

Global Multi-Sector Income

Objective

Global Multi-Sector Income is a flexible, value-oriented strategy that seeks attractive income and aims to preserve and grow capital over a market cycle with an emphasis on strong, risk-adjusted total return by dynamically allocating across the global fixed income market.

Universe

The investible universe includes a broad mix of global securities, primarily fixed income assets, including but not limited to: sovereign debt, emerging markets debt, global high yield or investment-grade credit, structured credit, convertible securities, and currencies. Derivatives are employed to enhance credit risk, broaden income opportunities, or limit market risk in challenging market environments.

Investment Process

The strategy applies a differentiated and proven process that combines analysis of macroeconomic conditions with bottom-up fundamental research to identify global value anomalies and cross-sector opportunities that we believe offer the most compelling combinations of valuations and durable fundamentals.

Dual Approach: Top Down Macroeconomic Analysis with Bottom-up Fundamental Research

We incorporate macroeconomic themes when structuring the Global Multi Sector Income strategy. The top-down process establishes the cyclical quality bias and the beta-hedging themes. Macroeconomic country and currency perspectives are combined and incorporated with fundamental analysis in determining sector allocation and issue selection.

Fundamental research is grounded in evaluation of business model (and cash flows), specific issuer bond covenants, recovery rate, and position in the capital structure. We aim to identify sectors and issuers that offer greater yield and total return potential with lower risk.

Dynamic Rotation Provides Diversified Sources of Alpha

The strategy's dual approach provides the global perspective to respond to multiple business cycles across the globe, rotate the portfolio to the economic environment, and proactively manage interest rate and credit risks. Sector rotation, idiosyncratic security selection, duration management, and quality rotation are actively applied across the global fixed income universe to generate diversified sources of alpha and attractive upside potential.

Risk-focused for Downside Protection

The team responds actively to the macro environment, using safe-haven duration, prudent quality rotation, derivatives, and other tools to minimize downside volatility. Non-base currency exposures are limited to help reduce overall volatility.

Our Competitive Advantage

The strategy's flexible guidelines are implemented by a long-tenured investment team with proven sector capabilities in global sovereigns, corporate and structured credit, emerging markets, currencies, and derivatives. Global Multi-Sector Income offers a demonstrated track record of providing attractive total return potential in all market environments while helping to improve a portfolio's overall risk/return profile.



At a Glance

- The investment objective for the strategy is to generate attractive income and provide capital preservation
- Portfolio construction combines macroeconomic, country, and currency themes with fundamental sector and security selection analysis
- Derivatives may be used to enhance credit exposure in advantageous market conditions or, more commonly, as a hedging mechanism to protect principal during market drawdowns, manage portfolio volatility, and dampen idiosyncratic market risks
- Investments typically concentrated in sectors and individual issuers that we believe offer the best combination of yield and total return potential while minimizing potential loss
- Portfolios normally consist of 100 to 250 corporate, sovereign, or securitized issuers

Characteristics^{1,2}

Avg. Quality ³	BBB
Avg. Maturity (Yrs.)	8.04
Avg. Mod. Duration (Yrs.)	6.59
Avg. Coupon (%)	5.35
Current Yield (%)	5.53
Avg. Yield-to-Maturity (%)	7.57
Number of Issues	161

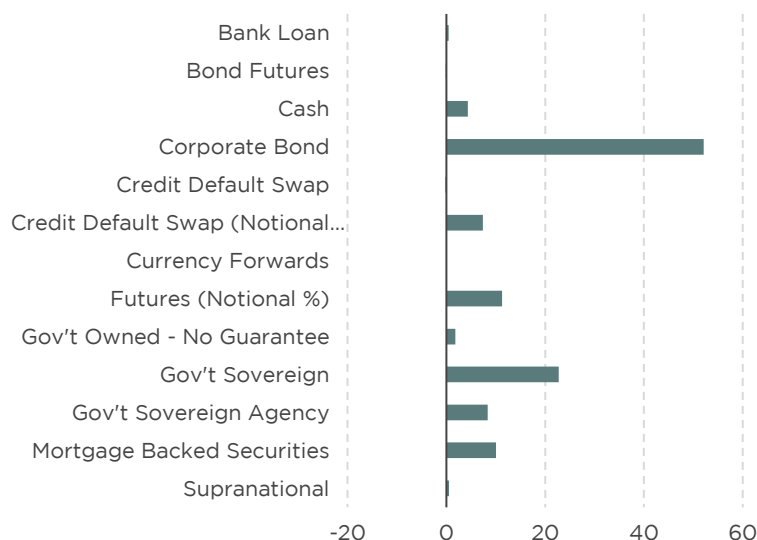
Quality Ratings^{1,2} (%)

BBB or Higher	62.8
BB	21.4
B	11.5
CCC	4.3

Duration Allocation^{1,2} (%)

<1 Years	12.8
1-3 Years	31.7
3-7 Years	35.6
7-10 Years	8.6
10+ Years	7.3
No Duration	4.0

Sector Weights^{1,2} (%)



Assets Under Management (M) (Shown in USD)

Brandywine Global, Firmwide	54,241
Fixed Income Product Group	41,834
Global Multi-Sector Income	4,130

Calendar Year Returns² (%) (Results shown in USD)

	Gross	Net	F3MTB
2023	4.92	4.64	2.39
2022	-13.07	-13.55	1.50
2021	1.43	0.87	0.05
2020	15.33	14.71	0.58
2019	10.78	10.18	2.25
2018	-1.03	-1.57	1.86
2017	6.36	5.78	0.84
2016	13.10	12.35	0.27
2015	-1.69	-2.57	0.03
2014	3.68	2.75	0.03
2013	4.13	3.43	0.03

Risk Characteristics² (Composite Net of Fees) (Since Inception)

Sharpe Ratio	0.44
Sortino Ratio	0.61
Information Ratio	0.00

Portfolio Managers



Brian L. Kloss, JD, CPA
Portfolio Manager
26 Years of Experience



Jack P. McIntyre, CFA
Portfolio Manager
35 Years of Experience



Anujeet Sareen, CFA
Portfolio Manager
29 Years of Experience



Tracy Chen, CFA, CAIA
Portfolio Manager
20 Years of Experience



Michael Arno, CFA
Assoc. Portfolio Manager & Sr. Research Analyst
19 Years of Experience



Renato Latini, CFA
Assoc. Portfolio Manager & Sr. Research Analyst
17 Years of Experience

Data as of June 30, 2023
Past performance is no guarantee of future results.



Annualized Returns (%) (Results shown in USD)

	Gross	Net	F3MTB	BGHY
QTD	1.57	1.43	1.25	2.02
YTD	4.92	4.64	2.39	5.23
1 Year	2.56	2.00	3.75	10.50
3 Year	0.07	-0.48	1.33	1.36
5 Year	3.36	2.79	1.56	1.92
7 Year	3.72	3.15	1.37	3.17
10 Year	4.17	3.50	0.98	3.52
Since Inception	3.99	3.31	0.96	3.29

Inception Date: 4/1/2013

GIPS Information (%) (Results shown in USD)

Year or YTD	Gross	Net	F3MTB	BGHY	# of Accounts	Market Value (M)	Total Firm Assets (M)	Composite Dispersion	Composite Rolling 3Y SD	F3MTB Rolling 3Y SD	BGHY Rolling 3Y SD
2023	4.92	4.64	2.39	5.23	8	2,979	54,241	0.21	6.79	0.53	9.44
2022	-13.07	-13.55	1.50	-12.71	8	2,686	52,601	1.37	7.26	0.30	12.58
2021	1.43	0.87	0.05	0.99	7	3,310	67,356	-	5.49	0.29	10.65
2020	15.33	14.71	0.58	7.03	4	614	63,872	-	5.67	0.24	10.76
2019	10.78	10.18	2.25	12.56	4	364	74,024	-	3.04	0.19	4.62
2018	-1.03	-1.57	1.86	-4.06	4	350	70,070	-	3.51	0.20	5.02
2017	6.36	5.78	0.84	10.43	2	149	74,382	-	4.05	0.11	5.65
2016	13.10	12.35	0.27	14.27	2	83	65,498	-	4.43	0.03	6.24
2015	-1.69	-2.57	0.03	-2.72	2	86	68,819	-	-	-	-
2014	3.68	2.75	0.03	0.01	2	79	63,375	-	-	-	-
2013	4.13	3.43	0.03	5.86	2	12	50,050	-	-	-	-

Data as of June 30, 2023. F3MTB = FTSE 3 Month T-Bill. BGHY = Bloomberg Global High Yield. Organization: Brandywine Global Investment Management, LLC (the "Firm") is a wholly owned, independently operated, subsidiary of Franklin Resources, Inc. Brandywine Global Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brandywine Global Investment Management, LLC has been independently verified for the periods January 1, 1993 through June 30, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Global Multi-Sector Income Composite has had a performance examination for the periods April 1, 2013 through June 30, 2021. The verification and performance examination reports are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Disclosed total firm assets represent the total market value of all discretionary and nondiscretionary, fee-paying and non-fee-paying assets under the Firm's management. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Composite Description: Global Multi-Sector Income Composite (the "Composite") Inception date: April 1, 2013. Creation date: April 1, 2013. The Composite includes all fully discretionary, actively managed accounts with no minimum market value requirement and no investment restrictions within the Global Multi-Sector Income strategy. The Composite seeks to generate consistent alpha utilizing the investment team's best emerging market, credit, sovereign and currency ideas in the form of cash or derivative instruments. The use of these derivatives may increase the risk of the strategy. The Composite utilizes over-the-counter forward exchange rate contracts to manage its currency exposure. These contracts are valued daily using closing forward exchange rates. Brandywine uses WM/Reuters daily FX rates taken at 4 p.m. London time. The portfolio is typically diversified across 100-250 issuers. Effective 5/31/16, the composite model fee was changed from 90bps to 55bps per year. The primary benchmark was changed effective 04/01/2020 from the London-Interbank Offered Rate (LIBOR) to the FTSE 3-Month U.S. Treasury Bill Index. This composite benchmark change was made in anticipation of the LIBOR being discontinued. Retroactively applied since composite inception date. Primary Benchmark Description: The FTSE 3-Month U.S. Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding Treasury Bill that matures closest to, but not beyond 3 months from the rebalancing date. Secondary Benchmark Description: The Bloomberg Global High-Yield Index provides a broad-based measure of the global high-yield fixed income markets. The Global High-Yield Index represents that union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices. Performance Calculation: Preliminary data, if so noted, reflects unreconciled data for the most recent reporting period. Portfolios are valued daily on a trade date basis and include dividends and interest as well as all realized and unrealized capital gains and losses. Return calculations at the portfolio level are time-weighted to account for periodic contributions and withdrawals. Performance results are calculated on a before tax, total return basis. The Composite returns consist of size-weighted portfolio returns using beginning of period values to weight the portfolio returns. Monthly linking of interim performance results is used to calculate quarterly and annual returns. Composite's valuations and returns are computed in U.S. Dollars ("USD"). The results are presented in USD or in other currencies (to accommodate overseas investors), the latter by converting monthly USD returns into other currency returns using the appropriate currency exchange rate returns. Gross returns reflect the deduction of trading expenses. Net-of-fees returns is calculated using a model approach whereby we use the current highest tier of the appropriate strategy's fee schedule as disclosed in the Form ADV. Composite dispersion is calculated using the asset-weighted standard deviation method for all portfolios that were in the Composite for the entire year. Composite dispersion is not presented for periods with five or fewer portfolios. The number of accounts and market values are as of the end of the period. The three-year annualized standard deviation, calculated using gross-of-fee returns, measures the variability of the composite and the benchmark returns over the preceding 36-month period. Gross-of-fees returns are used to calculate the presented risk measures. A complete list of composites, and limited distribution pooled funds descriptions as well as a list of broad distribution pooled funds is available upon request. Fee Schedule: Institutional Client Separate Account Management Fee Schedule (minimum initial investment: \$25 million): 0.550% on the first \$25 million; 0.500% on the next \$75 million; and 0.450% on portion of assets in excess of \$100 million. Additional information on the Firm's fee schedule can be found in Form ADV Part 2A which is available upon request. **Past performance is no guarantee of future results.**

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Disclosures

F3MTB = FTSE 3 Month T-Bill Index BGHY = Bloomberg Global High Yield Index

- 1 The data represent the aggregate characteristics of all securities held in the respective Representative Portfolio, an actual commission account not subject to taxation, and are included for informational purposes only. The Portfolio Characteristics of any particular account may vary based on any investment restrictions applicable to that account.
- 2 Supplemental Information to the attached Global Multi-Sector Income GIPS report.
- 3 The "Average Quality" is determined by assigning numerical scores to each credit rating and calculating a weighted average for the securities held in the portfolio. The numeric score calculated for the entire portfolio is then converted back into the corresponding credit rating. Individual security ratings are determined by using the middle rating from the three major NRSROs (S & P, Moody's, and Fitch) assigned to each security. In the event that ratings are provided by only two agencies, the lowest rating will be assigned. If only one agency assigns a rating, that rating will be applied. If the security is not rated by one of the three major agencies, U.S. treasuries and certain U.S. agencies are given the U.S. issuer rating. Sovereign treasuries are given the sovereign issuer rating. All other unrated securities are given a rating equivalent to a defaulted bond. Cash is included and receives the highest rating.

Source: Bloomberg (© 2023, Bloomberg Finance LP), which Brandywine Global believes to be accurate and reliable. Investing involves certain risks, including possible loss of principal. You should understand and carefully consider a strategy's objectives, risks, fees, expenses and other information before investing. In rendering portfolio management services, Brandywine Global Investment Management, LLC may use the portfolio management services, research and other resources of its affiliates. The views expressed in this document are not intended to be a recommendation or investment advice and do not take into account the individual financial circumstances or objectives of the investor who receives it. The securities described herein may not be suitable for all investors. There is no guarantee that Brandywine Global will meet any of its investment objectives. The metrics shown are only one component of performance and are not and should not be viewed as a statement of the future performance of the strategy. There is no guarantee that holding securities with any of the risk metrics shown will cause the portfolio to outperform its benchmark. Characteristics, region and currency weightings are subject to change and should not be considered as investment recommendations. It should not be assumed that investment in the regions or currencies listed and account quality ratings or duration ranges were or will prove profitable, or that investment decisions we make in the future will be profitable. Region and currency weights, account quality ratings or duration ranges with regard to any particular client account may vary based on any investment restrictions applicable to the account. There may be additional risks associated with international investments. International securities and ADRs may be subject to risks including, but not limited to: market/currency fluctuations, investment risks, and other risks involving foreign economic, political, monetary, taxation, auditing and/or legal factors. These risks may be magnified in emerging markets. International investing may not be suitable for everyone. High-yield, lower-rated, fixed income securities generally entail greater market, credit/default and liquidity risk and may be more volatile than investment-grade securities. High yield bonds possess greater price, volatility, illiquidity, and possibility of default. Ratings by S&P or another Nationally Recognized Statistical Rating Organization (NRSRO). Brandywine Global Investment Management, LLC believes that transactions in any option, future, commodity, or other derivative product are not suitable for all persons, and that accordingly, clients should be aware of the risks involved in trading such instruments. There may be significant risks which should be considered prior to investing. Derivatives transactions may increase liquidity risk and introduce other significant risk factors of a complex character. All securities trading, whether in stocks, options or other investment vehicles, is speculative in nature and involves substantial risk of loss. All indices are unmanaged and are not available for direct investment. Indices do not incur costs including the payment of transaction costs, fees and other expenses. This information should not be considered a solicitation or an offer to provide any Brandywine Global Investment Management, LLC service in any jurisdiction where it would be unlawful to do so under the laws of that jurisdiction. Stated assets under management may include some portfolios that are not contained in the strategy's composite. Some portfolios may fall into multiple strategies as the portfolio(s) meet the definition of multiple composites. Target Returns are aspirational in nature; criteria and assumptions were not used in their calculation. Performance results of the named strategy are presented gross and net of management fees. Gross performance returns include transaction costs but do not reflect the deduction of Brandywine Global's management fee. Net performance returns reflect the deduction of all applicable management fees and expenses, before custody charges, withholding taxes and other indirect expenses. Gross and net performance returns over one year are annualized and assume the reinvestment of all dividends, interest, and capital gains. Please refer to Part 2A of Brandywine Global's Form ADV for a description of its advisory fees. As fees are deducted quarterly, the compounding effect will be to increase the impact of fees by an amount directly related to the gross account performance. The above are the views of Brandywine Global and are not intended as a forecast or guarantee of future results. Brandywine Global's selection process may prove incorrect, which may have a negative impact on performance. Please refer to our GIPS® reports, which include performance footnotes, fee schedules, detailed index descriptions, and disclosures.

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