

Release Date: 12-31-2018

Legg Mason Partners Variable Small Cap Growth Portfolio — Class II

Investment Strategy from investment's prospectus

The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80% of its assets in equity securities of companies with small market capitalizations and related investments. The portfolio managers use a growth-oriented investment style that emphasizes small U.S. companies.

Past name: Legg Mason ClearBridge Var Sm Cap Gr II.

Category Description: Small Growth

Small-growth funds focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. These funds tend to favor companies in up-and-coming industries or young firms in their early growth stages. As a result, the category tends to move in sync with the market for initial public offerings. Many of these funds invest in the technology, health-care and services sectors. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile.

Operations

Fund Inception Date	02-02-07
Initial Share Class Inception Date	11-08-99
Advisor	Legg Mason Partners Fund Advisor, LLC
Subadvisor	ClearBridge Investments, LLC

Fees and Expenses as of 05-01-18

Gross Prospectus Expense Ratio	1.07%
Net Prospectus Expense Ratio	1.07%

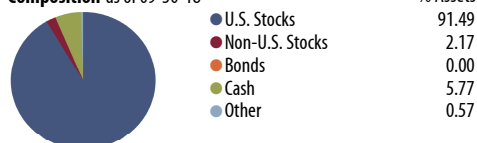
Waiver Data	Type	Exp.Date	%

Portfolio Manager(s)

Aram E. Green, B.A., Union College. Since 2007.
 Jeffrey J. Russell, CFA, M.B.A., University of Pennsylvania (Wharton).
 B.S., Massachusetts Institute of Technology. Since 2007.

Portfolio Analysis as of 09-30-18

Composition as of 09-30-18



Top 20 Holdings as of 09-30-18

	% Assets
Trex Co Inc	3.14
Icon PLC	2.89
Insulet Corp	2.72
Fox Factory Holding Corp	2.71
Medidata Solutions Inc	2.59
Copart Inc	2.56
Fortinet Inc	2.42
Syneos Health Inc A	2.22
Integra Lifesciences Holdings Corp	2.17
GrubHub Inc	2.16
XPO Logistics Inc	2.07
Aspen Technology Inc	2.03
IDEX Corp	2.00
Western Alliance Bancorp	2.00
Qualys Inc	1.96
Wix.com Ltd	1.96
Cornerstone OnDemand Inc	1.95
Monro Inc	1.86
US Ecology Inc	1.80
Casey's General Stores Inc	1.77
Total Number of Stock Holdings	75
Total Number of Bond Holdings	—
Annual Turnover Ratio %	20.00
Total Fund Assets (\$mil)	301.68

Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

Morningstar Style Box™ as of 09-30-18

	% Mkt Cap
Giant	0.00
Large	0.00
Medium	52.88
Small	47.12
Micro	0.00

Statistics as of 09-30-18

	Stk Port Avg	S&P 500	Category
P/E Ratio	32.45	14.35	22.41
P/B Ratio	3.92	2.73	3.29
P/C Ratio	15.34	11.79	15.99
GeoAvgCap(\$mil)	3,712.82	93,688.30	3,221.89

Risk Measures as of 12-31-18

	Port Avg	S&P 500	Category
3 Yr Std Dev	16.83	10.95	16.38
3 Yr Sharpe Ratio	0.62	0.76	0.51
3 Yr Alpha	-0.14	—	-2.14
3 Yr Beta	1.25	—	1.25
3 Yr R-squared	67.10	—	71.56

Morningstar Sectors as of 09-30-18

	%Fund	S&P 500 %
Cyclical	26.45	32.63
Basic Materials	6.04	2.56
Consumer Cyclical	12.68	11.82
Financial Services	7.46	15.83
Real Estate	0.27	2.42
Sensitive	50.46	40.71
Communication Services	0.00	3.58
Energy	2.08	5.32
Industrials	11.49	9.92
Technology	36.89	21.89
Defensive	23.09	26.65
Consumer Defensive	5.46	7.85
Healthcare	16.86	15.46
Utilities	0.77	3.34

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

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