

Annual Report | December 31, 2021

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CLEARBRIDGE  
VARIABLE SMALL CAP  
GROWTH PORTFOLIO

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## Portfolio objective

The Portfolio seeks long-term growth of capital.

## Letter from the president



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### Dear Shareholder,

We are pleased to provide the annual report of ClearBridge Variable Small Cap Growth Portfolio for the twelve-month reporting period ended December 31, 2021. Please read on for a detailed look at prevailing economic and market conditions during the Portfolio's reporting period and to learn how those conditions have affected Portfolio performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices.

We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, [www.franklintempleton.com](http://www.franklintempleton.com). Here you can gain immediate access to market and investment information, including:

- Market insights and commentaries from our portfolio managers and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,



Jane Trust, CFA  
President and Chief Executive Officer

January 31, 2022

# Portfolio overview

## **Q. What is the Portfolio's investment strategy?**

**A.** The Portfolio seeks long-term growth of capital. Under normal circumstances, the Portfolio invests at least 80% of its assets in equity securities of companies with small market capitalizations and related investments. The Portfolio may invest up to 20% of its assets in equity securities of companies that are not considered to be small capitalization companies. We use a growth-oriented investment style that emphasizes small capitalization U.S. companies. In selecting individual companies for investment, some of the sought-after characteristics include:

- Superior management teams, evidenced by experience, capital discipline and definable strategy
- Good prospects for growth
- Dominant position in a niche market or customers that are very large companies
- Strong or improving financial conditions

In addition, the Portfolio may invest in companies that we believe to be emerging in new or existing markets. The Portfolio may also invest in companies we believe to be undervalued relative to their peers. The Portfolio may invest up to 20% of its net assets (at the time of investment) in foreign securities.

We generally use a "bottom-up" approach when selecting securities for the Portfolio. We focus on individual security selection rather than allow macro-economic considerations to strongly influence sector weights or individual security selection.

We utilize our fundamental research analysts who, using their industry expertise, determine the material ESG (environmental, social and governance) factors facing both individual companies and industry sectors and engage with company management regarding the extent to which they promote best practices of such factors. ESG factors may include, but are not necessarily limited to, environmentally-friendly product initiatives, labor audits of overseas supply chains and strong corporate governance. The choice of ESG factors for any particular company reflects the specific industry.

## **Q. What were the overall market conditions during the Portfolio's reporting period?**

**A.** After double digit returns four of the five preceding calendar years, the small capitalization growth marketplace (measured by the Russell 2000 Growth Index<sup>1</sup>) took a breather during 2021, returning a modest 2.83% for the twelve months ended December 31, 2021.

The second year of a global battle with a wily and lethal pandemic, combined with a lack of policy clarity from Washington, overshadowed a reasonably healthy economy. The rapid development of vaccines in 2020 and deployment in 2021 were welcome tonics for global growth. Yet significant hurdles (ramping inflation, supply chain disruptions) challenged

## Portfolio overview (cont'd)

many companies and sectors. The narrative on inflation moved from “transitory” to more imbedded; investors rightly worried about a number of short-term interest rate increases in the next few years. The small cap growth market peaked early in 2021 and these negatives intensified as the year progressed.

The year encompassed a number of equity market cross-currents:

- Initial public offering (“IPO”) volume was prolific with 396 IPOs priced and over \$140 billion raised.
- Secondary placements from private equity holders also surged while new private buyouts exceeded historic levels.
- The Special Purpose Acquisition Companies (“SPAC”)/de-SPAC phenomenon led to the listing of many companies with uncertain prospects yet capital to invest. Over 600 SPACs listed, raising as much as the IPO marketplace, while approximately 200 private companies became listed through mergers into SPACs.
- Companies (primarily larger cap) flush with capital bought back record amounts of stock.
- Corporate insiders, conversely, sold in some cases massive quantities of personal holdings as record stock prices coincided with the likelihood of higher personal capital gains tax rates.
- Flows into exchanged-traded funds were very healthy, pushing a few mega cap stocks into uncharted capitalization territory.
- Leveraged investors significantly delevered as the Omicron variant spread.

### **Q. How did we respond to these changing market conditions?**

**A.** With this mosaic as a backdrop, we continued to vet and find companies with product and service innovation, sound leadership and capital adequacy. For the second year in a row, managements were tested with a harrowing array of shortages (labor and products), higher input costs and the continuing mutations of COVID-19.

Most companies in the Portfolio came through with strong profits growth but inevitably some businesses struggled as the year progressed. Other companies had “tough comps” versus the above-normal growth of 2020.

Strategy performance for much of the reporting period was driven by our health care exposure in an otherwise tough period for small cap health care stocks. Health care (-21.66%) was the worst performing sector in the benchmark. Biotechnology and gene therapy companies, in particular, were pressured by disappointing clinical trials, Food and Drug Administration (“FDA”) approvals being pushed out, potential drug price limitations out of Washington and simply too much supply with more than 140 health care IPOs during the year.

Our aversion toward early-stage biotech proved productive as did our approach of emphasizing the enablers and selected, profitable medical technology companies. Strong contributors included Penumbra, a maker of medical devices to treat aneurysms, Vocera Communications, whose wearable badges and software enable communications among essential health care workers within hospitals, Surgery Partners, which is benefitting from higher volumes to its ambulatory surgery centers, as well as contract research organization ICON whose recent acquisition of PRA Health Sciences should support underlying business growth.

Portfolio changes diminished as the reporting period progressed, partly as the quality of IPOs declined compared with last year's cohort. We cut back a significant chunk of larger cap longer-term investments in the Portfolio (HubSpot, Insulet, Monolithic Power) and redeployed the assets into smaller cap existing holdings and new ideas as liquidity events occurred.

We are pleased the Portfolio outperformed this year and has outperformed the benchmark four of the past five years. Our bias towards high quality, innovative share takers in a high active share, risk-structured portfolio has been rewarding.

## Performance review

For the twelve months ended December 31, 2021, Class I shares of ClearBridge Variable Small Cap Growth Portfolio <sup>1</sup> returned 12.61%. The Portfolio's unmanaged benchmark, the Russell 2000 Growth Index, returned 2.83% for the same period. The Lipper Variable Small-Cap Growth Funds Category Average<sup>ii</sup> returned 9.40% over the same time frame.

### Performance Snapshot as of December 31, 2021 (unaudited)

	6 months	12 months
ClearBridge Variable Small Cap Growth Portfolio:		
Class I	-0.23%	12.61%
Class II	-0.35%	12.31%
Russell 2000 Growth Index	-5.64%	2.83%
Lipper Variable Small-Cap Growth Funds Category Average	-0.50%	9.40%

**The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Principal value and investment returns will fluctuate and investors' shares, when redeemed, may be worth more or less than their original cost.**

**All share class returns assume the reinvestment of all distributions at net asset value and the deduction of all Portfolio expenses. Performance figures for periods shorter than one year represent cumulative figures are not annualized.**

<sup>1</sup> The Portfolio is an underlying investment option of various variable annuity and variable life insurance products. The Portfolio's performance returns do not reflect the deduction of expenses imposed in connection with investing in variable annuity or variable life insurance contracts, such as fees, account charges and surrender charges, which, if reflected, would reduce the performance of the Portfolio. **Past performance is no guarantee of future results.**

## Portfolio overview (cont'd)

**Portfolio performance figures reflect fee waivers and/or expense reimbursements, without which the performance would have been lower.**

### Total Annual Operating Expenses (unaudited)

**As of the Portfolio's current prospectus dated May 1, 2021, the gross total annual fund operating expense ratios for Class I and Class II shares were 0.81% and 1.06%, respectively.**

**Actual expenses may be higher. For example, expenses may be higher than those shown if average net assets decrease. Net assets are more likely to decrease and Portfolio expense ratios are more likely to increase when markets are volatile.**

### **Q. What were the leading contributors to performance?**

**A.** On an absolute basis, the Portfolio had positive performance in eight of the ten economic sectors in which it was invested for the reporting period (out of eleven economic sectors in total). The leading contributors came from the industrials, IT and health care sectors.

Relative to the benchmark, overall stock selection and sector allocation contributed to performance for the reporting period. In particular, stock selection in the health care sector was the primary driver of results. Stock selection in the industrials, financials and materials sectors, an underweight to health care and overweights to the IT, energy and consumer staples also had positive impacts on relative performance.

In terms of individual holdings, leading contributors to performance for the reporting period included positions in Trex in the industrials sector, BJ's Wholesale Club in the consumer staples sector, Fox Factory Holdings in the consumer discretionary sector as well as Penumbra and Surgery Partners in the health care sector.

### **Q. What were the leading detractors from performance?**

**A.** Relative to the benchmark, stock selection in the consumer discretionary, communication services, real estate and IT sectors and underweights to the consumer discretionary and real estate sectors detracted from performance for the reporting period.

In terms of individual holdings, the leading detractors from performance for the reporting period included Portfolio positions in Chegg in the consumer discretionary sector, Bandwidth in the communication services sector as well as iRhythm Technologies, Invitae and Amicus Therapeutics in the health care sector.

### **Q. Were there any significant changes to the Portfolio during the reporting period?**

**A.** There were a number of positions bought and sold over the course of the reporting period. Among our eighteen purchases still held at reporting period end, the largest were GXO Logistics and Shoals Technologies in the industrials sector, Sprout Social and Momentive Global in the IT sector as well as Hayward Holdings in the consumer discretionary sector. The Portfolio also closed fifteen positions during the year with the largest sales being HubSpot, Inphi and Cornerstone OnDemand in the IT sector, Aerojet Rocketdyne in the industrials sector and Heron Therapeutics in the health care sector.

Thank you for your investment in ClearBridge Variable Small Cap Growth Portfolio. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Portfolio's investment goals.

Sincerely,



Jeffrey J. Russell, CFA  
Portfolio Manager  
ClearBridge Investments, LLC



Aram E. Green  
Portfolio Manager  
ClearBridge Investments, LLC  
January 18, 2022

*RISKS: Equity securities are subject to price and market fluctuations. Investments in small-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. Investments in foreign securities are subject to certain risks of overseas investing, including currency fluctuations and changes in social, political and economic conditions, which could result in significant market fluctuations. These risks are magnified in emerging markets. Emerging market countries tend to have economic, political and legal systems that are less developed and are less stable than those of more developed countries. The Portfolio may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Portfolio performance. Please see the Portfolio's prospectus for a more complete discussion of these and other risks and the Portfolio's investment strategies.*

Portfolio holdings and breakdowns are as of December 31, 2021 and are subject to change and may not be representative of the portfolio managers' current or future investments. The Portfolio's top ten holdings (as a percentage of net assets) as of December 31, 2021 were: Trex Co. Inc. (4.4%), BJ's Wholesale Club Holdings Inc. (3.4%), Fox Factory Holding Corp. (3.2%), Penumbra Inc. (2.8%), Syneos Health Inc. (2.6%), National Vision Holdings Inc. (2.3%), Surgery Partners Inc. (2.1%), Western Alliance Bancorp (2.1%), Trupanion Inc. (2.0%) and ICON PLC (2.0%). Please refer to pages 12 through 16 for a list and percentage breakdown of the Portfolio's holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should

## Portfolio overview (cont'd)

consult their financial professional. The Portfolio's top five sector holdings (as a percentage of net assets) as of December 31, 2021 were: health care (26.4%), information technology (25.9%), industrials (17.2%), consumer discretionary (8.7%) and consumer staples (7.7%). The Portfolio's composition is subject to change at any time.

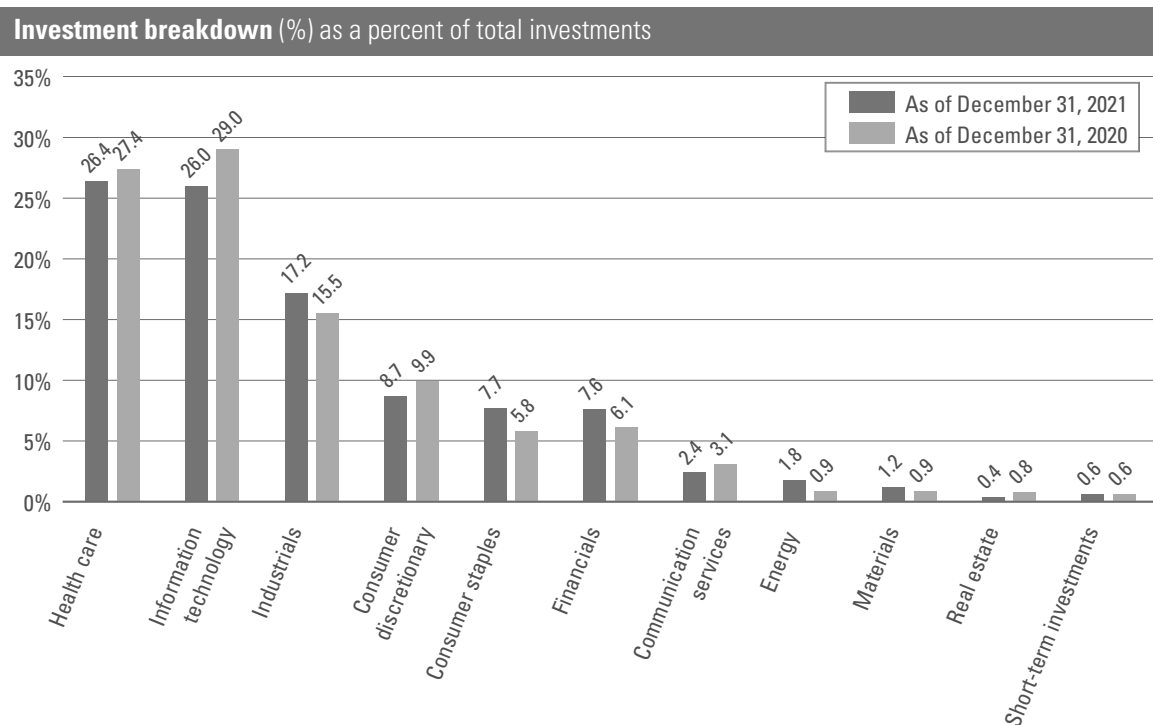
All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

- <sup>i</sup> The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values. (A price-to-book ratio is the price of a stock compared to the difference between a company's assets and liabilities). The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization which represents approximately 98% of the U.S. equity market.
- <sup>ii</sup> Lipper, Inc., a wholly-owned subsidiary of Refinitiv, provides independent insight on global collective investments. Returns are based on the period ended December 31, 2021, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 100 funds for the six-month period and among the 100 funds for the twelve-month period in the Portfolio's Lipper category.



# Portfolio at a glance† (unaudited)



† The bar graph above represents the composition of the Portfolio's investments as of December 31, 2021 and December 31, 2020. The Portfolio is actively managed. As a result, the composition of the Portfolio's investments is subject to change at any time.

## Portfolio expenses (unaudited)

### Example

As a shareholder of the Portfolio, you may incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; service and/or distribution (12b-1) fees; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other funds.

This example is based on an investment of \$1,000 invested on July 1, 2021 and held for the six months ended December 31, 2021.

### Actual expenses

The table below titled “Based on Actual Total Return” provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses you paid on your account, divide your ending account value by \$1,000 (for example, an \$8,600 ending account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During the Period”.

Based on actual total return <sup>1</sup>					Expenses Paid
	Actual Total Return <sup>2</sup>	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	During the Period <sup>3</sup>
Class I	-0.23%	\$1,000.00	\$997.70	0.80%	\$4.03
Class II	-0.35	1,000.00	996.50	1.05	5.28

### Hypothetical example for comparison purposes

The table below titled “Based on Hypothetical Total Return” provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5.00% per year before expenses, which is not the Portfolio’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use the information provided in this table to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare the 5.00% hypothetical example relating to the Portfolio with the 5.00% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table below are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

Based on hypothetical total return <sup>1</sup>					Expenses Paid
	Hypothetical Annualized Total Return	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	During the Period <sup>3</sup>
Class I	5.00%	\$1,000.00	\$1,021.17	0.80%	\$4.08
Class II	5.00	1,000.00	1,019.91	1.05	5.35

- <sup>1</sup> For the six months ended December 31, 2021.
- <sup>2</sup> Assumes the reinvestment of all distributions, including returns of capital, if any, at net asset value. Total return is not annualized, as it may not be representative of the total return for the year. Total returns do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the total returns. Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.
- <sup>3</sup> Expenses (net of compensating balance arrangements, fee waivers and/or expense reimbursements) are equal to each class' respective annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184), then divided by 365.

## Portfolio performance (unaudited)

### Average annual total returns<sup>1</sup>

	Class I	Class II
Twelve Months Ended 12/31/21	12.61%	12.31%
Five Years Ended 12/31/21	21.34	21.04
Ten Years Ended 12/31/21	17.14	16.82

### Cumulative total returns<sup>1</sup>

Class I (12/31/11 through 12/31/21)	386.51%
Class II (12/31/11 through 12/31/21)	373.51

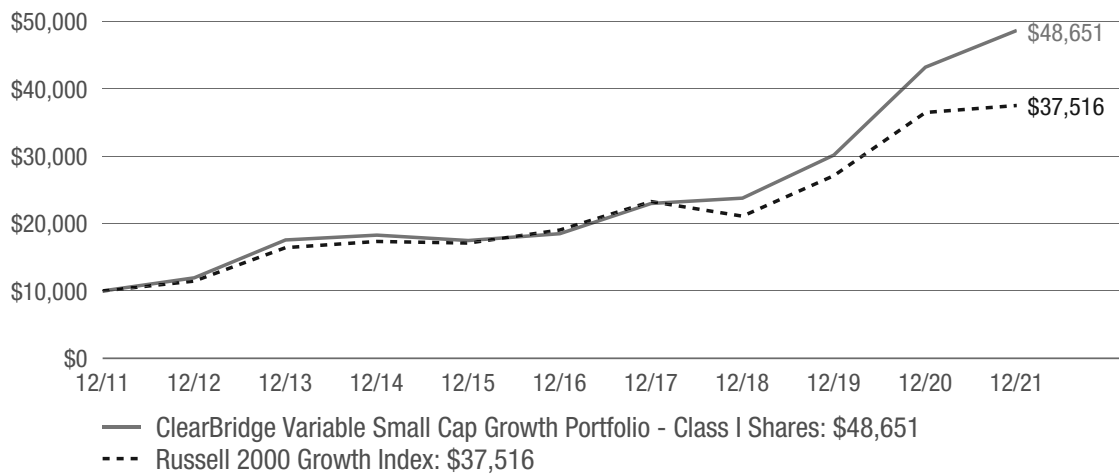
**All figures represent past performance and are not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the total returns. Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower.**

<sup>1</sup> Assumes the reinvestment of all distributions, including returns of capital, if any, at net asset value.

## Historical performance

### Value of \$10,000 invested in

Class I Shares of ClearBridge Variable Small Cap Growth Portfolio vs Russell 2000 Growth Index —  
December 2011 - December 2021



**All figures represent past performance and are not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the total returns. Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower.**

† Hypothetical illustration of \$10,000 invested in Class I shares of ClearBridge Variable Small Cap Growth Portfolio on December 31, 2011, assuming the reinvestment of all distributions, including returns of capital, if any, at net asset value through December 31, 2021. The hypothetical illustration also assumes a \$10,000 investment in the Russell 2000 Growth Index. The Russell 2000 Growth Index (the "Index") measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. The Index is unmanaged and is not subject to the same management and trading expenses as a fund. Please note that an investor cannot invest directly in an index. The performance of the Portfolio's other class may be greater or less than the Class I shares' performance indicated on this chart, depending on whether greater or lesser fees were incurred by shareholders investing in the other class.

# Schedule of investments

December 31, 2021

## ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security	Shares	Value
<b>Common Stocks — 98.6%</b>		
<b>Communication Services — 2.4%</b>		
<i>Diversified Telecommunication Services — 2.0%</i>		
Bandwidth Inc., Class A Shares	66,700	\$ 4,786,392 *
Iridium Communications Inc.	146,504	6,049,150 *
<i>Total Diversified Telecommunication Services</i>		<i>10,835,542</i>
<i>Media — 0.4%</i>		
Klaviyo Inc.	69,558	2,417,175 *(a)(b)(c)
<b>Total Communication Services</b>		<b>13,252,717</b>
<b>Consumer Discretionary — 8.7%</b>		
<i>Auto Components — 3.2%</i>		
Fox Factory Holding Corp.	103,039	17,526,934 *
<i>Diversified Consumer Services — 0.9%</i>		
Chegg Inc.	166,233	5,103,353 *
<i>Hotels, Restaurants &amp; Leisure — 0.3%</i>		
Dutch Bros Inc., Class A Shares	23,105	1,176,275 *
Sweetgreen Inc., Class A Shares	7,722	247,104 *
<i>Total Hotels, Restaurants &amp; Leisure</i>		<i>1,423,379</i>
<i>Internet &amp; Direct Marketing Retail — 0.1%</i>		
Poshmark Inc., Class A Shares	45,550	775,716 *
<i>Leisure Products — 1.0%</i>		
Hayward Holdings Inc.	203,720	5,343,576 *
<i>Specialty Retail — 3.2%</i>		
Monro Inc.	85,049	4,955,805
National Vision Holdings Inc.	256,342	12,301,853 *
<i>Total Specialty Retail</i>		<i>17,257,658</i>
<b>Total Consumer Discretionary</b>		<b>47,430,616</b>
<b>Consumer Staples — 7.7%</b>		
<i>Food &amp; Staples Retailing — 6.3%</i>		
BJ's Wholesale Club Holdings Inc.	273,283	18,301,762 *
Casey's General Stores Inc.	43,273	8,539,927
Grocery Outlet Holding Corp.	150,885	4,267,028 *
Performance Food Group Co.	61,337	2,814,755 *
<i>Total Food &amp; Staples Retailing</i>		<i>33,923,472</i>
<i>Food Products — 1.4%</i>		
Calavo Growers Inc.	47,400	2,009,760
Hain Celestial Group Inc.	134,781	5,743,018 *
<i>Total Food Products</i>		<i>7,752,778</i>
<b>Total Consumer Staples</b>		<b>41,676,250</b>

See Notes to Financial Statements.

## ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security	Shares	Value
<b>Energy — 1.8%</b>		
<i>Energy Equipment &amp; Services — 1.8%</i>		
Cactus Inc., Class A Shares	153,080	\$ 5,836,940
ChampionX Corp.	183,321	3,704,918 *
<b>Total Energy</b>		<b>9,541,858</b>
<b>Financials — 7.7%</b>		
<i>Banks — 2.2%</i>		
Western Alliance Bancorp	107,674	11,591,106
<i>Capital Markets — 2.3%</i>		
Hamilton Lane Inc., Class A Shares	66,020	6,840,993
PJT Partners Inc., Class A Shares	76,758	5,687,000
<i>Total Capital Markets</i>		<i>12,527,993</i>
<i>Insurance — 3.2%</i>		
American Equity Investment Life Holding Co.	161,992	6,304,729
Trupanion Inc.	83,774	11,060,681 *
<i>Total Insurance</i>		<i>17,365,410</i>
<b>Total Financials</b>		<b>41,484,509</b>
<b>Health Care — 26.1%</b>		
<i>Biotechnology — 4.0%</i>		
Biohaven Pharmaceutical Holding Co. Ltd.	66,998	9,232,995 *
CareDx Inc.	126,742	5,764,226 *
Invitae Corp.	165,630	2,529,170 *
Ultragenyx Pharmaceutical Inc.	51,321	4,315,583 *
<i>Total Biotechnology</i>		<i>21,841,974</i>
<i>Health Care Equipment &amp; Supplies — 6.8%</i>		
CryoPort Inc.	77,125	4,563,486 *
Figs Inc., Class A Shares	23,370	644,077 *
Insulet Corp.	8,076	2,148,782 *
Integra LifeSciences Holdings Corp.	143,117	9,587,408 *
Penumbra Inc.	53,344	15,326,798 *
Silk Road Medical Inc.	105,833	4,509,544 *
<i>Total Health Care Equipment &amp; Supplies</i>		<i>36,780,095</i>
<i>Health Care Providers &amp; Services — 3.9%</i>		
Progyny Inc.	192,490	9,691,871 *
Surgery Partners Inc.	217,963	11,641,404 *
<i>Total Health Care Providers &amp; Services</i>		<i>21,333,275</i>
<i>Health Care Technology — 5.1%</i>		
Certara Inc.	153,210	4,354,228 *
Health Catalyst Inc.	146,715	5,812,848 *

See Notes to Financial Statements.

# Schedule of investments (cont'd)

December 31, 2021

## ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security	Shares	Value
<i>Health Care Technology — continued</i>		
Omniceil Inc.	51,936	\$ 9,371,332 *
Vocera Communications Inc.	130,640	8,470,698 *
<i>Total Health Care Technology</i>		<i>28,009,106</i>
<i>Life Sciences Tools &amp; Services — 5.3%</i>		
ICON PLC	35,355	10,949,443 *
Olink Holding AB, ADR	110,810	2,016,742 *
Quanterix Corp.	37,635	1,595,724 *
Syneos Health Inc.	137,019	14,069,111 *
<i>Total Life Sciences Tools &amp; Services</i>		<i>28,631,020</i>
<i>Pharmaceuticals — 1.0%</i>		
Pacira BioSciences Inc.	86,852	5,225,885 *
<b>Total Health Care</b>		<b>141,821,355</b>
<b>Industrials — 17.2%</b>		
<i>Air Freight &amp; Logistics — 3.2%</i>		
Forward Air Corp.	85,612	10,366,757
GXO Logistics Inc.	75,780	6,883,098 *
<i>Total Air Freight &amp; Logistics</i>		<i>17,249,855</i>
<i>Building Products — 5.8%</i>		
Masonite International Corp.	64,690	7,630,185 *
Trex Co. Inc.	177,927	24,025,483 *
<i>Total Building Products</i>		<i>31,655,668</i>
<i>Electrical Equipment — 1.9%</i>		
Bloom Energy Corp., Class A Shares	240,969	5,284,450 *
Shoals Technologies Group Inc., Class A Shares	199,080	4,837,644 *
<i>Total Electrical Equipment</i>		<i>10,122,094</i>
<i>Machinery — 3.9%</i>		
Albany International Corp., Class A Shares	40,980	3,624,681
Hydrofarm Holdings Group Inc.	66,480	1,880,719 *
RBC Bearings Inc.	54,136	10,933,848 *
Tennant Co.	61,997	5,024,237
<i>Total Machinery</i>		<i>21,463,485</i>
<i>Road &amp; Rail — 1.1%</i>		
XPO Logistics Inc.	75,780	5,867,645 *
<i>Trading Companies &amp; Distributors — 1.3%</i>		
H&E Equipment Services Inc.	158,422	7,013,342
<b>Total Industrials</b>		<b>93,372,089</b>
<b>Information Technology — 25.4%</b>		
<i>Communications Equipment — 0.9%</i>		
Viavi Solutions Inc.	274,578	4,838,064 *

See Notes to Financial Statements.



## ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security	Shares	Value
<i>Electronic Equipment, Instruments &amp; Components — 0.9%</i>		
Brain Corp.	52,367	\$ 280,514 <sup>*(a)(b)(c)</sup>
nLight Inc.	85,180	2,040,061 *
OSI Systems Inc.	30,643	2,855,928 *
<i>Total Electronic Equipment, Instruments &amp; Components</i>		<i>5,176,503</i>
<i>IT Services — 1.5%</i>		
Shift4 Payments Inc., Class A Shares	98,425	5,701,760 *
Wix.com Ltd.	15,940	2,515,173 *
<i>Total IT Services</i>		<i>8,216,933</i>
<i>Semiconductors &amp; Semiconductor Equipment — 6.6%</i>		
Allegro MicroSystems Inc.	260,915	9,439,905 *
Azenta Inc.	71,983	7,422,167
Lattice Semiconductor Corp.	140,950	10,861,607 *
Monolithic Power Systems Inc.	16,291	8,036,839
<i>Total Semiconductors &amp; Semiconductor Equipment</i>		<i>35,760,518</i>
<i>Software — 15.5%</i>		
Aspen Technology Inc.	60,583	9,220,733 *
Envestnet Inc.	89,074	7,067,131 *
Jamf Holding Corp.	140,495	5,340,215 *
Model N Inc.	176,485	5,299,845 *
Momentive Global Inc.	247,887	5,242,810 *
New Relic Inc.	71,218	7,831,131 *
PagerDuty Inc.	272,510	9,469,723 *
Paycor HCM Inc.	105,952	3,052,477 *
Qualys Inc.	26,365	3,617,805 *
SEMrush Holdings Inc., Class A Shares	118,760	2,476,146 *
Smartsheet Inc., Class A Shares	54,260	4,202,437 *
Sprout Social Inc., Class A Shares	66,220	6,005,492 *
Varonis Systems Inc.	198,667	9,690,976 *
Viant Technology Inc., Class A Shares	85,505	829,826 *
Yext Inc.	289,246	2,869,320 *
Zeta Global Holdings Corp., Class A Shares	224,470	1,890,037 *
<i>Total Software</i>		<i>84,106,104</i>
<b>Total Information Technology</b>		<b>138,098,122</b>
<b>Materials — 1.2%</b>		
<i>Chemicals — 1.2%</i>		
Balchem Corp.	38,556	<b>6,500,542</b>

See Notes to Financial Statements.

# Schedule of investments (cont'd)

December 31, 2021

## ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security		Shares	Value
<b>Real Estate — 0.4%</b>			
<i>Real Estate Management &amp; Development — 0.4%</i>			
Redfin Corp.		51,604	\$ 1,981,078 *
<b>Total Common Stocks (Cost — \$278,943,068)</b>			<b>535,159,136</b>
<b>Preferred Stocks — 0.8%</b>			
<b>Health Care — 0.3%</b>			
<i>Pharmaceuticals — 0.3%</i>			
Caris Life Sciences Inc., Series C	—	183,481	1,472,653 *(a)(b)(c)
Caris Life Sciences Inc., Series D	—	31,383	251,886 *(a)(b)(c)
<b>Total Health Care</b>			<b>1,724,539</b>
<b>Information Technology — 0.5%</b>			
<i>Electronic Equipment, Instruments &amp; Components — 0.1%</i>			
Brain Corp.	—	170,237	911,909 *(a)(b)(c)
<i>Software — 0.4%</i>			
Pride Parent Inc.	—	72,825	2,034,437 *(a)(b)(c)
<b>Total Information Technology</b>			<b>2,946,346</b>
<b>Total Preferred Stocks (Cost — \$3,338,694)</b>			<b>4,670,885</b>
<b>Total Investments before Short-Term Investments (Cost — \$282,281,762)</b>			<b>539,830,021</b>
<b>Short-Term Investments — 0.6%</b>			
JPMorgan 100% U.S. Treasury Securities Money Market Fund, Institutional Class	0.006%	2,665,509	2,665,509
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	0.010%	666,377	666,377 (d)
<b>Total Short-Term Investments (Cost — \$3,331,886)</b>			<b>3,331,886</b>
<b>Total Investments — 100.0% (Cost — \$285,613,648)</b>			<b>543,161,907</b>
Liabilities in Excess of Other Assets — (0.0)%††			(262,243)
<b>Total Net Assets — 100.0%</b>			<b>\$542,899,664</b>

†† Represents less than 0.1%.

\* Non-income producing security.

(a) Security is valued in good faith in accordance with procedures approved by the Board of Trustees (Note 1).

(b) Security is valued using significant unobservable inputs (Note 1).

(c) Restricted security (Note 9).

(d) In this instance, as defined in the Investment Company Act of 1940, an "Affiliated Company" represents Portfolio ownership of at least 5% of the outstanding voting securities of an issuer, or a company which is under common ownership or control with the Portfolio. At December 31, 2021, the total market value of investments in Affiliated Companies was \$666,377 and the cost was \$666,377 (Note 8).

### Abbreviation(s) used in this schedule:

ADR — American Depositary Receipts

See Notes to Financial Statements.

# Statement of assets and liabilities

December 31, 2021

## Assets:

Investments in unaffiliated securities, at value (Cost — \$284,947,271)	\$ 542,495,530
Investments in affiliated securities, at value (Cost — \$666,377)	666,377
Receivable for Portfolio shares sold	681,200
Dividends receivable	66,171
Prepaid expenses	1,488
<b>Total Assets</b>	<b>543,910,766</b>

## Liabilities:

Payable for Portfolio shares repurchased	544,339
Investment management fee payable	339,768
Service and/or distribution fees payable	36,627
Trustees' fees payable	3,923
Accrued expenses	86,445
<b>Total Liabilities</b>	<b>1,011,102</b>
<b>Total Net Assets</b>	<b>\$ 542,899,664</b>

## Net Assets:

Par value (Note 7)	\$ 153
Paid-in capital in excess of par value	277,630,339
Total distributable earnings (loss)	265,269,172
<b>Total Net Assets</b>	<b>\$ 542,899,664</b>

## Net Assets:

Class I	\$368,060,073
Class II	\$174,839,591

## Shares Outstanding:

Class I	10,133,769
Class II	5,171,072

## Net Asset Value:

Class I	\$36.32
Class II	\$33.81

See Notes to Financial Statements.

# Statement of operations

For the Year Ended December 31, 2021

## Investment Income:

Dividends from unaffiliated investments	\$ 1,844,072
Dividends from affiliated investments	51
<b>Total Investment Income</b>	<b>1,844,123</b>

## Expenses:

Investment management fee (Note 2)	4,092,354
Service and/or distribution fees (Notes 2 and 5)	427,688
Fund accounting fees	72,547
Legal fees	57,495
Shareholder reports	45,441
Audit and tax fees	30,037
Trustees' fees	25,332
Transfer agent fees (Note 5)	24,464
Insurance	5,166
Custody fees	3,206
Interest expense	313
Miscellaneous expenses	5,477
<b>Total Expenses</b>	<b>4,789,520</b>
Less: Fee waivers and/or expense reimbursements (Notes 2 and 5)	(45)
<b>Net Expenses</b>	<b>4,789,475</b>
<b>Net Investment Loss</b>	<b>(2,945,352)</b>

## Realized and Unrealized Gain on Investments and Written Options (Notes 1, 3 and 4):

Net Realized Gain From:	
Investment transactions in unaffiliated securities	64,177,363
Written options	149,114
<b>Net Realized Gain</b>	<b>64,326,477</b>
<b>Change in Net Unrealized Appreciation (Depreciation) From Unaffiliated Investments</b>	<b>124,309</b>
<b>Net Gain on Investments and Written Options</b>	<b>64,450,786</b>
<b>Increase in Net Assets From Operations</b>	<b>\$61,505,434</b>

See Notes to Financial Statements.

# Statements of changes in net assets

For the Years Ended December 31,	2021	2020
<b>Operations:</b>		
Net investment loss	\$ (2,945,352)	\$ (2,266,869)
Net realized gain	64,326,477	40,408,292
Change in net unrealized appreciation (depreciation)	124,309	111,107,301
<b><i>Increase in Net Assets From Operations</i></b>	<b><i>61,505,434</i></b>	<b><i>149,248,724</i></b>
<b>Distributions to Shareholders From (Notes 1 and 6):</b>		
Total distributable earnings	(66,599,597)	(34,388,112)
<b><i>Decrease in Net Assets From Distributions to Shareholders</i></b>	<b><i>(66,599,597)</i></b>	<b><i>(34,388,112)</i></b>
<b>Portfolio Share Transactions (Note 7):</b>		
Net proceeds from sale of shares	119,094,109	108,706,937
Reinvestment of distributions	66,599,597	34,388,112
Cost of shares repurchased	(141,880,001)	(125,951,630)
<b><i>Increase in Net Assets From Portfolio Share Transactions</i></b>	<b><i>43,813,705</i></b>	<b><i>17,143,419</i></b>
<b><i>Increase in Net Assets</i></b>	<b><i>38,719,542</i></b>	<b><i>132,004,031</i></b>
<b>Net Assets:</b>		
Beginning of year	504,180,122	372,176,091
<b>End of year</b>	<b>\$ 542,899,664</b>	<b>\$ 504,180,122</b>

See Notes to Financial Statements.

# Financial highlights

For a share of each class of beneficial interest outstanding throughout each year ended December 31:					
Class I Shares <sup>1</sup>	2021	2020	2019	2018	2017
<b>Net asset value, beginning of year</b>	\$36.60	\$27.54	\$23.88	\$25.94	\$21.31
<b>Income (loss) from operations:</b>					
Net investment loss	(0.18)	(0.15)	(0.14)	(0.13)	(0.11)
Net realized and unrealized gain	4.70	11.83	6.50	1.16	5.28
<b>Total income from operations</b>	<b>4.52</b>	<b>11.68</b>	<b>6.36</b>	<b>1.03</b>	<b>5.17</b>
<b>Less distributions from:</b>					
Net realized gains	(4.80)	(2.62)	(2.70)	(3.09)	(0.54)
<b>Total distributions</b>	<b>(4.80)</b>	<b>(2.62)</b>	<b>(2.70)</b>	<b>(3.09)</b>	<b>(0.54)</b>
<b>Net asset value, end of year</b>	\$36.32	\$36.60	\$27.54	\$23.88	\$25.94
<b>Total return<sup>2</sup></b>	<b>12.61%</b>	<b>43.26%</b>	<b>26.87%</b>	<b>3.44%</b>	<b>24.26%</b>
<b>Net assets, end of year (millions)</b>	\$368	\$351	\$267	\$229	\$238
<b>Ratios to average net assets:</b>					
Gross expenses	0.80%	0.81%	0.81%	0.82%	0.82%
Net expenses <sup>3</sup>	0.80 <sup>4</sup>	0.81 <sup>4</sup>	0.81 <sup>4</sup>	0.82	0.82
Net investment loss	(0.46)	(0.52)	(0.49)	(0.46)	(0.47)
<b>Portfolio turnover rate</b>	<b>16%</b>	<b>21%</b>	<b>21%</b>	<b>25%</b>	<b>20%</b>

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Total returns do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total return for all periods shown. Past performance is no guarantee of future results.

<sup>3</sup> As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I shares did not exceed 1.00%. This expense limitation arrangement cannot be terminated prior to December 31, 2023 without the Board of Trustees' consent. In addition, the manager has agreed to waive the Portfolio's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund.

<sup>4</sup> Reflects fee waivers and/or expense reimbursements.

See Notes to Financial Statements.

**For a share of each class of beneficial interest outstanding throughout each year ended December 31:**

Class II Shares <sup>1</sup>	2021	2020	2019	2018	2017
<b>Net asset value, beginning of year</b>	\$34.46	\$26.11	\$22.81	\$24.96	\$20.58
<b>Income (loss) from operations:</b>					
Net investment loss	(0.27)	(0.21)	(0.20)	(0.20)	(0.16)
Net realized and unrealized gain	4.42	11.18	6.20	1.14	5.08
<b>Total income from operations</b>	<b>4.15</b>	<b>10.97</b>	<b>6.00</b>	<b>0.94</b>	<b>4.92</b>
<b>Less distributions from:</b>					
Net realized gains	(4.80)	(2.62)	(2.70)	(3.09)	(0.54)
<b>Total distributions</b>	<b>(4.80)</b>	<b>(2.62)</b>	<b>(2.70)</b>	<b>(3.09)</b>	<b>(0.54)</b>
<b>Net asset value, end of year</b>	\$33.81	\$34.46	\$26.11	\$22.81	\$24.96
<b>Total return<sup>2</sup></b>	<b>12.31%</b>	<b>42.91%</b>	<b>26.55%</b>	<b>3.21%</b>	<b>23.91%</b>
<b>Net assets, end of year (000s)</b>	\$174,840	\$153,272	\$104,852	\$72,147	\$61,094
<b>Ratios to average net assets:</b>					
Gross expenses	1.05%	1.06%	1.06%	1.07%	1.07%
Net expenses <sup>3</sup>	1.05 <sup>4</sup>	1.06 <sup>4</sup>	1.06 <sup>4</sup>	1.07	1.07
Net investment loss	(0.71)	(0.76)	(0.74)	(0.70)	(0.71)
<b>Portfolio turnover rate</b>	<b>16%</b>	<b>21%</b>	<b>21%</b>	<b>25%</b>	<b>20%</b>

<sup>1</sup> Per share amounts have been calculated using the average shares method.

<sup>2</sup> Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Total returns do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total return for all periods shown. Past performance is no guarantee of future results.

<sup>3</sup> As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class II shares did not exceed 1.25%. This expense limitation arrangement cannot be terminated prior to December 31, 2023 without the Board of Trustees' consent. In addition, the manager has agreed to waive the Portfolio's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund.

<sup>4</sup> Reflects fee waivers and/or expense reimbursements.

See Notes to Financial Statements.

# Notes to financial statements

## 1. Organization and significant accounting policies

ClearBridge Variable Small Cap Growth Portfolio (the "Portfolio") is a separate diversified investment series of Legg Mason Partners Variable Equity Trust (the "Trust"). The Trust, a Maryland statutory trust, is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company.

Shares of the Portfolio may only be purchased or redeemed through variable annuity contracts and variable life insurance policies offered by the separate accounts of participating insurance companies or through eligible pension or other qualified plans.

The following are significant accounting policies consistently followed by the Portfolio and are in conformity with U.S. generally accepted accounting principles ("GAAP"). Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through the date the financial statements were issued.

**(a) Investment valuation.** Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services typically use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. When the Portfolio holds securities or other assets that are denominated in a foreign currency, the Portfolio will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Portfolio calculates its net asset value, the Portfolio values these securities as determined in accordance with procedures approved by the Portfolio's Board of Trustees.

The Board of Trustees is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Global Fund Valuation Committee (known



as Legg Mason North Atlantic Fund Valuation Committee prior to March 1, 2021) (the "Valuation Committee"). The Valuation Committee, pursuant to the policies adopted by the Board of Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the Portfolio's pricing policies, and reporting to the Board of Trustees. When determining the reliability of third party pricing information for investments owned by the Portfolio, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Trustees quarterly.

The Portfolio uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

## Notes to financial statements (cont'd)

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Portfolio's assets carried at fair value:

<b>ASSETS</b>				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Long-Term Investments†:				
Common Stocks:				
Communication Services	\$ 10,835,542	—	\$2,417,175	\$ 13,252,717
Information Technology	137,817,608	—	280,514	138,098,122
Other Common Stocks	383,808,297	—	—	383,808,297
Preferred Stocks:				
Health Care	—	—	1,724,539	1,724,539
Information Technology	—	—	2,946,346	2,946,346
Total Long-Term Investments	532,461,447	—	7,368,574	539,830,021
Short-Term Investments†	3,331,886	—	—	3,331,886
<b>Total Investments</b>	<b>\$535,793,333</b>	<b>—</b>	<b>\$7,368,574</b>	<b>\$543,161,907</b>

† See Schedule of Investments for additional detailed categorizations.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Investments in Securities	Balance as of December 31, 2020	Accrued premiums/ discounts	Realized gain (loss) <sup>1</sup>	Change in unrealized appreciation (depreciation) <sup>2</sup>	Purchases
<b>Common Stocks:</b>					
Communication Services	—	—	—	\$ 95,229	\$2,321,946
Information Technology	—	—	—	51,670	228,844

Investments in Securities	Balance as of December 31, 2020	Accrued premiums/discounts	Realized gain (loss) <sup>1</sup>	Change in unrealized appreciation (depreciation) <sup>2</sup>	Purchases
<b>Preferred Stocks:</b>					
Health Care	\$ 506,407	—	—	\$ 963,930	\$ 254,202
Information Technology	922,685	—	—	343,661	1,680,000
<b>Total</b>	<b>\$1,429,092</b>	<b>—</b>	<b>—</b>	<b>\$1,454,490</b>	<b>\$4,484,992</b>
					Net change in unrealized appreciation (depreciation) for investments in securities still held at December 31, 2021 <sup>2</sup>
Investments in Securities (cont'd)	Sales	Transfers into Level 3	Transfers out of Level 3	Balance as of December 31, 2021	
<b>Common Stocks:</b>					
Communication Services	—	—	—	\$2,417,175	\$ 95,229
Information Technology	—	—	—	280,514	51,670
<b>Preferred Stocks:</b>					
Health Care	—	—	—	1,724,539	963,930
Information Technology	—	—	—	2,946,346	343,661
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$7,368,574</b>	<b>\$1,454,490</b>

<sup>1</sup> This amount is included in net realized gain (loss) from investment transactions in the accompanying Statement of Operations.

<sup>2</sup> This amount is included in the change in net unrealized appreciation (depreciation) in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

**(b) Written options.** When the Portfolio writes an option, an amount equal to the premium received by the Portfolio is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the option written. If the option expires, the premium received is recorded as a realized gain. When a written call option is exercised, the difference between the premium received plus the option exercise price and the Portfolio's basis in the underlying security (in the case of a covered written call option), or the cost to purchase the underlying security (in the case of an uncovered written call option), including brokerage commission, is recognized as a realized gain or loss. When a written put option is exercised, the amount of the premium received is subtracted from the cost of the security purchased by the Portfolio from the exercise of the written put option to

## Notes to financial statements (cont'd)

form the Portfolio's basis in the underlying security purchased. The writer or buyer of an option traded on an exchange can liquidate the position before the exercise of the option by entering into a closing transaction. The cost of a closing transaction is deducted from the original premium received resulting in a realized gain or loss to the Portfolio.

The risk in writing a covered call option is that the Portfolio may forego the opportunity of profit if the market price of the underlying security increases and the option is exercised. The risk in writing a put option is that the Portfolio may incur a loss if the market price of the underlying security decreases and the option is exercised. The risk in writing an uncovered call option is that the Portfolio is exposed to the risk of loss if the market price of the underlying security increases. In addition, there is the risk that the Portfolio may not be able to enter into a closing transaction because of an illiquid secondary market.

**(c) Foreign investment risks.** The Portfolio's investments in foreign securities may involve risks not present in domestic investments. Since securities may be denominated in foreign currencies, may require settlement in foreign currencies or may pay interest or dividends in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Portfolio. Foreign investments may also subject the Portfolio to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, all of which affect the market and/or credit risk of the investments.

**(d) Counterparty risk and credit-risk-related contingent features of derivative instruments.** The Portfolio may invest in certain securities or engage in other transactions where the Portfolio is exposed to counterparty credit risk in addition to broader market risks. The Portfolio may invest in securities of issuers, which may also be considered counterparties as trading partners in other transactions. This may increase the risk of loss in the event of default or bankruptcy by the counterparty or if the counterparty otherwise fails to meet its contractual obligations. The Portfolio's subadviser attempts to mitigate counterparty risk by (i) periodically assessing the creditworthiness of its trading partners, (ii) monitoring and/or limiting the amount of its net exposure to each individual counterparty based on its assessment and (iii) requiring collateral from the counterparty for certain transactions. Market events and changes in overall economic conditions may impact the assessment of such counterparty risk by the subadviser. In addition, declines in the values of underlying collateral received may expose the Portfolio to increased risk of loss.

With exchange traded and centrally cleared derivatives, there is less counterparty risk to the Portfolio since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Portfolio does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default of the clearing broker or clearinghouse.

The Portfolio has entered into master agreements, such as an International Swaps and Derivatives Association, Inc. Master Agreement (“ISDA Master Agreement”) or similar agreement, with certain of its derivative counterparties that govern over-the-counter (“OTC”) derivatives and provide for general obligations, representations, agreements, collateral posting terms, netting provisions in the event of default or termination and credit related contingent features. The credit related contingent features include, but are not limited to, a percentage decrease in the Portfolio’s net assets or net asset value per share over a specified period of time. If these credit related contingent features were triggered, the derivatives counterparty could terminate the positions and demand payment or require additional collateral.

Under an ISDA Master Agreement, the Portfolio may, under certain circumstances, offset with the counterparty certain derivative financial instruments’ payables and/or receivables with collateral held and/or posted and create one single net payment. However, absent an event of default by the counterparty or a termination of the agreement, the terms of the ISDA Master Agreements do not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Portfolio and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearinghouse for exchange traded derivatives while collateral terms are contract specific for OTC traded derivatives. Cash collateral that has been pledged to cover obligations of the Portfolio under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities. Securities pledged as collateral, if any, for the same purpose are noted in the Schedule of Investments.

As of December 31, 2021, the Portfolio did not have any open OTC derivative transactions with credit related contingent features in a net liability position.

**(e) Security transactions and investment income.** Security transactions are accounted for on a trade date basis. Interest income (including interest income from payment-in-kind securities), adjusted for amortization of premium and accretion of discount, is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date for dividends received in cash and/or securities. Foreign dividend income is recorded on the ex-dividend date or as soon as practicable after the Portfolio determines the existence of a dividend declaration after exercising reasonable due diligence. The cost of investments sold is determined by use of the specific identification method. To the extent any issuer defaults or a credit event occurs that impacts the issuer, the Portfolio may halt any additional interest income accruals and consider the realizability of interest accrued up to the date of default or credit event.

**(f) Distributions to shareholders.** Distributions from net investment income and distributions of net realized gains, if any, are declared at least annually. Distributions to

## Notes to financial statements (cont'd)

shareholders of the Portfolio are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

**(g) Share class accounting.** Investment income, common expenses and realized/unrealized gains (losses) on investments are allocated to the various classes of the Portfolio on the basis of daily net assets of each class. Fees relating to a specific class are charged directly to that share class.

**(h) Compensating balance arrangements.** The Portfolio has an arrangement with its custodian bank whereby a portion of the custodian's fees is paid indirectly by credits earned on the Portfolio's cash on deposit with the bank.

**(i) Federal and other taxes.** It is the Portfolio's policy to comply with the federal income and excise tax requirements of the Internal Revenue Code of 1986 (the "Code"), as amended, applicable to regulated investment companies. Accordingly, the Portfolio intends to distribute its taxable income and net realized gains, if any, to shareholders in accordance with timing requirements imposed by the Code. Therefore, no federal or state income tax provision is required in the Portfolio's financial statements.

Management has analyzed the Portfolio's tax positions taken on income tax returns for all open tax years and has concluded that as of December 31, 2021, no provision for income tax is required in the Portfolio's financial statements. The Portfolio's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

**(j) Reclassification.** GAAP requires that certain components of net assets be reclassified to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. During the current year, the following reclassifications have been made:

	Total Distributable Earnings (Loss)	Paid-in Capital
(a)	\$2,883,201	\$(2,883,201)

(a) Reclassifications are due to a tax net operating loss.

### 2. Investment management agreement and other transactions with affiliates

Legg Mason Partners Fund Advisor, LLC ("LMPFA") is the Portfolio's investment manager and ClearBridge Investments, LLC ("ClearBridge") is the Portfolio's subadvisor. Western Asset Management Company, LLC ("Western Asset") manages the portion of the Portfolio's cash and short-term instruments allocated to it. LMPFA, ClearBridge and Western Asset are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources").

Under the investment management agreement, the Portfolio pays an investment management fee, calculated daily and paid monthly, at an annual rate of 0.75% of the Portfolio's average daily net assets.

LMPFA provides administrative and certain oversight services to the Portfolio. LMPFA delegates to the subadviser the day-to-day portfolio management of the Portfolio, except for the management of the portion of the Portfolio's cash and short-term instruments allocated to Western Asset. For its services, LMPFA pays ClearBridge a fee monthly, at an annual rate equal to 70% of the net management fee it receives from the Portfolio. For Western Asset's services to the Portfolio, LMPFA pays Western Asset monthly 0.02% of the portion of the Portfolio's average daily net assets that are allocated to Western Asset by LMPFA.

As a result of expense limitation arrangements between the Portfolio and LMPFA, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I and Class II shares did not exceed 1.00% and 1.25%, respectively. These expense limitation arrangements cannot be terminated prior to December 31, 2023 without the Board of Trustees' consent. In addition, the manager has agreed to waive the Portfolio's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund (the "affiliated money market fund waiver"). The affiliated money market fund waiver is not subject to the recapture provision discussed below.

During the year ended December 31, 2021, fees waived and/or expenses reimbursed amounted to \$45, all of which was an affiliated money market fund waiver.

LMPFA is permitted to recapture amounts waived and/or reimbursed to a class during the same fiscal year if the class' total annual fund operating expenses have fallen to a level below the expense limitation ("expense cap") in effect at the time the fees were earned or the expenses incurred. In no case will LMPFA recapture any amount that would result, on any particular business day of the Portfolio, in the class' total annual fund operating expenses exceeding the expense cap or any other lower limit then in effect.

Franklin Distributors, LLC (known as Legg Mason Investor Services, LLC prior to July 7, 2021) ("Franklin Distributors") serves as the Portfolio's sole and exclusive distributor. Franklin Distributors is an indirect, wholly-owned broker-dealer subsidiary of Franklin Resources.

All officers and one Trustee of the Trust are employees of Franklin Resources or its affiliates and do not receive compensation from the Trust.

### 3. Investments

During the year ended December 31, 2021, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) were as follows:

Purchases	\$ 87,662,440
Sales	111,400,252

## Notes to financial statements (cont'd)

At December 31, 2021, the aggregate cost of investments and the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Securities	\$285,906,024	\$270,464,596	\$(13,208,713)	\$257,255,883

### 4. Derivative instruments and hedging activities

At December 31, 2021, the Portfolio did not have any derivative instruments outstanding.

The following table provides information about the effect of derivatives and hedging activities on the Portfolio's Statement of Operations for the year ended December 31, 2021. The table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period.

#### AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED

	Equity Risk
Written options	\$149,114

During the year ended December 31, 2021, the volume of derivative activity for the Portfolio was as follows:

	Average Market Value
Written options†	\$17,558

† At December 31, 2021, there were no open positions held in this derivative.

### 5. Class specific expenses, waivers and/or expense reimbursements

The Portfolio has adopted a Rule 12b-1 shareholder services and distribution plan and under that plan the Portfolio pays service and/or distribution fees with respect to its Class II shares calculated at the annual rate of 0.25% of the average daily net assets of the class. Service and/or distribution fees are accrued daily and paid monthly.

For the year ended December 31, 2021, class specific expenses were as follows:

	Service and/or Distribution Fees	Transfer Agent Fees
Class I	—	\$17,095
Class II	\$427,688	7,369
<b>Total</b>	<b>\$427,688</b>	<b>\$24,464</b>



For the year ended December 31, 2021, waivers and/or expense reimbursements by class were as follows:

	Waivers/Expense Reimbursements
Class I	\$31
Class II	14
<b>Total</b>	<b>\$45</b>

## 6. Distributions to shareholders by class

	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Net Realized Gains:</b>		
Class I	\$44,145,295	\$23,717,948
Class II	22,454,302	10,670,164
<b>Total</b>	<b>\$66,599,597</b>	<b>\$34,388,112</b>

## 7. Shares of beneficial interest

At December 31, 2021, the Trust had an unlimited number of shares of beneficial interest authorized with a par value of \$0.00001 per share. The Portfolio has the ability to issue multiple classes of shares. Each class of shares represents an identical interest and has the same rights, except that each class bears certain direct expenses, including those specifically related to the distribution of its shares.

Transactions in shares of each class were as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Shares	Amount	Shares	Amount
<b>Class I</b>				
Shares sold	1,722,353	\$ 68,584,339	1,725,895	\$ 51,545,470
Shares issued on reinvestment	1,219,381	44,145,295	699,714	23,717,948
Shares repurchased	(2,394,404)	(94,830,816)	(2,546,827)	(74,716,981)
<b>Net increase (decrease)</b>	<b>547,330</b>	<b>\$ 17,898,818</b>	<b>(121,218)</b>	<b>\$ 546,437</b>
<b>Class II</b>				
Shares sold	1,348,510	\$ 50,509,770	2,078,176	\$ 57,161,467
Shares issued on reinvestment	665,795	22,454,302	333,734	10,670,164
Shares repurchased	(1,291,067)	(47,049,185)	(1,980,539)	(51,234,649)
<b>Net increase</b>	<b>723,238</b>	<b>\$ 25,914,887</b>	<b>431,371</b>	<b>\$ 16,596,982</b>

## 8. Transactions with affiliated company

As defined by the 1940 Act, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control with the Portfolio. The following company was considered an affiliated company

## Notes to financial statements (cont'd)

for all or some portion of the year ended December 31, 2021. The following transactions were effected in such company for the year ended December 31, 2021.

	Affiliate Value at December 31, 2020	Purchased		Sold	
		Cost	Shares	Cost	Shares
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	\$649,293	\$16,385,777	16,385,777	\$16,368,693	16,368,693
(cont'd)	Realized Gain (Loss)	Dividend Income	Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	Affiliate Value at December 31, 2021	
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	—	\$51	—	\$666,377	

### 9. Restricted securities

The following Portfolio investments are restricted as to resale and, in the absence of readily ascertainable market values, are valued in good faith in accordance with procedures approved by the Board of Trustees.

Security	Number of Shares	Acquisition Date	Cost	Fair Value at 12/31/2021	Value Per Share	Percent of Net Assets
Brain Corp., Common Shares	52,367	3/21	\$ 228,844	\$ 280,514	\$ 5.36	0.05%
Brain Corp., Preferred Shares	170,237	4/20, 11/20	898,085	911,909	5.36	0.17
Caris Life Sciences Inc., Series C, Preferred Shares	183,481	10/20	506,407	1,472,653	8.03	0.27
Caris Life Sciences Inc., Series D, Preferred Shares	31,383	5/21	254,202	251,886	8.03	0.05
Klaviyo Inc., Common Shares	69,558	5/21	2,321,946	2,417,175	34.75	0.45
Pride Parent Inc., Preferred Shares	72,825	12/20	1,680,000	2,034,437	27.94	0.37
			<b>\$5,889,484</b>	<b>\$7,368,574</b>		<b>1.36%</b>

## 10. Income tax information and distributions to shareholders

The tax character of distributions paid during the fiscal years ended December 31, was as follows:

	2021	2020
<b>Distributions paid from:</b>		
Net long-term capital gains	\$66,599,597	\$34,388,112

As of December 31, 2021, the components of distributable earnings (loss) on a tax basis were as follows:

Undistributed long-term capital gains — net	\$ 8,052,811
Other book/tax temporary differences <sup>(a)</sup>	(39,522)
Unrealized appreciation (depreciation) <sup>(b)</sup>	257,255,883
<b>Total distributable earnings (loss) — net</b>	<b>\$265,269,172</b>

<sup>(a)</sup> Other book/tax temporary differences are attributable to the tax deferral of losses on straddles and book/tax differences in the timing of the deductibility of various expenses.

<sup>(b)</sup> The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales.

## 11. Recent accounting pronouncement

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-04, *Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. In January 2021, the FASB issued ASU No. 2021-01, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the LIBOR and other interbank-offered based reference rates as of the end of 2021 and 2023. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

## 12. Other matter

The outbreak of the respiratory illness COVID-19 (commonly referred to as “coronavirus”) has continued to rapidly spread around the world, causing considerable uncertainty for the global economy and financial markets. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Portfolio’s investments, impair the Portfolio’s ability to satisfy redemption requests, and negatively impact the Portfolio’s performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Portfolio by its service providers.

## Notes to financial statements (cont'd)

### **13. Subsequent event**

On February 4, 2022, the Portfolio, together with other U.S. registered and foreign investment funds (collectively, the "Borrowers") managed by Franklin Resources or its affiliates, became a borrower in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (the "Global Credit Facility"). The Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Unless renewed, the Global Credit Facility will terminate on February 3, 2023.

# Report of independent registered public accounting firm

## **To the Board of Trustees of Legg Mason Partners Variable Equity Trust and Shareholders of ClearBridge Variable Small Cap Growth Portfolio**

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of ClearBridge Variable Small Cap Growth Portfolio (one of the funds constituting Legg Mason Partners Variable Equity Trust, referred to hereafter as the "Fund") as of December 31, 2021, the related statement of operations for the year ended December 31, 2021, the statement of changes in net assets for each of the two years in the period ended December 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2021 and the financial highlights for each of the five years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodian and portfolio company investees. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Baltimore, Maryland  
February 11, 2022

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

# Statement regarding liquidity risk management program (unaudited)

Each Fund has adopted and implemented a written Liquidity Risk Management Program (the “LRMP”) as required by Rule 22e-4 under the Investment Company Act of 1940 (the “Liquidity Rule”). The LRMP is designed to assess and manage each Fund’s liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors’ interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund’s liquidity risk; (2) classification of each Fund’s portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund’s net assets in Highly Liquid investments (called a “Highly Liquid Investment Minimum” or “HLIM”); and (4) prohibiting the Fund’s acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission (“SEC”) (on a non-public basis) and to the Board if the Fund’s holdings of Illiquid assets exceed 15% of the Fund’s net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the “IRMG”) is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the “ILC”) to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton’s Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund’s liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund’s investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds’ interfund lending facility and line of credit. Classification of the Fund’s portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment’s market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as “Highly Liquid Investments,” and therefore is not required to establish an HLIM. Highly Liquid

Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees/Directors held in November 2021, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2020. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Additional information (unaudited)

### Information about Trustees and Officers

The business and affairs of ClearBridge Variable Small Cap Growth Portfolio (the “Portfolio”) are conducted by management under the supervision and subject to the direction of its Board of Trustees. The business address of each Trustee is c/o Jane Trust, Legg Mason, 100 International Drive, 11th Floor, Baltimore, Maryland 21202. Information pertaining to the Trustees and officers of the Portfolio is set forth below.

Previously, the mutual funds of Legg Mason Global Asset Management Trust were overseen by one group of Trustees, and the mutual funds of Legg Mason Partners Investment Trust and Legg Mason Partners Variable Equity Trust (collectively, the “Funds”) were overseen by a different group of Trustees. A joint proxy statement was mailed to solicit shareholder approval for the election of a single slate of Trustees. Shareholders approved the proposed Trustees during a joint special meeting of shareholders on June 15, 2021. Effective July 1, 2021, the Trustees listed below oversee all of the Funds.

The Statement of Additional Information includes additional information about Trustees and is available, without charge, upon request by calling the Portfolio at 1-877-6LM-FUND/656-3863.

#### Independent Trustees<sup>†</sup>

##### Paul R. Ades

Year of birth	1940
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1983
Principal occupation(s) during the past five years	Paul R. Ades, PLLC (law firm) (since 2000)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	None

##### Andrew L. Breech

Year of birth	1952
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1991
Principal occupation(s) during the past five years	President, Dealer Operating Control Service, Inc. (automotive retail management) (since 1985)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	None



**Independent Trustees<sup>†</sup> (cont'd)****Althea L. Duersten\***

Year of birth	1951
Position(s) with Trust	Trustee and Chair of the Board
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2014 (Chair of the Board since 2021)
Principal occupation(s) during the past five years	Retired (since 2011); formerly, Chief Investment Officer, North America, JPMorgan Chase (investment bank) and member of JPMorgan Executive Committee (2007 to 2011)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	Formerly, Non-Executive Director, Rokos Capital Management LLP (2019 to 2020)

**Stephen R. Gross**

Year of birth	1947
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1986
Principal occupation(s) during the past five years	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 2011)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	None

**Susan M. Heilbron**

Year of birth	1945
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1991
Principal occupation(s) during the past five years	Retired; formerly, President, Lacey & Heilbron (communications consulting) (1990 to 2002); General Counsel and Executive Vice President, The Trump Organization (1986 to 1990); Senior Vice President, New York State Urban Development Corporation (1984 to 1986); Associate, Cravath, Swaine & Moore LLP (1980 to 1984 and 1977 to 1979)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	Formerly, Director, Lincoln Savings Bank FSB (1991 to 1994); Director, Trump Shuttle, Inc. (air transportation) (1989 to 1990); Director, Alexander's Inc. (department store) (1987 to 1990)

# Additional information (unaudited) (cont'd)

## Information about Trustees and Officers

### Independent Trustees<sup>†</sup> (cont'd)

#### Howard J. Johnson

Year of birth	1938
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	From 1981 to 1998 and since 2000
Principal occupation(s) during the past five years	Retired; formerly, Chief Executive Officer, Genesis Imaging LLC (technology company) (2003 to 2012)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	None

#### Arnold L. Lehman

Year of birth	1944
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1982
Principal occupation(s) during the past five years	Senior Advisor, Phillips (auction house) (since 2015); formerly, Fellow, Ford Foundation (2015 to 2016); Director of the Brooklyn Museum (1997 to 2015)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	Trustee of American Federation of Arts (since 2002)

#### Robin J. W. Masters

Year of birth	1955
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2002
Principal occupation(s) during the past five years	Retired; formerly, Chief Investment Officer of ACE Limited (insurance) (1986 to 2000)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	Director of HSBC Managed Portfolios Limited and HSBC Specialist Funds Limited (since 2020); formerly, Director of Cheyne Capital International Limited (investment advisory firm) (2005 to 2020); Director/ Trustee of Legg Mason Institutional Funds plc, Western Asset Fixed Income Funds plc and Western Asset Debt Securities Fund plc. (2007 to 2011)

#### Jerome H. Miller

Year of birth	1938
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1995
Principal occupation(s) during the past five years	Retired; formerly, President, Shearson Lehman Asset Management (1991 to 1993), Vice Chairman, Shearson Lehman Hutton Inc. (1989 to 1992) and Senior Executive Vice President, E.F. Hutton Group Inc. (1986 to 1989)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	None

**Independent Trustees<sup>†</sup> (cont'd)****Ken Miller**

Year of birth	1942
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1983
Principal occupation(s) during the past five years	Retired; formerly, President, Young Stuff Apparel Group, Inc. (apparel manufacturer), division of Li & Fung (1963 to 2012)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	None

**G. Peter O'Brien**

Year of birth	1945
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1999
Principal occupation(s) during the past five years	Retired, Trustee Emeritus of Colgate University (since 2005); Board Member, Hill House, Inc. (residential home care) (since 1999); formerly, Board Member, Bridges School (pre-school) (2006 to 2017); Managing Director, Equity Capital Markets Group of Merrill Lynch & Co. (1971 to 1999)
Number of funds in fund complex overseen by Trustee	Trustee of Legg Mason funds consisting of 60 portfolios; Director/Trustee of the Royce Family of Funds consisting of 16 portfolios
Other board memberships held by Trustee during the past five years	Formerly, Director of TICC Capital Corp. (2003 to 2017)

**Thomas F. Schlafly**

Year of birth	1948
Position(s) with Trust	Trustee
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 1983
Principal occupation(s) during the past five years	Chairman, The Saint Louis Brewery, LLC (brewery) (since 2012); formerly, President, The Saint Louis Brewery, Inc. (1989 to 2012); Senior Counsel (since 2017) and formerly, Partner (2009 to 2016), Thompson Coburn LLP (law firm)
Number of funds in fund complex overseen by Trustee	60
Other board memberships held by Trustee during the past five years	Director, CNB St. Louis Bank (since 2020); formerly, Director, Citizens National Bank of Greater St. Louis (2006 to 2020)

# Additional information (unaudited) (cont'd)

## Information about Trustees and Officers

### Interested Trustee and Officer

#### Jane Trust, CFA<sup>3</sup>

Year of birth	1962
Position(s) with Trust	Trustee, President and Chief Executive Officer
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2015
Principal occupation(s) during the past five years	Senior Vice President, Fund Board Management, Franklin Templeton (since 2020); Officer and/or Trustee/Director of 131 funds associated with LMPFA or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Managing Director (2018 to 2020) and Managing Director (2016 to 2018) of Legg Mason & Co., LLC ("Legg Mason & Co."); Senior Vice President of LMPFA (2015)
Number of funds in fund complex overseen by Trustee	129
Other board memberships held by Trustee during the past five years	None

### Additional Officers

#### Ted P. Becker

Franklin Templeton  
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1951
Position(s) with Trust	Chief Compliance Officer
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2007
Principal occupation(s) during the past five years	Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of LMPFA (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Director of Global Compliance at Legg Mason, Inc. (2006 to 2020); Managing Director of Compliance of Legg Mason & Co. (2005 to 2020)

#### Susan Kerr

Franklin Templeton  
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1949
Position(s) with Trust	Chief Anti-Money Laundering Compliance Officer
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2013
Principal occupation(s) during the past five years	Senior Compliance Analyst, Franklin Templeton (since 2020); Chief Anti-Money Laundering Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2013) and Anti-Money Laundering Compliance Officer (since 2012), Senior Compliance Officer (since 2011) and Assistant Vice President (since 2010) of Franklin Distributors, LLC; formerly, Assistant Vice President of Legg Mason & Co. (2010 to 2020)

## Additional Officers (cont'd)

### Jenna Bailey

Franklin Templeton  
100 First Stamford Place, 5th Floor, Stamford, CT 06902

Year of birth	1978
Position(s) with Trust	Identity Theft Prevention Officer
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2015
Principal occupation(s) during the past five years	Senior Compliance Analyst of Franklin Templeton (since 2020); Identity Theft Prevention Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2015); formerly, Compliance Officer of Legg Mason & Co. (2013 to 2020); Assistant Vice President of Legg Mason & Co. (2011 to 2020)

### Marc A. De Oliveira

Franklin Templeton  
100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1971
Position(s) with Trust	Secretary and Chief Legal Officer
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2020
Principal occupation(s) during the past five years	Associate General Counsel of Franklin Templeton (since 2020); Assistant Secretary of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Managing Director (2016 to 2020) and Associate General Counsel of Legg Mason & Co. (2005 to 2020)

### Thomas C. Mandia

Franklin Templeton  
100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1962
Position(s) with Trust	Senior Vice President
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2020
Principal occupation(s) during the past five years	Senior Associate General Counsel of Franklin Templeton (since 2020); Secretary of LMPFA (since 2006); Assistant Secretary of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); Secretary of LM Asset Services, LLC ("LMAS") (since 2002) and Legg Mason Fund Asset Management, Inc. ("LMFAM") (since 2013) (formerly registered investment advisers); formerly, Managing Director and Deputy General Counsel of Legg Mason & Co. (2005 to 2020)

# Additional information (unaudited) (cont'd)

## Information about Trustees and Officers

### Additional Officers (cont'd)

#### Christopher Berarducci

Franklin Templeton  
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1974
Position(s) with Trust	Treasurer and Principal Financial Officer
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2014 and 2019
Principal occupation(s) during the past five years	Vice President, Fund Administration and Reporting, Franklin Templeton (since 2020); Treasurer (since 2010) and Principal Financial Officer (since 2019) of certain funds associated with Legg Mason & Co. or its affiliates; formerly, Managing Director (2020), Director (2015 to 2020), and Vice President (2011 to 2015) of Legg Mason & Co.

#### Jeanne M. Kelly

Franklin Templeton  
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1951
Position(s) with Trust	Senior Vice President
Term of office <sup>1</sup> and length of time served <sup>2</sup>	Since 2007
Principal occupation(s) during the past five years	U.S. Fund Board Team Manager, Franklin Templeton (since 2020); Senior Vice President of certain funds associated with Legg Mason & Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); President and Chief Executive Officer of LMAS and LMFAM (since 2015); formerly, Managing Director of Legg Mason & Co. (2005 to 2020); Senior Vice President of LMFAM (2013 to 2015)

† Trustees who are not “interested persons” of the Portfolio within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “1940 Act”).

\* Effective January 1, 2021, Ms. Duersten became Chair.

<sup>1</sup> Each Trustee and officer serves until his or her respective successor has been duly elected and qualified or until his or her earlier death, resignation, retirement or removal.

<sup>2</sup> Indicates the earliest year in which the Trustee became a board member for a fund in the Legg Mason fund complex or the officer took such office.

<sup>3</sup> Ms. Trust is an “interested person” of the Portfolio, as defined in the 1940 Act, because of her position with LMPFA and/or certain of its affiliates.

## Important tax information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to [www.franklintempleton.com](http://www.franklintempleton.com) for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Portfolio is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

The Portfolio hereby reports the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended December 31, 2021:

	<b>Pursuant to:</b>	<b>Amount Reported</b>
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	\$66,599,597
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$1,854,813

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# ClearBridge Variable Small Cap Growth Portfolio

## Trustees\*

Paul R. Ades  
Andrew L. Breech  
Althea L. Duersten\*\*  
*Chair*  
Stephen R. Gross  
Susan M. Heilbron  
Howard J. Johnson  
Arnold L. Lehman  
Robin J. W. Masters  
Jerome H. Miller  
Ken Miller  
G. Peter O'Brien  
Thomas F. Schlafly  
Jane Trust

## Investment manager

Legg Mason Partners Fund Advisor, LLC

## Subadviser

ClearBridge Investments, LLC

## Distributor

Franklin Distributors, LLC†

## Custodian

The Bank of New York Mellon

## Transfer agent#

Franklin Templeton Investor Services, LLC  
3344 Quality Drive  
Rancho Cordova, CA 95670-7313

## Independent registered public accounting firm

PricewaterhouseCoopers LLP  
Baltimore, MD

\* During a June 15, 2021 special meeting of shareholders, a new group of Trustees were elected to oversee the mutual funds of Legg Mason Global Asset Management Trust, Legg Mason Partners Investment Trust (prior to September 1, 2021, known as Legg Mason Partners Equity Trust) and Legg Mason Partners Variable Equity Trust, effective July 1, 2021.

\*\* Effective January 1, 2021, Ms. Duersten became Chair.

† Effective July 7, 2021, Legg Mason Investor Services, LLC was renamed Franklin Distributors, LLC.

# Effective February 22, 2022, Franklin Templeton Investor Services, LLC replaced BNY Mellon Investment Servicing (US) Inc. as Transfer Agent.

## ClearBridge Variable Small Cap Growth Portfolio

The Portfolio is a separate investment series of Legg Mason Partners Variable Equity Trust, a Maryland statutory trust.

ClearBridge Variable Small Cap Growth Portfolio  
Legg Mason Funds  
620 Eighth Avenue, 47th Floor  
New York, NY 10018

The Portfolio files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Portfolio's Forms N-PORT are available on the SEC's website at [www.sec.gov](http://www.sec.gov). To obtain information on Form N-PORT, shareholders can call the Portfolio at 1-877-6LM-FUND/656-3863.

Information on how the Portfolio voted proxies relating to portfolio securities during the prior 12-month period ended June 30th of each year and a description of the policies and procedures that the Portfolio uses to determine how to vote proxies related to portfolio transactions are available (1) without charge, upon request, by calling the Portfolio at 1-877-6LM-FUND/656-3863, (2) at [www.franklintempleton.com](http://www.franklintempleton.com) and (3) on the SEC's website at [www.sec.gov](http://www.sec.gov).

This report is submitted for the general information of the shareholders of ClearBridge Variable Small Cap Growth Portfolio. This report is not authorized for distribution to prospective investors in the Portfolio unless preceded or accompanied by a current prospectus.

**Investors should consider the Portfolio's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other important information about the Portfolio. Please read the prospectus carefully before investing.**

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

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# Legg Mason Funds Privacy and Security Notice

## **Your Privacy and the Security of Your Personal Information is Very Important to the Legg Mason Funds**

This Privacy and Security Notice (the “Privacy Notice”) addresses the Legg Mason Funds’ privacy and data protection practices with respect to nonpublic personal information the Funds receive. The Legg Mason Funds include any funds sold by the Funds’ distributor, Franklin Distributors, LLC, as well as Legg Mason-sponsored closed-end funds. The provisions of this Privacy Notice apply to your information both while you are a shareholder and after you are no longer invested with the Funds.

## **The Type of Nonpublic Personal Information the Funds Collect About You**

The Funds collect and maintain nonpublic personal information about you in connection with your shareholder account. Such information may include, but is not limited to:

- Personal information included on applications or other forms;
- Account balances, transactions, and mutual fund holdings and positions;
- Bank account information, legal documents, and identity verification documentation;
- Online account access user IDs, passwords, security challenge question responses; and
- Information received from consumer reporting agencies regarding credit history and creditworthiness (such as the amount of an individual’s total debt, payment history, etc.).

## **How the Funds Use Nonpublic Personal Information About You**

The Funds do not sell or share your nonpublic personal information with third parties or with affiliates for their marketing purposes, or with other financial institutions or affiliates for joint marketing purposes, unless you have authorized the Funds to do so. The Funds do not disclose any nonpublic personal information about you except as may be required to perform transactions or services you have authorized or as permitted or required by law.

The Funds may disclose information about you to:

- Employees, agents, and affiliates on a “need to know” basis to enable the Funds to conduct ordinary business, or to comply with obligations to government regulators;
- Service providers, including the Funds’ affiliates, who assist the Funds as part of the ordinary course of business (such as printing, mailing services, or processing or servicing your account with us) or otherwise perform services on the Funds’ behalf, including companies that may perform statistical analysis, market research and marketing services solely for the Funds;
- Permit access to transfer, whether in the United States or countries outside of the United States to such Funds’ employees, agents and affiliates and service providers as required to enable the Funds to conduct ordinary business, or to comply with obligations to government regulators;
- The Funds’ representatives such as legal counsel, accountants and auditors to enable the Funds to conduct ordinary business, or to comply with obligations to government regulators;
- Fiduciaries or representatives acting on your behalf, such as an IRA custodian or trustee of a grantor trust.

## Legg Mason Funds Privacy and Security Notice (cont'd)

Except as otherwise permitted by applicable law, companies acting on the Funds' behalf, including those outside the United States, are contractually obligated to keep nonpublic personal information the Funds provide to them confidential and to use the information the Funds share only to provide the services the Funds ask them to perform. The Funds may disclose nonpublic personal information about you when necessary to enforce their rights or protect against fraud, or as permitted or required by applicable law, such as in connection with a law enforcement or regulatory request, subpoena, or similar legal process. In the event of a corporate action or in the event a Fund service provider changes, the Funds may be required to disclose your nonpublic personal information to third parties. While it is the Funds' practice to obtain protections for disclosed information in these types of transactions, the Funds cannot guarantee their privacy policy will remain unchanged.

### **Keeping You Informed of the Funds' Privacy and Security Practices**

The Funds will notify you annually of their privacy policy as required by federal law. While the Funds reserve the right to modify this policy at any time they will notify you promptly if this privacy policy changes.

### **The Funds' Security Practices**

The Funds maintain appropriate physical, electronic and procedural safeguards designed to guard your nonpublic personal information. The Funds' internal data security policies restrict access to your nonpublic personal information to authorized employees, who may use your nonpublic personal information for Fund business purposes only.

Although the Funds strive to protect your nonpublic personal information, they cannot ensure or warrant the security of any information you provide or transmit to them, and you do so at your own risk. In the event of a breach of the confidentiality or security of your nonpublic personal information, the Funds will attempt to notify you as necessary, so you can take appropriate protective steps. If you have consented to the Funds using electronic communications or electronic delivery of statements, they may notify you under such circumstances using the most current email address you have on record with them.

In order for the Funds to provide effective service to you, keeping your account information accurate is very important. If you believe that your account information is incomplete, not accurate or not current, if you have questions about the Funds' privacy practices, or our use of your nonpublic personal information, write the Funds using the contact information on your account statements, email the Funds by clicking on the Contact Us section of the Funds' website at [www.franklintempleton.com](http://www.franklintempleton.com), or contact the Fund at 1-877-6LM-FUND/656-3863.

Revised April 2018

### **Legg Mason California Consumer Privacy Act Policy**

Although much of the personal information we collect is "nonpublic personal information" subject to federal law, residents of California may, in certain circumstances, have additional rights under the California Consumer Privacy Act ("CCPA"). For example, if you are a broker,

## Legg Mason Funds Privacy and Security Notice (cont'd)

dealer, agent, fiduciary, or representative acting by or on behalf of, or for, the account of any other person(s) or household, or a financial advisor, or if you have otherwise provided personal information to us separate from the relationship we have with personal investors, the provisions of this Privacy Policy apply to your personal information (as defined by the CCPA).

- In addition to the provisions of the Legg Mason Funds Security and Privacy Notice, you may have the right to know the categories and specific pieces of personal information we have collected about you.
- You also have the right to request the deletion of the personal information collected or maintained by the Funds.

If you wish to exercise any of the rights you have in respect of your personal information, you should advise the Funds by contacting them as set forth below. The rights noted above are subject to our other legal and regulatory obligations and any exemptions under the CCPA. You may designate an authorized agent to make a rights request on your behalf, subject to the identification process described below. We do not discriminate based on requests for information related to our use of your personal information, and you have the right not to receive discriminatory treatment related to the exercise of your privacy rights.

We may request information from you in order to verify your identity or authority in making such a request. If you have appointed an authorized agent to make a request on your behalf, or you are an authorized agent making such a request (such as a power of attorney or other written permission), this process may include providing a password/passcode, a copy of government issued identification, affidavit or other applicable documentation, i.e. written permission. We may require you to verify your identity directly even when using an authorized agent, unless a power of attorney has been provided. We reserve the right to deny a request submitted by an agent if suitable and appropriate proof is not provided.

For the 12-month period prior to the date of this Privacy Policy, the Legg Mason Funds have not sold any of your personal information; nor do we have any plans to do so in the future.

### Contact Information

**Address:** Data Privacy Officer, 100 International Dr., Baltimore, MD 21202

**Email:** DataProtectionOfficer@franklintempleton.com

**Phone:** 1-800-396-4748

Revised October 2020

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

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**Variable Portfolio Funds**

70100 Ameriprise Financial Center  
Minneapolis, MN 55474