

Release Date: 09-30-2018

Legg Mason Partners ClearBridge Variable Small Cap Growth Portfolio — Class I

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 I.

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	11-08-99
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	0.82%
Net Prospectus Expense Ratio	0.82%

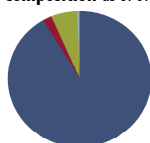
Waiver Data	Type	Exp.Date	%

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.

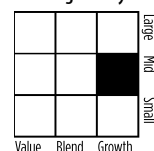
Portfolio Analysis as of 07-31-18

Composition as of 07-31-18



	% Assets
U.S. Stocks	91.59
Non-U.S. Stocks	1.97
Bonds	0.00
Cash	5.90
Other	0.63

Morningstar Style Box™ as of 07-31-18



	% Mkt Cap
Giant	0.00
Large	0.00
Medium	50.95
Small	49.05
Micro	0.00

Top 20 Holdings as of 07-31-18

	% Assets
Trex Co Inc	3.48
Copart Inc	3.13
Medidata Solutions Inc	2.88
Icon PLC	2.87
Insulet Corp	2.35
Syneos Health Inc A	2.33
IDEX Corp	2.23
Integra Lifesciences Holdings Corp	2.20
Western Alliance Bancorp	2.18
Fox Factory Holding Corp	2.11
Qualys Inc	2.11
GrubHub Inc	2.09
athenahealth Inc	2.01
XPO Logistics Inc	1.99
Monro Inc	1.97
Monolithic Power Systems Inc	1.95
Aspen Technology Inc	1.87
Cornerstone OnDemand Inc	1.86
Chegg Inc	1.82
US Ecology Inc	1.82
Total Number of Stock Holdings	74
Total Number of Bond Holdings	—
Annual Turnover Ratio %	20.00
Total Fund Assets (\$mil)	414.03

Statistics as of 07-31-18

	Stk Port Avg	S&P 500	Category
P/E Ratio	30.55	17.98	24.32
P/B Ratio	3.64	3.17	3.69
P/C Ratio	14.18	13.67	17.17
GeoAvgCap(\$mil)	3,440.10	109,557.79	3,693.51

Risk Measures as of 09-30-18

	Port Avg	S&P 500	Category
3 Yr Std Dev	13.98	9.18	13.19
3 Yr Sharpe Ratio	1.50	1.69	1.30
3 Yr Alpha	4.44	—	1.13
3 Yr Beta	1.06	—	1.01
3 Yr R-squared	49.10	—	51.72

Morningstar Sectors as of 07-31-18

	%Fund	S&P 500 %
Cyclical	27.39	32.42
Basic Materials	6.52	2.27
Consumer Cyclical	12.17	12.18
Financial Services	8.31	15.79
Real Estate	0.39	2.18
Sensitive	50.78	42.67
Communication Services	0.00	3.24
Energy	2.38	6.00
Industrials	11.81	10.35
Technology	36.59	23.08
Defensive	21.82	24.92
Consumer Defensive	5.17	7.13
Healthcare	16.20	14.96
Utilities	0.45	2.83

Notes

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NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE

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.