



Dividend Strategy SMA 2Q24 Update

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Corey Hardie
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June 13, 2024

ClearBridge
A Franklin Templeton Company

Data as of March 31, 2024, unless indicated otherwise.
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Biographies

Dividend Strategy SMA

Name and Position		Industry Experience	ClearBridge Tenure	Education, Experience and Professional Designations
	John Baldi Managing Director, Portfolio Manager	26 years	<ul style="list-style-type: none">• Joined ClearBridge in 2004	<ul style="list-style-type: none">• JPMorgan Chase - Senior Analyst, Specialty Finance• BS in Finance and Economics from Boston College
		Corey Hardie Director, Client Portfolio Manager	13 years	<ul style="list-style-type: none">• Joined ClearBridge in 2014• Atalanta Sosnoff Capital - Client Service Specialist• BS in Business Administration from Fordham University

Executive Summary

ClearBridge Dividend Strategy SMA

Investment Objectives

- Attractive dividend yield
 - 50-100 bps greater than the S&P 500
- Powerful compounding of dividends
 - 10-Year CAGR of ~9.3%*
- Manage capital in volatile markets
 - Downside capture of 78% (gross of fees), 84% (net of fees)**

Differentiators

- Stock Level:
 - Do not employ yield screen
 - Obsessive focus on business model and industry structure/dynamics
- Portfolio Level:
 - Focus on diversification, not relative benchmark positioning
 - Target superior risk-adjusted returns through upside participation and risk management

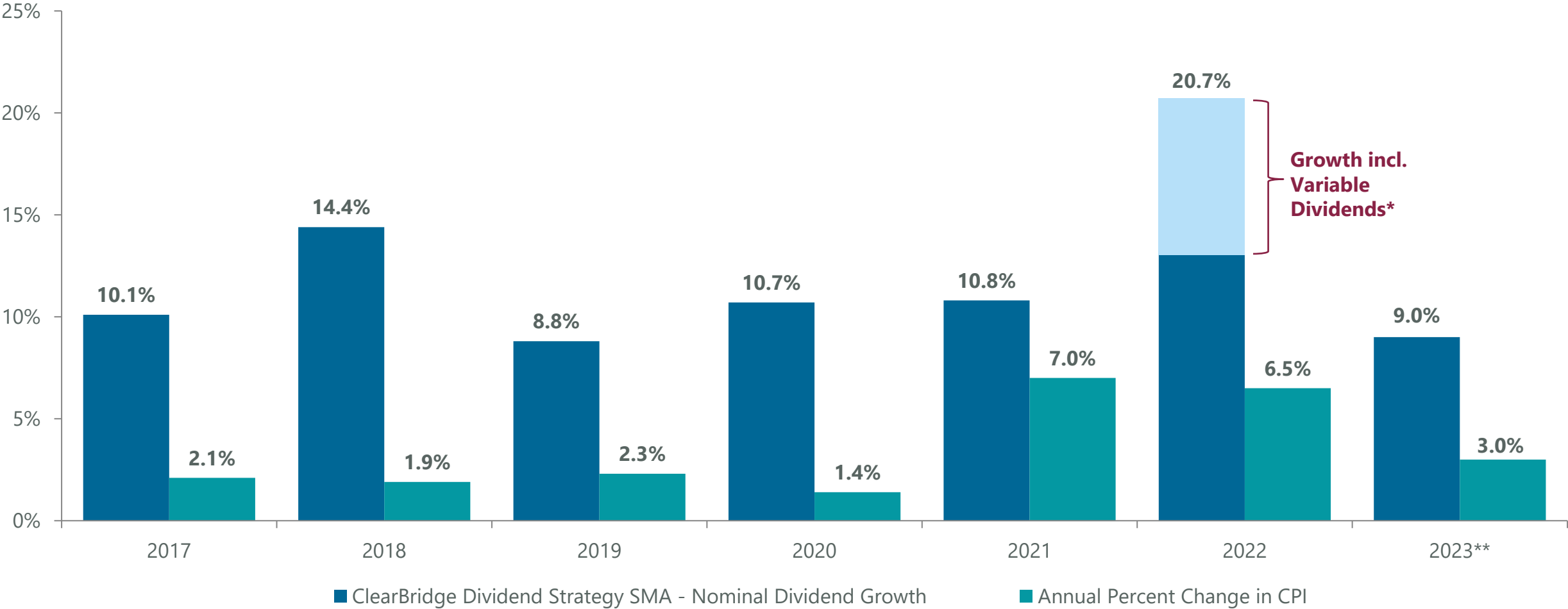
Investment Outcomes

- 40-60 names
- 15-25% annual turnover

Dividend Growth Well in Excess of Inflation

- ClearBridge Dividend Strategy SMA has averaged 8.6% dividend growth **above inflation** over the last seven years.

Powerful Compounding of Dividends

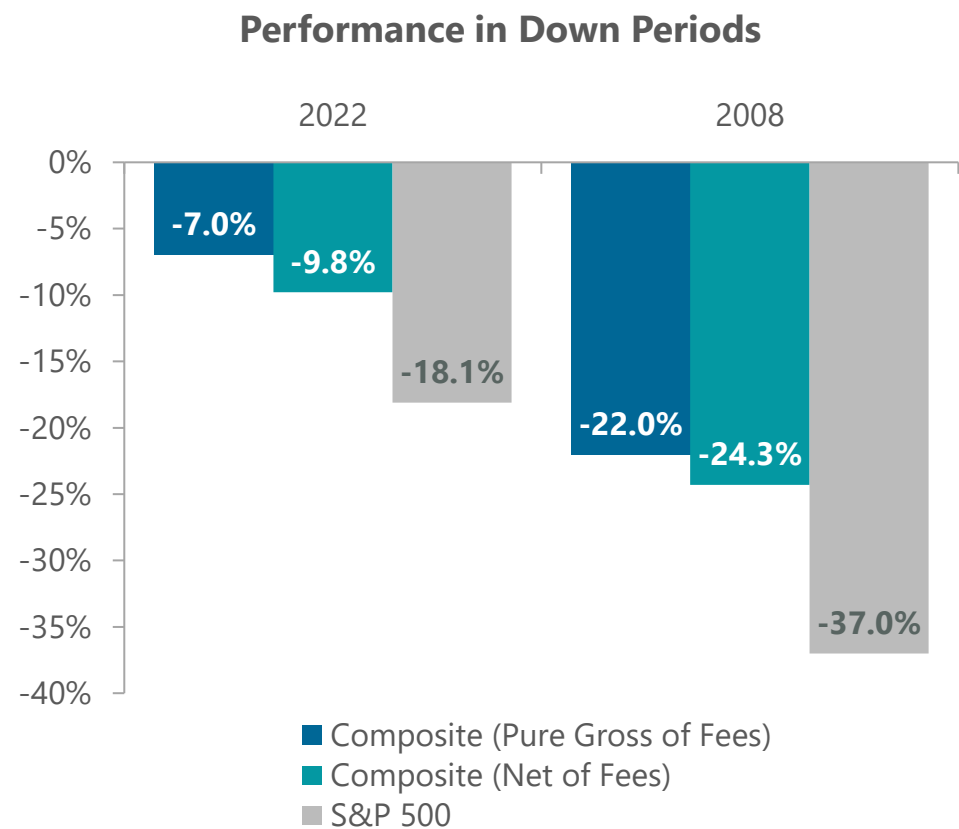
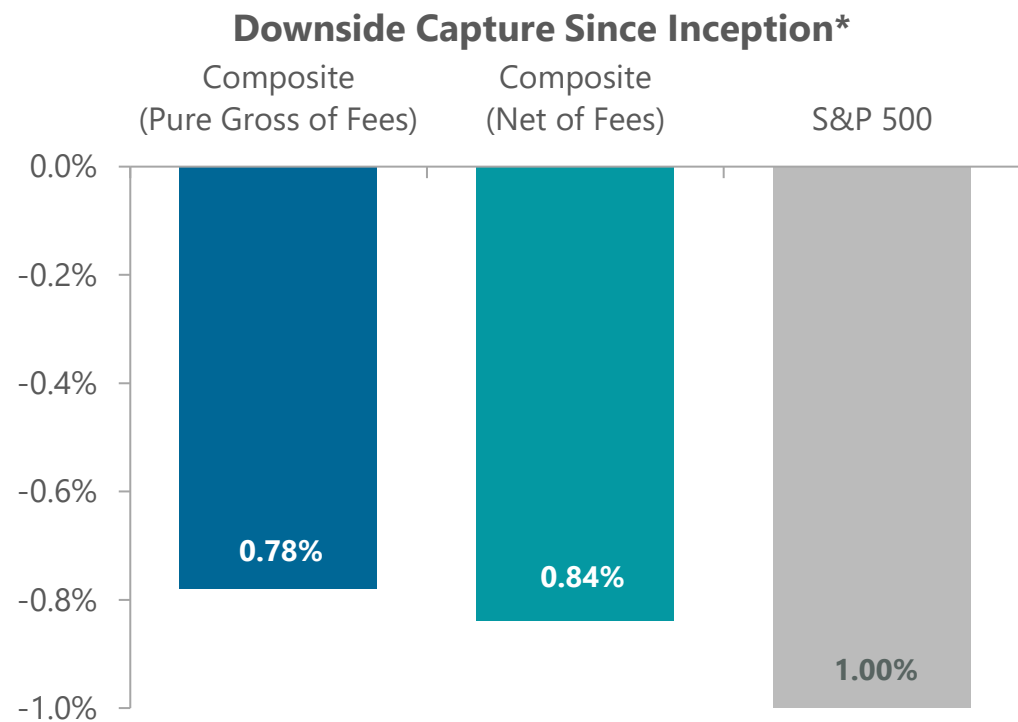


ClearBridge Dividend Strategy SMA – Risk Management

March 31, 2024

Protect capital in volatile markets:

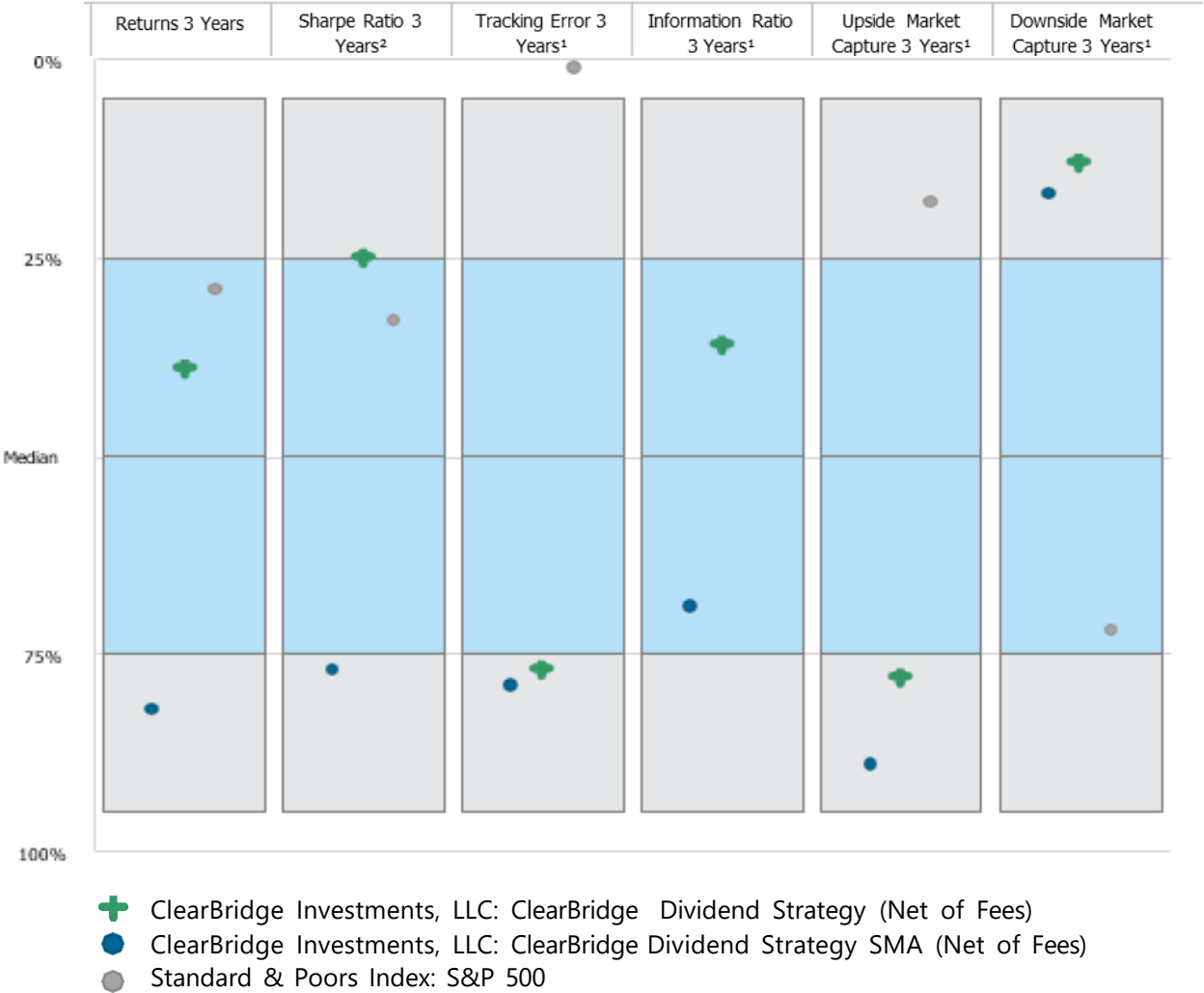
- Since Inception, the ClearBridge Dividend Strategy SMA composite has averaged +227 bps (gross of fees), +156 bps (net of fees) of outperformance during down quarters of the S&P 500



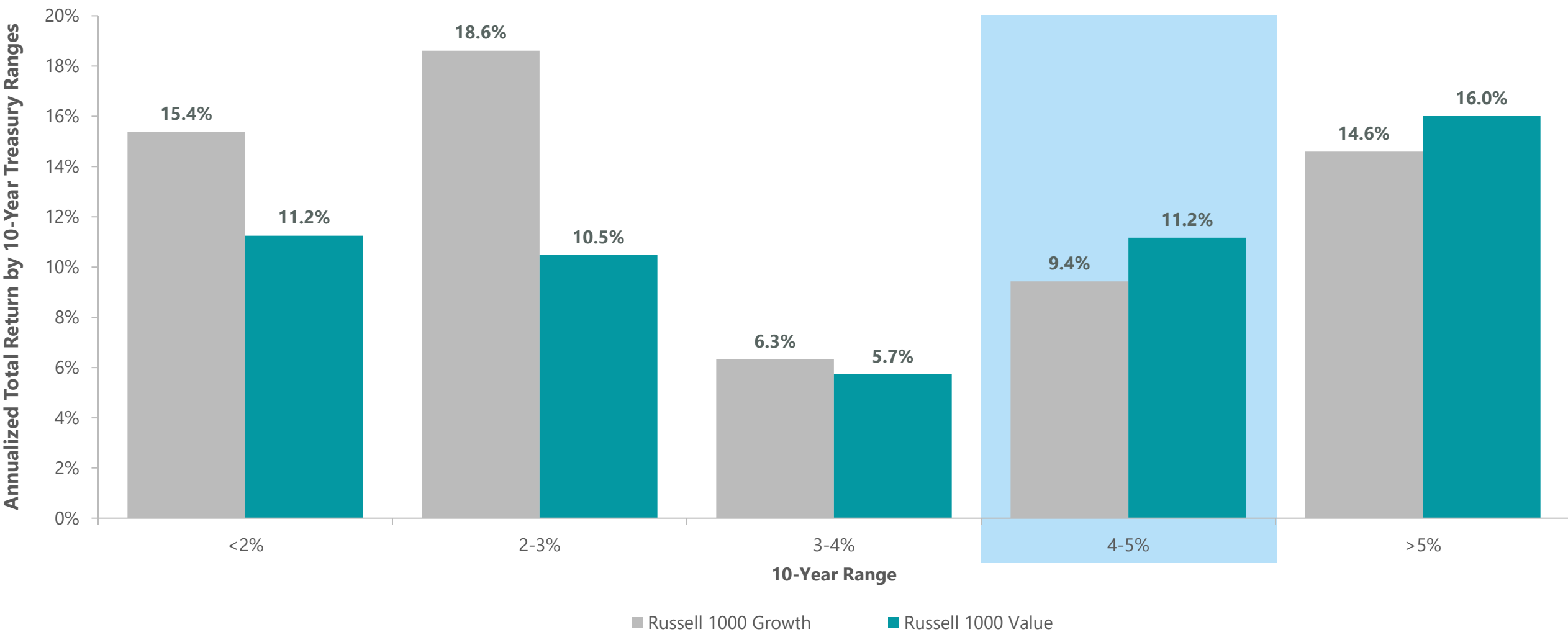
*Inception date is June 2003. Data as of March 31, 2024. Source: ClearBridge Investments. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Net of fee composite returns are 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 pure gross return reflects the deduction of transaction costs for some accounts in the composite.

Delivering Strong Risk Adjusted Returns

ClearBridge Dividend Strategy and Dividend Strategy SMA – Three Years Ending March 31, 2024

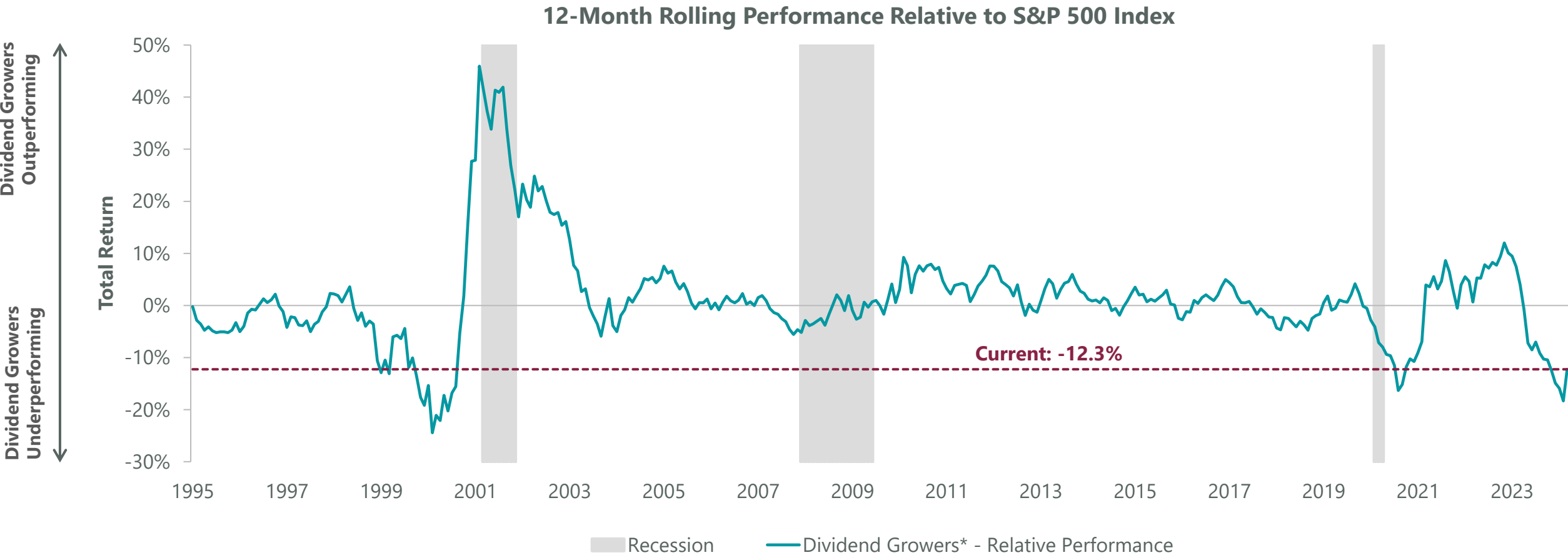


Higher Rates Favor Diversification



► Value has historically outperformed Growth when the 10-year Treasury yield is north of 4%.

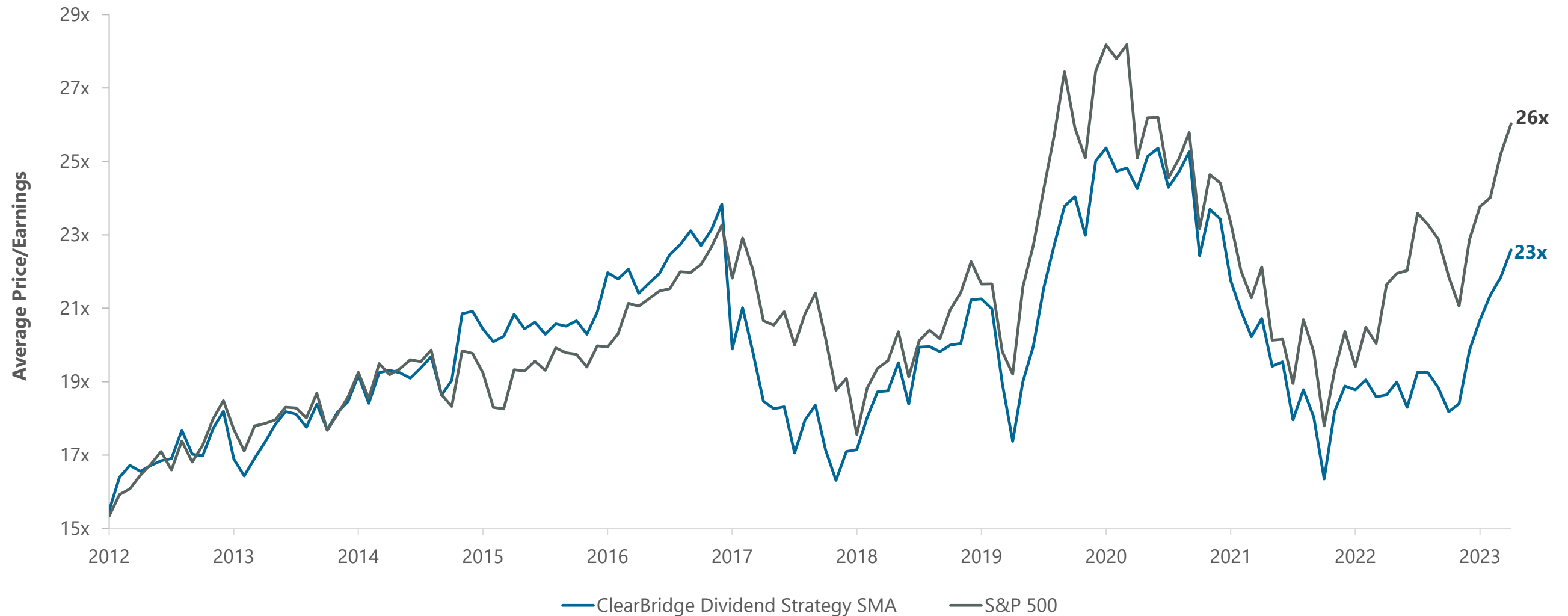
Dividend Growers Overdue



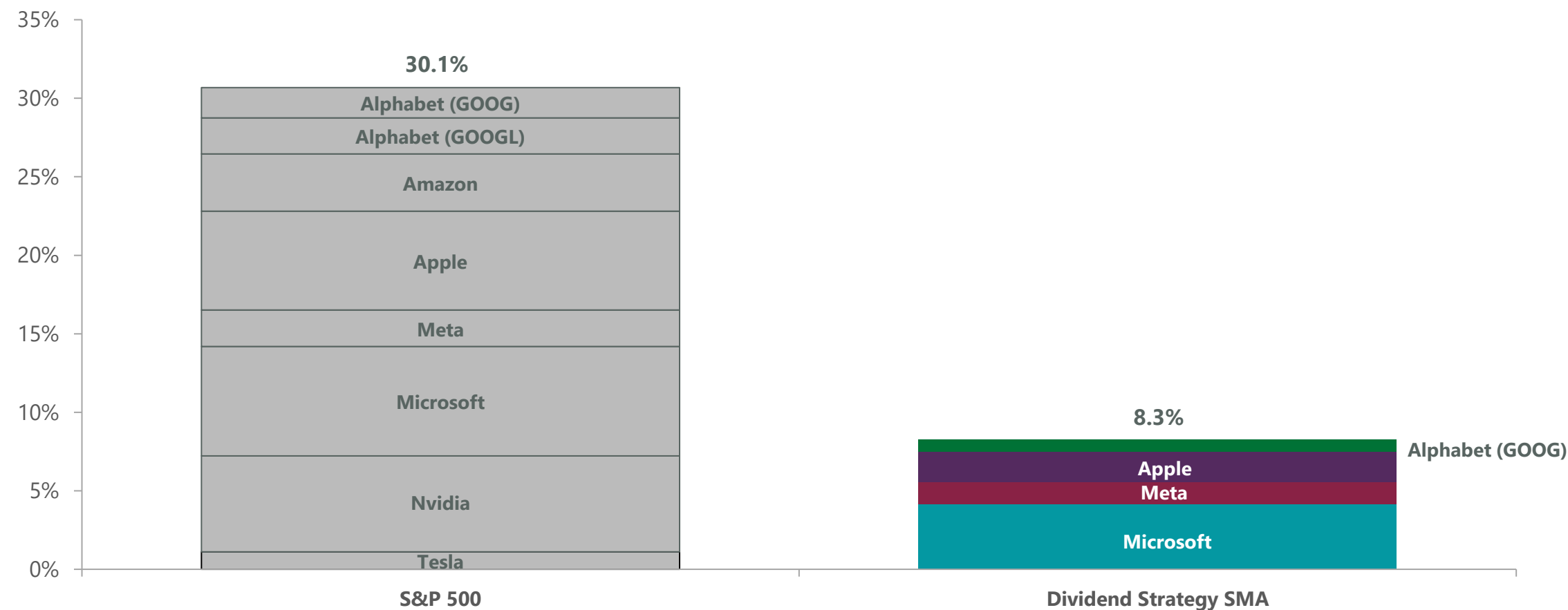
- ▶ Over the past year, dividend growers have trailed the broader market to a degree rarely seen over the past three decades.
- ▶ Past instances of similar underperformance have been followed by a strong bounce-back for dividend growers.

*Dividend Growers are S&P 500 stocks with three consecutive trailing years of positive dividend growth (inclusive of special dividends) on a rolling basis (quarterly), evaluated monthly, equal weighted.
Data as of March 31, 2024. Sources: S&P, NBER, Bloomberg. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

ClearBridge Dividend Strategy SMA Trading at Meaningful Discount



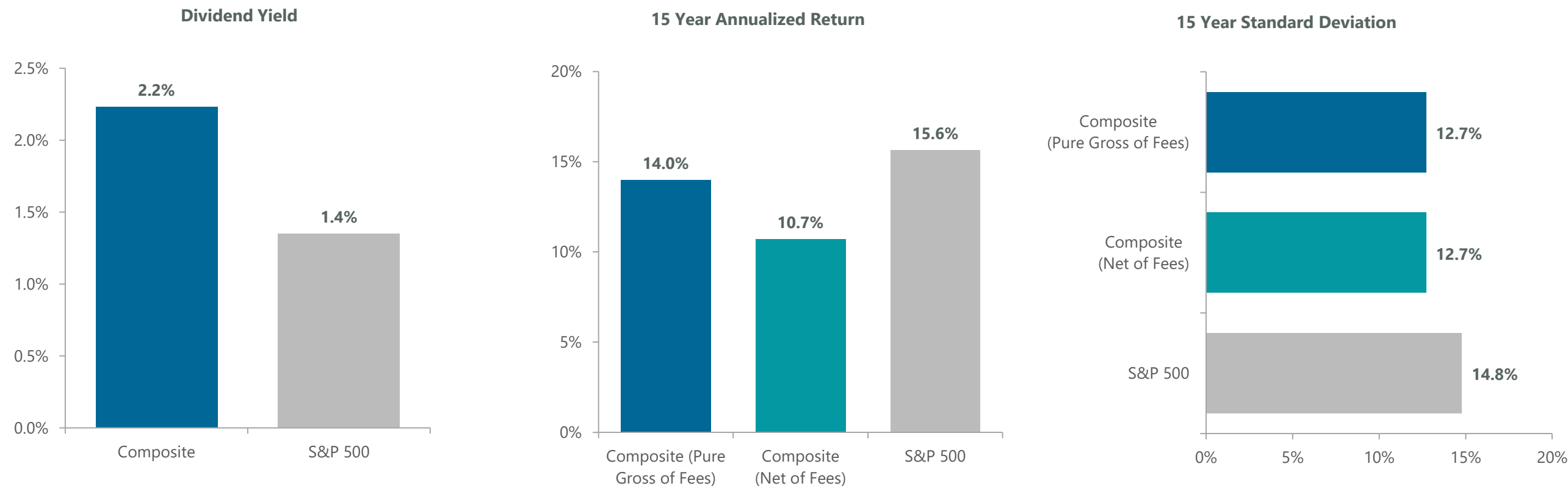
Dividend Strategy Offers Diversification



*Magnificent 7 data refers to the following set of stocks: Microsoft (MSFT), Amazon (AMZN), Meta (META), Apple (AAPL), Google parent Alphabet (GOOGL), Nvidia (NVDA), and Tesla (TSLA). Data as of March 31, 2024. Sources: FactSet, MSCI. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. For illustrative purposes only and not reflective of the performance or portfolio composition of any Franklin Templeton fund. Company references are used for illustrative purposes and should not be construed as an endorsement of sponsorship by Franklin Templeton companies. This information is not intended as an investment recommendation, nor does it constitute investment advice.

ClearBridge Dividend Strategy SMA

March 31, 2024



10-Year Dividend Growth CAGR of ~9.3%

Strong Risk Adjusted Returns Through a Cycle

Average Annual Total Returns

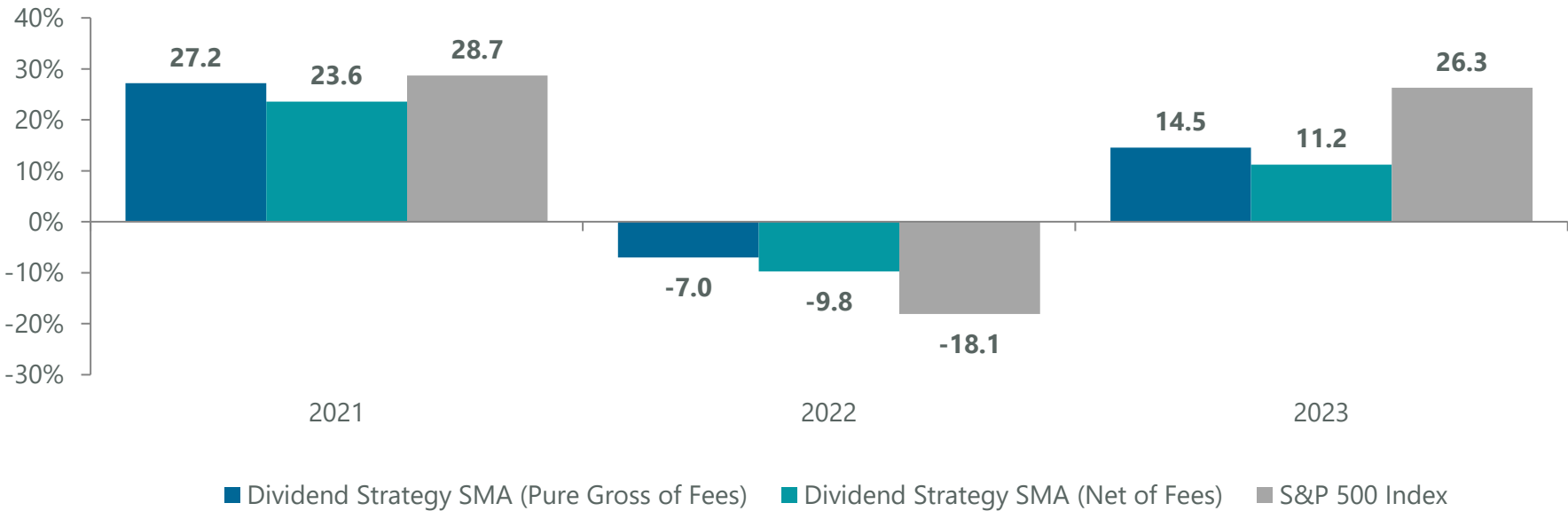
As of March 31, 2024

	1 Year	3 Years	5 Years	10 Years	20 Years
Pure Gross of Fees (%)	21.42	11.43	12.47	11.07	10.02
Net of Fees (%)	17.93	8.20	9.21	7.86	6.83
S&P 500 Index (%)	29.88	11.49	15.05	12.96	10.15

Standard Deviation

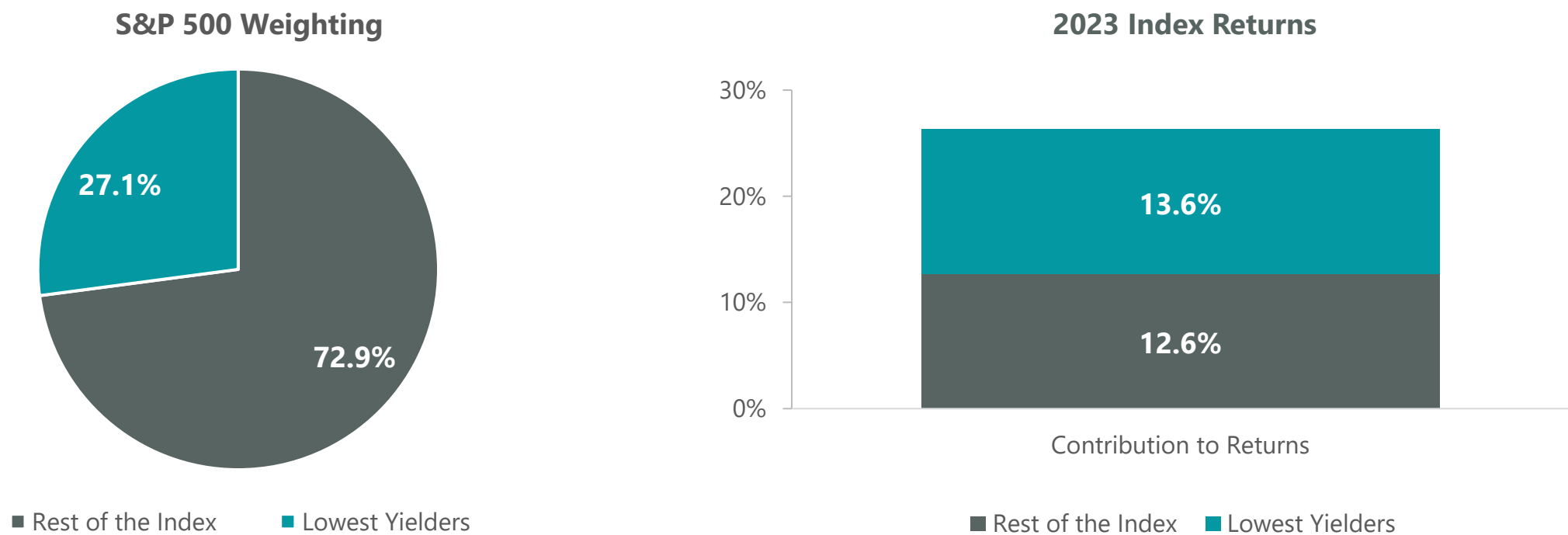
As of March 31, 2024

	1 Year	3 Years	5 Years	10 Years
Pure Gross of Fees (%)	12.03	15.48	16.71	13.69
Net of Fees (%)	12.03	15.48	16.71	13.69
S&P 500 Index (%)	13.62	17.60	18.37	15.16



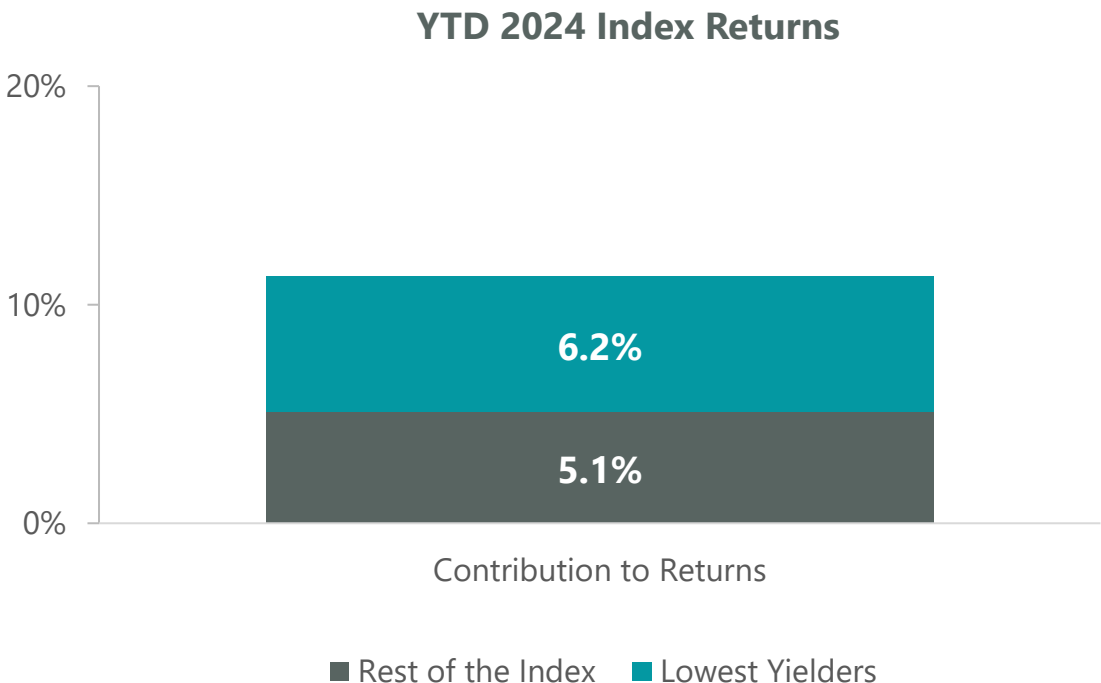
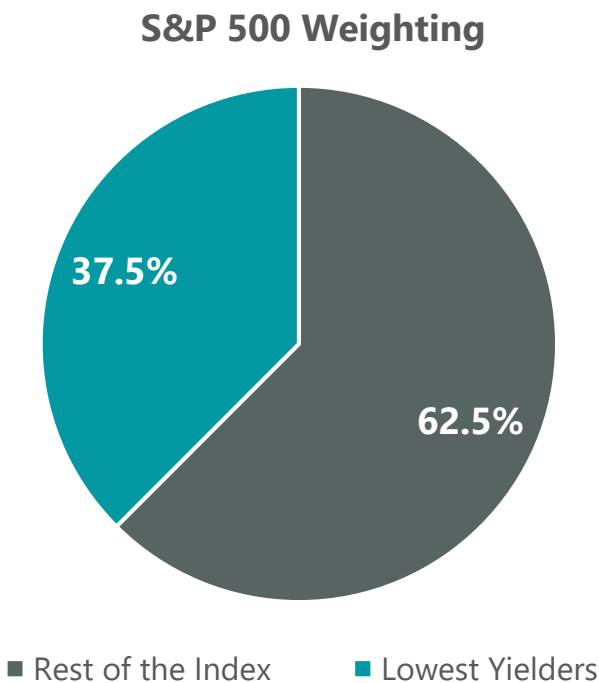
Low Yielders Skewed Index Performance in 2023

December 31, 2023



...Continuing So Far in 2024

May 31, 2024



Portfolio Positioning

Valuation Discipline

- **Exited:** BX, MA
- **Trimmed:** AAPL, MSFT

Quality at a Reasonable Price

- **Added to:** NSRGY, SRE
- **Bought:** AVB, COF, HLN, PSA

Dividend Flexibility

- **Bought:** META, GOOGL, TMUS

Additional Important Information

ClearBridge Dividend Strategy

Risks

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets.

Characteristics

The holdings and characteristics shown are based on a representative portfolio included in the Composite. Individual client accounts may differ from holdings and characteristics shown. For illustrative purposes only. Portfolio holdings and characteristics are subject to change at any time.

Portfolio holdings may not be representative of the portfolio managers' current or future investments and are subject to change at any time. The information provided is for informational purposes only and should not be construed as a recommendation to purchase or sell a particular security or be used as the sole basis for an investor to make an investment decision.

The sector weightings and capitalization ranges shown are based on a representative portfolio included in the Composite and are subject to change at any time. Individual client accounts may differ from the sector weightings and capitalization ranges. The information provided is for informational purposes only and should not be construed as a recommendation to over or underweight any particular sector.

Opinions and Views

The opinions and views expressed herein are of the ClearBridge Investments, LLC, Dividend Strategy portfolio management team as of the date shown, and may differ from other managers, or the firm as a whole, and are not intended to be a forecast of future events, a guarantee of future results or investment advice. The statistics have been obtained from sources believed to be reliable, but the accuracy and completeness of this information cannot be guaranteed.

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GIPS Report

ClearBridge Dividend Strategy SMA

Reporting Currency: USD											
Strategy Inception Date: June 2003						Composite Creation Date: June 2008					
	Total Return	Total Return	Benchmark	Number of	% of Wrap				Total Composite		Total Firm
Period	(Net)	(*Pure Gross)	Return	Portfolios	Fee Portfolios	Composite	Composite	Benchmark	Assets at End of	Percentage	Assets at End of
					in the Composite	Dispersion	3 Yr. St. Dev.	3 Yr. St. Dev.	Period	of Firm	Period
									(USD million)	Assets	(USD million)
2022	-9.76%	-7.03%	-18.11%	3,471	87	0.28%	19.74%	21.16%	4,983.3	4.09%	121,842.7
2021	23.56%	27.21%	28.71%	8,232	91	0.24%	16.82%	17.41%	8,010.6	4.70%	170,282.9
2020	4.37%	7.49%	18.40%	10,014	90	1.26%	17.01%	18.79%	5,263.5	3.57%	147,416.9
2019	26.02%	29.73%	31.49%	10,332	90	0.45%	10.17%	12.10%	5,405.3	4.20%	128,740.4
2018	-6.89%	-4.08%	-4.38%	9,259	89	0.28%	9.08%	10.95%	4,028.2	3.80%	106,083.4
2017	15.16%	18.57%	21.83%	9,140	72	0.22%	9.15%	10.07%	4,580.4	3.84%	119,187.1
2016	11.44%	14.75%	11.96%	7,668	72	0.43%	9.83%	10.74%	3,703.1	3.67%	100,936.9
2015	-5.76%	-2.92%	1.38%	7,678	73	0.24%	9.98%	10.62%	3,360.0	3.63%	92,536.4
2014	9.58%	12.84%	13.69%	6,555	79	0.28%	7.24%	9.10%	3,544.8	3.52%	100,721.5
2013	25.30%	28.99%	32.39%	3,316	96	1.06%	8.88%	12.11%	2,419.7	2.85%	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.

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, 2022. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Firm Information: ClearBridge Investments, LLC ("ClearBridge") is a wholly owned indirect subsidiary of Franklin Resources, Inc. ("Franklin"). In July 2020 Legg Mason, Inc., its parent company, was purchased by Franklin. 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, January 1, 2016 and May 1, 2020, ClearBridge affiliates, Global Currents Investment Management, LLC, ClearBridge, LLC and ClearBridge Investments Limited (f/k/a RARE Infrastructure Limited) have become part of the ClearBridge GIPS firm.

Composite Information: The ClearBridge Dividend Strategy SMA composite consists of discretionary wrap accounts with an account minimum of US \$25,000. Accounts within the composite seek dividend income, growth of dividend income and long-term capital appreciation by investing in stocks that either pay an existing dividend or are expected to pay a dividend in the near future. The

strategy is implemented by Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), formerly known as Legg Mason Private Portfolio Group, LLC ("LMPPG"). FTPPG claims compliance with the Global Investment Performance Standards (GIPS®). FTPPG has been independently verified for the periods January 1, 2013 - December 31, 2022. FTPPG is a wholly owned indirect subsidiary of Franklin Resources, Inc and together with its sub-advisers, including ClearBridge, provides investment services primarily in investment programs sponsored by Sponsor Firms. To obtain a compliant presentation and/or the firm's list of composite descriptions, please contact info@clearbridge.com. The mainrisks of this strategy are General Investment Risk, Small Cap Risk, Mid Cap 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 pure gross return reflects the deduction of transaction costs for some accounts in the composite. 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. The composite employes a 10% significant cash flow policy which started in January 2021. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not necessarily indicative of future results. Gross returns are used to calculate presented risk measures. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Benchmark Information: For comparison purposes, composite returns are shown against returns of the S&P 500® Total Return Index.

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