3000 Index**, and represents approximately 8% of the total market capitalization of the Russell 3000 Index. The Russell Midcap Growth Index measures the performance of the mid-cap segment of the U.S. equity universe. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Active management and diversification do not ensure gains or protect against market declines. Equity securities are subject to price fluctuation and possible loss of principal.

2Q 2017

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

AN ACTIVE APPROACH TO
ALL CAP GROWTH

ClearBridge All Cap Growth Portfolios use an active approach that leverages the expertise of four seasoned portfolio managers within a strategy designed to seek alpha and capital appreciation. By diversifying across market capitalizations, the Portfolios also offer the potential for reduced portfolio volatility while enhancing growth opportunities.

---

1 Differentiated strategy

Typically, passive index strategies will gain all that its benchmark gains — but also lose everything its benchmark loses. In contrast, active strategies can adjust holdings in response to changing market conditions.

2 Active share approach

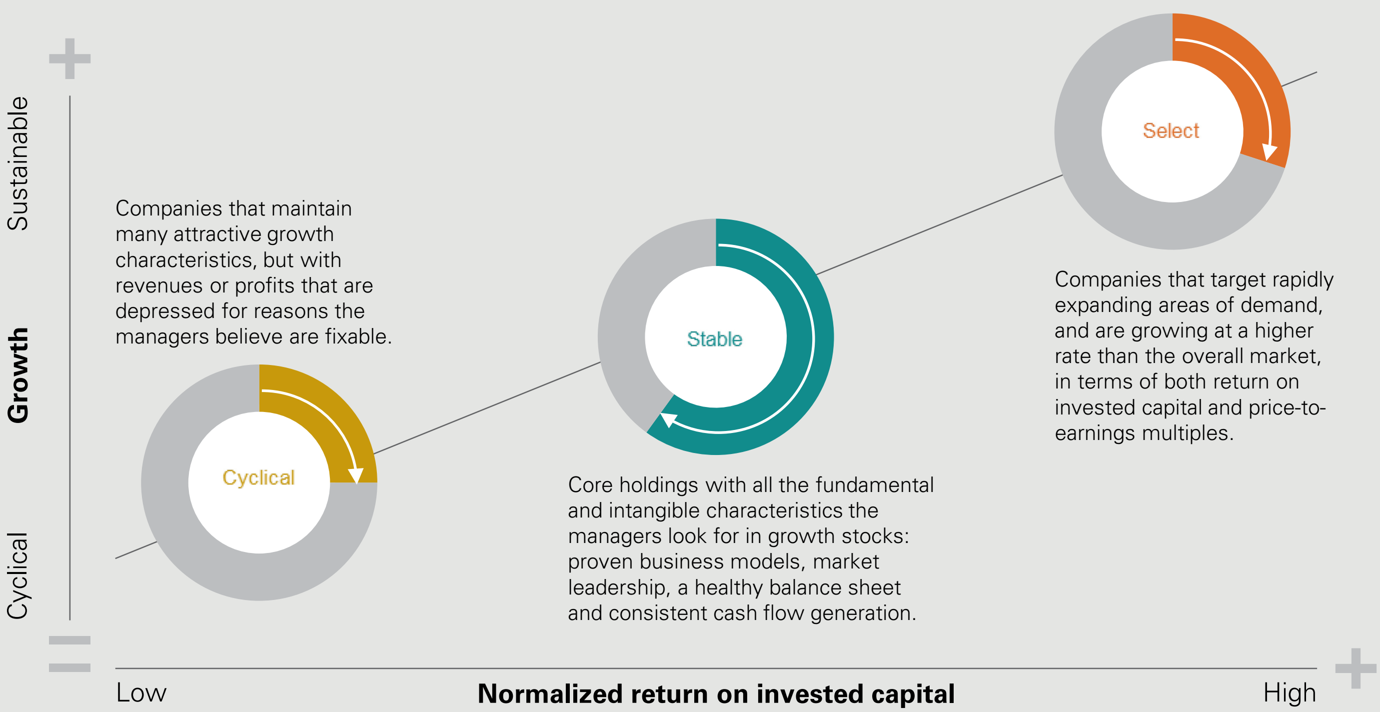
The portfolio managers follow a rigorous stock selection process, and are not tethered to the benchmark. They bucket securities appropriately into three categories designed to balance opportunity and risk.

3 Shared investment philosophy

Each portfolio manager brings his or her own perspective, but share a common outlook: fundamentally taking a "business model first, valuation second" approach.

Small-cap	Mid-cap	Large-cap
$300 million-$3 billion	$3-10 billion	>$10 billion

Actively allocates across market capitalizations and the "spectrum of growth" — three buckets that offer distinct risk/return characteristics.



Source: ClearBridge. For informational purposes only. Active management and diversification do not ensure a profit or protect against market declines. There is no guarantee the managers' strategy will be successful. Equity securities are subject to price fluctuation and possible loss of principal.

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.

A SMARTER
ALL-CAP

Each portfolio manager brings his or her own perspective, but they also share a common philosophy:

- High-conviction stock selection that offers potential for growth across market cycles.
- Attracted to controversy, where companies may be priced inefficiently.
- Favor new or innovative technologies, products and services.

Evan Bauman
Managing Director, Portfolio Manager
21 Years of experience

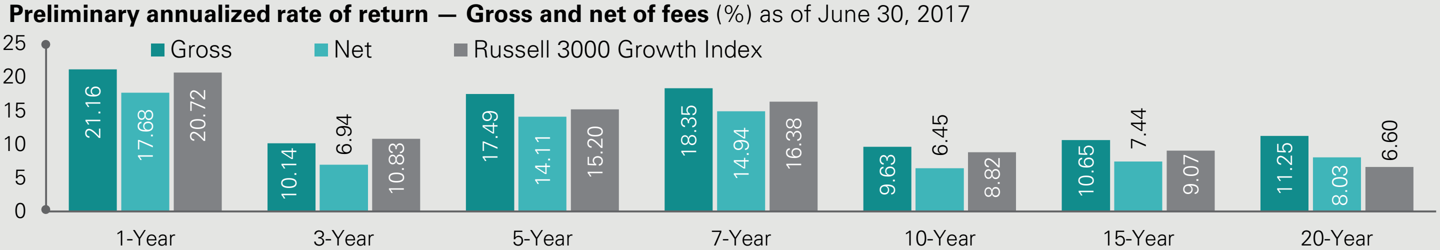
Peter Bourbeau
Managing Director, Portfolio Manager
26 Years of experience

Richard Freeman
Managing Director, Portfolio Manager
41 Years of experience

Margaret Vitrano
Managing Director, Portfolio Manager
21 Years of experience

The Portfolios have historically offered competitive performance across market cycles

Preliminary annualized rate of return — Gross and net of fees (%) as of June 30, 2017



Source: Legg Mason. 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. **Past performance is not a guarantee of future results**. The returns reflect the reinvestment of dividends and other earnings. 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 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.

Risk measures — Gross of fees 20-Year† annualized as of June 30, 2017

4.83% Alpha   0.93 Beta   0.54 Sharpe Ratio   0.87 R-Squared   19.59% Standard Deviation

Sector weightings (%) as of June 30, 2017

Sector	Portfolio	Benchmark	Over/Under
Health Care	23.75	14.50	▲ 9.25
Energy	3.86	0.85	▲ 3.01
Financials	4.90	3.57	▲ 1.33
Cash	0.85	0.00	▲ 0.85
Materials	4.71	3.93	▲ 0.78
Utilities	0.00	0.07	▼ -0.07
Information Technology	34.47	35.23	▼ -0.76
Telecommunication Services	0.00	0.96	▼ -0.96
Real Estate	0.00	2.67	▼ -2.67
Consumer Discretionary	15.42	18.30	▼ -2.88
Consumer Staples	3.36	7.24	▼ -3.88
Industrials	8.67	12.70	▼ -4.03

Top 10 equity holdings (%) as of June 30, 2017

Portfolio		Russell 3000 Growth Index	
UnitedHealth Group Inc	5.78	Apple Inc	6.10
Comcast Corp	4.99	Microsoft Corporation	4.19
Alphabet Inc	3.60	Amazon.com, Inc	3.12
Amazon.com Inc	2.96	Facebook, Inc Class A	2.86
Broadcom Ltd	2.95	Alphabet Inc Class A	2.25
Biogen Inc	2.72	Alphabet Inc Class C	2.23
Allergan PLC	2.39	Home Depot, Inc	1.50
Celgene Corp	2.24	UnitedHealth Group Inc	1.44
Microsoft Corp	2.23	Visa Inc Class A	1.41
Autodesk Inc	1.91	Comcast Corp Class A	1.38
Total	**31.77**		**26.48**

Market Capitalization (%) as of June 30, 2017

	Portfolio	Benchmark
Above $50B	59.73	57.67
$25 - $50B	12.54	13.44
$10 - $25B	20.41	12.25
$3 - $10B	6.49	10.67
0 - $3B	0.83	5.97

Number of Holdings(%) as of June 30, 2017

Portfolio	Benchmark
87	1,728

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.

† The risk measures are based on quarterly returns.

ClearBridge All Cap Growth SMA GIPS® Endnotes – Inception date: January 2006. Composite creation date: June 2008

Period	Total net return (%)	Total "pure" gross return* (%)	Russell 3000 Growth 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 the end of period (USD million)	% of Firm assets	Total Firm assets at end of period (USD million)
2016	5.86	9.03	7.39	2,076	100	0.53	12.54	11.50	1,823.40	1.8	100,936.90
2015	1.54	4.59	5.09	1,918	100	0.38	11.97	10.95	1,887.00	2.0	92,536.40
2014	11.84	15.16	12.44	1,751	100	0.32	10.94	9.87	1,937.90	1.9	100,721.50
2013	37.34	41.36	34.23	1,557	100	1.05	14.40	12.66	1,709.90	2.0	85,024.70
2012	18.42	21.93	15.21	7,533	100	0.69	18.02	16.21	1,278.20	2.3	54,624.30
2011	-3.49	-0.58	2.18	7,976	100	0.68	20.46	18.43	1,243.90	2.4	50,870.80
2010	15.16	18.58	17.64	8,995	100	0.88	N/A	N/A	1,440.20	2.6	55,366.50
2009	38.13	42.17	37.01	11,897	100	2.52	N/A	N/A	1,697.60	3.2	53,522.70
2008	-41.32	-39.47	-38.44	15,438	100	1.34	N/A	N/A	1,590.30	3.1	50,614.90
2007	1.81	4.87	11.40	22,323	100	1.42	N/A	N/A	3,783.80	8.0	47,112.00

*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.

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, 2015. 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 Growth SMA composite consists of discretionary wrap accounts with an account minimum of US $25,000. Accounts within the composite seek long-term capital appreciation by investing in a mix of large, mid and small capitalization stocks believed to have substantial growth potential. The main risks of this strategy are General Investment Risk, Industry and Issuer Concentration Risk, Small Cap Risk, Mid Cap Risk, High Volatility Risk, and Non-U.S. Investment Risk. Prior to June 2008, the minimum was $5,000.

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. Effective January 1, 2013, the number of portfolios reflects a change from prior periods due to an aggregation of accounts as reported by one sponsor. As of January 2014, 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. For prior years, the equal-weighted standard deviation was used. Total firm assets for 2007 represents the CBI-Retail firm. The composite employed a 10% significant cash flow policy which was discontinued in January 2012. 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 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. The index is not managed and not subject to management or brokerage commissions. Dividends are subject to reinvestment.

The **Overlay Portfolio Manager (OPM)** may not always reduce or eliminate overlap. **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. **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 that is, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historical risk-adjusted performance. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

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 sub-advisors: ClearBridge Investments, LLC and Western Asset Management Company. Management is implemented by LMPPG, the designated sub-advisor or, in the case of certain programs, the program sponsor or its designee.

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.

© 2017 Legg Mason Investor Services, LLC, member FINRA, SIPC. Legg Mason Investor Services, LLC, and all investment managers mentioned are subsidiaries of Legg Mason, Inc.
743653 AMXX376271 7/17 STYLE

LEGG MASON
GLOBAL ASSET MANAGEMENT