

Semi-Annual Report | June 30, 2021

CLEARBRIDGE VARIABLE SMALL CAP GROWTH PORTFOLIO

Your insurance company may no longer send you paper copies of the Fund's shareholder reports like this one by mail, unless you specifically request paper copies of the reports from the insurance company or your financial intermediary. Instead, the shareholder reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

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Portfolio objective

The Portfolio seeks long-term growth of capital.

Letter from the president



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Dear Shareholder,

We are pleased to provide the semi-annual report of ClearBridge Variable Small Cap Growth Portfolio for the six-month reporting period ended June 30, 2021. Please read on for Portfolio performance information during the Portfolio's reporting period.

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.leggmason.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, which appears to read "Jane Trust". The signature is fluid and cursive.

Jane Trust, CFA
President and Chief Executive Officer

July 30, 2021

Performance review

For the six months ended June 30, 2021, Class I shares of ClearBridge Variable Small Cap Growth Portfolio¹ returned 12.86%. The Portfolio's unmanaged benchmark, the Russell 2000 Growth Indexⁱ, returned 8.98% for the same period. The Lipper Variable Small-Cap Growth Funds Category Averageⁱⁱ returned 9.87% over the same time frame.

Performance Snapshot as of June 30, 2021 (unaudited)

	6 months
ClearBridge Variable Small Cap Growth Portfolio:	
Class I	12.86%
Class II	12.71%
Russell 2000 Growth Index	8.98%
Lipper Variable Small-Cap Growth Funds Category Average	9.87%

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, including returns of capital, if any, at net asset value and the deduction of all Portfolio expenses. Performance figures for periods shorter than one year represent cumulative figures and 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, 2021, the gross total annual fund operating expense ratios for Class I and Class II shares were 0.81% and 1.06%, respectively.

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

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 administrative fees, account charges and surrender charges, which, if reflected, would reduce the performance of the Portfolio. **Past performance is no guarantee of future results.**

Performance review (cont'd)

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,



Jane Trust, CFA
President and Chief Executive Officer

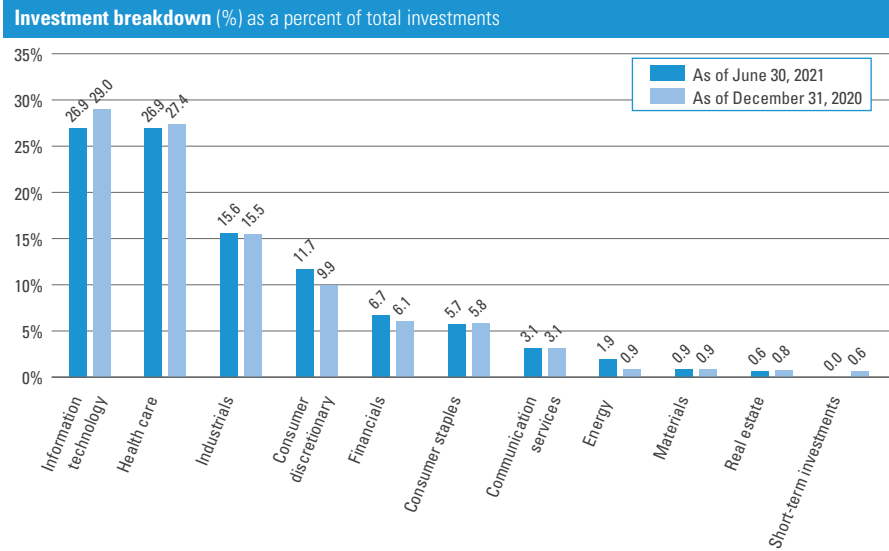
July 30, 2021

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

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.

- ⁱ The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values. (A price-to-book ratio is the price of a stock compared to the difference between a company's assets and liabilities). The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization which represents approximately 98% of the U.S. equity market.
- ⁱⁱ Lipper, Inc., a wholly-owned subsidiary of Refinitiv, provides independent insight on global collective investments. Returns are based on the six-month period ended June 30, 2021, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 95 funds in the Portfolio's Lipper category.

Portfolio at a glance[†] (unaudited)



† The bar graph above represents the composition of the Portfolio’s investments as of June 30, 2021 and December 31, 2020. The Portfolio is actively managed. As a result, the composition of the Portfolio’s investments is subject to change at any time.

Portfolio expenses (unaudited)

Example

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

This example is based on an investment of \$1,000 invested on January 1, 2021 and held for the six months ended June 30, 2021.

Actual expenses

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

Based on actual total return ¹					Expenses Paid During the Period ²
	Actual Total Return ²	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	
Class I	12.86%	\$1,000.00	\$1,128.60	0.80%	\$4.22
Class II	12.71	1,000.00	1,127.10	1.05	5.54

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	\$1,020.83	0.80%	\$4.01
Class II	5.00	1,000.00	1,019.59	1.05	5.26

- ¹ For the six months ended June 30, 2021.
- 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 (181), then divided by 365.

Schedule of investments (unaudited)

June 30, 2021

ClearBridge Variable Small Cap Growth Portfolio		
Security	Shares	Value
Common Stocks — 99.2%		
Communication Services — 3.1%		
<i>Diversified Telecommunication Services — 2.7%</i>		
Bandwidth Inc., Class A Shares	66,700	\$ 9,199,264 *
Iridium Communications Inc.	146,504	5,858,695 *
<i>Total Diversified Telecommunication Services</i>		<i>15,057,959</i>
<i>Media — 0.4%</i>		
KLAVIYO Inc.	69,558	2,321,944 *(a)(b)(c)
Total Communication Services		17,379,903
Consumer Discretionary — 11.7%		
<i>Auto Components — 2.9%</i>		
Fox Factory Holding Corp.	104,939	16,334,805 *
<i>Distributors — 1.1%</i>		
Core-Mark Holding Co. Inc.	139,404	6,274,574
<i>Diversified Consumer Services — 2.5%</i>		
Chegg Inc.	166,233	13,815,625 *
<i>Internet & Direct Marketing Retail — 0.4%</i>		
Poshmark Inc., Class A Shares	45,550	2,174,557 *
<i>Leisure Products — 0.9%</i>		
Hayward Holdings Inc.	191,220	4,975,544 *
<i>Specialty Retail — 3.9%</i>		
Monro Inc.	87,419	5,551,981
National Vision Holdings Inc.	262,842	13,439,111 *
Vroom Inc.	59,233	2,479,493 *
<i>Total Specialty Retail</i>		<i>21,470,585</i>
Total Consumer Discretionary		65,045,690
Consumer Staples — 5.7%		
<i>Food & Staples Retailing — 4.4%</i>		
BJ's Wholesale Club Holdings Inc.	278,683	13,259,737 *
Casey's General Stores Inc.	43,273	8,422,657
Grocery Outlet Holding Corp.	77,985	2,702,960 *
<i>Total Food & Staples Retailing</i>		<i>24,385,354</i>
<i>Food Products — 1.3%</i>		
Calavo Growers Inc.	50,470	3,200,807
Hain Celestial Group Inc.	105,181	4,219,862 *
<i>Total Food Products</i>		<i>7,420,669</i>
Total Consumer Staples		31,806,023

See Notes to Financial Statements.

ClearBridge Variable Small Cap Growth Portfolio

Security	Shares	Value
Energy — 1.9%		
<i>Energy Equipment & Services — 1.9%</i>		
Cactus Inc., Class A Shares	153,080	\$ 5,621,097
ChampionX Corp.	179,721	4,609,844 *
Total Energy		10,230,941
Financials — 6.7%		
<i>Banks — 1.9%</i>		
Western Alliance Bancorp	112,074	10,406,071
<i>Capital Markets — 2.1%</i>		
Hamilton Lane Inc., Class A Shares	66,020	6,015,742
PJT Partners Inc., Class A Shares	76,758	5,478,986
<i>Total Capital Markets</i>		<i>11,494,728</i>
<i>Insurance — 2.7%</i>		
American Equity Investment Life Holding Co.	161,992	5,235,582
Trupanion Inc.	86,804	9,991,140 *
<i>Total Insurance</i>		<i>15,226,722</i>
Total Financials		37,127,521
Health Care — 26.5%		
<i>Biotechnology — 5.1%</i>		
Biohaven Pharmaceutical Holding Co. Ltd.	66,998	6,504,166 *
CareDx Inc.	126,742	11,599,428 *
Invitae Corp.	165,630	5,586,700 *
Ultragenyx Pharmaceutical Inc.	51,321	4,893,457 *
<i>Total Biotechnology</i>		<i>28,583,751</i>
<i>Health Care Equipment & Supplies — 7.1%</i>		
CryoPort Inc.	77,125	4,866,588 *
Figs Inc., Class A Shares	23,370	1,170,837 *
Insulet Corp.	15,176	4,165,964 *
Integra LifeSciences Holdings Corp.	143,117	9,766,304 *
Penumbra Inc.	53,344	14,619,457 *
Silk Road Medical Inc.	105,833	5,065,167 *
<i>Total Health Care Equipment & Supplies</i>		<i>39,654,317</i>
<i>Health Care Providers & Services — 4.5%</i>		
Progyny Inc.	199,090	11,746,310 *
Surgery Partners Inc.	195,786	13,043,263 *
<i>Total Health Care Providers & Services</i>		<i>24,789,573</i>
<i>Health Care Technology — 4.2%</i>		
Certara Inc.	119,410	3,382,885 *
Health Catalyst Inc.	127,215	7,061,705 *

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont'd)

June 30, 2021

ClearBridge Variable Small Cap Growth Portfolio		
Security	Shares	Value
<i>Health Care Technology — continued</i>		
Omniceil Inc.	51,936	\$ 7,865,707 *
Vocera Communications Inc.	130,640	5,206,004 *
<i>Total Health Care Technology</i>		<i>23,516,301</i>
<i>Life Sciences Tools & Services — 4.6%</i>		
ICON PLC	42,655	8,817,215 *
Olink Holding AB, ADR	58,580	2,016,324 *
Quanerix Corp.	37,635	2,207,669 *
Syneos Health Inc.	137,019	12,261,830 *
<i>Total Life Sciences Tools & Services</i>		<i>25,303,038</i>
<i>Pharmaceuticals — 1.0%</i>		
Pacira BioSciences Inc.	86,852	5,270,179 *
Total Health Care		147,117,159
Industrials — 15.7%		
<i>Aerospace & Defense — 0.3%</i>		
Aerjet Rocketdyne Holdings Inc.	27,775	1,341,255
<i>Air Freight & Logistics — 3.3%</i>		
Forward Air Corp.	85,612	7,683,677
XPO Logistics Inc.	75,780	10,600,864 *
<i>Total Air Freight & Logistics</i>		<i>18,284,541</i>
<i>Building Products — 4.7%</i>		
Masonite International Corp.	64,690	7,231,695 *
Trex Co. Inc.	182,227	18,625,422 *
<i>Total Building Products</i>		<i>25,857,117</i>
<i>Commercial Services & Supplies — 0.5%</i>		
US Ecology Inc.	79,949	2,999,686 *
<i>Electrical Equipment — 2.0%</i>		
Bloom Energy Corp., Class A Shares	179,269	4,816,958 *
Shoals Technologies Group Inc., Class A Shares	182,580	6,481,590 *
<i>Total Electrical Equipment</i>		<i>11,298,548</i>
<i>Machinery — 3.7%</i>		
Albany International Corp., Class A Shares	40,980	3,657,875
Hydrofarm Holdings Group Inc.	33,680	1,990,825 *
RBC Bearings Inc.	48,936	9,758,817 *
Tennant Co.	64,867	5,179,630
<i>Total Machinery</i>		<i>20,587,147</i>
<i>Trading Companies & Distributors — 1.2%</i>		
H&E Equipment Services Inc.	158,422	5,270,700
MRC Global Inc.	123,171	1,157,807 *
<i>Total Trading Companies & Distributors</i>		<i>6,428,507</i>
Total Industrials		86,796,801

See Notes to Financial Statements.

ClearBridge Variable Small Cap Growth Portfolio

Security	Shares	Value
Information Technology — 26.4%		
<i>Communications Equipment — 0.9%</i>		
Viavi Solutions Inc.	274,578	\$ 4,849,047 *
<i>Electronic Equipment, Instruments & Components — 1.2%</i>		
Brain Corp.	52,367	286,971 ^{*(a)/(b)/(c)}
nLIGHT Inc.	85,180	3,090,330 *
OSI Systems Inc.	30,643	3,114,555 *
<i>Total Electronic Equipment, Instruments & Components</i>		<i>6,491,856</i>
<i>IT Services — 1.9%</i>		
Shift4 Payments Inc., Class A Shares	62,225	5,831,727 *
Wix.com Ltd.	15,940	4,627,063 *
<i>Total IT Services</i>		<i>10,458,790</i>
<i>Semiconductors & Semiconductor Equipment — 5.4%</i>		
Allegro MicroSystems Inc.	260,915	7,227,346 *
Brooks Automation Inc.	71,983	6,858,540
Lattice Semiconductor Corp.	140,950	7,918,571 *
Monolithic Power Systems Inc.	21,991	8,212,539
<i>Total Semiconductors & Semiconductor Equipment</i>		<i>30,216,996</i>
<i>Software — 17.0%</i>		
Aspen Technology Inc.	60,583	8,332,586 *
Cornerstone OnDemand Inc.	153,516	7,918,355 *
Envestnet Inc.	89,074	6,757,154 *
HubSpot Inc.	7,439	4,334,854 *
Jamf Holding Corp.	122,495	4,112,157 *
Model N Inc.	176,485	6,048,141 *
Momentive Global Inc.	247,887	5,222,979 *
New Relic Inc.	72,668	4,866,576 *
PagerDuty Inc.	272,510	11,603,476 *
Qualys Inc.	26,365	2,654,692 *
SEMrush Holdings Inc., Class A Shares	118,760	2,733,855 *
Smartsheet Inc., Class A Shares	54,260	3,924,083 *
Sprout Social Inc., Class A Shares	66,220	5,921,393 *
Varonis Systems Inc.	202,197	11,650,591 *
Viant Technology Inc., Class A Shares	85,505	2,546,339 *
Yext Inc.	289,246	4,133,325 *
Zeta Global Holdings Corp., Class A Shares	224,470	1,885,548 *
<i>Total Software</i>		<i>94,646,104</i>
Total Information Technology		146,662,793
Materials — 0.9%		
<i>Chemicals — 0.9%</i>		
Balchem Corp.	38,556	5,060,861

See Notes to Financial Statements.

Schedule of investments (unaudited) (cont'd)

June 30, 2021

ClearBridge Variable Small Cap Growth Portfolio			
Security		Shares	Value
Real Estate — 0.6%			
<i>Real Estate Management & Development — 0.6%</i>			
Redfin Corp.		51,604	\$ 3,272,210 *
Total Common Stocks (Cost — \$277,278,767)			550,499,902
			Rate
Preferred Stocks — 0.9%			
Health Care — 0.4%			
<i>Pharmaceuticals — 0.4%</i>			
Caris Life Sciences Inc., Series C	—	183,481	2,126,545 *(a)(b)(c)
Caris Life Sciences Inc., Series D	—	31,383	363,729 *(a)(b)(c)
Total Health Care			2,490,274
Information Technology — 0.5%			
<i>Electronic Equipment, Instruments & Components — 0.2%</i>			
Brain Corp.	—	170,237	932,898 *(a)(b)(c)
<i>Software — 0.3%</i>			
Pride Parent Inc.	—	48	1,788,476 *(a)(b)(c)
Total Information Technology			2,721,374
Total Preferred Stocks (Cost — \$3,338,694)			5,211,648
Total Investments — 100.1% (Cost — \$280,617,461)			555,711,550
Liabilities in Excess of Other Assets — (0.1)%			(553,068)
Total Net Assets — 100.0%			\$555,158,482

* Non-income producing security.

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

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

(c) Restricted security (Note 9).

Abbreviation(s) used in this schedule:

ADR — American Depositary Receipts

See Notes to Financial Statements.

Statement of assets and liabilities (unaudited)

June 30, 2021

Assets:

Investments, at value (Cost — \$280,617,461)	\$ 555,711,550
Receivable for securities sold	427,190
Receivable for Portfolio shares sold	210,309
Dividends and interest receivable	44,503
Prepaid expenses	927
Total Assets	556,394,479

Liabilities:

Payable for Portfolio shares repurchased	470,882
Investment management fee payable	336,543
Due to custodian	331,814
Service and/or distribution fees payable	35,168
Trustees' fees payable	4,393
Accrued expenses	57,197
Total Liabilities	1,235,997

Total Net Assets **\$ 555,158,482**

Net Assets:

Par value (Note 7)	\$ 140
Paid-in capital in excess of par value	234,651,621
Total distributable earnings (loss)	320,506,721
Total Net Assets	\$ 555,158,482

Net Assets:

Class I	\$379,828,374
Class II	\$175,330,108

Shares Outstanding:

Class I	9,371,194
Class II	4,606,278

Net Asset Value:

Class I	\$40.53
Class II	\$38.06

See Notes to Financial Statements.

Statement of operations (unaudited)

For the Six Months Ended June 30, 2021

Investment Income:

Dividends	\$ 1,021,498
Interest from unaffiliated investments	39
Interest from affiliated investments	16
Total Investment Income	1,021,553

Expenses:

Investment management fee (Note 2)	2,004,310
Service and/or distribution fees (Notes 2 and 5)	203,256
Fund accounting fees	35,728
Shareholder reports	27,010
Legal fees	22,697
Audit and tax fees	16,306
Trustees' fees	12,679
Transfer agent fees (Note 5)	5,661
Insurance	2,670
Custody fees	1,883
Interest expense	90
Miscellaneous expenses	1,920
Total Expenses	2,334,210
Less: Fee waivers and/or expense reimbursements (Notes 2 and 5)	(21)
Net Expenses	2,334,189
Net Investment Loss	(1,312,636)

Realized and Unrealized Gain on Investments (Notes 1 and 3):

Net Realized Gain From Unaffiliated Investment Transactions	47,210,798
Change in Net Unrealized Appreciation (Depreciation) From Unaffiliated Investments	17,670,139
Net Gain on Investments	64,880,937
Increase in Net Assets From Operations	\$63,568,301

See Notes to Financial Statements.

Statements of changes in net assets

For the Six Months Ended June 30, 2021 (unaudited)
and the Year Ended December 31, 2020

	2021	2020
Operations:		
Net investment loss	\$ (1,312,636)	\$ (2,266,869)
Net realized gain	47,210,798	40,408,292
Change in net unrealized appreciation (depreciation)	17,670,139	111,107,301
<i>Increase in Net Assets From Operations</i>	<i>63,568,301</i>	<i>149,248,724</i>
Distributions to Shareholders From (Notes 1 and 6):		
Total distributable earnings	(10,541,714)	(34,388,112)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(10,541,714)</i>	<i>(34,388,112)</i>
Portfolio Share Transactions (Note 7):		
Net proceeds from sale of shares	62,934,207	108,706,937
Reinvestment of distributions	10,541,714	34,388,112
Cost of shares repurchased	(75,524,148)	(125,951,630)
<i>Increase (Decrease) in Net Assets From Portfolio Share Transactions</i>	<i>(2,048,227)</i>	<i>17,143,419</i>
<i>Increase in Net Assets</i>	<i>50,978,360</i>	<i>132,004,031</i>
Net Assets:		
Beginning of period	504,180,122	372,176,091
<i>End of period</i>	<i>\$555,158,482</i>	<i>\$ 504,180,122</i>

See Notes to Financial Statements.

Financial highlights

For a share of each class of beneficial interest outstanding throughout each year ended December 31, unless otherwise noted:

Class I Shares ¹	2021 ²	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$36.60	\$27.54	\$23.88	\$25.94	\$21.31	\$20.95
Income (loss) from operations:						
Net investment loss	(0.08)	(0.15)	(0.14)	(0.13)	(0.11)	(0.08)
Net realized and unrealized gain	4.78	11.83	6.50	1.16	5.28	1.27
Total income from operations	4.70	11.68	6.36	1.03	5.17	1.19
Less distributions from:						
Net realized gains	(0.77)	(2.62)	(2.70)	(3.09)	(0.54)	(0.83)
Total distributions	(0.77)	(2.62)	(2.70)	(3.09)	(0.54)	(0.83)
Net asset value, end of period	\$40.53	\$36.60	\$27.54	\$23.88	\$25.94	\$21.31
Total return³	12.86%	43.26%	26.87%	3.44%	24.26%	5.80%
Net assets, end of period (millions)	\$380	\$351	\$267	\$229	\$238	\$213
Ratios to average net assets:						
Gross expenses	0.80% ⁴	0.81%	0.81%	0.82%	0.82%	0.83%
Net expenses ⁵	0.80% ^{4,6}	0.81 ⁶	0.81 ⁶	0.82	0.82	0.83
Net investment loss	(0.41) ⁴	(0.52)	(0.49)	(0.46)	(0.47)	(0.41)
Portfolio turnover rate	13%	21%	21%	25%	20%	13%

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

² For the six months ended June 30, 2021 (unaudited).

³ 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. Total returns for periods of less than one year are not annualized.

⁴ Annualized.

⁵ As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I shares did not exceed 1.00%. This expense limitation arrangement cannot be terminated prior to December 31, 2022 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.

⁶ Reflects fee waivers and/or expense reimbursements.

See Notes to Financial Statements.

For a share of each class of beneficial interest outstanding throughout each year ended December 31, unless otherwise noted:

Class II Shares ¹	2021 ²	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$34.46	\$26.11	\$22.81	\$24.96	\$20.58	\$20.31
Income (loss) from operations:						
Net investment loss	(0.12)	(0.21)	(0.20)	(0.20)	(0.16)	(0.13)
Net realized and unrealized gain	4.49	11.18	6.20	1.14	5.08	1.23
Total income from operations	4.37	10.97	6.00	0.94	4.92	1.10
Less distributions from:						
Net realized gains	(0.77)	(2.62)	(2.70)	(3.09)	(0.54)	(0.83)
Total distributions	(0.77)	(2.62)	(2.70)	(3.09)	(0.54)	(0.83)
Net asset value, end of period	\$38.06	\$34.46	\$26.11	\$22.81	\$24.96	\$20.58
Total return³	12.71%	42.91%	26.55%	3.21%	23.91%	5.54%
Net assets, end of period (000s)	\$175,330	\$153,272	\$104,852	\$72,147	\$61,094	\$30,610
Ratios to average net assets:						
Gross expenses	1.05% ⁴	1.06%	1.06%	1.07%	1.07%	1.08%
Net expenses ⁵	1.05% ⁶	1.06 ⁶	1.06 ⁶	1.07	1.07	1.08
Net investment loss	(0.67) ⁴	(0.76)	(0.74)	(0.70)	(0.71)	(0.66)
Portfolio turnover rate	13%	21%	21%	25%	20%	13%

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

² For the six months ended June 30, 2021 (unaudited).

³ 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. Total returns for periods of less than one year are not annualized.

⁴ Annualized.

⁵ As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class II shares did not exceed 1.25%. This expense limitation arrangement cannot be terminated prior to December 31, 2022 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.

⁶ Reflects fee waivers and/or expense reimbursements.

[See Notes to Financial Statements.](#)

Notes to financial statements (unaudited)

1. Organization and significant accounting policies

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

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

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

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

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

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

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

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

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

Notes to financial statements (unaudited) (cont'd)

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

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

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

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

ASSETS				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Long-Term Investments†:				
Common Stocks:				
Communication Services	\$ 15,057,959	—	\$2,321,944	\$ 17,379,903
Information Technology	146,375,822	—	286,971	146,662,793
Other Common Stocks	386,457,206	—	—	386,457,206
Preferred Stocks:				
Health Care	—	—	2,490,274	2,490,274
Information Technology	—	—	2,721,374	2,721,374
Total Investments	\$547,890,987	—	\$7,820,563	\$555,711,550

† See Schedule of Investments for additional detailed categorizations.

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

Investments in Securities	Balance as of December 31, 2020	Accrued premiums/ discounts	Realized gain (loss) ¹	Change in unrealized appreciation (depreciation) ²	Purchases
Common Stocks:					
Communication Services	—	—	—	\$ (3)	\$2,321,947
Information Technology	—	—	—	58,127	228,844

Investments in Securities	Balance as of December 31, 2020	Accrued premiums/ discounts	Realized gain (loss) ¹	Change in unrealized appreciation (depreciation) ²	Purchases
Preferred Stocks:					
Health Care	\$ 506,407	—	—	\$1,729,665	\$ 254,202
Information Technology	922,685	—	—	118,689	1,680,000
Total	\$1,429,092	—	—	\$1,906,478	\$4,484,993

Investments in Securities (cont'd)	Sales	Transfers into Level 3	Transfers out of Level 3	Balance as of June 30, 2021	Net change in unrealized appreciation (depreciation) for investments in securities still held at June 30, 2021 ²
Common Stocks:					
Communication Services	—	—	—	\$2,321,944	\$ (3)
Information Technology	—	—	—	286,971	58,127
Preferred Stocks:					
Health Care	—	—	—	2,490,274	1,729,665
Information Technology	—	—	—	2,721,374	118,689
Total	—	—	—	\$7,820,563	\$1,906,478

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

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

(b) 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.

(c) Security transactions and investment income. Security transactions are accounted for on a trade date basis. Interest income (including interest income from payment-in-kind

Notes to financial statements (unaudited) (cont'd)

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

(d) 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.

(e) 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.

(f) 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.

(g) 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, 2020, 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.

(h) 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.

2. Investment management agreement and other transactions with affiliates

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

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

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

As a result of expense limitation arrangements between the Portfolio and LMPFA, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I and Class II shares did not exceed 1.00% and 1.25%, respectively. These expense limitation arrangements cannot be terminated prior to December 31, 2022 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 six months ended June 30, 2021, fees waived and/or expenses reimbursed amounted to \$21, all of which was an affiliated money market fund waiver.

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

Legg Mason Investor Services, LLC (“LMIS”) serves as the Portfolio’s sole and exclusive distributor. LMIS is an indirect, wholly-owned broker-dealer subsidiary of Franklin Resources. As of July 7, 2021, LMIS was renamed Franklin Distributors, LLC.

Notes to financial statements (unaudited) (cont'd)

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 six months ended June 30, 2021, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) were as follows:

Purchases	\$69,285,138
Sales	77,752,049

At June 30, 2021, the aggregate cost of investments and the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Securities	\$280,617,461	\$279,305,743	\$(4,211,654)	\$275,094,089

4. Derivative instruments and hedging activities

During the six months ended June 30, 2021, the Portfolio did not invest in derivative instruments.

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 six months ended June 30, 2021, class specific expenses were as follows:

	Service and/or Distribution Fees	Transfer Agent Fees
Class I	—	\$3,834
Class II	\$203,256	1,827
Total	\$203,256	\$5,661

For the six months ended June 30, 2021, waivers and/or expense reimbursements by class were as follows:

	Waivers/Expense Reimbursements
Class I	\$15
Class II	6
Total	\$21

6. Distributions to shareholders by class

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Net Realized Gains:		
Class I	\$ 7,090,147	\$23,717,948
Class II	3,451,567	10,670,164
Total	\$10,541,714	\$34,388,112

7. Shares of beneficial interest

At June 30, 2021, the Trust had an unlimited number of shares of beneficial interest authorized with a par value of \$0.00001 per share. The Portfolio has the ability to issue multiple classes of shares. Each class of shares represents an identical interest and has the same rights, except that each class bears certain direct expenses, including those specifically related to the distribution of its shares.

Transactions in shares of each class were as follows:

	Six Months Ended June 30, 2021		Year Ended December 31, 2020	
	Shares	Amount	Shares	Amount
Class I				
Shares sold	934,055	\$ 36,972,668	1,725,895	\$ 51,545,470
Shares issued on reinvestment	177,921	7,090,147	699,714	23,717,948
Shares repurchased	(1,327,221)	(52,415,470)	(2,546,827)	(74,716,981)
Net increase (decrease)	(215,245)	\$ (8,352,655)	(121,218)	\$ 546,437
Class II				
Shares sold	693,942	\$ 25,961,539	2,078,176	\$ 57,161,467
Shares issued on reinvestment	92,214	3,451,567	333,734	10,670,164
Shares repurchased	(627,712)	(23,108,678)	(1,980,539)	(51,234,649)
Net increase	158,444	\$ 6,304,428	431,371	\$ 16,596,982

8. Transactions with affiliated company

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

Notes to financial statements (unaudited) (cont'd)

for all or some portion of the six months ended June 30, 2021. The following transactions were effected in such company for the six months ended June 30, 2021.

	Affiliate Value at December 31, 2020	Purchased		Sold	
		Cost	Shares	Cost	Shares
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	\$649,293	\$8,958,930	8,958,930	\$9,608,223	9,608,223

(cont'd)	Realized Gain (Loss)	Interest Income	Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	Affiliate Value at June 30, 2021
Western Asset Premier Institutional U.S. Treasury Reserves, Premium Shares	—	\$16	—	—

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 6/30/2021	Value Per Share	Percent of Net Assets
Brain Corp., Common Shares	52,367	3/21	\$ 228,844	\$ 286,971	\$ 5.48	0.05%
Brain Corp., Preferred Shares	170,237	4/20, 11/20	898,085	932,898	5.48	0.17
Caris Life Sciences Inc., Series C, Preferred Shares	183,481	10/20	506,407	2,126,545	11.59	0.38
Caris Life Sciences Inc., Series D, Preferred Shares	31,383	5/21	254,202	363,729	11.59	0.07
KLAVIYO Inc., Common Shares	69,558	5/21	2,321,946	2,321,944	33.38	0.42
Pride Parent Inc., Preferred Shares	48	12/20	1,680,000	1,788,476	37,259.91	0.32
			\$5,889,484	\$7,820,563		1.41%

10. Recent accounting pronouncement

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-04, *Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (the "ASU"). The amendments in the ASU provide optional temporary financial reporting relief from the effect of certain types of

contract modifications due to the planned discontinuation of the London Interbank Offered Rate and other interbank-offered based reference rates as of the end of 2021. The ASU is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of this ASU will not have a material impact on the financial statements.

11. Other matter

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

Additional shareholder information (unaudited)

Results of special meeting of shareholders

A special meeting of shareholders was held on June 15, 2021 for shareholders of record as of March 1, 2021 (the "Record Date") to elect the Board of Trustees of the Trust.

Shareholders of the Portfolio and each other series of the Trust voted together as a single class to elect the Board.

Shareholders of the Trust voted as indicated below (vote totals are rounded to the nearest whole number). Effective July 1, 2021, the Board is composed of the following Trustees:

Trustee	For	Withheld
Paul R. Ades	5,981,348,834	244,899,549
Andrew L. Breech	6,002,179,542	224,068,841
Althea L. Duersten	5,992,166,375	234,082,008
Stephen R. Gross	5,985,107,528	241,140,855
Susan M. Heilbron	5,972,898,124	253,350,259
Howard J. Johnson	5,972,990,414	253,257,968
Arnold L. Lehman	5,981,237,869	245,010,514
Robin J.W. Masters	6,004,137,733	222,110,650
Jerome H. Miller	5,985,092,839	241,155,543
Ken Miller	5,977,795,002	248,453,381
G. Peter O'Brien	5,988,225,486	238,022,897
Thomas F. Schlafly	5,980,117,822	246,130,561
Jane E. Trust	6,008,081,612	218,166,771

The above Trustees have also been elected to serve as board members of other mutual funds within the Franklin Templeton fund complex.

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ClearBridge

Variable Small Cap Growth Portfolio

Trustees*

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

Investment manager

Legg Mason Partners Fund Advisor, LLC

Subadviser

ClearBridge Investments, LLC

Distributor

Franklin Distributors, LLC†

Custodian

The Bank of New York Mellon

Transfer agent

BNY Mellon Investment
Servicing (US) Inc.
4400 Computer Drive
Westborough, MA 01581

Independent registered public accounting firm

PricewaterhouseCoopers LLP
Baltimore, MD

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

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

† Effective July 7, 2021, LMIS was renamed Franklin Distributors, 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 1-877-721-1926.

Information on how the Portfolio voted proxies relating to portfolio securities during the prior 12-month period ended June 30th of each year and a description of the policies and procedures that the Portfolio uses to determine how to vote proxies related to portfolio transactions are available (1) without charge, upon request, by calling the Portfolio at 1-877-721-1926, (2) at www.leggmason.com/variablefunds 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.leggmason.com

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

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

The Type of Nonpublic Personal Information the Funds Collect About You

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

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

How the Funds Use Nonpublic Personal Information About You

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

The Funds may disclose information about you to:

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

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

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

Keeping You Informed of the Funds' Privacy and Security Practices

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

The Funds' Security Practices

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

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

In order for the Funds to provide effective service to you, keeping your account information accurate is very important. If you believe that your account information is incomplete, not accurate or not current, if you have questions about the Funds' privacy practices, or our use of your nonpublic personal information, write the Funds using the contact information on your account statements, email the Funds by clicking on the Contact Us section of the Funds' website at www.leggmason.com, or contact the Fund at 1-877-721-1926.

Revised April 2018

Legg Mason California Consumer Privacy Act Policy

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

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

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

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

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

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

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

Contact Information

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

Email: DataProtectionOfficer@franklintempleton.com

Phone: 1-800-396-4748

Revised October 2020

