

Annual Report | December 31, 2023

CLEARBRIDGE VARIABLE SMALL CAP GROWTH PORTFOLIO

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semi-annual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your insurance company or your financial intermediary (such as a broker-dealer or bank).



**FRANKLIN
TEMPLETON**

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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, 2023. 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.

Special shareholder notice

Effective December 31, 2023, Jeffrey Bailin, CFA joined the Portfolio's management team and Jeffrey J. Russell, CFA retired and stepped down as a member of the Portfolio's management team.

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. 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,

A handwritten signature in black ink that reads "Jane Trust". The signature is fluid and cursive, with a large initial "J" and "T".

Jane Trust, CFA
President and Chief Executive Officer

January 31, 2024

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. Small capitalization companies are companies whose market capitalizations at the time of investment are similar to market capitalizations of companies in the Russell 2000 Indexⁱ, which varies due to market conditions and the composition of the index. Securities of companies whose market capitalization no longer meet this definition after purchase by the Portfolio are still be considered to be securities of small capitalization companies for purposes of the Portfolio's 80% investment policy. 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 U.S. companies.

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. This means that we look primarily at individual companies against the context of broader market forces.

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

A. Positive performance for the large cap S&P 500 Indexⁱⁱ, which advanced 26.29% for the twelve months ended December 31, 2023, overlooked broader weakness across the rest of the U.S. equity market. Tightening financial conditions, sparked by aggressive interest rate increases by the Federal Reserve Board (the "Fed") and the failure of two regional banks, weighed heavily on smaller cap companies before broadening out in the fourth quarter, with the Russell 2000 Index returning 16.93% for the reporting period. Small cap growth stocks held up better than their value counterparts, with the benchmark Russell 2000 Growth Indexⁱⁱⁱ returning 18.66% while the Russell 2000 Value Index^{iv} returned 14.65%.

Within the benchmark, the consumer staples (+28.61%) sector was the leading contributor to performance. Investor enthusiasm about the potential for artificial intelligence ("AI") allowed the information technology ("IT") (+27.84%) sector to generate strong performance and outperform the broader benchmark alongside the industrials (+24.19%), consumer discretionary (+21.56%) and financials (+19.26) sectors. Meanwhile, the more interest-rate sensitive utilities (-2.42%) sector was the sole detractor within the benchmark, while the energy (+8.77%) and materials (+10.83%) sectors also lagged the broader index's performance.

Portfolio overview (cont'd)

Initial signs of progress in the Fed's efforts to tame generationally high inflation supported equities in the first quarter of 2023, with strong performance among defensive and cyclical¹ stocks.

In March, markets focused on the U.S. banking system after significant market losses in Silicon Valley Bank's securities portfolio spurred a run on the bank's deposits and resulted in the second-largest bank failure in U.S. history. This sparked a crisis of confidence across small and midsize regional banks, as consumers shifted their deposits to larger banks perceived to be more stable. Although contagion concerns had eased by the end of the month, the crisis intensified concern over the probability and severity of a recession as banks are likely to tighten lending standards.

Stocks rose in the second quarter as investors took cooling inflation to mean the Fed's tightening cycle was nearing its conclusion. Simultaneously, enthusiasm grew over the potential applications and benefits of AI. The result was positive overall market performance with gains particularly concentrated in a handful of mega cap companies in the IT, consumer discretionary and communication services sectors.

Market leadership began to broaden by the beginning of the third quarter as better-than-expected corporate earnings and cooling inflation created a growing chorus for a soft landing for the economy (rather than a recession). This helped provide a bid to smaller and more economically sensitive stocks on the hopes that the Fed would reach its rate hike zenith, or even reduce rates, before the end of the year. However, as the quarter wore on, stubborn inflationary data, continued economic resiliency and surging Treasury yields pushed out rate cut expectations further into the future.

In the fourth quarter, signs of cooling inflation, a slowing labor market and favorable Treasury auction volumes caused bond yields to plummet, providing a strong bid to equities across the market with growth resuming its leadership position. A drastic shift in investor sentiment toward anticipation of an economic soft landing and a dovish pivot from the Fed, along with broadening market leadership, helped to swell the performance in small cap stocks, while the prospect of interest rate cuts as early as the first half of 2024 helped to spur a rally in more interest-rate sensitive market sectors.

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

A. In addition to the latest reporting period ended December 31, 2023, the Portfolio has had three prior periods of significant underperformance. Those occurred during the second half of 2008, the first half of 2015 and most recently the fourth quarter of 2020 into early 2021. Needless to say, we are disappointed and frustrated during these periods of subpar performance. Yet the small cap growth market (and the broader equity market) sometimes moves in mysterious ways during concentrated timeframes.

¹ Cyclical consists of the following industries: automotive, entertainment, gaming, home construction, lodging, retailers, restaurants, textiles and other consumer services.

We have found that sticking to our investment disciplines has led to relative performance recovery for our shareholders. We have continued to exercise judgment and patience to ensure we have 1) the right balance of opportunity and risk in the Portfolio, and 2) properly capitalized investments with substantial intermediate- to long-term growth opportunities. Our activity during the year was guided by these principles, leading to sixteen new investments that remained in the Fund at the end of the reporting period.

One positive during the year was the reopening of the new issues market after a near standstill during the throes of the COVID-19 pandemic and recovery. We participated in the initial public offerings of Klaviyo, a software and database platform that provides marketing automation solutions primarily to smaller e-commerce customers that we had owned as a private placement, and Oddity Tech, an already profitable direct to consumer cosmetics business that uses AI and related technologies to connect with customers.

Another notable addition was BWX Technologies, a manufacturer of naval reactors and components for the U.S. Navy and commercial players. With roughly 80% of revenues tied to a highly visible & well-funded defense priority (nuclear submarines), the company should drive steady and defensive growth with multiple upside drivers from greater acceptance of nuclear energy's role in the energy transition coupled with technology advances in micro-reactors and small modular reactors.

We also exited fourteen positions for both positive and negative reasons. On the constructive side, several stocks were the targets of acquisitions (New Relic, Syneos Health, AeroJet RocketDyne Holdings). We were expeditious in selling out of names due to new risks, such as the regional banking crisis in March that negatively impacted Western Alliance Bancorp, as well as the early August revelation that the GLP-1 diabetes and obesity treatments had potentially important cardiovascular benefits which led to pervasive selling of a plethora of medical technology stocks. In response to the negative sentiment across the health care sector, we closed out of Silk Road Medical and STARR Surgical. Similarly, the threat of disintermediation from AI led us to exit online education provider Chegg.

A combination of idiosyncratic individual stock moves, a lower-quality small cap rally and the Russell 2000 Growth Index rebalancing were among the main drivers of underperformance during the year. We have taken appropriate repositioning moves as described above while reaffirming the long-term appeal of many of the short-term stock underperformers. As such, we remain meaningful exposure to software and semiconductor stocks in IT and non-therapeutic areas of health care.

Portfolio overview (cont'd)

Performance review

For the twelve months ended December 31, 2023, Class I shares of ClearBridge Variable Small Cap Growth Portfolio¹ returned 8.40%. The Portfolio's unmanaged benchmark, the Russell 2000 Growth Index, returned 18.66% for the same period.

Performance Snapshot as of December 31, 2023 (unaudited)		
	6 months	12 months
ClearBridge Variable Small Cap Growth Portfolio:		
Class I	0.74%	8.40%
Class II	0.60%	8.12%
Russell 2000 Growth Index	4.50%	18.66%

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.

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, 2023, the gross total annual fund operating expense ratios for Class I and Class II shares were 0.80% and 1.05%, 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 six of the nine economic sectors in which it was invested for the reporting period (out of eleven economic sectors in total). The leading contributors were the industrials and IT sectors.

Relative to the benchmark, overall sector allocation effects positively contributed. In particular, underweight allocations to the energy and health care sectors, an overweight allocation to the consumer staples sector and a lack of exposure to the utilities sector were the primary drivers of results.

¹ 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.**

In terms of individual holdings, leading contributors to performance for the reporting period included positions in Trex in the industrials sector, Wingstop in the consumer discretionary sector, Varonis Systems and Monolithic Power Systems in the IT sector and Hamilton Lane in the financials sector.

Q. What were the leading detractors from performance?

A. On an absolute basis, the Portfolio had negative performance in three of the nine economic sectors in which it was invested for the reporting period (out of eleven economic sectors in total). The largest detractors were the consumer discretionary and communication services sectors.

Relative to the benchmark, overall stock selection detracted from performance. Specifically, stock selection in the consumer discretionary, health care, consumer staples, IT, communication services, industrials, energy and financials sectors weighed on performance.

In terms of individual holdings, the leading detractors from performance for the reporting period included Portfolio positions in Silk Road Medical in the health care sector, National Vision Holdings and Fox Factory Holdings in the consumer discretionary sector, Western Alliance Bancorp in the financials sector and Forward Air in the industrials 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 sixteen purchases still held at reporting period end, the largest were nCino in the IT sector, Moog and McGrath RentCorp in the industrials sector and Element Solutions in the materials sector. The Portfolio also closed fourteen positions during the year with the largest sales being American Equity Investment Life Holding in the financials sector, Silk Road Medical, Syneos Health and STAAR Surgical in the health care sector and New Relic in the IT sector.

Portfolio overview (cont'd)

Thank you for your investment in the 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



Jeffrey Bailin, CFA
Portfolio Manager
ClearBridge Investments, LLC

January 16, 2024

***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. The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, market disruptions caused by trade disputes or other factors, political developments, armed conflicts, economic sanctions and countermeasures in response to sanctions, major cybersecurity events, investor sentiment, the global and domestic effects of a*

pandemic, and other factors that may or may not be related to the issuer of the security or other asset. 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, 2023 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, 2023 were: Trex Co. Inc. (3.4%), RBC Bearings Inc. (3.2%), Casey's General Stores Inc. (2.6%), BJ's Wholesale Club Holdings Inc. (2.6%), Wingstop Inc. (2.5%), Hamilton Lane Inc., Class A Shares (2.5%), Penumbra Inc. (2.4%), Varonis Systems Inc. (2.4%), ICON PLC (2.2%) and Sprout Social Inc., Class A Shares (2.2%). Please refer to pages 13 through 17 for a list and percentage breakdown of the Portfolio's holdings.

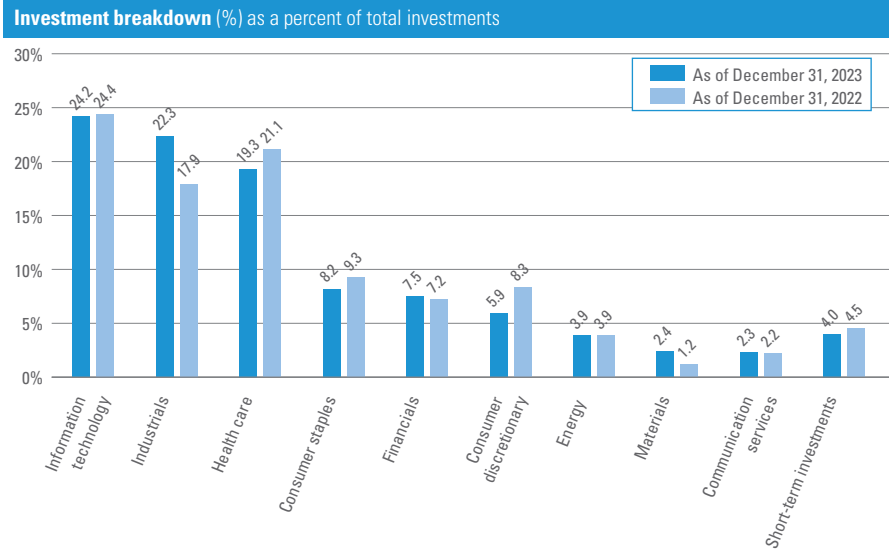
The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Portfolio's top five sector holdings (as a percentage of net assets) as of December 31, 2023 were: information technology (24.1%), industrials (22.3%), health care (19.3%), consumer staples (8.2%) and financials (7.5%). 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.

- ⁱ 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.
- ⁱⁱ The S&P 500 Index is an unmanaged index of the stocks of 500 leading companies, and is generally representative of the performance of larger companies in the U.S.
- ⁱⁱⁱ 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.)
- ^{iv} The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Portfolio at a glance[†] (unaudited)



† The bar graph above represents the composition of the Portfolio’s investments as of December 31, 2023 and December 31, 2022. 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, 2023 and held for the six months ended December 31, 2023.

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 ¹					Expenses Paid During the Period ²
	Actual Total Return ²	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	
Class I	0.74%	\$1,000.00	\$1,007.40	0.80%	\$4.05
Class II	0.60	1,000.00	1,006.00	1.05	5.31

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 ¹					Expenses Paid During the Period ²
	Hypothetical Annualized Total Return	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	
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

Portfolio expenses (unaudited) (cont'd)

- ¹ For the six months ended December 31, 2023.
- ² 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.
- ³ 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 returns¹

	Class I	Class II
Twelve Months Ended 12/31/23	8.40%	8.12%
Five Years Ended 12/31/23	9.56	9.29
Ten Years Ended 12/31/23	7.89	7.62

Cumulative total returns¹

Class I (12/31/13 through 12/31/23)	113.68%
Class II (12/31/13 through 12/31/23)	108.37

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.

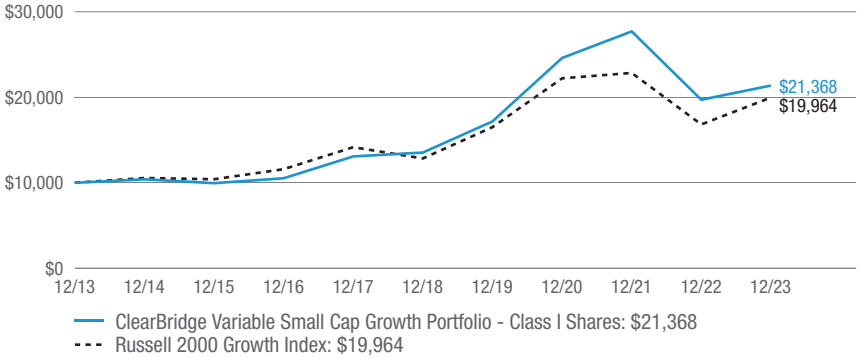
¹ Assumes the reinvestment of all distributions, including returns of capital, if any, at net asset value.

Portfolio performance (unaudited) (cont'd)

Historical performance

Value of \$10,000 invested in

Class I Shares of ClearBridge Variable Small Cap Growth Portfolio vs Russell 2000 Growth Index —
December 2013 - December 2023



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, 2013, assuming the reinvestment of all distributions, including returns of capital, if any, at net asset value through December 31, 2023. 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, 2023

ClearBridge Variable Small Cap Growth Portfolio		
(Percentages shown based on Portfolio net assets)		
Security	Shares	Value
Common Stocks — 95.5%		
Communication Services — 2.3%		
<i>Diversified Telecommunication Services — 1.7%</i>		
Iridium Communications Inc.	172,204	\$ 7,087,917
<i>Media — 0.6%</i>		
Integral Ad Science Holding Corp.	195,100	2,807,489 *
Total Communication Services		9,895,406
Consumer Discretionary — 5.9%		
<i>Automobile Components — 1.3%</i>		
Fox Factory Holding Corp.	79,139	5,340,300 *
<i>Hotels, Restaurants & Leisure — 3.0%</i>		
Dutch Bros Inc., Class A Shares	63,305	2,004,869 *
Wingstop Inc.	41,741	10,709,906
<i>Total Hotels, Restaurants & Leisure</i>		<i>12,714,775</i>
<i>Household Durables — 0.3%</i>		
Installed Building Products Inc.	6,800	1,243,176
<i>Specialty Retail — 1.3%</i>		
National Vision Holdings Inc.	261,742	5,478,260 *
Total Consumer Discretionary		24,776,511
Consumer Staples — 8.2%		
<i>Consumer Staples Distribution & Retail — 7.9%</i>		
BJ's Wholesale Club Holdings Inc.	163,483	10,897,777 *
Casey's General Stores Inc.	40,673	11,174,500
Grocery Outlet Holding Corp.	224,686	6,057,534 *
Performance Food Group Co.	75,066	5,190,814 *
<i>Total Consumer Staples Distribution & Retail</i>		<i>33,320,625</i>
<i>Food Products — 0.3%</i>		
Calavo Growers Inc.	46,600	1,370,506
<i>Personal Care Products — 0.0%††</i>		
Oddity Tech Ltd., Class A Shares	3,315	154,247 *
Total Consumer Staples		34,845,378
Energy — 3.9%		
<i>Energy Equipment & Services — 3.1%</i>		
Cactus Inc., Class A Shares	150,180	6,818,172
ChampionX Corp.	213,848	6,246,500
<i>Total Energy Equipment & Services</i>		<i>13,064,672</i>
<i>Oil, Gas & Consumable Fuels — 0.8%</i>		
Matador Resources Co.	62,000	3,525,320
Total Energy		16,589,992

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2023

ClearBridge Variable Small Cap Growth Portfolio		
(Percentages shown based on Portfolio net assets)		
Security	Shares	Value
Financials — 7.5%		
<i>Capital Markets — 4.5%</i>		
Hamilton Lane Inc., Class A Shares	92,003	\$ 10,436,820
PJT Partners Inc., Class A Shares	83,901	8,546,995
<i>Total Capital Markets</i>		<i>18,983,815</i>
<i>Financial Services — 2.5%</i>		
NMI Holdings Inc., Class A Shares	64,100	1,902,488 *
Shift4 Payments Inc., Class A Shares	118,425	8,803,715 *
<i>Total Financial Services</i>		<i>10,706,203</i>
<i>Insurance — 0.5%</i>		
Trupanion Inc.	64,239	1,959,932 *
Total Financials		31,649,950
Health Care — 19.1%		
<i>Biotechnology — 1.0%</i>		
Biohaven Ltd.	30,749	1,316,057 *
Miram Pharmaceuticals Inc.	18,600	549,072 *
Ultragenyx Pharmaceutical Inc.	50,321	2,406,350 *
<i>Total Biotechnology</i>		<i>4,271,479</i>
<i>Health Care Equipment & Supplies — 5.3%</i>		
Inari Medical Inc.	16,000	1,038,720 *
Insulet Corp.	7,976	1,730,633 *
Integra LifeSciences Holdings Corp.	136,775	5,956,551 *
Lantheus Holdings Inc.	25,800	1,599,600 *
Omniceil Inc.	56,136	2,112,398 *
Penumbra Inc.	39,726	9,992,678 *
<i>Total Health Care Equipment & Supplies</i>		<i>22,430,580</i>
<i>Health Care Providers & Services — 5.0%</i>		
HealthEquity Inc.	82,932	5,498,392 *
Progyny Inc.	197,347	7,337,361 *
Surgery Partners Inc.	267,598	8,560,460 *
<i>Total Health Care Providers & Services</i>		<i>21,396,213</i>
<i>Health Care Technology — 1.7%</i>		
Certara Inc.	308,400	5,424,756 *
Definitive Healthcare Corp.	170,700	1,696,758 *
<i>Total Health Care Technology</i>		<i>7,121,514</i>
<i>Life Sciences Tools & Services — 4.1%</i>		
Azenta Inc.	70,583	4,597,777 *
CryoPort Inc.	89,325	1,383,644 *
ICON PLC	33,155	9,385,186 *
Olink Holding AB, ADR	75,110	1,889,016 *
<i>Total Life Sciences Tools & Services</i>		<i>17,255,623</i>

See Notes to Financial Statements.

ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security	Shares	Value
<i>Pharmaceuticals — 2.0%</i>		
Intra-Cellular Therapies Inc.	75,648	\$ 5,417,910 *
Pacira BioSciences Inc.	85,252	2,876,402 *
<i>Total Pharmaceuticals</i>		<i>8,294,312</i>
Total Health Care		80,769,721
Industrials — 22.3%		
<i>Aerospace & Defense — 1.3%</i>		
BWX Technologies Inc.	30,200	2,317,246
Moog Inc., Class A Shares	23,000	3,329,940
<i>Total Aerospace & Defense</i>		<i>5,647,186</i>
<i>Air Freight & Logistics — 2.4%</i>		
Forward Air Corp.	45,012	2,829,904
GXD Logistics Inc.	116,085	7,099,759 *
<i>Total Air Freight & Logistics</i>		<i>9,929,663</i>
<i>Building Products — 4.8%</i>		
Hayward Holdings Inc.	199,920	2,718,912 *
Masonite International Corp.	37,590	3,182,370 *
Trex Co. Inc.	171,527	14,200,720 *
<i>Total Building Products</i>		<i>20,102,002</i>
<i>Electrical Equipment — 2.1%</i>		
Bloom Energy Corp., Class A Shares	299,969	4,439,541 *
Shoals Technologies Group Inc., Class A Shares	270,315	4,200,695 *
<i>Total Electrical Equipment</i>		<i>8,640,236</i>
<i>Ground Transportation — 1.5%</i>		
XPO Inc.	74,380	<i>6,514,944 *</i>
<i>Machinery — 5.6%</i>		
Albany International Corp., Class A Shares	45,480	4,467,046
RBC Bearings Inc.	47,336	13,485,553 *
Tennant Co.	60,797	5,635,274
<i>Total Machinery</i>		<i>23,587,873</i>
<i>Professional Services — 1.4%</i>		
Paycor HCM Inc.	277,226	<i>5,985,309 *</i>
<i>Trading Companies & Distributors — 3.2%</i>		
H&E Equipment Services Inc.	148,622	7,775,903
McGrath RentCorp.	24,800	2,966,576
Xometry Inc., Class A Shares	81,487	2,926,198 *
<i>Total Trading Companies & Distributors</i>		<i>13,668,677</i>
Total Industrials		94,075,890
Information Technology — 23.9%		
<i>Communications Equipment — 0.6%</i>		
Viavi Solutions Inc.	260,278	<i>2,620,999 *</i>

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2023

ClearBridge Variable Small Cap Growth Portfolio		
(Percentages shown based on Portfolio net assets)		
Security	Shares	Value
<i>Electronic Equipment, Instruments & Components — 1.8%</i>		
Brain Corp.	52,367	\$ 304,188 ^{*(a)(b)(c)}
nLight Inc.	83,680	1,129,680 *
Novanta Inc.	15,000	2,526,150 *
OSI Systems Inc.	29,943	3,864,144 *
<i>Total Electronic Equipment, Instruments & Components</i>		<i>7,824,162</i>
<i>IT Services — 1.8%</i>		
Wix.com Ltd.	60,447	7,436,190 *
<i>Semiconductors & Semiconductor Equipment — 5.6%</i>		
Allegro MicroSystems Inc.	215,215	6,514,558 *
Lattice Semiconductor Corp.	117,250	8,089,077 *
Monolithic Power Systems Inc.	14,291	9,014,477
<i>Total Semiconductors & Semiconductor Equipment</i>		<i>23,618,112</i>
<i>Software — 14.1%</i>		
Aspen Technology Inc.	26,888	5,919,393 *
Blackbaud Inc.	20,200	1,751,340 *
Envestnet Inc.	87,374	4,326,761 *
Jamf Holding Corp.	155,995	2,817,270 *
Klaviyo Inc.	69,558	1,932,321 ^{*(a)(c)}
Klaviyo Inc., Class A Shares	57,591	1,599,878 *
Model N Inc.	190,807	5,138,433 *
nCino Inc.	85,100	2,861,913 *
PagerDuty Inc.	310,954	7,198,585 *
Qualys Inc.	25,865	5,076,782 *
Sprout Social Inc., Class A Shares	148,250	9,108,480 *
Varonis Systems Inc.	220,267	9,973,690 *
Zeta Global Holdings Corp., Class A Shares	220,170	1,941,899 *
<i>Total Software</i>		<i>59,646,745</i>
Total Information Technology		101,146,208
Materials — 2.4%		
<i>Chemicals — 2.4%</i>		
Balchem Corp.	37,756	5,616,205
Element Solutions Inc.	137,700	3,186,378
Livent Corp.	78,748	1,415,889 *
Total Materials		10,218,472
Total Common Stocks (Cost — \$267,536,321)		403,967,528

See Notes to Financial Statements.

ClearBridge Variable Small Cap Growth Portfolio

(Percentages shown based on Portfolio net assets)

Security	Rate	Shares	Value
Preferred Stocks — 0.4%			
Health Care — 0.2%			
<i>Pharmaceuticals — 0.2%</i>			
Caris Life Sciences Inc., Series C	—	183,481	\$ 425,711 ^{*(a)(b)(c)}
Caris Life Sciences Inc., Series D	—	31,383	204,199 ^{*(a)(b)(c)}
Total Health Care			629,910
Information Technology — 0.2%			
<i>Electronic Equipment, Instruments & Components — 0.2%</i>			
Brain Corp.	—	170,237	988,866 ^{*(a)(b)(c)}
Total Preferred Stocks (Cost — \$1,658,695)			1,618,776
Total Investments before Short-Term Investments (Cost — \$269,195,016)			405,586,304
Short-Term Investments — 4.0%			
JPMorgan 100% U.S. Treasury Securities Money Market Fund, Institutional Class	5.197%	8,472,870	8,472,870 ^(d)
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	5.279%	8,472,870	8,472,870 ^{(d)(e)}
Total Short-Term Investments (Cost — \$16,945,740)			16,945,740
Total Investments — 99.9% (Cost — \$286,140,756)			422,532,044
Other Assets in Excess of Liabilities — 0.1%			305,985
Total Net Assets — 100.0%			\$422,838,029

†† Represents less than 0.1%.

* Non-income producing security.

(a) Security is fair valued 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) Rate shown is one-day yield as of the end of the reporting period.

(e) 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, 2023, the total market value of investments in Affiliated Companies was \$8,472,870 and the cost was \$8,472,870 (Note 8).

Abbreviation(s) used in this schedule:

ADR — American Depositary Receipts

See Notes to Financial Statements.

Statement of assets and liabilities

December 31, 2023

Assets:

Investments in unaffiliated securities, at value (Cost — \$277,667,886)	\$ 414,059,174
Investments in affiliated securities, at value (Cost — \$8,472,870)	8,472,870
Receivable for Portfolio shares sold	871,903
Dividends receivable from unaffiliated investments	130,894
Dividends receivable from affiliated investments	32,432
Prepaid expenses	1,711
Total Assets	423,568,984

Liabilities:

Payable for Portfolio shares repurchased	354,575
Investment management fee payable	257,519
Service and/or distribution fees payable	27,009
Trustees' fees payable	6,122
Accrued expenses	85,730
Total Liabilities	730,955

Total Net Assets **\$ 422,838,029**

Net Assets:

Par value (Note 7)	\$ 159
Paid-in capital in excess of par value	286,350,193
Total distributable earnings (loss)	136,487,677
Total Net Assets	\$ 422,838,029

Net Assets:

Class I	\$286,661,846
Class II	\$136,176,183

Shares Outstanding:

Class I	10,481,396
Class II	5,384,252

Net Asset Value:

Class I	\$27.35
Class II	\$25.29

See Notes to Financial Statements.

Statement of operations

For the Year Ended December 31, 2023

Investment Income:

Dividends from unaffiliated investments	\$ 1,465,844
Dividends from affiliated investments	185,997
Total Investment Income	1,651,841

Expenses:

Investment management fee (Note 2)	2,980,329
Service and/or distribution fees (Notes 2 and 5)	311,661
Fund accounting fees	69,524
Shareholder reports	32,647
Legal fees	32,117
Audit and tax fees	29,974
Trustees' fees	28,253
Commitment fees (Note 10)	3,392
Insurance	2,589
Transfer agent fees (Notes 2 and 5)	2,412
Interest expense	2,171
Custody fees	1,692
Miscellaneous expenses	5,357
Total Expenses	3,502,118
Less: Fee waivers and/or expense reimbursements (Notes 2 and 5)	(3,153)
Net Expenses	3,498,965
Net Investment Loss	(1,847,124)

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

Net Realized Gain From:	
Investment transactions in unaffiliated securities	7,109,558
Written options	27,983
Net Realized Gain	7,137,541
Change in Net Unrealized Appreciation (Depreciation) From Unaffiliated Investments	25,330,717
Net Gain on Investments and Written Options	32,468,258
Increase in Net Assets From Operations	\$30,621,134

See Notes to Financial Statements.

Statements of changes in net assets

For the Years Ended December 31,	2023	2022
Operations:		
Net investment loss	\$ (1,847,124)	\$ (2,088,744)
Net realized gain (loss)	7,137,541	(6,480,865)
Change in net unrealized appreciation (depreciation)	25,330,717	(146,487,688)
<i>Increase (Decrease) in Net Assets From Operations</i>	<i>30,621,134</i>	<i>(155,057,297)</i>
Distributions to Shareholders From (Notes 1 and 6):		
Total distributable earnings	—	(8,288,384)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>—</i>	<i>(8,288,384)</i>
Portfolio Share Transactions (Note 7):		
Net proceeds from sale of shares	103,773,800	91,072,998
Reinvestment of distributions	—	8,288,384
Cost of shares repurchased	(89,733,194)	(100,739,076)
<i>Increase (Decrease) in Net Assets From Portfolio Share Transactions</i>	<i>14,040,606</i>	<i>(1,377,694)</i>
<i>Increase (Decrease) in Net Assets</i>	<i>44,661,740</i>	<i>(164,723,375)</i>
Net Assets:		
Beginning of year	378,176,289	542,899,664
End of year	\$422,838,029	\$ 378,176,289

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 ¹	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$25.23	\$36.32	\$36.60	\$27.54	\$23.88
Income (loss) from operations:					
Net investment loss	(0.10)	(0.12)	(0.18)	(0.15)	(0.14)
Net realized and unrealized gain (loss)	2.22	(10.42)	4.70	11.83	6.50
Total income (loss) from operations	2.12	(10.54)	4.52	11.68	6.36
Less distributions from:					
Net realized gains	—	(0.55)	(4.80)	(2.62)	(2.70)
Total distributions	—	(0.55)	(4.80)	(2.62)	(2.70)
Net asset value, end of year	\$27.35	\$25.23	\$36.32	\$36.60	\$27.54
Total return²	8.40%	(28.85)%	12.61%	43.26%	26.87%
Net assets, end of year (millions)	\$287	\$261	\$368	\$351	\$267
Ratios to average net assets:					
Gross expenses	0.80%	0.80%	0.80%	0.81%	0.81%
Net expenses ^{3,4}	0.80	0.80	0.80	0.81	0.81
Net investment loss	(0.39)	(0.43)	(0.46)	(0.52)	(0.49)
Portfolio turnover rate	15%	8%	16%	21%	21%

¹ Per share amounts have been calculated using the average shares method.

² 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.

³ Reflects fee waivers and/or expense reimbursements.

⁴ As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage commissions, 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, 2025 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.

[See Notes to Financial Statements.](#)

Financial highlights (cont'd)

For a share of each class of beneficial interest outstanding throughout each year ended December 31:					
Class II Shares ¹	2023	2022	2021	2020	2019
Net asset value, beginning of year	\$23.39	\$33.81	\$34.46	\$26.11	\$22.81
Income (loss) from operations:					
Net investment loss	(0.15)	(0.17)	(0.27)	(0.21)	(0.20)
Net realized and unrealized gain (loss)	2.05	(9.70)	4.42	11.18	6.20
Total income (loss) from operations	1.90	(9.87)	4.15	10.97	6.00
Less distributions from:					
Net realized gains	—	(0.55)	(4.80)	(2.62)	(2.70)
Total distributions	—	(0.55)	(4.80)	(2.62)	(2.70)
Net asset value, end of year	\$25.29	\$23.39	\$33.81	\$34.46	\$26.11
Total return²	8.12%	(29.01)%	12.31%	42.91%	26.55%
Net assets, end of year (millions)	\$136	\$117	\$175	\$153	\$105
Ratios to average net assets:					
Gross expenses	1.05%	1.05%	1.05%	1.06%	1.06%
Net expenses ^{3,4}	1.05	1.04	1.05	1.06	1.06
Net investment loss	(0.64)	(0.69)	(0.71)	(0.76)	(0.74)
Portfolio turnover rate	15%	8%	16%	21%	21%

¹ Per share amounts have been calculated using the average shares method.

² 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.

³ Reflects fee waivers and/or expense reimbursements.

⁴ As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage commissions, 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, 2025 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.

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 Portfolio follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946, *Financial Services – Investment Companies* ("ASC 946"). The following are significant accounting policies consistently followed by the Portfolio and are in conformity with U.S. generally accepted accounting principles ("GAAP"), including, but not limited to, ASC 946. 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

Notes to financial statements (cont'd)

value, the Portfolio values these securities as determined in accordance with procedures approved by the Portfolio's Board of Trustees.

Pursuant to policies adopted by the Board of Trustees, the Portfolio's manager has been designated as the valuation designee and is responsible for the oversight of the daily valuation process. The Portfolio's manager is assisted by the Global Fund Valuation Committee (the "Valuation Committee"). The Valuation Committee is responsible for making fair value determinations, evaluating the effectiveness of the Portfolio's pricing policies, and reporting to the Portfolio's manager and 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.

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 — unadjusted 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:

ASSETS				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Long-Term Investments†:				
Common Stocks:				
Information Technology	\$ 98,909,699	\$1,932,321	\$ 304,188	\$101,146,208
Other Common Stocks	302,821,320	—	—	302,821,320
Preferred Stocks:				
Health Care	—	—	629,910	629,910
Information Technology	—	—	988,866	988,866
Total Long-Term Investments	401,731,019	1,932,321	1,922,964	405,586,304
Short-Term Investments†	16,945,740	—	—	16,945,740
Total Investments	\$418,676,759	\$1,932,321	\$1,922,964	\$422,532,044

† See Schedule of Investments for additional detailed categorizations.

(b) Written options. The Portfolio may write option contracts generally to gain or reduce exposure to types of investments or market factors or as a means of attempting to enhance returns. 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 form the Portfolio's

Notes to financial statements (cont'd)

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, 2023, 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) is recorded on the accrual basis. Amortization of premiums and accretion of discounts on debt securities are recorded to interest income over the lives of the respective securities, except for premiums on certain callable debt securities, which are amortized to the earliest call date. 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.

Notes to financial statements (cont'd)

(f) Distributions to shareholders. Distributions from net investment income and distributions of net realized gains, if any, are declared at least annually. Distributions to 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, 2023, 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)	\$2,922,238	\$(2,922,238)

(a) Reclassifications are due to a tax net operating loss and the realization for tax purposes of unrealized gains on investments in passive foreign investment companies.

2. Investment management agreement and other transactions with affiliates

Franklin Templeton Fund Adviser, LLC ("FTFA") (formerly known as Legg Mason Partners Fund Advisor, LLC ("LMPFA") prior to November 30, 2023) is the Portfolio's investment manager and ClearBridge Investments, LLC ("ClearBridge") is the Portfolio's subadviser. Western Asset Management Company, LLC ("Western Asset") manages the portion of the

Portfolio's cash and short-term instruments allocated to it. FTFA, 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.

FTFA provides administrative and certain oversight services to the Portfolio. FTFA 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, FTFA 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, FTFA pays Western Asset monthly 0.02% of the portion of the Portfolio's average daily net assets that are allocated to Western Asset by FTFA.

As a result of expense limitation arrangements between the Portfolio and FTFA, the ratio of total annual fund operating expenses, other than interest, brokerage commissions, 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, 2025 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, 2023, fees waived and/or expenses reimbursed amounted to \$3,153, all of which was an affiliated money market fund waiver.

FTFA 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 FTFA 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 ("Franklin Distributors") serves as the Portfolio's sole and exclusive distributor. Franklin Distributors is an indirect, wholly-owned broker-dealer subsidiary of Franklin Resources. Franklin Templeton Investor Services, LLC ("Investor Services") serves as the Portfolio's shareholder servicing agent and acts as the Portfolio's transfer agent and dividend-paying agent. Investor Services is an indirect, wholly-owned subsidiary of Franklin Resources. Each class of shares of the Portfolio pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Investor Services charges account-based fees based on the number of individual shareholder

Notes to financial statements (cont'd)

accounts, as well as a fixed percentage fee based on the total account-based fees charged. In addition, each class reimburses Investor Services for out of pocket expenses incurred. For the year ended December 31, 2023, the Portfolio incurred transfer agent fees as reported on the Statement of Operations, of which \$2,505 was earned by Investor Services.

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, 2023, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) were as follows:

Purchases	\$71,380,100
Sales	58,897,865

At December 31, 2023, 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	\$286,312,618	\$166,299,915	\$(30,080,489)	\$136,219,426

4. Derivative instruments and hedging activities

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, 2023. The table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period.

AMOUNT OF NET REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED

	Equity Risk
Written options	\$27,983

During the year ended December 31, 2023, the volume of derivative activity for the Portfolio was as follows:

	Average Market Value
Written option [†]	\$1,060

[†] At December 31, 2023, 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, 2023, class specific expenses were as follows:

	Service and/or Distribution Fees	Transfer Agent Fees
Class I	—	\$2,167
Class II	\$311,661	245
Total	\$311,661	\$2,412

For the year ended December 31, 2023, waivers and/or expense reimbursements by class were as follows:

	Waivers/Expense Reimbursements
Class I	\$2,162
Class II	991
Total	\$3,153

6. Distributions to shareholders by class

	Year Ended December 31, 2023	Year Ended December 31, 2022
Net Realized Gains:		
Class I	—	\$5,600,474
Class II	—	2,687,910
Total	—	\$8,288,384

7. Shares of beneficial interest

At December 31, 2023, 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, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class I				
Shares sold	1,951,132	\$ 51,419,251	1,775,547	\$ 48,801,161
Shares issued on reinvestment	—	—	246,026	5,600,474
Shares repurchased	(1,819,083)	(47,643,235)	(1,805,995)	(49,977,723)
Net increase	132,049	\$ 3,776,016	215,578	\$ 4,423,912

Notes to financial statements (cont'd)

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
Class II				
Shares sold	2,130,966	\$ 52,354,549	1,679,774	\$ 42,271,837
Shares issued on reinvestment	—	—	127,159	2,687,910
Shares repurchased	(1,752,872)	(42,089,959)	(1,971,847)	(50,761,353)
Net increase (decrease)	378,094	\$ 10,264,590	(164,914)	\$ (5,801,606)

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 for all or some portion of the year ended December 31, 2023. The following transactions were effected in such company for the year ended December 31, 2023.

	Affiliate Value at December 31, 2022	Purchased		Sold	
		Cost	Shares	Proceeds	Shares
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	\$3,380,323	\$37,797,522	37,797,522	\$32,704,975	32,704,975

(cont'd)	Realized Gain (Loss)	Dividend Income	Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	Affiliate Value at December 31, 2023
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	—	\$185,997	—	\$8,472,870

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 12/31/2023	Value Per Share	Percent of Net Assets
Brain Corp., Common Shares	52,367	3/21	\$ 228,844	\$ 304,188	\$ 5.81	0.07%
Brain Corp., Preferred Shares	170,237	4/20, 11/20	898,085	988,866	5.81	0.23
Caris Life Sciences Inc., Series C, Preferred Shares	183,481	10/20	506,408	425,711	2.32	0.10

Security	Number of Shares	Acquisition Date	Cost	Fair Value at 12/31/2023	Value Per Share	Percent of Net Assets
Caris Life Sciences Inc., Series D, Preferred Shares	31,383	5/21	\$ 254,202	\$ 204,199	\$ 6.51	0.05%
Klaviyo Inc., Common Shares ^(a)	69,558	5/21	2,321,946	1,932,321	27.78	0.46
			\$4,209,485	\$3,855,285		0.91%

^(a) Security is subject to a contractual sale restriction as a result of an IPO lockup. The remaining lockup period is generally less than one year.

10. Redemption facility

The Portfolio, together with other U.S. registered and foreign investment funds (collectively, the “Borrowers”) managed by Franklin Resources or its affiliates, is 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 January 31, 2025.

Under the terms of the Global Credit Facility, the Portfolio shall, in addition to interest charged on any borrowings made by the Portfolio and other costs incurred by the Portfolio, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in the Statement of Operations. The Portfolio did not utilize the Global Credit Facility during the year ended December 31, 2023.

11. Income tax information and distributions to shareholders

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

	2023	2022
Distributions paid from:		
Net long-term capital gains	—	\$8,288,384

As of December 31, 2023, the components of distributable earnings (loss) on a tax basis were as follows:

Undistributed long-term capital gains — net	\$ 313,746
Other book/tax temporary differences ^(a)	(45,495)
Unrealized appreciation (depreciation) ^(b)	136,219,426
Total distributable earnings (loss) — net	\$136,487,677

Notes to financial statements (cont'd)

- ^(a) Other book/tax temporary differences are attributable to book/tax differences in the timing of the deductibility of various expenses.
- ^(b) The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales.

12. Recent accounting pronouncement

In June 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-03, *Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

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 portfolios constituting Legg Mason Partners Variable Equity Trust, referred to hereafter as the "Portfolio") as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statement of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2023, 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, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio'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 Portfolio 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, 2023 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 13, 2024

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

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, Franklin Templeton, 280 Park Avenue, 8th Floor, New York, New York 10017.

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

Independent Trustees¹

Andrew L. Breech

Year of birth	1952
Position(s) with Trust	Trustee
Term of office ¹ and length of time served ²	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	55
Other board memberships held by Trustee during the past five years	None

Althea L. Duersten*

Year of birth	1951
Position(s) with Trust	Trustee and Chair of the Board
Term of office ¹ and length of time served ²	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	55
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 ¹ and length of time served ²	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	55
Other board memberships held by Trustee during the past five years	None

Independent Trustees¹ (cont'd)

Susan M. Heilbron

Year of birth	1945
Position(s) with Trust	Trustee
Term of office ¹ and length of time served ²	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	55
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 ¹ and length of time served ²	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	55
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 ¹ and length of time served ²	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	55
Other board memberships held by Trustee during the past five years	Director of HSBC Corporate Money Funds Limited, HSBC Managed Portfolios Limited and HSBC Specialist Funds Limited (since 2020); formerly, Director of Cheyne Capital International Limited (investment advisory firm) (2005 to 2020)

Ken Miller

Year of birth	1942
Position(s) with Trust	Trustee
Term of office ¹ and length of time served ²	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	55
Other board memberships held by Trustee during the past five years	None

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Independent Trustees¹ (cont'd)

G. Peter O'Brien**

Year of birth	1945
Position(s) with Trust	Trustee
Term of office ¹ and length of time served ²	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 55 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 ¹ and length of time served ²	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	55
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)

Interested Trustee and Officer

Jane Trust, CFA³

Year of birth	1962
Position(s) with Trust	Trustee, President and Chief Executive Officer
Term of office ¹ and length of time served ²	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 123 funds associated with FTFA or its affiliates (since 2015); President and Chief Executive Officer of FTFA (since 2015); formerly, Senior Managing Director (2018 to 2020) and Managing Director (2016 to 2018) of Legg Mason & Co., LLC ("Legg Mason & Co."); and Senior Vice President of FTFA (2015)
Number of funds in fund complex overseen by Trustee	123
Other board memberships held by Trustee during the past five years	None

Additional Officers

Ted P. Becker

Franklin Templeton
280 Park Avenue, 8th Floor, New York, NY 10017

Year of birth	1951
Position(s) with Trust	Chief Compliance Officer
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of FTFA (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
280 Park Avenue, 8th Floor, New York, NY 10017

Year of birth	1949
Position(s) with Trust	Chief Anti-Money Laundering Compliance Officer
Term of office ¹ and length of time served ²	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)

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 ¹ and length of time served ²	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)

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Additional Officers (cont'd)

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 ¹ and length of time served ²	Since 2020
Principal occupation(s) during the past five years	Senior Associate General Counsel of Franklin Templeton (since 2020); Secretary of FTFA (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)

Christopher Berarducci

Franklin Templeton
280 Park Avenue, 8th Floor, New York, NY 10017

Year of birth	1974
Position(s) with Trust	Treasurer and Principal Financial Officer
Term of office ¹ and length of time served ²	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
280 Park Avenue, 8th Floor, New York, NY 10017

Year of birth	1951
Position(s) with Trust	Senior Vice President
Term of office ¹ and length of time served ²	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 FTFA (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)

FTFA, referenced above, was formerly known as LMPFA prior to November 30, 2023.

* Effective February 7, 2024, Ms. Duersten retired from the Board.

** Effective February 7, 2024, Mr. O'Brien became Chair of the Board.

† 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").

- ¹ 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.
- ² 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.
- ³ Ms. Trust is an “interested person” of the Portfolio, as defined in the 1940 Act, because of her position with FTFA 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 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, 2023:

	Pursuant to:	Amount Reported
Income Eligible for Dividends Received Deduction (DRD)	\$854(b)(1)(A)	\$1,127,626

ClearBridge Variable Small Cap Growth Portfolio

Trustees

Andrew L. Breech
Stephen R. Gross
Susan M. Heilbron
Arnold L. Lehman
Robin J. W. Masters
Ken Miller
G. Peter O'Brien*
Chair
Thomas F. Schlafly
Jane Trust

Investment manager

Franklin Templeton Fund Adviser, 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

* Effective February 7, 2024, Mr. O'Brien became Chair of the Board.

** Formerly known as Legg Mason Partners Fund Adviser, LLC.

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. To obtain information on Form N-PORT, shareholders can call the Portfolio at 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 877-6LM-FUND/656-3863, (2) at www.franklintempleton.com and (3) on the SEC's website at 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

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Legg Mason Funds Privacy and Security Notice

Your Privacy Is Our Priority

Franklin Templeton* is committed to safeguarding your personal information. This notice is designed to provide you with a summary of the non-public personal information Franklin Templeton may collect and maintain about current or former individual investors; our policy regarding the use of that information; and the measures we take to safeguard the information. We do not sell individual investors' non-public personal information to anyone and only share it as described in this notice.

Information We Collect

When you invest with us, you provide us with your non-public personal information. We collect and use this information to service your accounts and respond to your requests. The non-public personal information we may collect falls into the following categories:

- Information we receive from you or your financial intermediary on applications or other forms, whether we receive the form in writing or electronically. For example, this information may include your name, address, tax identification number, birth date, investment selection, beneficiary information, and your personal bank account information and/or email address if you have provided that information.
- Information about your transactions and account history with us, or with other companies that are part of Franklin Templeton, including transactions you request on our website or in our app. This category also includes your communications to us concerning your investments.
- Information we receive from third parties (for example, to update your address if you move, obtain or verify your email address or obtain additional information to verify your identity).
- Information collected from you online, such as your IP address or device ID and data gathered from your browsing activity and location. (For example, we may use cookies to collect device and browser information so our website recognizes your online preferences and device information.) Our website contains more information about cookies and similar technologies and ways you may limit them.
- Other general information that we may obtain about you such as demographic information.

Disclosure Policy

To better service your accounts and process transactions or services you requested, we may share non-public personal information with other Franklin Templeton companies. From time to time we may also send you information about products/services offered by other Franklin Templeton companies although we will not share your non-public personal information with these companies without first offering you the opportunity to prevent that sharing.

We will only share non-public personal information with outside parties in the limited circumstances permitted by law. For example, this includes situations where we need to share information with companies who work on our behalf to service or maintain your account or process transactions you requested, when the disclosure is to companies assisting us with our own marketing efforts, when the disclosure is to a party representing you, or when required by law (for example, in response to legal process). Additionally, we will ensure that any outside

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companies working on our behalf, or with whom we have joint marketing agreements, are under contractual obligations to protect the confidentiality of your information, and to use it only to provide the services we asked them to perform.

Confidentiality and Security

Our employees are required to follow procedures with respect to maintaining the confidentiality of our investors' non-public personal information. Additionally, we maintain physical, electronic and procedural safeguards to protect the information. This includes performing ongoing evaluations of our systems containing investor information and making changes when appropriate.

At all times, you may view our current privacy notice on our website at franklintempleton.com or contact us for a copy at (800) 632-2301.

*For purposes of this privacy notice Franklin Templeton shall refer to the following entities:

Fiduciary Trust International of the South (FTIOS), as custodian for individual retirement plans
Franklin Advisers, Inc.

Franklin Distributors, LLC, including as program manager of the Franklin Templeton 529 College Savings Plan and the NJBEST 529 College Savings Plan

Franklin Mutual Advisers, LLC

Franklin, Templeton and Mutual Series Funds

Franklin Templeton Institutional, LLC

Franklin Templeton Investments Corp., Canada

Franklin Templeton Investments Management, Limited UK

Franklin Templeton Portfolio Advisors, Inc.

Legg Mason Funds serviced by Franklin Templeton Investor Services, LLC

Templeton Asset Management, Limited

Templeton Global Advisors, Limited

Templeton Investment Counsel, LLC

If you are a customer of other Franklin Templeton affiliates and you receive notices from them, you will need to read those notices separately.

