



## Select Strategy

### Strategy Overview

Long-biased, concentrated go-anywhere strategy

**Benchmark:** Russell 3000 Index

**Strategy Inception:** February 2006

**Strategy AUM:** \$566.8M

**Holdings Range:** 30-60<sup>1</sup>

### Objective:

Long-term growth of capital<sup>3</sup>

### Investment Philosophy

Use a bottom-up, benchmark agnostic approach to identify companies with strong growth prospects and/or attractive valuations.

### Performance

Owning a broad range of growth stocks has led to competitive long-term results.

### Portfolio Management Team

- ▶ **Aram Green**  
Managing Director,  
Portfolio Manager, 18 years experience

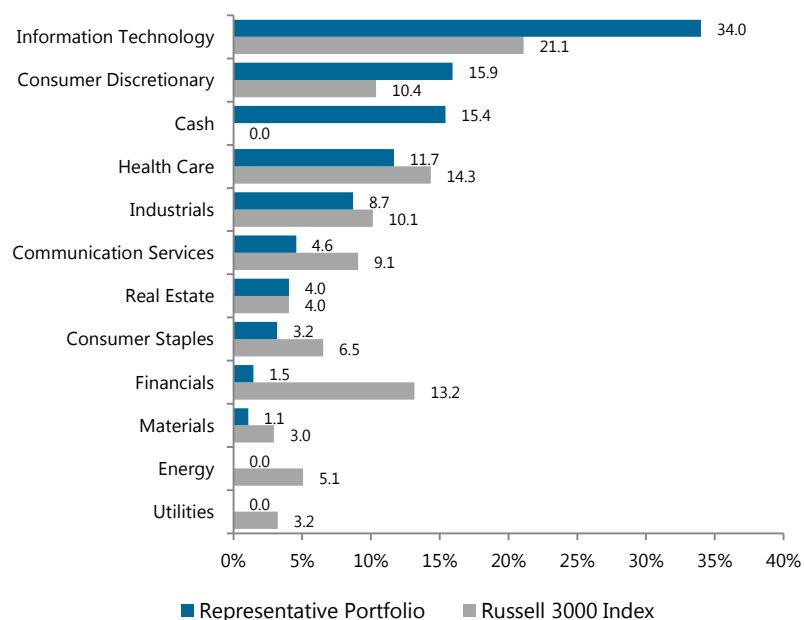
### Fundamental Research Platform

- ▶ A shared research platform consisting of experienced analysts who support portfolio management
- ▶ Three portfolio analysts dedicated exclusively to supporting the Select strategy and related small- and midcap Portfolios

### Average Annual Total Returns (% Gross of Fees)<sup>2</sup>

	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
ClearBridge Select Composite	18.80	19.98	28.42	16.38	17.61	21.39
Russell 3000 Index	14.04	8.77	13.48	10.36	12.63	16.00

### Sector Weightings<sup>1,2</sup>



### Investment Process

- Flexible approach to idea generation by evaluating business model, financial structure and management across market caps to identify and understand risks of companies with strong operating leverage
- Conduct fundamental research, focusing on share takers generating above-average unit growth through innovative products and services
- Concentrated portfolio of 30 to 60 stocks
- Monitor portfolio, constantly managing risk by reviewing thesis and adjusting allocations and tactically using hedging strategies

## Portfolio Characteristics & Risk Statistics<sup>1,2</sup>

Characteristics	Representative Portfolio	Russell 3000 Index
P/E Ratio (trailing 12 mos.)	33.9	19.7
P/E Ratio (forward 12 mos.)	31.0	17.2
Price/Book	6.1	4.6
EPS Growth Next 3-5 Years (%)	33.0	11.8
Weighted Median Market Cap (\$ bn)	8.8	73.9
Weighted Average Market Cap (\$ bn)	37.1	186.9
ROE	11.2	19.5
Dividend Yield	0.3	1.9
Turnover (trailing 12 mos.)	21.6	--

10 Year Risk Statistics	Composite	Russell 3000 Index
Standard Deviation (%)	17.04	13.17
Sharpe Ratio	1.21	1.17
Tracking Error (%)	8.75	--
R <sup>2</sup>	0.74	--
Alpha (%)	3.46	--
Beta	1.12	--

## Top 10 Holdings<sup>1</sup>

Security	% of Total Representative Portfolio
SBA Communications Corp	3.08
Shopify Inc	2.82
ServiceNow Inc	2.76
Copart Inc	2.47
Wix.com Ltd	2.42
Syneos Health Inc	2.32
MercadoLibre Inc	2.28
Ross Stores Inc	2.23
Advance Auto Parts Inc	2.13
Cornerstone OnDemand Inc	2.05
<b>Total</b>	<b>24.58</b>
<b>Total Number of Holdings</b>	<b>59</b>

<sup>1</sup> Source: FactSet. Representative portfolio characteristics, holdings, sector weightings and market capitalization are based on a representative portfolio and are subject to change at any time. Holdings, sector weightings, market capitalization and portfolio characteristics of individual client portfolios 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.

<sup>2</sup> Past performance is no guarantee of future results. Please see GIPS endnotes.

Performance is preliminary and subject to change.

<sup>3</sup> There is no guarantee that the Portfolio's objective will be met. P/E ratios are weighted harmonic average. Price/Book is weighted average. Performance source: Internal. Benchmark source: Russell Investments. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the

Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

### Select Strategy as of Dec. 31, 2018

	1 Year	3 Years	5 Years	10 Years
Net-of-fees	10.27	16.90	11.46	18.63
Gross-of-fees	11.31	18.00	12.51	19.86
Russell 3000	-5.24	8.97	7.91	13.18

ClearBridge Investments, LLC (ClearBridge) claims compliance with the Global Investment Performance Standards (GIPS®). ClearBridge is a wholly-owned subsidiary of Legg Mason, Inc. ("Legg Mason"). The investment advisory business now known as ClearBridge was registered in Sept. 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 Jan. 1997. In June 2008, ClearBridge combined this business with its retail business to form a single GIPS firm. As of Apr. 1, 2013 and Jan. 1, 2016, ClearBridge's affiliates, Global Currents Investment Management, LLC, and ClearBridge, LLC, respectively, have become part of the ClearBridge GIPS firm. The ClearBridge Select composite seeks to achieve superior capital absolute returns through capital appreciation by investing in both US and non-US equity, debt

and other securities. Results are calculated in U.S. dollars. The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. In April 2018 the benchmark changed from the S&P 500® index to the Russell 3000® index. To receive a complete list and description of ClearBridge composites and/or a presentation that adheres to the GIPS standards, please contact ClearBridge Institutional Marketing. **Past performance is no guarantee of future results.**