

## KEY FACTS

The ESG Investment Program applies Environmental, Social and Governance (ESG) integration, active company engagement and shareholder advocacy to ClearBridge Advisors' pure-style investment strategies<sup>3</sup>

### Portfolio Management Team:

Mary Jane McQuillen, Peter Bourbeau, Scott Glasser

### Fundamental Research Platform:

- A shared research platform, consisting of experienced analysts who support portfolio management
- Coverage for sector analysts includes the top 300-400 existing holdings and 100-150 opportunistic ideas

### Experience:

- Portfolio management team has an average of 18 years of investment industry experience

**Benchmark:** Russell 1000 Growth Index

## OBJECTIVE:

Seeks long-term growth of capital<sup>1</sup>

## PHILOSOPHY & STRATEGY

The ESG Large Cap Growth team believes that investing in a portfolio of large capitalization companies that have long-term, consistent earnings growth and unique competitive positions can generate steady capital growth and may help reduce volatility.

Value-added approach driven by:

- Fundamental analysis; due diligence; risk management; focus on growth with strong fundamentals; style adherence
- Focus on leadership positions in developed and expanding markets and are positioned to take market share
- Focus on companies with strong franchises that can be leveraged in new and existing markets
- Integration of environmental, social and governance [ESG] factors into the stock selection process

## INVESTMENT PROCESS

<b>Step 1:</b> Define the Investment Universe	Consider companies with market capitalizations similar to those in the Russell 1000 Growth Index
<b>Step 2:</b> Apply fundamental and business model analysis	Identify companies that can sustain high growth rates, have competitive advantages and maintain sustainable margins
<b>Step 3:</b> Utilize key investment valuation measures	Select from these candidates those companies that have attractive valuations using measures such as reinvestment and growth rates and discount rate (risk)
<b>Step 4:</b> Select securities and construct portfolio	Select companies that have met both the investment and environment, social, governance criteria
<b>Step 5:</b> Monitor continuously	Re-examine a current holding when fundamentals decline, full value is reached or a decline in company's social/ environmental performance causes it to violate social screens

## KEY STRENGTHS

- Leverages the strength and tenure of the ClearBridge Advisors Institutional Strategies
- Over 20 years of history managing ESG Investment portfolios
- ESG analysts integrated into the Fundamental Research Platform
- Collaboration with the Team's sector-specific Research Analysts for full coverage of each stock
- Customization available based on client-specific guidelines/investment policy statement
- Active Proxy Voting according to ESG Proxy Voting Guidelines
- Access to ClearBridge ESG Investment management teams

## PORTFOLIO CHARACTERISTICS & RISK STATISTICS<sup>2,3</sup>

Characteristics	Representative Portfolio	Russell 1000 Growth Index
P/E Ratio (trailing 12 mos.)	15.4	14.8
P/E Ratio (forward 12 mos.)	13.3	13.2
Price/Book	2.7	4.0
EPS Growth Next 3-5 Years (%)	14.0	14.4
Weighted Median Market Cap (\$ bn)	45.2	32.7
Weighted Average Market Cap (\$ bn)	70.2	88.0
ROE	18.7	25.8
Dividend Yield	1.4	1.6

3 Year Risk Statistics	Composite	Russell 1000 Growth Index
Standard Deviation (%)	23.03	24.83
Sharpe Ratio	0.23	0.30
Tracking Error (%)	4.02	--
R <sup>2</sup>	0.98	--
Alpha (%)	-1.46	--
Beta	0.92	--

## SECTOR WEIGHTINGS<sup>2</sup>

Sector	Representative Portfolio (%)	Russell 1000 Growth Index (%)	Relative Weight (%)
Information Technology	29.8	28.8	1.0
Consumer Discretionary	20.9	14.4	6.4
Health Care	17.1	11.0	6.0
Consumer Staples	10.9	13.0	-2.1
Industrials	7.2	12.1	-4.8
Financials	7.0	3.8	3.2
Energy	5.9	10.3	-4.4
Materials	0.0	5.1	-5.1
Telecommunication Services	0.0	1.2	-1.2
Utilities	0.0	0.1	-0.1
Cash	1.1	0.0	1.1

<sup>1</sup> There is no guarantee that the Portfolio's objective will be met.

<sup>2</sup> Source: FactSet. Representative portfolio characteristics, holdings, sector weightings, turnover and market capitalization are based on a representative portfolio and are subject to change at any time. Holdings, sector weightings, market capitalization, turnover 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.

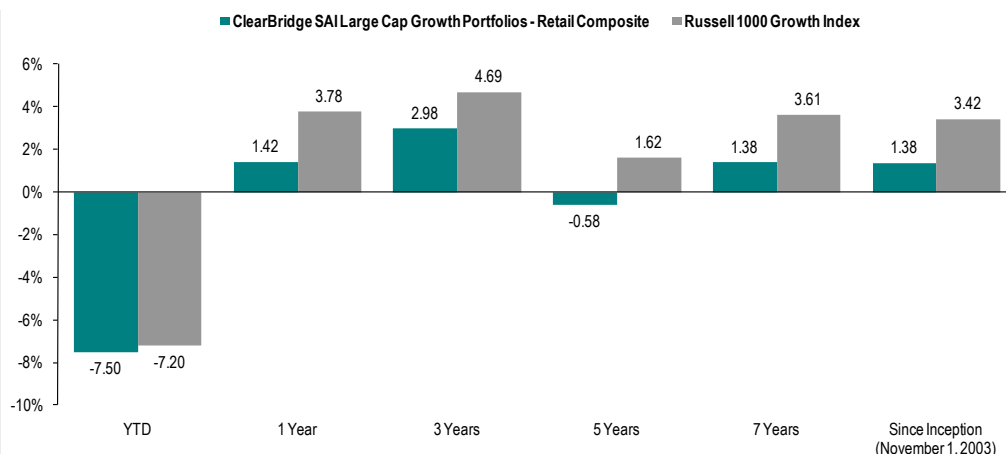
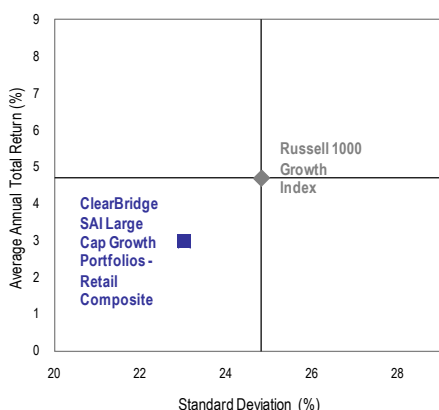
P/E ratios are weighted harmonic average. Price/Book is weighted average.

<sup>3</sup> Past performance is no guarantee of future results. Please see GIPS endnotes.

## SAI LARGE CAP GROWTH COMPOSITE AVERAGE ANNUAL TOTAL RETURN (GROSS OF FEES)

As of September 30, 2011

### RISK VS. REWARD: 3 - YEAR PERIOD



Performance source: Internal.  
Benchmark source: Frank Russell. Past performance is no guarantee of future results.

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The performance shown is the retail composite for the ClearBridge SAI Large Cap Growth - Retail, which is similarly managed to the Institutional ESG Large Cap Growth Strategy.

### ClearBridge Advisors, LLC

620 Eighth Ave., 48th Floor  
New York, New York 10018  
Phone: 1-800-691-6960

[www.ClearBridgeAdvisors.com](http://www.ClearBridgeAdvisors.com)

### ENDNOTES:

### ClearBridge Advisors

ClearBridge SAI Large Cap Growth Portfolios - Retail	1 Year (ending 30-Jun-11)	3 Years (ending 30-Jun-11)	5 Years (ending 30-Jun-11)	Since Inception (ending 30-Jun-11)
Annualized Returns:				
Net-of-fees	26.8%	2.4%	0.2%	0.1%
Gross-of-fees*	30.5%	5.5%	3.2%	3.1%
Russell 1000 Growth	35.0%	5.0%	5.3%	5.5%

\* Pure gross returns shown do not reflect the deduction of "bundled" fees and are presented as supplemental information to net returns.

For purposes of compliance with GIPS, the "firm" is defined as ClearBridge Advisors, which encompasses all assets managed or advised on a discretionary or non-discretionary basis by ClearBridge Advisors, LLC and ClearBridge Asset Management Inc (collectively, "ClearBridge Advisors"). In June 2008, ClearBridge Advisors combined its separate institutional and retail firms to form a single GIPS firm, CBA. The two predecessor firms were "ClearBridge Advisors Institutional" and "ClearBridge Advisors Retail". ClearBridge Advisors Institutional ("CBA-Inst") encompassed ClearBridge Advisors' mutual fund and other collective investment vehicle businesses and separately managed accounts contracted directly with ClearBridge Advisors. ClearBridge Advisors Retail ("CBA-Retail") was created in 2008 and encompassed separately managed accounts for which ClearBridge Advisors served as sub-advisor under sponsored programs ("retail separately managed accounts"). CBA-Retail's claim of GIPS compliance is effective as of January 2006. In accordance with GIPS, CBA-Retail's historical performance returns prior to January 2006 are presented as non-compliant information. The ClearBridge Advisors entities are wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason") and are not affiliated with Citigroup Inc. ("Citigroup").

For the retail separately managed account business only, the performance returns prior to January 2006 represent a composite of accounts from a formerly-affiliated sponsor channel, which historically represented an overwhelming majority of the strategy's retail assets under management. The aforementioned composite returns were calculated on an equal weighted basis, where each portfolio contributed an equal weight to the resulting composite return for the period. As such and in accordance with GIPS, the historical performance returns prior to January 2006 are presented as non-compliant information.

The ClearBridge SAI Large Cap Growth composite consists of fully discretionary accounts with a minimum net asset value of US \$25,000 (prior to June 2008 the minimum was \$5,000). "Sleeves" of multi-style portfolios and segments of balanced accounts are excluded. The SAI Large Cap Growth portfolios actively integrate criteria inclusive of environmental, social and governance issues into the portfolio construction of ClearBridge Large Cap Growth. Avoidance screening is applied to investments that derive significant revenues from tobacco, alcohol, gaming, nuclear power and weapons production. Portfolios are invested in issuers that demonstrate high earnings growth rates. Accounts within the composite are primarily invested in large-capitalization U.S. equities, with an objective of outperforming the Russell 1000 Growth Index. Total assets in the composite at quarter end are \$23.3 million. Results are calculated in U.S. dollars and reflect realized and unrealized gains and losses, including those derived from cash positions.

Net of fee composite returns are calculated by reducing each monthly composite pure gross rate of return by the highest "bundled" fee charged (3.0%) annually, prorated to a monthly ratio. The "bundled" fee includes transaction costs, investment management, custodial, and other administrative fees.

Past performance is not necessarily indicative of future results.

CBA claims compliance with the Global Investment Performance Standards (GIPS®).

To receive a complete list and description of CBA composites and/or a presentation that adheres to the GIPS standards, please contact ClearBridge Institutional Marketing.