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GLOSSARY OF TERMS

Because the following is a combined glossary of terms used for all the Legg Mason Funds, certain terms below may not apply to your fund. Any terms used but not defined herein have the meaning ascribed to them in the applicable Fund•s prospectus.

•12b-1 PlansŽ means the Fund•s distribution and shareholder services plan.

•1933 ActŽ means the Securities Act of 1933, as amended.

•1934 ActŽ means the Securities Exchange Act of 1934, as amended.

•1940 ActŽ means the Investment Company Act of 1940, as amended.

•1940 Act VoteŽ means the vote of the lesser of: (a) more than 50% of the outstanding shares of the Fund; or (b) 67% or m the shares of the Fund present at a shareholders•meeting if more than 50% of the outstanding shares of that Fund are represented at the meeting in person or by proxy.

•Advisers ActŽ means the Investment Advisers Act of 1940, as amended.

•Legg MasonŽ means Legg Mason, Inc.

•Legg Mason FundsŽ means the funds managed by Legg Mason Partners Fund Advisor, LLC or an affiliate.

•ManagerŽ or "LMPFA" means Legg Mason Partners Fund Advisor, LLC.

•NAVŽ means net asset value.

•NRSROsŽ means nationally recognized (or non-U.S.) statistical ratings organizations, including, but not limited to, Moody•s Investors Service, Inc. (•Moody•sŽ), Fitch Ratings and S&P Global Ratings, a subsidiary of S&P Global Inc. (•S&PŽ).

•NYSEŽ means the New York Stock Exchange.

•ProspectusŽ means the prospectus of a Fund as referenced on the cover page of this SAI.

•SAIŽ means this Statement of Additional Information.

•SECŽ means the U.S. Securities and Exchange Commission.

•Service AgentŽ means each bank, broker, dealer, insurance company, investment adviser, financial consultant or adviser mutual fund supermarket and any other financial intermediaries that have entered into an agreement with the Distributor to shares of the Fund.

"Subadviser" means ClearBridge Investments, LLC and Western Asset Management Company, LLC, as applicable, and as to in the Fund's Prospectus and this SAI.

•TrustŽ (if applicable) means the trust listed on the cover page of this SAI.

•TrusteesŽ means the trustees of the Trust.

INVESTMENT POLICIES

Investment Objective and Strategies

The Fund is registered under the 1940 Act as an open-end management investment company. The Fund•s Prospe discusses the Fund•s investment objective and strategies. The following is a summary of certain strategies and investment limitations of the Fund and supplements the description of the Fund•s investment strategies in its Prospectus. Additional information regarding investment practices and risk factors with respect to the Fund may also be found below in the sectior entitlednvestment Practices and Risk Factors.

Aggressive Growth Portfolio

x Investment objective.

- Under normal circumstances, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, if in equity securities, or other instruments with similar economic characteristics, of U.S. companies with large market x

Real Estate. The Fund may not purchase or sell real estate except as permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exempti or other relief or permission from the SEC, SEC staff or other authority.

Commodities. The Fund may purchase or sell commodities or contracts related to commodities to the extent permitted by (i) the 1940 Act or interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, or (ii) exemptive or other relief or permission from the SEC, SEC staff or other authority.

Concentration (Except for Small Cap Growth Portfolio). Except as permitted by exemptive or other relief or permission from the SEC, SEC staff or other authority with appropriate jurisdiction, the Fund may not make investment if, as a result, the Fund•s investments will be concentrated in any one industry (except that the Fund ma invest without limit in obligations issued by banks).

Concentration (Small Cap Growth Portfolio Only). Except as permitted by exemptive or other relief or permission from the SEC, SEC staff or other authority with appropriate jurisdiction, the Fund may not make any investment if, as a result, the Fund•s investments will be concentrated in any one industry.

With respect to the fundamental policy relating to borrowing money set forth above, the 1940 Act permits a fund to borrow money in amounts of up to one-third of the fund•s total assets from banks for any purpose, and to borrow up to 5% of the fund•s total assets from banks or other lenders for temporary purposes. (A fund•s total asse include the amounts being borrowed.) To limit the risks attendant to borrowing, the 1940 Act requires a fund to maintain an •asset coverageŽ of at least 300% of the amount of its borrowings, provided that in the event that the fund•s asset coverage falls below 300%, the fund is required to reduce the amount of its borrowings so that it meet the 300% asset coverage threshold within three days (not including Sundays and holidays). Asset coverage means ratio that the value of a fund•s total assets (including amounts borrowed), minus liabilities other than borrowings, b to the aggregate amount of all borrowings. Certain trading practices and investments, such as reverse repurchase agreements, may be considered to be borrowing and thus subject to the 1940 Act reti32i sct9(,)6rowit(i)6.2(ng)-1.9

prevent the Fund from engaging in transactions involving the acquisition or disposition of portfolio securities, regardless of whether the Fund may be considered to be an underwriter under the 1933 Act.

With respect to the fundamental policy relating to lending set forth above, the 1940 Act does not prohibit a fund from making loans; however, SEC staff interpretations currently prohibit funds from lending more than one-thi their total assets, except through the purchase of debt obligations or the use of repurchase agreements. (A repurchase agreement is an agreement to purchase a security, coupled with an agreement to sell that security back to the orig seller on an agreed-upon date at a price that reflects current interest rates. The SEC frequently treats repurchase agreements as loans.) While lending securities may be a source of income to the Fund, as with other extensions o credit, there are risks of delay in recovery or even loss of rights in the underlying securities should the borrower fai financially. However, loans would be made only when the Fund•s Manager or a Subadviser believes the income justifies the attendant risks. The Fund also will be permitted by this policy to make loans of money, including to oth funds. The Fund would have to obtain exemptive relief from the SEC to make loans to other funds. The policy abov be interpreted not to prevent the Fund from purchasing or investing in debt obligations and loans. In addition, colla arrangements with respect to options, forward currency and futures transactions and other derivative instruments, well as delays in the settlement of securities transactions, will not be considered loans.

With respect to the fundamental policy relating to issuing senior securities set forth above, •senior securitiesŽ are defined as fund obligations that have a priority over the fund•s shares with respect to the payment o dividends or the distribution of fund assets. The 1940 Act prohibits a fund from issuing senior securities except tha fund may borrow money in amounts of up to one-third of the fund•s total assets from banks for any purpose. A fund also may borrow up to 5% of the fund•s total assets from banks or other lenders for temporary purposes, and these

CFTC. In addition to meeting one of the foregoing trading limitations, the Fund may not be marketed as a commodity pool o
otherwise as a vehicle for trading in the markets for Commodity Interests.

If the Fund's operators were to lose their ability to claim this exclusion with respect to the Fund, such persons wou
required to comply with certain CFTC rules regarding commodity pools that could impose additional regulatory requiremen
compliance obligations.

located if the branch is licensed in that state. In addition, branches licensed by the Comptroller of the Currency and branches licensed by certain states (•State BranchesŽ) may or may not be required to: (a) pledge to the regulator, by depositing assets with a designated bank within the state; and (b) maintain assets within the state in an amount equal to a specified percentage of aggregate amount of liabilities of the foreign bank payable at or through all of its agencies or branches within the state. The deposits of State Branches may not necessarily be insured by the FDIC. In addition, there may be less publicly available information about a U.S. branch of a foreign bank than about a U.S. bank.

Commercial Paper

Commercial paper (including variable amount master demand notes and funding agreements) consists of short-term unsecured promissory notes issued by corporations, partnerships, trusts and other entities to finance short-term credit needs.

Common Stock

Common stocks are shares of ownership in a corporation or other entity that entitle the holder to a pro rata share of the profits of the corporation, if any, distributed as dividends to holders of common stock, without preference over any other shareholder or class of shareholders, including holders of the entity's preferred stock and other senior equity securities. Common

derivative itself. When the Fund engages in transactions that have a leveraging effect, the value of the Fund is likely to
more volatile and certain other risks also are likely to be compounded. This is because leverage generally magnifie6.4(

- Currency derivatives risk. Currency related transactions may be negatively affected by factors such as government exchang

The Fund may purchase a forward currency contract to lock in the U.S. dollar price of a security denominated in a foreign currency that the Fund intends to acquire (a long hedge). The Fund may sell a forward currency contract to lock in t

Futures Contracts and Options on Futures Contracts

Generally, a futures contract is an exchange-traded, standardized agreement that obligates the seller of the contract to sell a specified quantity of an underlying instrument or asset, such as a security, currency or commodity, to the purchaser of the contract, who has the obligation to buy the underlying instrument or asset, at a specified price and dates. In the case of futur indices, the two parties agree to take or make delivery of an amount of cash equal to the difference between the level of the index calculated for purposes of settlement and the price at which the contract originally was written. Options on futures giv the purchaser the right to assume a position in a futures contract at the specified exercise price at any time during the period of the option or at the expiration of the option, depending on the terms of the option.

Futures contracts, by their terms, have stated expirations and, at a specified point in time prior to expiration, trading

Under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract or an option on a futures contract can vary from the previous day•s settlement price; once that limit is reached, no trades may be made that day at a price beyond the limit. Daily price limits do not limit potential losses because prices could move to the daily limit for several consecutive days with little or no trading, thereby preventing liquidation of unfavorable positions. If Fund were unable to liquidate a futures contract or an option on a futures position due to the absence of a liquid secondary market, the imposition of price limits or otherwise, it could incur substantial losses. The Fund would continue to be subject to market risk with respect to the position. In addition, except in the case of purchased options, the Fund would continue to be required to make daily variation margin payments.

Risks of Futures Contracts and Options Thereon. In addition to the risks found under •Derivatives … Risks of Derivatives Generally,Ž futures contracts and options on futures contracts are subject to the following risks:

Successful use of futures contracts and related options depends upon the ability of the portfolio manager to assess movements in the direction of prices of securities, commodities, measures of value, or interest or exchange rates, which require different skills and techniques than assessing the value of individual securities. Moreover, futures contracts relate not to the current price level of the underlying instrument or asset, but to the anticipated price level at some point in the future; accordingly trading of stock index futures may not reflect the trading of the securities that are used to formulate the index or even actual fluctuations in the index itself. There is, in addition, the risk that movements in the price of the futures contract will not correlate with the movements in the prices of the securities or other assets being hedged. Price distortions in the marketplace, resulting from increased participation by speculators in the futures market (among other things), may also impair the correlation between movements in the prices of futures contracts and movements in the prices of the hedged assets. If the price of the futures contract moves less than the price of assets that are the subject of the hedge, the hedge will not be fully effective; but if the price of the assets being hedged has moved in an unfavorable direction, the Fund would be in a better position than if it had not hedged at all. If the price of the assets being hedged has moved in a favorable direction, this advantage may be partially offset by losses on the futures position.

Positions in futures contracts and related options may be closed out only on an exchange or board of trade that

during the term of the options. A short straddle is a combination of a call and a put written on the same underlying instrume with the same expiration date where the strike price of the put is less than or equal to the strike price of the call. In a cov short straddle, the underlying instrument is considered cover for both the put and the call that the Fund has written. The Fu may enter into a short straddle when the portfolio manager believes that it is unlikely that the underlying instrument•s prices will experience volatility during the term of the options.

Options on Indices

the clearing member to the clearing organization. In addition, clearing members generally provide to the clearing organizat the net amount of variation margin required for cleared swaps for all of its customers in the aggregate, rather than the gros amount of each customer. The Fund is therefore subject to the risk that a clearing organization will not make variation marg payments owed to the Fund if another customer of the clearing member has suffered a loss and is in default, and the risk th Fund will be required to provide additional variation margin to the clearinghouse before the clearinghouse will move the Fu cleared derivatives transactions to another clearing member. In addition, if a clearing member does not comply with the collar combines elements of buying a cap and a floor. Caps and floors have an effect similar to buying or writing options. C

Foreign Securities

encounter substantial difficulties in obtaining and enforcing judgments against individuals and companies located in certain emerging market countries. It may be difficult or impossible to obtain or enforce legislation or remedies against governmen their agencies and sponsored entities.

Disclosure and regulatory standards in emerging markets in many respects are less stringent than in the United St and other major markets. There also may be a lower level of monitoring and regulation of emerging markets and the activit investors in such markets; enforcement of existing regulations has been extremely limited. Additionally, accounting, auditin financial reporting and recordkeeping standards in emerging markets may not provide the same degree of investor protecti information to investors as would generally apply in more developed markets. The Public Accounting Oversight Board, whi regulates auditors of U.S. public companies, is unable to inspect audit work papers in certain foreign or emerging market countries.

Trading in the securities of emerging markets presents additional credit and financial risks. The Fund may have lim access to, or there may be a limited number of, potential counterparties that trade in the securities of emerging market issu Governmental regulations may restrict potential counterparties to certain financial institutions located or operating in the particular emerging market. Potential counterparties may not possess, adopt or implement creditworthiness standards, fina reporting standards or legal and contractual protections similar to those in developed markets. Currency hedging technique not be available or may be limited. The Fund may not be able to reduce or mitigate risks related to trading with emerging m counterparties.

The risk also exists that an emergency situation may arise in one or more emerging markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the Fund•s portfolio securities in such markets may not be readily available. Section 22(e) of the 1940 Act permits a registered investment company to suspend redemptio its shares for any period during which an emergency exists, as determined by the SEC. Accordingly, if the Fund believes th appropriate circumstances warrant, it may apply to the SEC for a determination that an emergency exists within the meanin Section 22(e) of the 1940 Act. During the period commencing from the Fund•s identification of such conditions until the dat SEC action, the portfolio securities in the affected markets will be valued at fair value as determined by the Manager in accordance with the Fund•s valuation policy.

Although it might be theoretically possible to hedge for anticipated income and gains, the ongoing and indetermina nature of the risks associated with emerging market investing (and the costs associated with hedging transactions) makes difficult to hedge effectively against such risks.

Europe – Recent Events

well as a decrease in business and consumer spending and investment. The negative impact on not only the United Kingd

speculative and subject to greater fluctuations in value because of changes in interest rates than lower rated bonds that pa
interest currently.

Subsequent to its purchase by the Fund, an issue of securities may cease to be rated or its rating may be reduced

Investments in Other Investment Companies

In addition, the Fund may have difficulty disposing of its investments in loans. The liquidity of such securities is limi and the Fund anticipates that such securities could be sold only to a limited number of institutional investors. The lack of a secondary market could have an adverse impact on the value of such securities and on the Fund•s ability to dispose of par loans or Assignments or Participations when necessary to meet the Fund•s liquidity needs or in response to a specific econ event, such as a deterioration in the creditworthiness of the borrower. The lack of a liquid secondary market for loans may make it more difficult for the Fund to assign a value to those securities for purposes of valuing the Fund•s investments and calculating its net asset value.

The issuer of a loan may offer to provide material, non-public information about the issuer to investors, such as the Fund. The Fund•s portfolio manager may avoid receiving this type of information about the issuer of a loan either held by or considered for investment by the Fund, because of prohibitions on trading in securities of issuers while in possession of su information. The decision not to receive material, non-public information may place the Fund at a disadvantage, relative to loan investors, in assessing a loan or the loan•s issuer.

London Interbank Offered Rate (•LIBORŽ) Replacement and Other Reference Rates Risk

Many debt securities, derivatives, and other financial instruments, including some of the Fund•s investments, utilize benchmark or reference rates such as LIBOR, Euro Interbank Offered Rate (•EURIBORŽ), Sterling Overnight Index Average Rate (•SONIAŽ), and other similar types of reference rates for variable interest rate calculations. Instruments in which the Fund invests may pay interest at floating rates based on LIBOR or other similar types of reference rates or may be subject to inte caps or floors based on such reference rates. The Fund and issuers of instruments in which the Fund invests may also obt financing at floating rates based on such reference rates. The elimination of a reference rate or any other changes to or ref of the determination or supervision of reference rates could have an adverse impact on the market for„or value of„any instruments or payments linked to those reference rates.

In 2017, the U.K. Financial Conduct Authority (•FCAŽ) announced its intention to cease compelling banks to provid quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased public most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of the remaining U. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, wi limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted i establishment of alternative reference rates to LIBOR in most major currencies. Markets are developing in response to thes rates but questions around liquidity in these rates and how to appropriately adjust these rates to eliminate any economic va transfer at the time of transition remain a significant concern. The effect of any changes to„or discontinuation of„LIBOR on the Fund will vary depending on, among other things, existing fallback provisions in individual contracts and whether, how, when industry participants develop and widely adopt new reference rates and fallbacks for both legacy and new products a instruments. In March 2022, the U.S. federal government enacted legislation to establish a process for replacing LIBOR in existing contracts that do not already provide for the use of a clearly defined or practicable replacement benchmark rate as described in the legislation. Generally speaking, for contracts that do not contain a fallback provision as described in the legislation, a benchmark replacement recommended by the Federal Reserve Board will effectively automatically replace th LIBOR benchmark in the contract after June 30, 2023. The recommended benchmark replacement will be based on the Se Overnight Financing Rate (SOFR) published by the Federal Reserve Bank of New York, including certain spread adjustme benchmark replacement conforming changes. It is difficult to predict the full impact of the transition away from LIBOR on th Fund. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments th rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by the F reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as w other unforeseen effects, could result in losses for the Fund. Because the usefulness of LIBOR as a benchmark may deteriorate during the transition period, these effects could occur at any time.

Master Limited Partnerships (•MLPsŽ)

MLPs are limited partnerships or limited liability companies usually taxable as partnerships. MLPs may derive inco and gains from, among other things, the exploration, development, mining or production, processing, refining, transportatio (including pipelines transporting gas, oil, or products thereofto tsac(sac41 Tm -.002 Tcait2p4.5l5(rta)]T4inv(of)-941 T(m)5.i

certain MLPs due to the potential impact on the volume of commodities transported, processed, stored or distributed. The F
investment in such an MLP may be adversely affected by market perceptions that the performance and distributions or divi
of MLPs are directly tied to commodity prices. In addition, MLPs are generally considered interest rate sensitive investments and, during periods of interest rate volatility, may not provide attractive returns.

MLPs generally have two classes of owners, the general and limited partners. The general partner is typically owned by a major company (often an energy company), an investment fund, the direct management of the MLP or is an en owned by one or more of such parties. The general partner may be structured as a private or publicly traded corporation or entity. The general partner typically controls the operations and management of the MLP through an equity interest of up to in the MLP plus, in many cases, ownership of common units and subordinated units. Limited partners own the remainder o partnership, through ownership of common units, and have a limited role in the partnership•s operations and management.

MLPs are typically structured such that common units and general partner interests have first priority to receive quarterly cash distributions up to an established minimum amount (•minimum quarterly distributionsŽ or •MQDŽ). Common general partner interests also accrue arrearages in distributions to the extent the MQD is not paid. Once common and general partner interests have been paid, subordinated units receive distributions of up to the MQD; however, subordinated units do accrue arrearages. Distributable cash in excess of the MQD paid to both common and subordinated units is distributed to b common and subordinated units generally on a pro rata basis. The general partner is also eligible to receive incentive distributions if the general partner operates the business in a manner which results in distributions paid per common unit surpassing specified target levels. As the general partner increases cash distributions to the limited partners, the general p receives an increasingly higher percentage of the incremental cash distributions. A common arrangement provides that the general partner can reach a tier where it receives 50% of every incremental dollar paid to common and subordinated unit holders. These incentive distributions encourage the general partner to streamline costs, increase capital expenditures and acquire assets in order to increase the partnership•s cash flow and raise the quarterly cash distribution in order to reach hig tiers. Such results increase costs to the limited partners.

MLP common units represent a limited partnership interest in the MLP. Common units are listed and traded on U.S securities exchanges, with their value fluctuating predominantly based on prevailing market conditions and the success of t MLP. Unlike owners of common stock of a corporation, owners of common units have limited voting rights and have no abi annually to elect directors. In the event of liquidation, common units have preference over subordinated units, but not over or preferred units, to the remaining assets of the MLP.

General partner interests of MLPs are typically retained by the original sponsors of an MLP, such as its founders, corporate partners and entities that sell assets to the MLP. The holder of the general partner interest can be liable in certai circumstances for amounts greater than the amount of the holder•s investment in the general partner. General partner inter often confer direct board participation rights in, and in many cases control over the operations of, the MLP. General partner interests can be privately held or owned by publicly traded entities.

Market Sector Risk

To the extent the Fund may be significantly overweight or underweight in certain companies, industries or market sectors, the Fund•s performance may be more sensitive to developments affecting those companies, industries or sectors.

Money Market Instruments Generally

Money market instrum(s)-7.5(c)801d.96 107o.1(e)-.8(d96 1.6(e)-.7(c)4rt-7(t0.78n)-.-5.5(O).8(nUs)4.607o.3.i)6.2(n)

homes, commercial buildings or other real estate. The individual mortgage loans are assembled for sale to investors (such
Fund) by various governmental or government-related agencies and private organizations, such as dealers.

Government-sponsored MBS. Some government sponsored mortgage-related securities are backed by the full faith and credit of the United States. The Government National Mortgage Association (•Ginnie MaeŽ), the principal guarantor of such securities, is a wholly-owned United States government corporation within the Department of Housing and Urban Developm Other government-sponsored mortgage-related securities are not backed by the full faith and credit of the United States government. Issuers of such securities include Fannie Mae (formally known as the Federal National Mortgage Association) Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation). Fannie Mae is a government-sponsored corporation which is subject to general regulation by the Secretary of Housing and Urban Development. Pass-through secu issued by Fannie Mae are guaranteed as to timely payment of principal and interest by Fannie Mae. Freddie Mac is a stockholder-owned corporation chartered by Congress and subject to general regulation by the Department of Housing and Urban Development. Participation certificates representing interests in mortgages from Freddie Mac•s national portfolio are guara as to the timely payment of interest and ultimate collection of principal by Freddie Mac. The U.S. government has provided financial support to Fannie Mae and Freddie Mac in the past, but there can be no assurances that it will support these or ot government-sponsored entities in the future.

Privately issued MBS. Unlike MBS issued or guaranteed by the U.S. government or certain government-sponsored entities, MBS issued by private issuers do not have a government or government-sponsored entity guarantee, but may have credit enhancement provided by external entities such as banks or financial institutions or achieved through the structuring transaction itself.

In addition, MBS that are issued by private issuers are not subject to the underwriting requirements for the underlyi mortgages that are applicable to those MBS that have a government or government-sponsored entity guarantee. As a result, the mortgage loans underlying private MBS may, and frequently do, have less favorable collateral, credit risk or other underwri characteristics than government or government-sponsored MBS and have wider variances in a number of terms including i rate, term, size, purpose and borrower characteristics. Privately issued pools more frequently include second mortgages, h loan-to-value mortgages and manufactured housing loans. The coupon rates and maturities of the underlying mortgage loa private-label MBS pool may vary to a greater extent than those included in a government guaranteed pool, and the pool may

In addition, certain types of asset-backed securities may experience losses on the underlying assets as a result of certain rights provided to consumer debtors under federal and state law. In the case of certain consumer ard debt, such as cre debt, debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set off certain amounts owed on their credit cards (or other debt), thereby reducing their balances due. instance, a debtor may be able to offset certain damages for which a court has determined that the creditor is liable to the against amounts owed to the creditor by the debtor on his or her credit card.

Additionally, an asset-backed security is subject to risks associated with the servicing agent•s or originator•s performance. For example, a servicing agent or originator•s mishandling of documentation related to the underlying collate (e.g., failure to properly document a security interest in the underlying collateral) may affect the rights of the security hol ders in and to the underlying collateral.

Asset-backed commercial paper. The Fund may purchase commercial paper, including asset-backed commercial paper (•ABCPŽ) that is issued by structured investment vehicles or other conduits. These conduits may be sponsored by mortgag companies, investment banking firms, finance companies, hedge funds, private equity firms and special purpose finance en ABCP typically refers to a debt security with an original term to maturity of up to 270 days, the payment of which is support by cash flows from underlying assets, or one or more liquidity or credit support providers, or both. Assets backing ABCP, whic y be included in revolving pools of assets with large numbers of obligors, include credit card, car loan and other consumer receivables and home or commercial mortgages, including subprime mortgages. The repayment of ABCP issued by a cond depends primarily on the cash collections received from the conduit•s underlying asset portfolio and the conduit•s ability to issue new ABCP. Therefore, there could be losses to the Fund investing in ABCP in the event of credit or market value deterioration i n the conduit•s underlying portfolio, mismatches in the timing of the cash flows of the underlying asset interests and the repayment obligations of maturing ABCP, or the conduit•s inability to issue new ABCP. To protect investors from these risk ABCP programs may be structured with various protections, such as credit enhancement, liquidity support, and commercia stop-issuance and wind-down triggers. However there can be no guarantee that these protections will be sufficient to prevent losses to investors in ABCP.

Some ABCP programs provide for an extension of the maturity date of the ABCP if, on the related maturity date, the conduit is unable to access sufficient liquidity through the issue of additional ABCP. This may delay the sale of the underlyi ng collateral and the Fund may incur a loss if the value of the collateral deteriorates during the extension period. Alternatively, if collateral for ABCP deteriorates in value, the collateral may be required to be sold at inopportune times or at prices insuffic ient to repay the principal and interest on the ABCP. ABCP programs may provide for the issuance of subordinated notes as an additional form of credit enhancement. The subordinated notes are typically of a lower credit quality and have a higher risk of default. fund purchasing these subordinated notes will therefore have a higher likelihood of loss than investors in the senior notes.

Collateralized debt obligations. The Fund may invest in collateralized debt obligations (•CDOsŽ), which include collateralized bond obligations (•CBOsŽ), collateralized loan obligations (•CLOsŽ) and other similarly structured securities. CDOs are types of asset-backed securities. A CBO is a trust or other special purpose entity (•SPEŽ) which is typically backed by diversified pool of fixed income securities (which may include high risk, below investment grade securities). A CLO is a trus or other SPE that is typically collateralized by a pool of loans, which may include, among others, domestic and non-U.S. senio secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investme grade or equivalent unrated loans. Although certain CDOs may receive credit enhancement in the form of a senior-subordi structure, over-collateralization or bond insurance, such enhancement may not always be present, and may fail to protect t Fund against the risk of loss on default of the collateral. Certain CDOs may use derivatives contracts to create •syntheticŽ exposure to assets rather than holding such assets directly, which entails the risks of derivative instruments described else in this SAI. CDOs may charge management fees and administrative expenses, which are in addition to those of the Fund.

For both CBOs and CLOs, the cashflows from the SPE are split into two or more portions, called tranches, varying and yield. The riskiest portion is the •equityŽ tranche, which bears the first loss from defaults from the bonds or loans in the SPE and serves to protect the other, more senior tranches from default (though such protection is not complete). Since it is part ly protected from defaults, a senior tranche from a CBO or CLO typically has higher ratings and lower yields than its underlying securities, and may be rated investment grade. Despite the protection from the equity tranche, CBO or CLO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappea rance of protecting tranches, market anticipation of defaults, as well as investor aversion to CBO or CLO securities as a class. Int

capitalization levels. Hence, if a company incurs significant losses that deplete retained earnings automatic payment stopp could occur. In some cases the terms of the preferred securities provide that the issuer would be obligated to attempt to iss common shares to raise funds for the purpose of making the payments. However, there is no guarantee that the issuer would be successful in placing common shares.

Preferred stockholders usually have no right to vote for corporate directors or on other matters. Shares of traditiona preferred securities have a liquidation preference that equals the original purchase price at the date of issuance. T market value of preferred securities may be affected by, among other factors, favorable and unfavorable changes impactin issuer or industries in which they operate, movements in interest rates and inflation, and the broader economic and credit

returned to the lender on short notice. If the request for the return of a security occurs at a time when other short sellers o security are receiving similar requests, a •short squeezeŽ can occur, meaning that the Fund might be compelled, at the mo disadvantageous time, to replace the borrowed security with a security purchased on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Short selling is a technique that may be considered speculative and involves risks beyond the initial capital necess to secure each transaction. It should be noted that possible losses from short sales differ from those losses that could arise a cash investment in a security because losses from a short sale may be limitless, while the losses from a cash investment security cannot exceed the total amount of the investment in the security.

Short Sales Against the Box. The Fund may also make short sales •against the box,Ž meaning that at all times when a short position is open, the Fund owns an equal amount of such securities or owns securities convertible into or exchangeal without payment of further consideration, for securities of the same issues as, and in an amount equal to, the securities sol

regulatory action (or lack thereof), is unable to meet its obligations, or its creditworthiness declines, the fund performance of a that holds securities of the entity will be adversely impacted.

U.S. Treasury Obligations

U.S. Treasury obligations are direct debt obligations issued by the U.S. government. Treasury bills, with maturities normally from 4 weeks to 52 weeks, are typically issued at a discount as they pay interest only upon maturity. Treasury bills non-callable. Treasury notes have a maturity between two and ten years and typically pay interest semi-annually, while Tre bonds have a maturity of over ten years and pay interest semi- annually. U.S. Treasury obligations also include STRIPS, T FRNs. STRIPS are Treasury obligations with separately traded principal and interest component parts of such obligations t transferable through the federal book-entry system. The principal and interest components of U.S. Treasury bonds with rem maturities of longer than ten years are eligible to be traded independently under the STRIPS program. Under the STRIPS program, the principal and interest components are separately issued through depository financial institutions, which then trade the component parts separately. Each interest payment and the principal payment becomes a separate zero-coupon security. pay interest only at maturity. The interest component of STRIPS may be more volatile than that of U.S. Treasury bills with comparable maturities. TIPS are Treasury Inflation-Protected Securities, the principal of which increases with inflation and decreases with deflation. The inflation adjustment is based on a three month-lagged value of the non-seasonally adjusted Consumer Price Index for Urban Consumers (CPI-U). TIPS entitle the holder, upon maturity, to the adjusted principal or ori principal, whichever is greater, thus providing a deflation floor. TIPS pay interest twice a year, at a fixed rate. The rate is applied to the adjusted principal; so, like the principal, interest payments rise with inflation and fall with deflation. However, beca use the interest rate is fixed, TIPS may lose value when market interest rates increase, particularly during periods of low inflation. FRNs are floating rate notes, the interest on which is indexed to the most recent 13-week Treasury bill auction High Rate, which i the highest accepted discount rate in a Treasury bill auction.

Variable and Floating Rate Securities

Variable and floating rate securities provide for a periodic adjustment in the interest rate paid on the obligations. Th terms of such obligations provide that interest rates are adjusted periodically based upon an interest rate adjustment index provided in the respective obligations. The adjustment intervals may be regular, and range from daily up to annually, or ma event-based, such as based on a change in the prime rate.

The Fund may invest in floating rate debt instruments (•floatersŽ) and engage in credit spread trades. The interest on a floater is a variable rate which is tied to another interest rate, such as a corporate bond index or U.S. Treasury bill ra The interest rate on a floater resets periodically, typically every six months. While, because of the interest rate reset feature, floaters may provide the Fund with a certain degree of protection against rising interest rates, the Fund will participate in any declin interest rates as well. A credit spread trade is an investment position relating to a difference in the prices or interest rate of two bonds or other securities or currencies, where the value of the investment position is determined by movements in the diffe between the prices or interest rates, as the case may be, of the respective securities or currencies.

The Fund may also invest in inverse floating rate debt instruments (•inverse floatersŽ). The interest rate on an inve floater resets in the opposite direction from the market rate of interest to which the inverse floater is indexed. An inverse f loating rate security may exhibit greater price volatility than a fixed rate obligation of similar credit quality.

A floater may be considered to be leveraged to the extent that its interest rate varies by a magnitude that exceeds magnitude of the change in the index rate of interest. The higher degree of leverage inherent in some floaters is associated wi th greater volatility in their market values.

The Fund may also invest in variable amount master demand notes, which permit the indebtedness thereunder to in addition to providing for periodic adjustments in the interest rate. The absence of an active secondary market with respec particular variable and floating rate instruments could make it difficult for the Fund to dispose of a variable or floating rat e note if the issuer were to default on its payment obligation or during periods that the Fund is not entitled to exercise its demand rig hts, and the Fund could, for these or other reasons, suffer a loss with respect to such instruments. In determining average-weig portfolio maturity, an instrument will be deemed to have a maturity equal to either the period remaining until the next interes rate adjustment or the time the Fund can recover payment of principal as specified in the instrument, depending on the typ instrument involved.

Warrants and Rights

Warrants are instruments that give the holder the right to purchase equity securities at a specific price valid for a specified time period. Warrants are typically issued with preferred stock or bonds but can often be traded separately from t securities with which they were initially sold. Warrants may be purchased with values that vary depending on the change i value of one or more specified indexes (•index warrantsŽ). Index warrants are generally issued by banks or other financial institutions and give the holder the right, at any time during the term of the warrant, to receive upon exercise of the warrant cash payment from the issuer based on the value of the underlying index. Rights are similar to warrants but typically have shorter duration than warrants and are issued directly by an issuer to existing stockholders and provide to those holders the r purchase additional shares of stock at a later date.

Warrants and rights may be considered speculative in that they have no voting rights, pay no dividends, and have rights with respect to the assets of the issuer. The prices of warrants and rights do not necessarily move with the prices of t underlying securities. If the market price of the underlying security does not exceed the exercise price of the warrant or righ the cost thereof before the expiration date, the Fund could sustain losses despite advantageous changes in the market pric

have to dispose of other securities, including at times when it may be disadvantageous to do so, to generate the cash nece
for the distribution of income attributable to its zero coupon bonds.

Pay-In-Kind Securities. Pay-in-kind securities are bonds which pay interest through the issuance of additional debt or equity securities. Pay-in-kind securities have characteristics similar to those of zero coupon securities, but interest on such

Stephen R. Gross Born 1947	Trustee	Since 1986	Chairman Emeritus (since 2011) and formerly, Chairman, HLB Gross Collins, P.C. (accounting and consulting firm) (1979 to 2011); Executive Director of Business Builders Team, LLC (since 2005); Principal, Gross Consulting Group, LLC (since 2011); CEO, Gross Capital Partners, LLC (since 2014); CEO, Trusted CFO Solutions, LLC (since

Thomas F. Schlafl Born 1948	Trustee

Additional Officers:

Name, Year of
Birth
and Address

Qualifications of Trustees, Board Leadership Structure and Oversight and Standing Committees

The Independent Trustees were selected to join the Board based upon the following as to each Trustee: character integrity; service as a board member of predecessor funds and/or other funds in the Legg Mason Funds complex; willingne serve and willingness and ability to commit the time necessary to perform the duties of a Trustee; such person•s skills, experience, judgment, analytical ability, intelligence, and common sense; their current or previous profit and non-profit boar membership; such person•s considerable familiarity with the special regulatory requirements governing regulated investme companies and the special responsibilities of investment company trustees; and the Trustee•s status as not being an •inter personŽ of the Fund, as defined in the 1940 Act. Ms. Trust was selected to join the Board based upon her investment management and risk oversight experience as an executive and portfolio manager and leadership roles with Legg Mason a affiliated entities. The Board also considered her character and integrity, her willingness to serve and willingness and ability to commit the time necessary to perform the duties of a Trustee, her skills, experience, judgment, analytical ability, intelligence, and common sense, her considerable familiarity with the special regulatory requirements governing regulated investment companies and the special responsibilities of investment company trustees, and her status as a representative of Franklin Templeton. Ms. Trust is an interested person of the Fund. Ms. Duersten serves as Chair of the Board and is an Independe Trustee. Independent Trustees constitute more than 75% of the Board.

The Board believes that each Trustee•s experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees lead to the conclusion that the Board possesses the requisite attributes and skill The Board believes that the Trustees• ability to review critically, evaluate, question and discuss information provided to the interact effectively with the Manager, the Subadviser(s), other service providers, counsel and the independent registered p accounting firm, and to exercise effective business judgment in the performance of their duties support this conclusion. In addition, the following specific experience, qualifications, attributes and/or skills apply to each Trustee.

Each Trustee, except for Ms. Trust and Ms. Duersten, has been a board member of the Fund and/or other funds in the Legg Mason Funds complex for at least eight years. Mr. Ades has substantial experience practicing law and advising c with respect to various business transactions. Mr. Breech has substantial experience as the chief executive of a private corporation. Ms. Duersten has substantial experience as a global investment and trading manager in capital markets across multiple asset classes, including as the chief investment officer for the North American region of a major investment bank a service on its executive committee. Mr. Gross has a substantial accounting background and experience as an officer, truste board member of various organizations. Ms. Heilbron has substantial legal background and experience, business and cons experience, and experience as a board member of public companies. Dr. Lehman has experience as chief executive office major museums and other entities involved in the arts, has previously served as a lead independent trustee and board cha certain funds in the Legg Mason Funds complex and has experience as a founding director of the Legg Mason Funds. Ms. Masters has investment management experience as chief investment officer, as a director of an investment advisory firm a from her service on the boards of other investment companies. Ms. Miller has substantial experience as a senior executive of an operating company. Mr. O•Brien has experience at senior levels of a large financial services company and has experience his service on the boards of academic institutions and a residential home care company. Mr. Schlafly has substantial exper practicing law and also serves as the non-executive Chairman of a private corporation and as director of a bank. Ms. Trust been the Chief Executive Officer of the Trust and other funds in the fund complex since 2015 and has investment manager and risk oversight experience as an executive and portfolio manager and in leadership roles with Franklin Templeton (and before that, Legg Mason) and affiliated entities. References to the experience, qualifications, attributes and skills of Trustees are pursuant to requirements of the Securities and Exchange Commission, do not constitute holding out of the Board or any Tr as having any special expertise, and shall not impose any greater responsibility or liability on any such person or on the Bo

The Board has five standing committees: the Audit Committee, the Contract Committee, the Performance Committ the Governance Committee, and the Compensation and Nominating Committee (which is a sub-committee of the Governa Committee). Each Committee is chaired by an Independent Trustee. The Audit Committee and the Governance Committee are composed of all of the Independent Trustees. The Contract Committee is composed of five Independent Trustees. The Performance Committee is composed of four Independent Trustees. The Compensation and Nomor of 6.2(on)-12.7y2 Tw consider and address important matters involving the Fund, including those presenting conflicts or potential conflicts of inte for management. The Independent Trustees also regularly meet outside the presence of management and are advised by independent legal counsel. The Board has determined that its committees help ensure that the Fund has effective and independent governance and oversight. The Board also has determined that its leadership structure, in which the Chair of Board is not affiliated with Franklin Templeton or Legg Mason, is appropriate. The Board also believes that its leadership structure facilitates the orderly and efficient flow of information between the Independent Trustees and management, incluc the Fund•s Subadviser.

The Audit Committee oversees the scope of the Fund•s audit, the Fund•s accounting and financial reporting policie practices and its internal controls. The Audit Committee assists the Board in fulfilling its responsibility for oversight of th integrity of the Fund•s accounting, auditing and financial reporting practices, the qualifications and independence of the Fu independent registered public accounting firm and the Fund•s compliance with legal and regulatory requirements. The Aud Committee approves, and recommends to the Board for ratification, the selection, appointment, retention or termination of Fund•s independent registered public accounting firm and approves the compensation of the independent registered public accounting firm. The Audit Committee also approves all audit and permissible non-audit services provided to the Fund by t independent registered public accounting firm and all permissible non-audit services provided by the Fund•s independent registered public accounting firm to the Manager and any affiliated service providers if the engagement relates directly to th Fund•s operations and financial reporting.

The Contract Committee is charged with assisting the Board in requesting and evaluating such information from th Manager and the Subadviser as may reasonably be necessary to evaluate the terms of the Fund•s investment managemen agreement, subadvisory arrangements and distribution arrangements.

The Performance Committee is charged with assisting the Board in carrying out its oversight responsibilities over th Fund and fund management with respect to investment management, objectives, strategies, policies and procedures, performance and performance benchmarks, and the applicable risk management process.

The Governance Committee is charged with overseeing Board governance and related Trustee practices, including selecting and nominating persons for election or appointment by the Board as Trustees of the Trust. The Governance Com has formed the Compensation and Nominating Committee, the function of which is to recommend to the Board the appropr compensation for serving as a Trustee on the Board. In addition, the Compensation and Nominating Committee is respons among other things, selecting and recommending candidates to fill vacancies on the Board. The Committee may consider nominees recommended by a shareholder. In evaluating potential nominees, including any nominees recommended by shareholders, the Committee takes into consideration various factors, including, among any others it may deem relevant, character and integrity, business and professional experience, whether the committee believes the person has the ability to apply sound and independent business judgment and would act in the interest of the Fund and its shareholders. Sharehold who wish to recommend a nominee should send recommendations to the Trust•s Secretary that include all information rela such person that is required to be disclosed in solicitations of proxies for the election of Trustees. A recommendation must accompanied by a written consent of the individual to stand for election if nominated by the Board and to serve if elected by shareholders.

Service providers to the Fund, primarily the Fund•s Manager, the Subadviser and, as appropriate, their affiliates, ha responsibility for the day-to-day management of the Fund, which includes responsibility for risk management. A0 TDyntelsr occurrence and/or to mitigate the effects of such events or circumstances if they do occur. Different processes, procedures controls are employed with respect to different types of risks. Various personnel, including the Fund•s and the Manager•s C Compliance Officer and the Manager•s chief risk officer, as well as personnel of the Subadviser and other service providers as the Fund•s independent registered public accounting firm, make periodic reports to the Audit Committee, the Performan Committee or to the Board with respect to various aspects of risk management, as well as events and circumstances that h arisen and responses thereto. The Board recognizes that not all risks that may affect the Fund can be identified, that it may n be practical or cost-effective to eliminate or mitigate certain risks, that it may be necessary to bear certain risks (such as investment-related risks) to achieve the Fund•s goals, and that the processes, procedures and controls employed to addres certain risks may be limited in their effectiveness. Moreover, reports received by the Trustees as to risk management matte typically summaries of the relevant information. As a result of the foregoing and other factors, the Board•s risk managemen oversight is subject to inherent limitations.

During the fiscal year ended December 31, 2022, the Board met 5 times, the Audit Committee met 4 times, the Governance Committee met 4 times, the Performance Committee met 4 times, the Compensation and Nominating Commit 1 time, and the Contract Committee met 1 time.

Trustee Ownership of Securities

The following tables show the dollar range of equity securities owned by the Trustees in the Fund and other investr companies in the Legg Mason Funds complex overseen by the Trustees as of December 31, 2022.

	Dollar Range of Equity Securities in the Fund ($)							
Name of Trustee	Aggressive Growth Portfolio	Appreciation Portfolio	Dividend Strategy Portfolio	Large Cap Growth Portfolio	Large Cap Value Portfolio	Mid Cap Portfolio	Small Cap Growth Portfolio	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies in Legg Mason Funds Complex Overseen by Trustee ($)
Independent Trustees:								
Paul R. Ades	None	None	None	None	None	None	None	Over 100,000
Andrew L. Breech	None	None	None	None	None	None	None	Over 100,000
Althea L. Duersten	None	None	None	None	None	None	None	Over 100,000

For serving as a Trustee of the Trust, each Independent Trustee receives an annual retainer plus fees for attending regularly scheduled meeting and special Board meeting they attend in person or by telephone. Each Independent Trustee is also reimbursed for all out-of-pocket expenses relating to attendance at such meetings. Those Independent Trustees who serve leadership positions of the Board or Board committees, and members of the Contract Committee, the Performance Commi and the Compensation and Nominating Committee, receive additional compensation. The Board reviews the level of Truste compensation periodically and Trustee compensation may change from time to time. Ms. Trust, an “interested person” of t Trust, as defined in the 1940 Act, does not receive compensation from the Fund for her service as Trustee. The Fund pays rata share of the fees and expenses of the Trustees based upon asset size.

Officers of the Trust receive no compensation from the Fund, although they may be reimbursed for reasonable out pocket travel expenses for attending Board meetings.

Trustee Compensation

Information regarding compensation paid to the Trustees is shown below.

Name of Trustee	Aggregate Compensation from the Fund*($)							Total Pension or Retirement Benefits Paid as Part of Fund Expenses* ($)	Total Compensation from Legg Mason Funds Complex
	Aggressive Growth Portfolio	Appreciation Portfolio	Dividend Strategy Portfolio	Large Cap Growth Portfolio	Large Cap Value Portfolio	Mid Cap Portfolio	Small Cap Growth Portfolio		

G. Peter O•Brien	1,332	5,329	2,796	2,168	1,606	1,353	2,385	None	669,300
Thomas F. Schlafly	1,411	5,644	2,961	2,296	1,701	1,434	2,527	None	446,000
Interested Trustee:									
Jane Trust•	None	None	None	None	None	None	None	None	None

* Information is for the fiscal year ended December 31, 2022.

** Information is for the calendar year ended December 31, 2022.

*** Messrs. Johnson and Miller retired from the Board effective December 31, 2022.

§ The total amount of deferred compensation accrued by the Trust (including earnings or depreciation in value of amounts deferred) through December 31, 2022 for Mr. Howard J. Johnson is $160,364.

† Ms. Trust is not compensated by the Trust for her services as a Trustee because of her affiliations with the Manager.

INVESTMENT MANAGEMENT AND SERVICE PROVIDER INFORMATION

Manager

The Manager, a limited liability company organized under the laws of the State of Delaware, serves as investment manager to the Fund and provides administrative and certain oversight services to the Fund, pursuant to an investment management agreement (the •Management AgreementŽ). The Manager has offices at 280 Park Avenue, New York, New Y 10017 and also serves as the investment manager of other Legg Mason Funds. The Manager is an indirect, wholly-owned subsidiary of Franklin Resources, a Delaware corporation. Franklin Resources, whose principal executive offices are at On Franklin Parkway, San Mateo, California 94403, is a global investment management organization operating, together with i subsidiaries, as Franklin Templeton.

The Manager has agreed, under the Management Agreement, subject to the supervision of the Board, to provide t Fund with investment research, advice, management and supervision, furnish a continuous investment program for the Fu portfolio of see u.1(ank)-7.4(l)7u.7(i)-57(Sanf(n.)]T(E)1(l)6.o)4.7(u3)14.i Fmsuco.-10(m)52(h)-lstrative and an.6(and)-10.

The Management Agreement provides that the Manager, its affiliates performing services contemplated by the

	Over $10 billion	0.550
Large Cap Value Portfolio	First $350 million	0.650
	Next $150 million	0.550
	Next $250 million	0.525
	Next $250 million	0.500
	Over $1 billion	0.450
Mid Cap Portfolio	First $1 billion	0.750
	Next $1 billion	0.700
	Next $3 billion	0.650
	Next $5 billion	0.600
	Over $10 billion	0.550
Small Cap Growth Portfolio	N/A	0.75

The table below sets forth the management fees paid by the Fund to the Manager (waived/reimbursed amounts ar parentheses), with respect to the fiscal periods indicated:

Fund	For the Fiscal Period Ended December 31,	Gross Management Fees ($)	Management Fees Waived/Expenses Reimbursed ($)	Net Management Fees (After Waivers/Expense Reimbursements) ($)

Large Cap Growth Portfolio	2022	2,590,551	(1,975)	2,588,576
	2021	3,151,768	(158)	3,151,610
	2020	2,569,230	(2,520)	2,566,710
Large Cap Value Portfolio	2022	1,858,114	(1,215)	1,856,899
	2021	1,986,876	(88)	1,986,788
	2020	1,635,131	(1,863)	1,633,268
Mid Cap Portfolio	2022	1,742,523	(1,054)	1,741,469
	2021	2,082,618	(89)	2,082,529
	2020	1,512,138	(3,238)	1,508,900
Small Cap Growth Portfolio	2022	3,053,951	(1,657)	3,052,294
	2021	4,092,354	(45)	4,092,309
	2020	2,895,614	(2,431)	2,893,183

Any expense limitation arrangements in place during the Fund•s past three fiscal periods can be found in the Fund Prospectus in effect (as amended or supplemented from time to time) for such year.

Subadviser

ClearBridge Investments, LLC serves as the subadviser to the Fund (the •SubadviserŽ) pursuant to a subadvisory agreement between the Manager and the Subadviser (the •Subadvisory AgreementŽ). The Subadviser has offices at 620 E Avenue, New York, New York 10018. The Subadviser is an indirect, wholly-owned subsidiary of Franklin Resources.

As compensation for its services, the Manager pays to the Subadviser a fee equal to 70% of the management fee to the Manager by the Fund, net of any waivers and expense reimbursements.

Western Asset Management Company, LLC, organized under the laws of the State of California (•Western AssetŽ together with the Subadviser, the •SubadviserŽ), manages the portion of the Fund•s cash and short-term instruments alloc it pursuant to a separate subadvisory agreement between the Manager and Western Asset (the •Western Asset AgreementŽ and together with the Subadvisory Agreement, the •Subadvisory AgreementŽ). Western Asset, established in 1971, has offices East Colorado Boulevard, Pasadena, California 91101 and 620 Eighth Avenue, New York, New York 10018. Western Asse investment adviser to institutional accounts, such as corporate pension plans, mutual funds and endowment funds. Weste Asset is an indirect, wholly-owned subsidiary of Franklin Resources. Under the Western Asset Agreement, Western Asset responsible, subject to the general supervision of the Manager and the Board, for the management of the portion of the Fu cash and short term instruments allocated to it. For Western Asset•s services to the Fund, the Manager, not the Fund, pays Western Asset 0.02% of the portion of the Fund•s average daily net assets that are allocated to Western Asset by the Man net of expense waivers and reimbursements.

Under the Subadvisory Agreement, subject to the supervision of the Board and the Manager, the Subadviser regularly provides with respect to the portion of the Fund•s assets allocated to it by the Manager, investment research, advice, management and supervision; furnishes a continuous investment program for the allocated assets consistent with the Fund investment objectives, policies and restrictions; and places orders pursuant to its investment determinations. The Subadvis may delegate to companies that the Subadviser controls, is controlled by, or is under common control with, certain of the Subadviser•s duties under a Subadvisory Agreement, subject to the Subadviser•s supervision, provided the Subadviser wil relieved of its duties or obligations under the Subadvisory Agreement as a result of any delegation.

The Subadvisory Agreement will continue in effect for its initial term and thereafter from year to year provided such continuance is specifically approved at least annually (a) by the Board or by a majority of the outstanding voting securities of the

Fund (as defined in the 1940 Act), and (b) in either event, by a majority of the Independent Trustees with such Independen Trustees casting votes in person at a meeting called for such purpose. The Board or a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act) may terminate the Subadvisory Agreement without penalty, in each case not more than 60 days• nor less than 30 days• written notice to the Subadviser. The Subadviser may terminate the respec Subadvisory Agreement, on 90 days• written notice to the Fund and the Manager. The Subadvisory Agreement may be ter upon the mutual written consent of the Manager and the Subadviser. The Subadvisory Agreement will terminate automatically in the event of assignment (as defined in the 1940 Act) by the applicable Subadviser, and shall not be assignable by the Man without the consent of the Subadviser.

The Subadvisory Agreement provides that the Subadviser, its affiliates performing services contemplated by the Subadvisory Agreement, and the partners, shareholders, directors, officers and employees of the Subadviser and such affi will not be liable for any error of judgment or mistake of law, for any loss arising out of any investment, or for any act or omission in the execution of securities transactions for the Fund, but the Subadviser is not protected against any liability to the Fund or the Manager to which the Subadviser would be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under the Subadvisory Agreem

Expenses

In addition to amounts payable under the Management Agreement and the 12b-1 Plan (as discussed in this SAI), t Fund is responsible for its own expenses, including, among other things: interest; taxes; governmental fees; voluntary assessments and other expenses incurred in connection with membership in investment company organizations; organizat costs of the Fund; costs (including interest, brokerage commissions, transaction fees or charges or acquired fund fees and expenses, if any) in connection with the purchase or sale of the Fund•s securities and other investments and any losses in connection therewith; fees and expenses of custodians, transfer agents, registrars, independent pricing vendors or other ag legal expenses; loan commitment fees; expenses relating to the issuance and redemption or repurchase of the Fund•s sha servicing shareholder accounts; expenses of registering and qualifying the Fund•s shares for sale under applicable federal state law; expenses of preparing, setting in print, printing and distributing prospectuses and statements of additional inform and any supplements thereto, reports, proxy statements, notices and dividends to the Fund•s shareholders; costs of station website costs; costs of meetings of the Board or any committee thereof, meetings of shareholders and other meetings of the Fund; Board fees; audit fees; travel expenses of officers, Trustees and employees of the Fund, if any; the Fund•s pro rata p of premiums on any fidelity bond and other insurance covering the Fund and its officers, Trustees and employees; and litigation expenses and any non-recurring or extraordinary expenses as may arise, including, without limitation, those relating to acti suits or proceedings to which the Fund is a party and any legal obligation which the Fund may have to indemnify the Fund• Trustees and officers with respect thereto.

Management may agree to implement an expense cap, waive fees and/or reimburse operating expenses for one o more classes of shares. Any such expense caps, waived fees and/or reimbursed expenses are described in the Fund•s Pr The expense caps, waived fees and/or reimbursed expenses do not cover extraordinary expenses, such as (a) any expens charges related to litigation, derivative actions, demands related to litigation, regulatory or other government investigations and proceedings, •for causeŽ regulatory inspections and indemnification or advancement of related expenses or costs, to the e any such expenses are considered extraordinary expenses for the purposes of fee disclosure in Form N-1A as the same m amended from time to time; (b) transaction costs (such as brokerage commissions and dealer and underwriter spreads) an (c) other extraordinary expenses as determined for the purposes of fee disclosure in Form N-1A, as the same may be ame from time to time; and (d) any other exclusions enumerated in the Fund•s particular expense cap. Without limiting the foreg extraordinary expenses are generally those that are unusual or expected to recur only infrequently, and may include such expenses, by way of illustration, as (i) expenses of the reorganization, restructuring, redomiciling or merger of the Fund or class or the acquisition of all or substantially all of the assets of another fund or class; (ii) expenses of holding, and soliciting proxies for, a meeting of shareholders of the Fund or class (except to the extent relating to routine items such as the election of Tru or the approval of the independent registered public accounting firm); and (iii) expenses of converting to a new custodian, transfer agent or other service provider, in each case to the extent any such expenses are considered extraordinary expen the purposes of fee disclosure in Form N-1A as the same may be amended from time to time. In order to implement an exp the Manager recapture any amount that would result, on any particular business day of the Fund, in the class• total annual operating expenses exceeding such expense limitation or any other lower limit then in effect. These arrangements may be reduced or terminated under certain circumstances.

Portfolio Managers

Other Accounts Managed by the Portfolio Managers

The table below identifies the portfolio managers, the number of accounts (other than the Fund) for which the portf

	Other Accounts	7,407	2.7	None	None
Michael Kagan	Registered Investment Companies	4	7.5	None	None
	Other Pooled Investment Vehicles	1	0.2	None	None
	Other Accounts	7,407	2.7	None	None
Stephen Rigo	Registered Investment Companies	4	7.5	None	None
	Other Pooled Investment Vehicles	1	0.2	None	None
	Other Accounts	7,407	2.7	None	None
Dividend Strategy Portfolio					
John Baldi	Registered Investment Companies	4	8.3	None	None
	Other Pooled Investment Vehicles	1	0.1	None	None
	Other Accounts	46,529	16.3	None	None
Michael Clarfeld	Registered Investment Companies	7	10.0	None	None
	Other Pooled Investment Vehicles	2	0.2	None	None
	Other Accounts	46,529	16.3	None	None
Peter Vanderlee	Registered Investment	9	10.6	None	None

	Companies				
	Other Pooled Investment Vehicles	5	1.1	None	None
	Other Accounts	48,701	16.8	None	None

Large Cap Growth Portfolio

Peter Bourbeau	Registered Investment Companies	13	12.9	None	None
	Other Pooled Investment Vehicles	4	3.2	None	None
	Other Accounts	85,453	23.9	1	0.2
Margaret Vitrano	Registered Investment Companies	13			
	Other Pooled	24			
	Other Pooled Investment Vehicles				
	Other Accounts				

	Other Accounts	4,120	2.1	None	None
Deepon Nag[2]	Registered Investment Companies	None	None	None	None
	Other Pooled Investment Vehicles	None	None	None	None
	Other Accounts	None	None	None	None
Mid Cap Portfolio					
Brian M. Angerame	Registered Investment Companies	4	5.1	1	2.8
	Other Pooled Investment Vehicles	1	0.001	None	None
	Other Accounts	11,872	1.4	None	None
Matthew Lilling	Registered Investment Companies	4	5.1	1	2.8
	Other Pooled Investment Vehicles	1	0.001	None	None
	Other Accounts	11,872	1.4	None	None

Evan Bauman	None
Aram E. Green	None
Appreciation Portfolio	
Scott Glasser	None
Michael Kagan	None
Stephen Rigo	None
Dividend Strategy Portfolio	
John Baldi	None
Michael Clarfeld	None
Peter Vanderlee	None
Large Cap Growth Portfolio	
Peter Bourbeau	None
Margaret Vitrano	None
Large Cap Value Portfolio	
Robert Feitler, Jr.*	None
Dmitry Khaykin	None
Deepon Nag**	None
Mid Cap Portfolio	
Brian M. Angerame	None
Matthew Lilling	None
Small Cap Growth Portfolio	
Jeffrey Bailin***	None
Aram E. Green	None
Jeffrey J. Russell****	None

* It is anticipated that Robert Feitler, Jr. will retire and step down as a member of the Fund•s portfolio management team effective December 31, 2023.

** Information as of March 1, 2023. Mr. Nag will join the Fund's portfolio management team on December 31, 2023.

*** Information as of March 1, 2023. Mr. Bailin will join the Fund•s portfolio management team on December 31, 2023.

**** It is anticipated that Jeffrey J. Russell will retire and step down as a member of the Fund•s portfolio management team effective December 31, 2023.

Potential Conflicts of Interest

In this subsection and the next subsection titled •Portfolio Manager Compensation StructureŽ, •SubadviserŽ refers to ClearBridge Investments, LLC.

Potential conflicts of interest may arise when the portfolio managers also have day-to-day management responsibilities with respect to one or more other funds and accounts, as is the case for the Fund•s portfolio managers.

The Subadviser and the Fund have adopted compliance policies and procedures that are designed to address variou conflicts of interest that may arise for the Subadviser and the individuals that each employs. For example, the Subadviser s to minimize the effects of competing interests for the time and attention of portfolio managers by assigning portfolio manag to manage funds and accounts that share a similar investment style. The Subadviser has also adopted trade allocation

new product and one-third can be elected to track the performance of one or more of the Subadviser•s managed fu
Consequently, portfolio managers can have two-thirds of their CDIP award tracking the performance of their primar
managed products. For centralized research analysts, two-thirds of their deferral is elected to track the performance
one of more of Subadviser•s managed funds, while one-third tracks the performance of the new product composite
Subadviser then makes a company investment in the proprietary managed funds equal to the deferral amounts by t
This investment is a company asset held on the balance sheet and paid out to the employees in the shares subject
vesting requirements.

- Franklin Resources Restricted Stock Deferral„a mandatory program that typically defers 5% of discretionary year-er compensation into Franklin Resources restricted stock. The award is paid out to employees in shares subject to ves requirements.

Several factors are considered by the Subadviser•s Senior Management when determining discretionary compens for portfolio managers. These include but are not limited to:

-

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP, 100 East Pratt Street, Suite 2600, Baltimore, Maryland 21202, serves as the Fund•s independent registered public accounting firm.

PORTFOLIO TRANSACTIONS AND BROKERAGE

Portfolio Transactions

Pursuant to the Subadvisory Agreement and subject to the general supervision of the Board and in accordance with the Fund•s investment objectives and strategies, the Subadviser is responsible for the execution of the Fund•s portfolio transactions with respect to assets allocated to the Subadviser. The Subadviser is authorized to place orders pursuant to its investment determinations for the Fund either directly with the issuer or with any broker or dealer, foreign currency dealer, futures commission merchant or others selected by it.

In certain instances, there may be securities that are suitable as an investment for the Fund as well as for one or m of the other clients of the Subadviser. Investment decisions for the Fund and for the Subadviser•s other clients are made with a view to achieving their respective investment objectives. It may develop that a particular security is bought or sold for only one client even though it might be held by, or bought or sold for, other clients. Likewise, a particular security may be bought for one or more clients when one or more clients are selling the same security. Some simultaneous transactions are inevitable whe several clients receive investment advice from the same investment adviser, particularly when the same security is suitable the investment objectives of more than one client. When two or more clients are simultaneously engaged in the purchase o of the same security, the securities are allocated among clients in a manner believed to be equitable to each. It is recognize in some cases this system could adversely affect the price of or the size of the position obtainable in a security for the Fund When purchases or sales of the same security for the Fund and for other portfolios managed by the Subadviser occur contemporaneously, the purchase or sale orders may be aggregated in order to obtain any price advantages available to large volume purchases or sales.

Transactions on stock exchanges and other agency transactions involve the payment of negotiated brokerage commissions by the Fund. Transactions in foreign securities often involve the payment of brokerage commissions that may higher than those in the United States. Fixed income securities are generally traded on a net basis (i.e., without a commission) through dealers acting as principal for their own account and not as brokers. This means that a dealer makes a market for securities by offering to buy at one price and selling the security at a slightly higher price. The difference between the prices is known as a •spread.Ž Other portfolio transactions may be executed through brokers acting as agents and the Fund will pay spread or commission in connection with such transactions. The cost of securities purchased from underwriters includes an underwriting commission, concession or a net price. The Fund may also purchase securities directly from the issuer. The aggregate brokerage commissions paid by the Fund for the three most recent fiscal years or periods, as applicable, are set below under •Aggregate Brokerage Commissions Paid.Ž

Brokerage and Research Services

The general policy of the Subadviser in selecting brokers and dealers is to obtain the best results achievable in the context of a number of factors which are considered both in relation to individual trades and broader trading patterns. The F may not always pay the lowest commission or spread available. Rather, in placing orders on behalf of the Fund, the Subad also takes into account other factors bearing on the overall quality of execution, such as size of the order, difficulty of exe the reliability of the broker/dealer, the competitiveness of the price and the commission, the research services received and economic trends and portfolio strategy, market quotations for portfolio evaluations, analytical software and similar products

Large Cap Value Portfolio	2022	17,800
	2021	22,822
	2020	31,729
Mid Cap Portfolio	2022	98,326
	2021	59,278
	2020	70,606
Small Cap Growth Portfolio	2022	58,951
	2021	72,866
	2020	63,162

In the event that portfolio turnover increases, this necessarily results in correspondingly greater transaction

Class	Name and Address	Percent of Class (%)
II	SEPARATE ACCOUNT A OF PACIFIC LIFE INSURANCE COMPANY 700 NEWPORT CENTER DR NEWPORT BEACH CA 92660-6307	15.60
II	SECURITY BENEFIT LIFE INS CO FBO SBL VARIFLEX Q NAVISYS 1 SW SECURITY BENEFIT PL TOPEKA KS 66636-1000	6.81
II	SECURITY BENEFIT LIFE INSURANCE CO-FBO UNBUNDLED C/O VARIABLE ANNUITY DEPT 1 SECURITY BENEFIT PL TOPEKA KS 66636-1000	6.16
II	NATIONWIDE LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING P.O. BOX 182029 COLUMBUS, OH 43218-2029	5.55
Appreciation Portfolio		
I	METLIFE INSURANCE CO USA 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	42.25
I	METLIFE INSURANCE CO USA SHAREHOLDER ACCOUNTING DEPT ATTN TERRENCE SANTRY 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	30.66
I	MAC & CO FBO AGGRESSIVE MODEL PORTFOLIO ATTN MUTUAL FUND OPERATIONS 500 GRANT STREET ROOM 151 1010 PITTSBURGH PA 15258	10.88
I	MAC & CO FBO MODEL PORTFOLIO ATTN MUTUAL FUND OPERATIONS 500 GRANT STREET ROOM 151 1010 PITTSBURGH PA 15258	6.95
II	NEW YORK LIFE INS & ANNUITY CORP 30 HUDSON ST JERSEY CITY NJ 07302-4600	45.49

Class	Name and Address	Percent of Class (%)
Large Cap Growth Portfolio		
I	METLIFE INSURANCE CO USA SHAREHOLDER ACCOUNTING DEPT ATTN TERRENCE SANTRY 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	76.25
I	JEFFERSON NATIONAL LIFE INS CO ATTN SEPARATE ACCOUNTS 10350 ORMSBY PARK PL STE 600 LOUISVILLE KY 40223-6175	15.20
II	THE LINCOLN NATIONAL LIFE INSURANCE COMPANY 1300 S CLINTON ST FORT WAYNE IN 46802-3506	81.07
II	MIDLAND NATIONAL LIFE INS CO SEPARATE ACCOUNT C	

Class	Name and Address	Percent of Class (%)
Mid Cap Portfolio		
I	THE LINCOLN NATIONAL LIFE INSURANCE COMPANY 1300 S CLINTON ST FORT WAYNE IN 46802-3506	66.89
I	METLIFE INSURANCE CO USA SHAREHOLDER ACCOUNTING DEPT ATTN TERRENCE SANTRY 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	26.51
II	THE LINCOLN NATIONAL LIFE INSURANCE COMPANY 1300 S CLINTON ST FORT WAYNE IN 46802-3506	39.89
II	PROTECTIVE LIFE INSURANCE COMPANY PO BOX 2606 BIRMINGHAM AL 35202-2606	21.69
II	MIDLAND NATIONAL LIFE INS CO SEPARATE ACCOUNT C 4350 WESTOWN PKWY WEST DES MOINES IA 50266-1036	9.74
II	PACIFIC SELECT EXEC SEPARATE ACCOUNT OF PACIFIC LIFE 700 NEWPORT CENTER DR NEWPORT BEACH CA 92660-6307	9.32
II	AXA EQUITABLE LIFE INSURANCE COMPANY SEPERATE ACCOUNT 525 WASHINGTON BLVD 35 FL JERSEY CITY NJ 07310-1606	5.40
Small Cap Growth Portfolio		
I	METLIFE INSURANCE CO USA 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	29.66
I	METLIFE INSURANCE CO USA SHAREHOLDER ACCOUNTING DEPT 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	15.23

Class	Name and Address	Percent of Class (%)
I	NATIONWIDE LIFE INSURANCE COMPANY NWVLI4 C/O IPO PORTFOLIO ACCOUNTING PO BOX 182029 COLUMBUS OH 43218-2029	7.85
I	PRINCIPAL LIFE INSURANCE CO CUST. FBO PRINCIPAL EXECUTIVE VARIABLE UNIVERSAL LIFE II ATTN INDIVIDUAL LIFE ACCOUNTING 711 HIGH STREET DES MOINES, IA 50392	6.47
I	NATIONWIDE LIFE INSURANCE COMPANY NWPP C/O IPO PORTFOLIO ACCOUNTING PO BOX 182029 COLUMBUS OH 43218-2029	5.78
I	RIVERSOURCE LIFE INSURANCE CO 10468 AMERIPRISE FINANCIAL CENTER MINNEAPOLIS MN 55474-0001	5.58
II	METLIFE INSURANCE CO USA 1 FINANCIAL CTR FL 20 BOSTON MA 02111-2694	26.92
II	JEFFERSON NATIONAL LIFE INS CO ATTN SEPARATE ACCOUNTS 10350 ORMSBY PARK PL STE 600 LOUISVILLE KY 40223-6175	20.60
II	PROTECTIVE LIFE INSURANCE COMPANY PO BOX 2606 BIRMINGHAM AL 35202-2606	12.65
II	MINNESOTA LIFE 400 ROBERT ST N SAINT PAUL MN 55101-2037	12.02
II	NATIONWIDE LIFE INSURANCE COMPANY C/O IPO PORTFOLIO ACCOUNTING P.O. BOX 182029 COLUMBUS, OH 43218-2029	7.17
II	MIDLAND NATIONAL LIFE INS CO SEPARATE ACCOUNT C 4350 WESTOWN PKWY WEST DES MOINES IA 50266-1036	5.04

Shareholders who own 25% or more of the outstanding voting securities of the Fund or who are otherwise deemed •controlŽ the Fund may be able to determine or significantly influence the outcome of matters submitted to a vote of the Fu shareholders. Thus, the Participating Insurance Companies listed below are technically deemed to be in control of the Fun Nevertheless, with respect to any Fund shareholder meeting, a Participating Insurance Company is required to solicit and a timely voting instructions from its contract owners in accordance with the procedures set forth in the prospectus for the applicable contract issued by the insurance company and to the extent required by law.

Fund	Name and Address	Percent of Fund (%)

As of March 31, 2023, the Trustees and officers of the Trust, as a group, owned less than 1% of the outstanding sh
of each class of the Fund.

DISTRIBUTOR

Franklin Distributors, LLC, an indirect, wholly-owned broker/dealer subsidiary of Franklin Resources, located at 10
International Drive, Baltimore, Maryland 21202, serves as the sole and exclusive distributor of the Fund pursuant to a writte
agreement (as amended, the •Distribution AgreementŽ).

AXA Advisors, LLC
BBVA Securities, Inc.
Benjamin F. Edwards & Company, Inc.
Cadaret Grant & Co., Inc.
Cambridge Investment Research, Inc.
Cetera Advisors LLC
Cetera Investment Services LLC
Citigroup Global Markets Inc.
Commonwealth Financial Network
CUSO Financial Services, L.P.
Digital Retirement Solutions
E*TRADE Securities LLC.
Empower Retirement
Fidelity Investments Institutional Operations Company, Inc.
First Command Financial Planning, Inc.
FSC Securities Corporation
Goldman, Sachs & Co,
Hantz Financial Services, Inc.
Janney Montgomery Scott LLC
John Hancock Distributors LLC
KMS Financial Services, Inc.
Lincoln Financial Advisors Corporation
Lincoln Investment Planning, Inc.
Lombard International LLC
M&T Securities, Inc.
Merrill Lynch
Midland National Insurance Company
MML Investors Services, LLC
MSCS Financial Services LLC
Nationwide Financial Services, Inc.
Northwestern Mutual Investment Svcs LLC
Pacific Life Insurance Company
Pershing, LLC
PNC Investments LLC
Princor Financial Services
Prudential Insurance Company of America
RBC Capital Markets LLC
Royal Alliance Associates
Sammons Financial Group, Inc.
Securities Service Network, Inc.
Stifel Financial Corporation
TD Ameritrade Trust Company
The Guardian Insurance & Annuity Company, Inc.
The Investment Center, Inc.
TIFIN Wealth
U.S. Bancorp Investments
UnionBanc Investment Services, LLC
Valor Financial Securities, LLC
Voya Financial Advisors, LLC
Western International Securities, Inc.

Axos Financial, Inc
Benefit Plan Administrators, Inc.
Brighthouse Financial
CAIS Capital, LLC
Cetera Advisor Networks LLC
Charles Schwab & Co.
Cetera Financial Specialists LLC
Citizens Securities, Inc.
CUNA Brokerage Services, Inc.
Deutsche Bank
DWC-The 401(K) Experts
Edward D. Jones & Co., L.P.
ePlan Services, Inc.
First Allied Securities, Inc.
FPS Services LLC.
Genworth Life and Annuity Insurance Company
Group 4 Financial LLC.
Investacorp, Inc.
Jefferson National Life Insurance Company
JP Morgan Securities LLC
LaSalle St. Securities
Lincoln Financial Securities Corporation
Lincoln Retirement Services Company LLC
LPL Financial
Massachusetts Mutual Life Insurance Company
MetLife Insurance Company USA
Minnesota Life Insurance Company
Morgan Stanley
National Security Life and Annuity Company
New York Life Insurance and Annuity Corporation
Ohio National Financial Services
Paychex Securities Corporation
PFS Investments, Inc.
Principal Financial Group
Protective Life Insurance
Raymond James & Associates, Inc.
Robert W. Baird & Co., Inc.
SagePoint Financial, Inc.
Securities America, Inc.
Sorrento Pacific Financial, LLC
Sun Life Assurance Company of Canada (US)
TFS Securities, Inc.
The Huntington Investment Company
TIAA-CREF Individual & Institutional Services, LLC
Transamerica Advisors Life Insurance Company
UBS Financial Services, Inc.
USI Advisors, Inc.
Vestwell Holdings, Inc.
Wells Fargo Advisors, LLC
Woodbury Financial Services, Inc.

The Distributor, the Manager or their affiliates may also pay fees, from their own assets, to Service Agents for providing other distribution-related services as well as recordkeeping, administrative, subaccounting, and/or networking servic portions thereof), and other shareholder or administrative services in connection with investments in the Fund. These paym may be considered revenue sharing payments. The Service Agents receiving such payments may not be listed above.

You should assume that your Service Agent receives revenue sharing payments and/or other compensation described in this SAI. Please contact your Service Agent for details about any payments it (and its employees) may receive from the and/or from the Distributor, the Manager and/or their affiliates. You should review your Service Agent•s disclosure and/or talk to your Service Agent to obtain more information on how this compensation may have influenced your Service Agent•s recommendation of the Fund.

Dealer Commissions and Concessions

From time to time, the Distributor or the Manager, at its expense, may provide compensation or promotional incent (•concessionsŽ) to dealers that sell or arrange for the sale of shares of the Fund or a managed account strategy of which th is part. Such concessions provided by the Distributor or the Manager may include financial assistance to dealers in connec with preapproved conferences or seminars, sales or training programs for invited registered representatives and other employees, payment for travel expenses, including lodging, incurred by registered representatives and other employees fo seminars or training programs, seminars for the public, advertising and sales campaigns regarding one or more funds, and other dealer-sponsored events. From time to time, the Distributor or the Manager may make expense reimbursements for s training of a dealer•s registered representatives and other employees in group meetings or to help pay the expenses of sal contests. Other concessions may be offered to the extent not prohibited by applicable laws or any self-regulatory agency, s the FINRA.

Services and Distribution Plan

The Trust, on behalf of the Fund, has adopted a 12b-1 Plan in accordance with Rule 12b-1 under the 1940 Act wit respect to Class II shares of the Fund. Under the 12b-1 Plan, the Fund may pay a monthly distribution fee at an annual rat exceed 0.25% of the average daily net assets of Class II shares.

The Fund will provide the Board with periodic reports of amounts expended under the 12b-1 Plan and the purposes for which such expenditures were made. Fees under the 12b-1 Plan may be used to make payments to the Distributor, a Parti Insurance Company, or other eligible parties (for purposes of this section, each a •Servicing PartyŽ) with respect to expens might be deemed to be indirect financing of any activity primarily intended to result in the sale of Class II shares of the Fun within the context of Rule 12b-1, the payments are deemed to be authorized by the 12b-1 Plan.

Under its terms, the 12b-1 Plan continues in effect for successive annual periods, provided continuance is specifica approved at least annually by vote of the Board, including a majority of the Independent Trustees who have no direct or ind financial interest in the operation of the 12b-1 Plan or in any agreements related to it (“Qualified Trustees”). The 12b-1 Pla may not be amended to increase the amount of the service and distribution fees without approval of the outstanding voting secu of Class II shares of the Fund, and all amendments of the 12b-1 Plan also must be approved by the Trustees, including the Qualified Trustees, in the manner described above. The 12b-1 Plan may be terminated with respect to Class II shares of th at any time, by the Fund without penalty, by vote of a majority of the outstanding voting securities of Class II shares of the Fund (as defined in the 1940 Act), or by vote of a majority of the Qualified Trustees.

The following service and distribution fees were incurred by the Fund pursuant to the 12b-1 Plan in effect during th fiscal period ended December 31, 2022:

Fund/Class	Service and Distribution Fees Incurred ($)	Service and Distribution Fees Waived/Reimbursed ($)
Aggressive Growth Portfolio Class II	310,178	0
Appreciation Portfolio Class II	570,612	0
Dividend Strategy Portfolio Class II	943,773	390,905
Large Cap Growth Portfolio Class II	581,794	0
Mid Cap Portfolio Class II	361,237	0
Small Cap Growth Portfolio Class II	318,166	0

No information is presented for Class II shares of Large Cap Value Portfolio, as no Class II shares were outstanding as of December 31, 2022.

For the fiscal period ended December 31, 2022, the Distributor incurred distribution expenses for advertising, printi and mailing prospectuses, support service and overhead expenses and compensation to Service Agents and third parties a expressed in the following table. The Distributor may have made revenue sharing payments in addition to the expenses sh here.

Fund/Class	Third Party Fees ($)	Financial Consultant Compensation (Amortized) ($)	Marketing ($)	Printing ($)	Total Expenses ($)
Aggressive Growth Portfolio Class II	310,178	0	60,705	0	370,883
Appreciation Portfolio Class II	570,612	0	84,434	0	655,045
Dividend Strategy Portfolio Class II	625,155	0	136,404	0	761,559
Large Cap Growth Portfolio Class II	581,794	0	111,777	0	693,571
Mid Cap Portfolio Class II	361,237	0	77,497	0	438,734
Small Cap Growth Portfolio Class II	318,166	0	112,362	0	430,528

No information is presented for Class II shares of Value Portfolio, as no Class II shares were outstanding as of December 31, 2022.

AVAILABILITY OF THE FUND

Investment in the Fund is available only to owners of VA contracts and VLI policies issued by Participating Insuran Companies through their separate accounts and certain qualified plans. It is possible that in the future it may become disadvantageous for the separate accounts of both VA contracts and VLI policies to be invested simultaneously in the Func However, the Trust does not currently foresee any disadvantages to the owners of the different Policies which are funded b such separate accounts. The Board monitors events for the existence of any material irreconcilable conflict between or am such owners, and each Participating Insurance Company will take whatever remedial action may be necessary to resolve a such conflict. Such action could include the sale of Fund shares by one or more of the Participating Insurance Company separate

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Participating Insurance Company or the relevant Plan documents for more information on the purchase of Fund shares and
respect to the availability for investment in the Fund.

The offering of shares of the Fund may be suspended from time to time and the Fund reserves the right to reject an purchase order. In addition to cash, the Fund may accept securities as payment for Fund shares at the applicable NAV. G the Fund will only consider accepting securities to increase its holdings in a portfolio security or if the Manager determines the offered securities are a suitable investment for the Fund and in a sufficient amount for efficient management.

Sales Charges and Surrender Charges

The Fund does not assess any sales charges, either when shares are sold or redeemed. Surrender charges may b assessed under the Policies as described in the applicable separate account prospectus. Mortality and expense risk fees a other charges are also described in that prospectus.

The Fund has created separate classes of shares, designated as Class I and Class II shares. Class II shares are sold without an initial sales charge but are subject to an annual distribution fee of 0.25% of the daily net assets of the Class.

REDEMPTION OF SHARES

The right of redemption may be suspended or the date of payment postponed:

i. for any period during which the NYSE is closed (other than for customary weekend and holiday closings);

ii. when trading in the markets the Fund normally utilizes is restricted, or an emergency exists, as determined by the S so that disposal of the Fund•s investments or determination of NAV is not reasonably practicable; or

iii. for such other periods as the SEC by order may permit for protection of the Fund•s shareholders.

The Fund may also suspend or postpone the recordation of the transfer of its shares upon the occurrence of any o foregoing conditions.

Fund shares may be redeemed by VA contracts and VLI policies issued by Participating Insurance Companies thro their separate accounts and certain qualified plans. Individuals may not place redemption orders directly with the Fund. It is the responsibility of the Participating Insurance Company and the qualified plans to properly transmit redemption requests in accordance with applicable requirements. Owners of VA contracts, VLI policies and qualified plan participants should cons their Participating Insurance Company or plan sponsor in this regard. Redemption requests will be effected at the NAV of th Fund next determined after receipt of redemption instructions by the Fund, through its agent, in proper form and in accorda with applicable requirements. The value of the shares redeemed may be more or less than their original cost, depending on Fund•s then-current NAV.

Redemptions In Kind

The Fund reserves the right, under certain conditions, to honor any request for a redemption by making payment in whole or in part by delivering securities valued in accordance with the procedures described under •Share priceŽ in the Fun Prospectus. Because redemption in kind may be used at times of unusual illiquidity in the markets, these valuation method include fair value estimations. If payment is made in securities, a shareholder should expect to incur brokerage expenses in converting those securities into cash, and the market price of those securities will be subject to fluctuation until they are s addition, a redemption is generally a taxable event for shareholders, regardless of whether the redemption is satisfied in ca in kind. The securities delivered may not be representative of the entire Fund portfolio, may represent only one issuer or a number of issuers12.8(t)8.6(e)5.9(d)-6.1( )]TJ6(de)knden[(theitb7(e)-.6.0063 Tw [(adher c)4.7(hargetha w)5.5(h)-.6(i)6.3(n

separate account•s or qualified plan•s redemption from the Fund. A separate account or qualified plan may pay transaction
to dispose of the Fund shares.

VALUATION OF SHARES

The NAV per share of each class of the Fund is generally as of the close of regular trading (normally 4:00 p.m., Eastern time) on each day on which the NYSE is open. As of the date of this SAI, the NYSE is normally open for trad every weekday except in the event of an emergency or for the following holidays (or the days on which they are observed): Year•s Day, Martin Luther King, Jr. Day, Presidents• Day, Good Friday, Memorial Day, Juneteenth National Independence Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Because of the differences in distribution fees and c specific expenses, the per share NAV of each class of the Fund will differ. Please see the Fund•s Prospectus for a descrip personnel that are not fund-affiliated persons (i) upon the filing of portfolio holdings reports in accordance with SEC rules provided that such filings are not made until 15 calendar days following the end of the period covered by the applicable hol report or (ii) no sooner than 8 business days after month end, provided that such information has been made available thro

HSBC Global Asset Management	Daily	None
Institutional Shareholder Services	Daily	None
ITG	Daily	None
Kailash Concepts	Monthly	None
Middle Office Solutions, LLC	Daily	None
Morgan Stanley Capital Inc.	Daily	None
Morningstar	Daily	None
NaviSite, Inc.	Daily	None
StarCompliance	Daily	None
State Street Bank and Trust Company	Daily	None
SunGard/Protegent (formerly Dataware)	Daily	None
The Bank of New York Mellon	Daily	None
The Northern Trust Company	Daily	None
The Northern Trust Melbourne	Daily	None
Thomson	Semi-annually	None
Thomson Reuters	Daily	None
VPD Financial Software Consulting	Daily	None

Portfolio holdings information for the Fund may also be disclosed from time to time pursuant to ongoing arrangements with the following parties:

Recipient	Frequency	Delay Before Dissemination
Broadridge	Daily	None
Deutsche Bank	Monthly	6-8 Business Days
DST International plc (DSTi)	Daily	None
Electra Information Systems	Daily	None
Fidelity	Quarterly	5 Business Days
Fitch	Monthly	6-8 Business Days
Frank Russell	Monthly	1 Day
Glass Lewis & Co.	Daily	None
Informa Investment Solutions	Quarterly	8-10 Days
Interactive Data Corp	Daily	None
Liberty Hampshire	Weekly and Month End	None
RBC Investor and Treasury Services	Daily	None
S&P (Rating Agency)	Weekly Tuesday Night	1 Business Day

SunTrust	Weekly and Month End	None

Excluded from the lists of ongoing arrangements set forth above are ongoing arrangements where either (i) the disclosure of portfolio holdings information occurs concurrently with or after the time at which the portfolio holdings information is included in a public filing with the SEC that is required to include the information, or (ii) the Fund•s portfolio holdings information is made available no earlier than the day next following the day on which the Fund makes the information avail on its website, as disclosed in the Fund•s Prospectus. The approval of the Fund•s Chief Compliance Officer, or designee, m obtained before entering into any new ongoing arrangement or altering any existing ongoing arrangement to make availabl portfolio holdings information, or with respect to any exceptions from the policy.

Release of Limited Portfolio Holdings Information

In addition to the ongoing arrangements described above, the Fund•s complete or partial list of holdings (including of positions) may be released to another party on a one-time basis, provided the party receiving the information has execut

Series and Classes

The Declaration provides that the Trustees may establish series and classes in addition to those currently establish and that the Trustees may determine the rights and preferences, limitations and restrictions, including qualifications for ownership, conversion and exchange features, minimum purchase and account size, expenses and charges, and other features of the series and classes. The Trustees may change any of those features, terminate any series or class, combine series with

publicly traded partnership will be treated as qualifying income. In general, qualified publicly traded partnerships will be treated as partnerships for U.S. federal income tax purposes because they meet a passive income requirement under the Code. In beneficial interests in the Fund are held by one or more insurance company separate accounts and certain other eligible ho the diversification requirements of Section 817(h) of the Code may be applied by taking into account the assets of the Fund rather than treating the interest in the Fund as a separate investment of each separate account investing in the Fund. To comply with Treasury regulations promulgated under Section 817(h) of the Code, assuming such look-through treatment applies, the Fund intends to diversify its investments so that on the last day of each calendar quarter or within 30 days after such day no mor 55% of the value of its assets is represented by any one investment, no more than 70% is represented by any two investm no more than 80% is represented by any three investments and no more than 90% is represented by any four investments Generally, all securities of the same issuer are treated as a single investment. For the purposes of Section 817(h) of the Code, obligations of the U.S. Treasury and of each U.S. government taxable year. The resulting gain or loss will be combined with any gain or loss realized by the Fund from positions in section 1256 contracts closed during the taxable year. Provided such positions were held as capital assets and were neither part of a •ho transactionŽ nor part of a •straddle,Ž 60% of the resulting net gain or loss will be treated as long-term capital gain or loss, and 40% of such net gain or loss will be treated as short-term capital gain or loss, regardless of the period of time the positions were actually held by the Fund.

In general, option premiums received by the Fund are not immediately included in the income of the Fund. Instead premiums are recognized when the option contract expires, the option is exercised by the holder, or the Fund transfers or otherwise terminates the option (e.g., through a closing transaction). If a call option written by the Fund is exercised and the Fund sells or delivers the underlying security, the Fund generally will recognize capital gain or loss equal to (a) sum of the strik

Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time the

the Code. The Fund may as a result be required to sell investments to satisfy its distribution requirements, including when it is not advantageous to do so.

A cash distribution from a partnership is not itself taxable to the extent it does not exceed the distributee partner•s basis in its partnership interest and is treated as capital gain to the extent any cash distributed to a partner exceeds the partner•s basis in the partnership. Cash distributions, if any, that the Fund receives with respect to its investments in equity securiti

Appendix A

Proxy Voting Policies

CLEARBRIDGE INVESTMENTS

PROXY VOTING POLICIES AND PROCEDURES

AMENDED AS OF FEBRUARY 2022

CLEARBRIDGE INVESTMENTS

Proxy Voting Policies and Procedures

I. TYPES OF ACCOUNTS FOR WHICH CLEARBRIDGE VOTES PROXIES

ClearBridge votes proxies for each client for which it has investment discretion unless the investment managemen agreement provides that the client or other authorized party (e.g., a trustee or named fiduciary of a plan) is respons for voting proxies.

II. GENERAL GUIDELINES

In voting proxies, we are guided by general fiduciary principles. Our goal is to act prudently, solely in the best inter of the beneficial owners of the accounts we manage. We attempt to provide for the consideration of all factors tha could affect the value of the investment and will vote proxies in the manner that we believe will be consistent with efforts to maximize shareholder values.

III. HOW CLEARBRIDGE VOTES

Section V of these policies and procedures sets forth certain stated positions. In the case of a proxy issue for whic

- such other method as is deemed appropriate given the particular facts and circumstances, including th importance of the proxy issue, the nature of the conflict of interest, etc.

A written record of the method used to resolve a material conflict of interest shall be maintained.

C. Third Party Proxy Voting Firm - Conflicts of Interest

With respect to a third-party proxy voting firm described herein, the Proxy Committee will periodically review ar assess such firm•s policies, procedures and practices with respect to the disclosure and handling of conflicts o interest.

V. VOTING POLICY

These are policy guidelines that can always be superseded, subject to the duty to act solely in the best interest of the beneficial owners of accounts, by the investment management professionals responsible for the account holding the sh being voted. There may be occasions when different investment teams vote differently on the same issue. In addition the case of Taft-Hartley clients, ClearBridge will comply with a client direction to vote proxies in accordance with Institutional Shareholder Services• (ISS) PVS Proxy Voting Guidelines, which ISS represents to be fully consistent with AFL-CIO guidelines.

A. Election of Directors

1. Voting on Director Nominees in Uncontested Elections.

   a. We withhold our vote from a director nominee who:

      - attended less than 75 percent of the company•s board and committee meetings without a valid excuse (illness, service to the nation/local government, work on behalf of the company);
      - received more than 50 percent withheld votes of the shares cast at the previous board election, and the company has failed to address the issue as to why;
      - is a member of the company•s audit committee, when excessive non-audit fees were paid to the auditor, or there are chronic control issues and an absence of established effective control mechanisms;
      - is a member of the company•s compensation committee if the compensation committee ignore a say on pay proposal that a majority of shareholders opposed;
      - is a member of the company•s nominating committee and there is no gender diversity on the board (or those currently proposed for election to the board do not meet that criterion).
      - is a member of the company•s nominating committee and there is no racial/ethnic diversity on the board (or those currently proposed for election to the board do not meet that criterion[1]).

   b. We vote for all other director nominees.

2. Chairman and CEO is the Same Person.

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* Especially in the case of an apparent, as opposed to actual, conflict of interest, the Proxy Committee may resolve such co of interest by satisfying itself that ClearBridge•s proposed vote on a proxy issue is in the best interest of client accounts a not being influenced by the conflict of interest.

[1.] This position only applies to Anglo markets which is defined as US, Canada, UK, Ireland, Australia and New Zealand.

a. We vote case-by-case on proposals that establish or amend director qualifications. Consideration include how reasonable the criteria are and to what degree they may preclude dissident nominees from joining the board.

b. We vote against shareholder proposals requiring two candidates per board seat.

B. Proxy Contests

1. Voting for Director Nominees in Contested Elections

We vote on a case-by-case basis in contested elections of directors. Considerations include: chronolo of events leading up to the proxy contest; qualifications of director nominees (incumbents and b.

10. Article Amendments (not otherwise covered by ClearBridge Proxy Voting Policies and Procedures).

We review on a case-by-case basis all proposals seeking amendments to the articles of association.

We vote for article amendments if:

- shareholder rights are protected;
- there is negligible or positive impact on shareholder value;
-

b. Subject to paragraph 3, below we vote for the approval requesting increases in authorized shares if the company meets certain criteria:

- x Company has already issued a certain percentage (i.e. greater than 50%) of the company's allotment.
- x The proposed increase is reasonable (i.e. less than 150% of current inventory) based on an analysis of the company's historical stock management or future growth outlook of the company.

c. We vote on a case-by-case basis, based on the input of affected portfolio managers, if holding is greater than 1% of an account.

2. Stock Distributions: Splits and Dividends

We vote on a case-by-case basis on management proposals to increase common share authorization a stock split, provided that the split does not result in an increase of authorized but unissued shares of more than 100% after giving effect to the shares needed for the split.

3. Reverse Stock Splits

We vote for management proposals to implement a reverse stock split, provided that the reverse split does not result in an increase of authorized but unissued shares of more than 100% after giving effect to the shares needed for the reverse split.

4. Blank Check Preferred Stock

a. We vote against proposals to create, authorize or increase the number of shares with regard to blank check preferred stock with unspecified voting, conversion, dividend distribution and other rights.

b. We vote for proposals to create •declawedŽ blank check preferred stock (stock that cannot be used as a takeover defense).

c. We vote for proposals to authorize preferred stock in cases where the company specifies the voting, dividend, conversion, and other rights of such stock and the terms of the preferred stock appear reasonable.

d. We vote for proposals requiring a shareholder vote for blank check preferred stock issues.

5. Adjust Par Value of Common Stock

We vote for management proposals to reduce the par value of common stock.

6. Preemptive Rights

a. We vote on a case-by-case basis for shareholder proposals seeking to establish them and consider the following factors:

- x Size of the Company.
- x Characteristics of the size of the holding (holder owning more than 1% of the outstanding shares).
- x Percentage of the rights offering (rule of thumb less than 5%).

b. We vote on a case-by-case basis for shareholder proposals seeking the elimination of pre-emptive rights.

7. Debt Restructuring

We vote on a case-by-case basis for proposals to increase common and/or preferred shares and to iss shares as part of a debt-restructuring plan. Generally, we approve proposals that facilitate debt restructuring.

8. Share Repurchase Programs

   We vote for management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms.

9. Dual-Class Stock

   We vote for proposals to create a new class of nonvoting or sub voting common stock if:

   - It is intended for financing purposes with minimal or no dilution to current shareholders
   - It is not designed to preserve the voting power of an insider or significant shareholder

10. Issue Stock for Use with Rights Plan

    We vote against proposals that increase authorized common stock for the explicit purpose of implementing a shareholder rights plan (poison pill).

11. Debt Issuance Requests

    When evaluating a debt issuance request, the issuing company•s present financial situation is examined. The main factor for analysis is the company•s current debt-to-equity ratio, or gearing level. high gearing level may incline markets and financial analysts to downgrade the company•s bond rating increasing its investment risk factor in the process. A gearing level up to 100 percent is considered acceptable.

    We vote for debt issuances for companies when the gearing level is between zero and 100 percent.

    We view on a case-by-case basis proposals where the issuance of debt will result in the gearing level being greater than 100 percent. Any proposed debt issuance is compared to industry and market standards.

12. Financing Plans

We generally vote for the adopting of financing plans if we believe they are in the best economic interests of shareholders.

H. Executive and Director Compensation

In general, we vote for executive and director compensation plans, with the view that viable compensation programs reward the creation of stockholder wealth by having high payout sensitivity to increases in sharehold value. Certain factors, however, such as repricing underwater stock options without shareholder approval, wou cause us to vote against a plan. Additionally, in some cases we would vote against a plan deemed unnecessa

1. OBRA-Related Compensation Proposals

   a. Amendments that Place a Cap on Annual Grant or Amend Administrative Features

      We vote for plans that simply amend shareholder-approved plans to include administrative feature or place a cap on the annual grants any one participant may receive to comply with the provisions of Section 162(m) of the Internal Revenue Code.

   b. Amendments to Added Performance-Based Goals

      We vote for amendments to add performance goals to existing compensation plans to comply with the provisions of Section 162(m) of the Internal Revenue Code.

   c. Amendments to Increase Shares and Retain Tax Deductions Under OBRA

We vote for amendments to existing plans to increase shares reserved and to qualify the plan for favorable tax treatment under the provisions of Section 162(m) the Internal Revenue Code.

d. Approval of Cash or Cash-and-Stock Bonus Plans

We vote for cash or cash-and-stock bonus plans to exempt the compensation from taxes under the provisions of Section 162(m) of the Internal Revenue Code.

2. Expensing of Options

We vote for proposals to expense stock options on financial statements.

3.

a. We vote for shareholder proposals that request a company not to make any death benefit paymen

b. We vote on a case-by-case basis for stock compensation plans which do not provide a dollar-for-dollar cash for stock exchange using a quantitative model.

12. Directors Retirement Plans

    a. We vote against retirement plans for non-employee directors.

    b. We vote for shareholder proposals to eliminate retirement plans for non-employee directors.

13. Management Proposals to Reprice Options

    We vote against management proposals seeking approval to reprice options.

14. Shareholder Proposals Regarding Executive and Director Pay

    a. We vote against shareholder proposals seeking to set absolute levels on compensation or otherwise dictate the amount or form of compensation.

    b. We vote against shareholder proposals requiring director fees be paid in stock only.

    c. We vote against shareholder proposals to eliminate vesting of options and restricted stock on change of control.

    d. We vote for shareholder proposals to put option repricing to a shareholder vote.

    e. We vote for shareholder proposals that call for a non-binding advisory vote on executive pay (•say on-payŽ). Company boards would adopt a policy giving shareholders the opportunity at each annu

- x For a substantial period following the lapse of all other vesting requirements for the award, with ratable release of a portion of the shares annually during the lock-up period

The following factors will be taken into consideration:

- x

a. We vote on a case-by-case basis on liquidations after reviewing management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation.

6. Appraisal Rights

a. We vote for proposals to restore, or provide shareholders with, rights of appraisal.

7. Changing Corporate Name

a. We vote for proposals to change the •corporate nameŽ, unless the proposed name change bears a negative connotation.

8. Conversion of Securities

a. We vote on a case-by-case basis on proposals regarding conversion of securities. Considerations include the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.

9. Stakeholder Provisions

a. We vote against proposals that ask the board to consider non-shareholder constituencies or other non-financial effects when evaluating a merger or business combination.

K. Social and Environmental Issues

When considering environmental and social (E&S) proposals, we have an obligation to vote proxies in the best interest of our clients, considering both shareholder value as well as societal impact.

1. Sustainability Reporting

a. We vote for proposals seeking greater disclosure on the company•s environmental, social & governance policies and practices;

b. We vote for proposals that would require companies whose annual revenues are at least $5 billion to prepare a sustainability report. All others will be decided on a case-by-case basis.

2. Diversity & Equality

a. We vote for proposals supporting nomination of most qualified candidates, inclusi Alstivese &

c. Operations in high-risk or sensitive areas;

d. Product integrity and marketing.

L. Miscellaneous

1. Charitable Contributions

We vote against proposals to eliminate, direct or otherwise restrict charitable contributions.

2. Political Contributions

We will vote in favor of non-binding proposals for reports on corporate lobbying and political contributions.

- x the publication of minutes
- x the closing of the shareholder meeting

We generally vote for these and similar routine management proposals.

5. Allocation of Income and Dividends

   We generally vote for management proposals concerning allocation of income and the distribution of dividends, unless the amount of the distribution is consistently and unusually small or large.

6. Stock (Scrip) Dividend Alternatives

   a. We vote for most stock (scrip) dividend proposals.

   b. We vote against proposals that do not allow for a cash option unless management demonstrates that the cash option is harmful to shareholder value.

ClearBridge has determined that registered investment companies, particularly closed end investment companies, raise special policy issues making specific voting guidelines frequently inapplicable. To the extent that ClearBridge has proxy voting authority with respect to shares of registered investment companies, ClearBridge shall vote such shares in the best interest of client accounts and subject to the general fiducia principles set forth herein without regard to the specific voting guidelines set forth in Section V. A. through

The voting policy guidelines set forth herein will be reviewed annually and may be changed by ClearBridge its sole discretion.

VI. OTHER CONSIDERATIONS

In certain situations, ClearBridge may determine not to vote proxies on behalf of a client because ClearBridge belie that the expected benefit to the client of voting shares is outweighed by countervailing considerations. Examples of situations in which ClearBridge may determine not to vote proxies on behalf of a client include:

A. Share Blocking

Proxy voting in certain countries requires •share blocking2eh cn6(c)4T.7(egi)4.712.6(r)-10.1ki4(o)4.7(h)-.3(l)6.

VII. DISCLOSURE OF PROXY VOTING

ClearBridge employees may not disclose to others outside of ClearBridge (including employees of other Frank
business units) how ClearBridge intends to vote a proxy absent prior approval from ClearBridge•s General
Counsel/Chief Compliance Officer, except that a ClearBridge investment professional may disclose to a third p
(other than an employee of another Franklin business unit) how s/he intends to vote without obtaining prior
approval from ClearBridge•s General Counsel/Chief Compliance Officer if (1) the disclosure is intended to

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Appendix B

Credit Ratings

DESCRIPTION OF RATINGS

The ratings of Moody•s Investors Service, Inc., S&P Global Ratings and Fitch Ratings represent their opinions as t quality of various debt obligations. It should be emphasized, however, that ratings are not absolute standards of quality. Consequently, debt obligations with the same maturity, coupon and rating may have different yields whilæ debt obligations same maturity and coupon with different ratings may have the same yield. As described by the rating agencies, ratings are

The (sf) indicator for structured finance security ratings indicates that otherwise similarly rated structured finance a
fundamental securities may have different risk characteristics. Through its current methodologies, however, Moody•s aspire
achieve broad expected equivalence in structured finance and fundamental rating performance when measured over a lon
period of time.

Description of Moody•s Investors Service, Inc.•s Global Long-Term Ratings:

Aaa„Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa„Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A„Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

Baa„Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba„Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

B„Obligations rated B are considered speculative and are subject to high credit risk.

Caa„Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

Ca„Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recove
of principal and interest.

C„Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or
interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.*

* By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

Description of Moody•s Investors Service, Inc.•s Global Short-Term Ratings:

P-1„Ratings of Prime-1 reflect a superior ability to repay short-term obligations.

P-2„Ratings of Prime-2 reflect a strong ability to repay short-term obligations.

P-3„Ratings of Prime-3 reflect an acceptable ability to repay short-term obligations.

NP„Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

Description of Moody•s Investors Service, Inc.•s US Municipal Ratings:

U.S. Municipal Short-Term Debt and Demand Obligation Ratings:

Moody•s uses the global short-term Prime rating scale for commercial paper issued by US municipalities and
nonprofits. These commercial paper programs may be backed by external letters of credit or liquidity facilities, or by an issu
self-liquidity.

For other short-term municipal obligations, Moody•s uses one of two other short-term rating scales, the Municipal Investment Grade (MIG) and Variable Municipal Investment Grade (VMIG) scales discussed below.

MIG Ratings:

Moody•s uses the MIG scale for US municipal cash flow notes, bond anticipation notes and certain other short-term
obligations, which typically mature in three years or less. Under certain circumstances, Moody•s uses the MIG scale for bo
anticipation notes with maturities of up to five years.

MIG 1. This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

MIG 2. This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

MIG 3. This designation denotes acceptable credit quality. Liquidity and cash-flow protection m 2

A.n Issuers or issues rated A.n present above-average creditworthiness relative to other domestic issuers and issuances.

Baa.n Issuers or issues rated Baa.n represent average creditworthiness relative to other domestic issuers and issuances.

Ba.n Issuers or issues rated Ba.n demonstrate below-average creditworthiness relative to other domestic issuer and issuances.

B.n

BB„An obligation rated •BBŽ is less vulnerable to nonpayment than other speculative issues. However, it faces maj
ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor•s inadequate capacity to meet its financial commitments on the obligation.

However, any stated grace period longer than five business days will be treated as five business days. The •DŽ rating also be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to •DŽ if it is subject to a dist ressed debt restructuring.

Description of S&P Global Ratings• Municipal Short-Term Note Ratings:

An S&P Global Ratings U.S. municipal note rating reflects S&P Global Ratings• opinion about the liquidity factors a market access risks unique to the notes. Notes due in three years or less will likely receive a note rating. Notes with an orig inal maturity of more than three years will most likely receive a long-term debt rating. In determining which type of rating, if any, to assign, S&P Global Ratings• analysis will review the following considerations:

x Amortization schedule„the larger the final maturity relative to other maturities, the more likely it will be treated as a note; and
x Source of payment„the more dependent the issue is on the market for its refinancing, the more likely it will be treated as note.

SP-1

CC An obligor rated •CCŽ is currently highly vulnerable. The •CCŽ rating is used when a default has not yet occurred but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.

SD and D An obligor is rated •SDŽ (selective default) or •DŽ if S&P Global Ratings considers there to be a default on one or more of its financial obligations, whether long-term or short-term, including rated and unrated obligations but excluding hybrid instruments classified as regulatory capital or in nonpayment according to terms. A •DŽ rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An •SDŽ rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. A rating on an obligor is lowered to •DŽ or •SDŽ if it is conducting a distressed debt restructuring.

Ratings from •AAŽ to •CCCŽ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

Short-Term Issuer Credit Ratings

A-1 An obligor rated •A-1Ž has strong capacity to meet its financial commitments. It is rated in the highest category by S&P Global Ratings. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor•s capacity to meet its financial commitments is extremely strong.

A-2 An obligor rated •A-2Ž has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

A-3 An obligor rated •A-3Ž has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor•s capacity to meet its financial commitments.

B An obligor rated •BŽ is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties that could lead to the obligor•s inadequate capacity to meet its financial commitments.

C An obligor rated •CŽ is currently vulnerable to nonpayment that would result in an •SDŽ or •DŽ issuer rating and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

SD and D An obligor is rated •SDŽ (selective default) or •DŽ if S&P Global Ratings considers there to be a default on one or more of its financial obligations, whether long-term or short-term, including rated and unrated obligations but excluding hybrid instruments classified as regulatory capital or in nonpayment according to terms. A •DŽ rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An •SDŽ rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. A rating on an obligor is lowered to •DŽ or •SDŽ if it is conducting a distressed debt restructuring.

Description of S&P Global Ratings• Dual Ratings:

Dual ratings may be assigned to debt issues that have a put option or demand feature. The first component of the rating addresses the likelihood of repayment of principal and interest as due, and the second component of the rating addre

As a result, individual obligations of entities, such as corporations, are assigned ratings higher, lower, or the same that entity•s issuer rating or IDR, except DIP obligation ratings that are not based off an IDR. At the lower end of the rating scale, Fitch publishes explicit Recovery Ratings in many cases to complement issuer and obligation ratings.

AAA: Highest Credit Quality. •AAAŽ ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversel affected by foreseeable events.

AA: Very High Credit Quality. •AAŽ ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High Credit Quality. •AŽ ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB: Good Credit Quality. •BBBŽ ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to this capacity.

BB: Speculative. •BBŽ ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allo financial commitments to be met.

B: Highly Speculative. •BŽ ratings indicate that material credit risk is present.

CCCSubstantial Credit Risk. •CCCŽ ratings indicate that substantial credit risk is present.

CC: Very High Levels of Credit Risk. •CCŽ ratings indicate very high levels of credit risk.

C:

In all cases, the assignment of a default rating reflects the agency•s opinion as to the most appropriate rating categ consistent with the rest of its universe of ratings and may differ from the definition of default under the terms of an issuer• financial obligations or local commercial practice.

Description of Fitch Ratings• Structured Finance Long-Term Obligation Ratings:

Ratings of structured finance obligations on the long-term scale consider the obligations• relative vulnerability to default. These ratings are typically assigned to an individual security or tranche in a transaction and not to an issuer.

AAA: Highest Credit Quality.

•AAAŽ ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally stron capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable eve

AA: Very High Credit Quality.

•AAŽ ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financi commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High Credit Quality.

•AŽ ratings denote expectations of low default risk. The capacity for payment of financial commitments is considere strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case f higher ratings.

BBB: Good Credit Quality.

•BBBŽ ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

BB: Speculative.

•BBŽ ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in busine or economic conditions over time.

B: Highly Speculative.

•BŽ ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitme are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and econor environment.

CCC: Substantial Credit Risk.

Very low margin for safety. Default is a real possibility.

Country Ceilings are expressed using the symbols of the long-term issuer primary credit rating scale and relate to sovereign jurisdictions also rated by Fitch on the IDR scale. They reflect the agency•s judgment regarding the risk of capita exchange controls being imposed by the sovereign authorities that would prevent or materially impede the private sector•s to convert local currency into foreign currency and transfer to non-resident creditors „ transfer and convertibility (T&C) risk They are not ratings but expressions of a cap for the foreign currency issuer ratings of most, but not all, issuers in a given country. Given the close correlation between sovereign credit and T&C risks, the Country Ceiling may exhibit a greater deg volatility than would normally be expected when it lies above the sovereign Foreign Currency Rating.

Description of Fitch Ratings• Sovereigns, Public Finance and Global Infrastructure Obligations:

Ratings of public finance obligations and ratings of infrastructure and project finance obligations on the long-term scale, including the financial obligations of sovereigns, consider the obligations• relative vulnerability to default. These ra are assigned to an individual security, instrument or tranche in a transaction. In some cases, considerations of recoveries c have an influence on obligation ratings in infrastructure and project finance. In limited cases in U.S. public finance, where Chapter 9 of the Bankruptcy Code provides reliably superior prospects for ultimate recovery to local government obligation

Structured Finance Defaults

Imminent default, categorized under •CŽ, typically refers to the occasion where a payment default has been intima by the issuer and is all but inevitable. This may, for example, be where an issuer has missed a scheduled payment but (as typical) has a grace period during which it may cure the payment default. Another alternative would be where an issuer has formally announced a distressed debt exchange, but the date of the exchange still lies several days or weeks in the immed future.

Additionally, in structured finance transactions, where analysis indicates that an instrument is irrevocably impaired such that it is not expected to pay interest and/or principal in full in accordance with the terms of the obligation•s document during the life of the transaction, but where no payment default in accordance with the terms of the documentation is immin the obligation will typically be rated in the •CŽ category.

Structured Finance Write-downs

Where an instrument has experienced an involuntary and, in the agency•s opinion, irreversible write-down of princi (i.e. other than through amortization, and resulting in a loss to the investor), a credit rating of •DŽ will be assigned to the instrument. Where the agency believes the write-down may prove to be temporary (and the loss may be written up again in future if and when performance improves), then a credit rating of •CŽ will typically be assigned. Should the write-down then be reversed, the credit rating will be raised to an appropriate level for that instrument. Should the write-down later be deem as irreversible, the credit rating will be lowered to •DŽ.

Notes:

In the case of structured finance, while the ratings do not address the loss severity given default of the rated liability, loss severity assumptions on the underlying assets are nonetheless typically included as part of the analysis. Loss severity assumptions are used to derive pool cash flows available to service the rated liability.

The suffix •sfŽ denotes an issue that is a structured finance transaction.

Enhanced Equipment Trust Certificates (EETCs) are corporate-structured hybrid debt securities that airlines typica to finance aircraft equipment. Due to the hybrid characteristics of these bonds, Fitch•s rating approach incorporates elemen both the structured finance and corporate rating methodologies. Although rated as asset-backed securities, unlike other structured finance ratings, EETC ratings involve a measure of recovery given default akin to ratings of financial obligations corporate finance, as described above.

Description of Fitch Ratings• Short-Term Ratings Assigned to Issuers and Obligations:

A short-term issuer or obligation rating is based in all cases on the short-term vulnerability to default of the rated entity and relates to the capacity to meet financial obligations in accordance with the documentation governing the relevant obliga