

Global Opportunistic Fixed Income

Strategy Profile

OBJECTIVE

We strive to capture interest income and additionally generate principal growth through capital appreciation when market conditions permit. Our goal is to outperform the investment benchmark by at least 2%, on an average annual basis, over rolling five-year periods.

UNIVERSE

Our investible universe is comprised of the sovereign debt and currencies of countries in the FTSE World Government Bond Index (WGBI), non-WGBI markets rated A- or better by a nationally recognized statistical rating organization, and emerging market debt rated BB- or higher. In addition, we may tactically invest in investment grade and high yield corporate debt and mortgage-backed securities.

INVESTMENT PROCESS SUMMARY

We apply a top-down, value-driven process when structuring Global Opportunistic Fixed Income portfolios. Real (inflation-adjusted) yield is our primary measure of bond value. Currency valuation is also important, as the real yield must be captured in the investor's local currency (dollars for U.S. investors and euros for many of those in Europe, for example). We focus on appreciating, undervalued currencies and we hedge overvalued currencies we believe may decline. Inflation trends, political risks, monetary trends, and business cycle and liquidity measures are also considered. We typically concentrate investments in 10-20 countries that appear to offer the best total return potential.

DURATION MANAGEMENT

We concentrate investments where we believe value is greatest; as a result, our portfolios tend to have an intermediate- to long-duration bias when real interest rates are high. Greater interest rate exposure is assumed in countries with more value and positions are established along the yield curve where we find the best risk/reward profile. Portfolio duration generally ranges from 1 to 10 years.

COUNTRY ROTATION

We believe that concentrating investments in the markets with the highest potential returns—that is taking above-average country risk—actually reduces overall risk. Secular trends, political and monetary conditions, and business cycle risks are considered in determining the likelihood that we can capture the value we see in real interest rates and currencies. Each factor contributes to our country weighting decisions.

CURRENCY

Currency and country decisions are intertwined. We seek to invest in bonds with high real yields that are denominated in appreciating currencies. We hedge our currency exposure in countries with high real rates but overvalued currencies.

ISSUE SELECTION

Within the desired country and currency, security selection is based on yield-curve analysis, desired duration, and the wideness of credit spreads relative to government issues. Allocations to high yield issues and emerging markets are made on a tactical basis.

OUR COMPETITIVE ADVANTAGE

The strategy employs a top-down, value-based, and benchmark-agnostic approach for managing global fixed income assets. Backed by a rigorous macroeconomic research process designed to anticipate risk and uncover value, the strategy targets sovereigns with an attractive combination of high real yields and durable fundamentals.


Brandywine GLOBAL

Brandywine Global Investment Management, LLC
 1735 Market Street, Suite 1800 / Philadelphia, PA 19103

North America: 215 609 3500 (U.S.)
 416 860 0616 (Canada)
 Europe: +44 20 7786 6360
 Asia: +65 6536 6213

brandywineglobal.com

AT A GLANCE

- Primary Benchmark: FTSE World Government Bond Index (unhedged) or other global bond benchmark, as specified by client direction
- Real yield is our primary measure of value, followed closely by currency valuation. Inflation, monetary trends, political risks, the business cycle, and liquidity measures are also considered
- We strive for efficient duration management and country rotation (driven primarily by currency considerations) to add incremental value
- Investments typically are concentrated in 10-20 countries that we believe have the best total return potential

TYPICAL INVESTMENT GUIDELINES

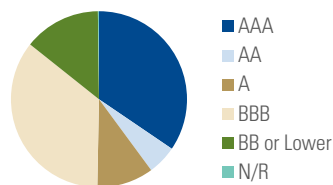
	Country	Currency
U.S.	0% - 65%	0% - 100%
Canada	0% - 25%	0% - 25%
Euro	–	0% - 70%
Germany, France (each)	0% - 40%	–
Italy	0% - 30%	–
Belgium, Netherlands, Spain (each)	0% - 20%	–
United Kingdom	0% - 40%	0% - 40%
Denmark, Sweden (each)	0% - 20%	0% - 20%
Japan	0% - 60%	0% - 60%
New Zealand	0% - 10%	0% - 10%
Other Indexed Countries (each)	0% - 15%	0% - 15%
Non-Index Countries		
A- or Better (each)*	0% - 10%	0% - 10%
Below A- (each)*	0% - 5%	0% - 5%
Other Non-Index Countries (aggregate)	0% - 40%	0% - 40%
Below BBB- (aggregate)*	0% - 10%	0% - 10%
Below BB- (aggregate)*	0%	0%

Investment Grade Corporate limit: 40% | High Yield Corporate limit: 15%

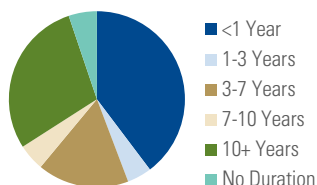
CHARACTERISTICS^{1,2}

	Global Opportunistic Fixed Income	WGBI
Average Quality ³	A	-
Average Maturity (Years)	11.23	9.65
Average Modified Duration (Years)	3.72	8.90
Average Coupon (%)	4.11	1.90
Current Yield (%)	3.54	-
Average Yield-to-Maturity (%)	2.83	0.25
Number of Issues	83	1,074

QUALITY RATINGS^{1,2} (%)



DURATION ALLOCATION^{1,2} (%)



Past performance is no guarantee of future results.

ASSETS UNDER MANAGEMENT (M) (Shown in USD)

Brandywine Global, Firmwide	63,872
Fixed Income Product Group	51,649
Global Opportunistic Fixed Income	24,771

ANNUALIZED RETURNS² (%) (Results shown in USD)

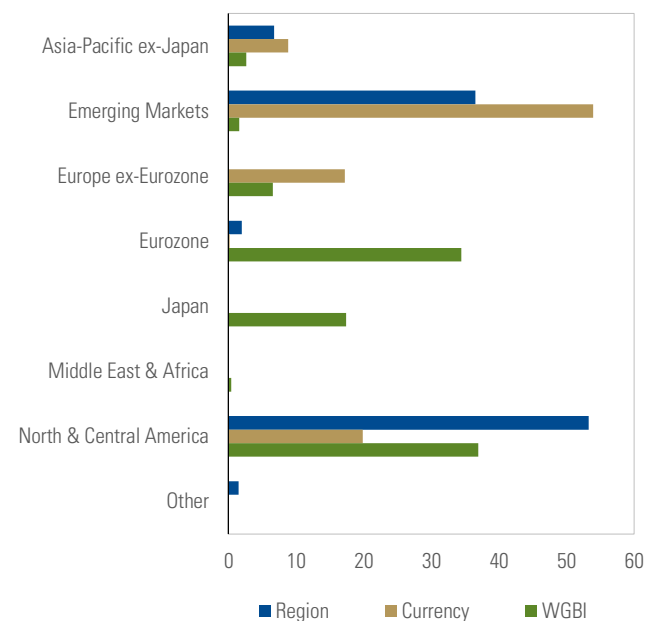
	Gross	Net	WGBI	BGA
QTD	10.61	10.49	2.77	3.28
YTD	12.39	11.89	10.11	9.20
1 Year	12.39	11.89	10.11	9.20
3 Year	5.57	5.10	4.95	4.84
5 Year	7.10	6.62	4.77	4.79
7 Year	4.76	4.29	2.78	3.01
10 Year	5.22	4.75	2.32	2.82
Since Inception	7.59	7.07	4.53	4.61

Inception Date: 1/1/1998

CALENDAR YEAR RETURNS² (%) (Results shown in USD)

	Gross	Net	WGBI	BGA
2020	12.39	11.89	10.11	9.20
2019	9.77	9.28	5.90	6.84
2018	-4.61	-5.04	-0.84	-1.20
2017	13.28	12.78	7.49	7.39
2016	5.73	5.26	1.60	2.09
2015	-8.04	-8.46	-3.57	-3.15
2014	6.84	6.36	-0.48	0.59
2013	-3.23	-3.67	-4.00	-2.60
2012	14.34	13.83	1.65	4.32
2011	8.64	8.15	6.35	5.64
2010	13.77	13.27	5.17	5.54

REGION & CURRENCY ALLOCATIONS^{1,2} (%)



ANNUALIZED RETURNS (%) (Results shown in USD)

	Gross	Net	WGBI	BGA
QTD	10.61	10.49	2.77	3.28
YTD	12.39	11.89	10.11	9.20
1 Year	12.39	11.89	10.11	9.20
3 Year	5.57	5.10	4.95	4.84
5 Year	7.10	6.62	4.77	4.79
7 Year	4.76	4.29	2.78	3.01
10 Year	5.22	4.75	2.32	2.82
Since Inception	7.59	7.07	4.53	4.61

Inception Date: 1/1/1998

GIPS INFORMATION (% , unless otherwise noted) (Results shown in USD)

Year or YTD	Gross	Net	WGBI	BGA	# of Accounts	Market Value (M)	Total Firm Assets (M)	Composite Dispersion	Composite Rolling 3Y SD	WGBI Rolling 3Y SD	BGA Rolling 3Y SD
2020	12.39	11.89	10.11	9.20	17	10,071	63,872	0.70	10.28	4.48	4.17
2019	9.77	9.28	5.90	6.84	21	10,767	74,024	0.19	7.13	4.20	3.53
2018	-4.61	-5.04	-0.84	-1.20	24	10,821	70,070	0.11	8.32	5.82	4.90
2017	13.28	12.78	7.49	7.39	25	11,370	74,382	0.38	7.44	5.75	4.82
2016	5.73	5.26	1.60	2.09	27	10,337	65,498	0.27	7.53	5.89	4.97
2015	-8.04	-8.46	-3.57	-3.15	28	11,427	68,819	0.18	6.19	4.39	3.90
2014	6.84	6.36	-0.48	0.59	25	11,888	63,375	0.26	6.66	4.28	3.93
2013	-3.23	-3.67	-4.00	-2.60	27	10,079	50,050	0.18	6.83	4.60	4.36
2012	14.34	13.83	1.65	4.32	30	9,333	42,894	0.49	6.50	5.52	4.90
2011	8.64	8.15	6.35	5.64	35	6,993	33,122	0.45	8.33	7.57	6.53
2010	13.77	13.27	5.17	5.54	32	5,542	31,996	0.66	11.26	9.26	7.96

WGBI = FTSE WGBI (USD)

BGA = Bloomberg Barclays Global Aggregate

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, 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Global Opportunistic Fixed Income Composite has been examined for the periods January 1, 1998 through June 30, 2019. The verification and performance examination reports are available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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. Composite Description: The Global Opportunistic Fixed Income Composite (the Composite) Inception date: January 1, 1998. Creation date: January 15, 2002. The Composite includes all fully discretionary, fee-paying, actively managed Global Fixed Income accounts with no minimum market value and flexible country, yield and/or credit quality mandates. Typically, the majority of the holdings consist of debts of governments or related agencies of developed countries. The strategy will also make periodic allocations to debts of governments of emerging countries as well as to corporate investment-grade, corporate high yield and structured credit opportunities mostly in developed countries that Brandywine Global believes are going to substantially increase in value due to improving fundamental factors that affect their valuation. The portfolios are typically invested in securities from 10 - 20 different countries. 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 Global uses WM/Reuters daily FX rates taken at 4 p.m. London time. Benchmark indices' exchange rates may vary from Brandywine's exchange rates periodically. Effective December 2016, the secondary benchmark was changed from 90% FTSE WGBI / 5% BofA ML High Yield / 5% JPM EMBI+ to the Barclays Global Aggregate. Primary Benchmark Description: The FTSE World Government Bond Index measures the performance of developed countries' global fixed income markets invested in debt issues of U.S. and non-U.S. governmental entities. Secondary Benchmark Description: The Bloomberg Barclays Global Aggregate provides a broad-based measure of the global investment-grade fixed income markets by including agencies, corporates and asset backed issues. 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. Prior to July 1, 2007, portfolios were included in the Composite beginning with the first full quarter of performance through the last full quarter of performance. After July 1, 2007, portfolios are included in the Composite beginning with the first full month of performance through the last full month of performance. Composite returns are reported on quarterly 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 fee returns reflect the deduction of trading expenses and the highest investment management fees charged within the composite membership as stated in the fee schedule below. 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 measures the variability of the composite and the benchmark returns over the preceding 36-month period. Past performance is no guarantee of future results. A complete list describing the Firm's composites as well as any additional information regarding the Firm's policies for calculating and reporting performance results is available upon request. Fee Schedule: Institutional Client Separate Account Management Fee Schedule (minimum initial investment: \$75 million): 0.450% on the first \$75 million; and 0.350% on any portion of assets in excess of \$75 million. Institutional Client Commingled Account Management Investment Trust Fee Schedule (minimum initial investment: \$5 million): 0.450% on the first \$50 million; 0.400% on the next \$50 million, and 0.350% on any portion of the 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.

©2021, Brandywine Global Investment Management, LLC. All rights reserved

FOOTNOTES & DISCLOSURES

WGBI = FTSE World Government Bond Index (Unhedged) BGA = Bloomberg Barclays Global Aggregate Bond Index

* Rating by an NRSRO. NRSRO means one of the following Nationally Recognized Statistical Rating Organizations: Standard & Poor's Ratings Services, Moody's Investor Service, Inc., and Fitch, Inc. In the case of split ratings, the highest rating will apply. Ratings for country and currency are determined by the local currency long-term debt ratings assigned by NRSROs.

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 to attached Global Opportunistic Fixed Income Composite GIPS presentation

3 The "Average Quality" is 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. The equivalent numerical rating is assigned to each security based on the Security Level scale. A Portfolio Level scale is applied on the weighted average calculation to round for fractional numerical ratings and then converted to an alpha weighted average rating. Cash is included and received the highest rating.

Source: Bloomberg. 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. 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. The FTSE World Government Bond Index measures the performance of developed countries' global fixed income markets invested in debt issues of U.S. and non-U.S. governmental entities. The Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets by including agencies, corporates and asset backed issues. 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. 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. 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. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by the investment advisory fee and other expenses incurred in the management of the account. Net of fee performance was calculated using the highest management fee as described in Brandywine Global's Form ADV Part 2A, which is available upon request. Please refer to our GIPS® presentations, which include performance footnotes, fee schedules, detailed index descriptions, and disclosures.

Past performance is no guarantee of future results.

©2021, Brandywine Global Investment Management, LLC. All rights reserved.