



## Sustainability Leaders Strategy

### Strategy Overview

Concentrated all-cap portfolio of highquality companies with outstanding ESG characteristics

**Benchmark:** Russell 3000 Index

**Strategy Inception:** April 2015

**Strategy AUM:** \$1.7B

**Holdings Range:** 40-60<sup>1</sup>

### Objective:

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

### Investment Philosophy

The portfolio managers believe companies with positive ESG attributes may likely outperform their peers over the long term.

### Performance

A focus on best-in-class ESG practices enables the strategy to make a positive investment impact.

### Portfolio Management Team

#### ► Benedict Buckley CFA

Director, Portfolio Analyst, 8 years experience

#### ► Derek Deutsch CFA

Managing Director, Portfolio Manager, 22 years experience

#### ► Kimberly Gifford CFA

Assistant Vice President, Portfolio Analyst, 9 years experience

#### ► Mary Jane McQuillen

Managing Director, Head of ESG Investment, Portfolio Manager, 25 years experience

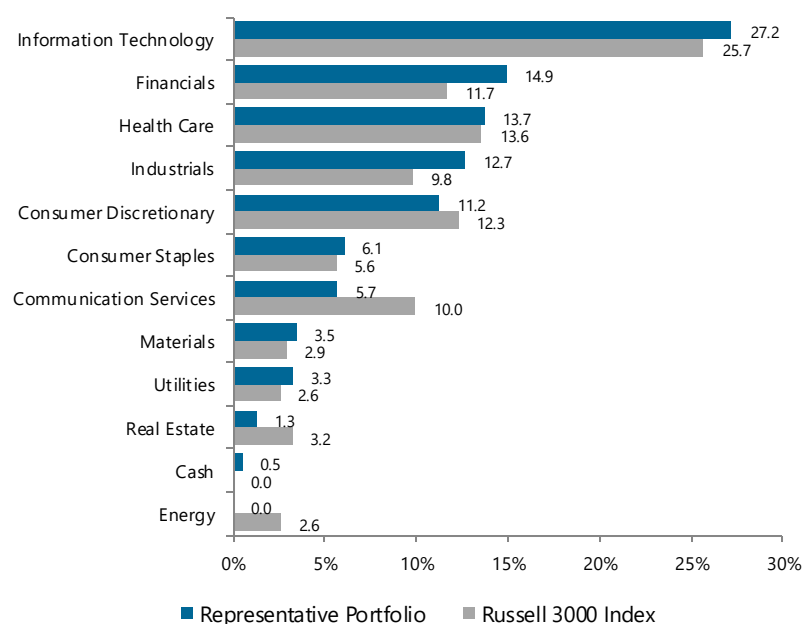
### Fundamental Research Platform

- A shared research platform consisting of experienced analysts who support portfolio management
- One portfolio analyst dedicated to the Strategy as well as ESG considerations in general

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

	1 Qtr	1 Year	3 Years	5 Years	Since Inception
ClearBridge Sustainability Leaders Composite	4.54	65.09	23.95	20.00	16.04
Russell 3000 Index	6.35	62.53	17.12	16.64	13.62

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



### Investment Process

- Quantitative screening to identify companies with quality attributes of high returns on capital, strong balance sheets, efficient capital allocation and attractive valuations
- Integrate fundamental research with proprietary analysis of environmental, social and governance factors to produce universe of companies displaying ESG leadership and compelling risk/reward attributes
- Construct concentrated portfolio of high-conviction ideas with multi-year time horizon
- Engage company managements to further ESG goals while continually monitoring portfolio using quantitative and fundamental tools

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

Characteristics	Representative Portfolio	Russell 3000 Index
P/E Ratio (trailing 12 mos.)	31.6	29.0
P/E Ratio (forward 12 mos.)	24.0	22.3
Price/Book	7.0	6.8
EPS Growth Next 3-5 Years (%)	17.6	15.3
Weighted Median Market Cap (\$ bn)	85.2	115.1
Weighted Average Market Cap (\$ bn)	295.6	374.8
ROE	18.6	19.0
Dividend Yield	1.2	1.4
Turnover (trailing 12 mos.)	45.9	--

5 Year Risk Statistics	Composite	Russell 3000 Index
Standard Deviation (%)	14.32	15.56
Sharpe Ratio	1.27	1.00
Tracking Error (%)	3.84	--
R <sup>2</sup>	0.94	--
Alpha (%)	4.44	--
Beta	0.89	--

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

Security	% of Total Representative Portfolio
Microsoft Corp	6.05
Apple Inc	4.32
Bank of America Corp	3.09
Hartford Financial Services Group Inc/The	2.50
UnitedHealth Group Inc	2.45
Home Depot Inc/The	2.30
TE Connectivity Ltd	2.28
Comcast Corp	2.23
Trane Technologies PLC	2.23
CVS Health Corp	2.23
<b>Total</b>	<b>29.68</b>
<b>Total Number of Holdings</b>	<b>54</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 anytime. 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.  
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### Sustainability Leaders Strategy as of Dec. 31, 2020

Net-of-fees  
Gross-of-fees  
Russell 3000

### 1 Year

33.06  
33.91  
20.89

### 3 Years

21.10  
21.94  
14.49

### 5 Years

17.91  
18.75  
15.43

### Since Inception

15.05  
15.89  
13.03

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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. In July 2020 Legg Mason, Inc. was purchased by Franklin Resources Inc. The ClearBridge Sustainability Leaders Strategy will pursue its investment objective by investing in common stocks and other equity securities that meet the portfolio managers' financial and sustainability/environmental, social and governance (ESG) criteria. The portfolio

managers consider a sustainable company to be one that offers products and services that have a positive impact on society and has well-defined strategies in place to ensure longevity as an investment. 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. 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.**