

# Global Opportunistic Total Return

## Objective

The strategy seeks to generate income and capital gains and to outperform the FTSE World Government Bond Index on a rolling 36-month basis by 2.5% annualized net of fees.

## Investment Philosophy

We believe currencies and interest rates serve as economic regulators. As valuations overextend, currencies and interest rates will adjust accordingly, eventually impacting economic behavior and setting economic forces in motion that renormalize valuations in the opposite direction.

## Investment Process

We apply a top-down, macro-driven process, investing only where we believe opportunities exist based on fundamental factors, secular trends, political and monetary conditions, and business cycle risks. Bond markets that provide the highest or lowest real yields are identified as potential longs or shorts, respectively. Currency valuations are also monitored for extreme valuation.

## The Long-Short Approach

The long-short approach enables us to take positions in markets we believe to be overvalued as well as those we believe to be undervalued as long as the market size and liquidity characteristics are supportive. Furthermore, market forces supporting mean reversion must also be present. We concentrate long positions in markets with the highest return potential. Short positions are taken in markets we believe are overvalued. Once an investment becomes fully valued, we reallocate into opportunities that we perceive to have better relative value.

## Duration Management

Portfolio duration is limited to a range of -5 to 10 years. Gross short duration may extend to -10 years providing net portfolio duration remains within range. Negative or zero duration may be employed in countries where we believe yields are at risk of rising. Long positions are generally concentrated in countries that we identify as having high real yields supported by strong macro fundamentals.

## Currency

Currency shorts or hedges are used in overvalued markets, with net short exposure limited to -70% of the portfolio, subject to individual country constraints. Currency management focuses on real interest rates, currency valuations, and the perceived impact of currency valuations on economic conditions and inflation. We look for signs of behavioral change and supporting economic data that will act as a catalyst for renormalization of valuations.

## Sector And Issue Selection

Within target countries and currencies, selection is based on yield-curve analysis and desired duration. For corporate debt, we strategically invest when spreads are wide and policy and economic fundamentals suggest significant spread tightening is likely.

## Our Competitive Advantage

The strategy employs a top-down, value-based, and benchmark-agnostic approach, backed by rigorous macroeconomic research. Targeting positive returns that are independent of market cycles, the strategy is designed to isolate the Global Fixed Income team's best investment opportunities through both long and short exposures to interest rates, currencies, and credit markets around the globe.



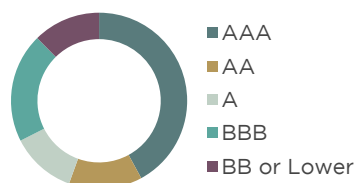
## At a Glance

- Benchmark: FTSE World Government Bond Index
- Seeks to generate income and capital gains, outperforming the benchmark by 2.5% through a long-short approach
- Invests primarily in developed and emerging market sovereign debt and currencies. May also opportunistically invest in corporate and mortgage-backed securities, including up to 15% in credit rated below investment grade at the time of purchase
- Derivative instruments may be used to gain long, short, or hedged exposure to bond and currency markets
- Long investments are typically concentrated in 10 to 20 countries' bonds or currencies that we believe offer the most attractive absolute return potential
- Short positions are typically established in interest rates or currencies we think are extremely overvalued, will fall in value, and can potentially generate absolute return

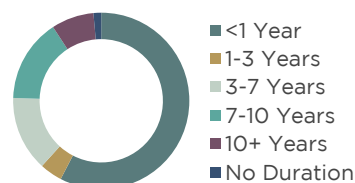
## Characteristics<sup>1,2</sup>

	Strategy	Benchmark
Avg. Quality <sup>3</sup>	A+	AA
Avg. Maturity (Yrs.)	6.68	9.74
Avg. Mod. Duration (Yrs.)	5.33	8.36
Avg. Coupon (%)	3.11	1.68
Current Yield (%)	3.33	-
Avg. Yield-to-Maturity (%)	3.31	1.59
Number of Issues	56	1,170

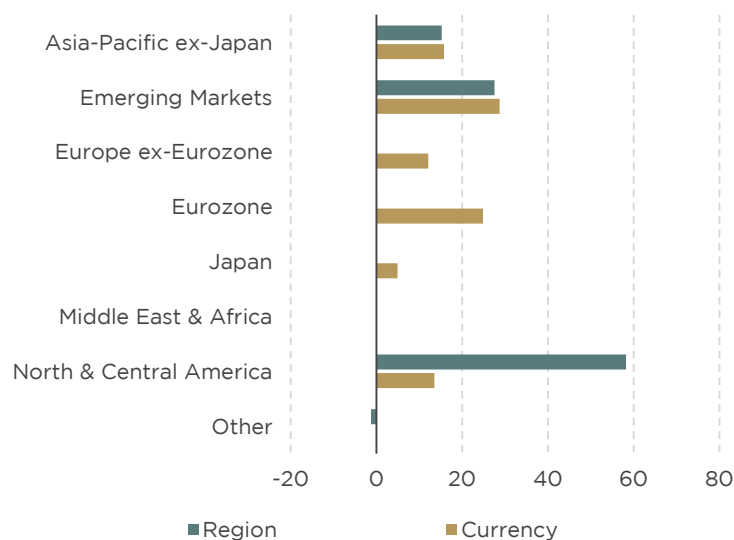
## Quality Ratings<sup>1,2</sup> (%)



## Duration Allocation<sup>1,2</sup> (%)



## Region & Currency Allocations<sup>1,2</sup> (%)



## Assets Under Management (M) (Shown in USD)

Brandywine Global, Firmwide	64,266
Fixed Income Product Group	50,335
Global Opportunistic Total Return	161

## Calendar Year Returns<sup>2</sup> (%) (Results shown in USD)

	Gross	Net	WGBI	F3MTB
2022	-2.53	-2.70	-6.46	0.03
2021	-4.46	-5.12	-6.97	0.05
2020	11.60	10.83	10.11	0.58
2019	9.17	8.41	5.90	2.25
2018	-2.60	-3.28	-0.84	1.86
2017	9.85	9.08	7.49	0.84
2016	7.08	6.29	1.60	0.27
2015	-4.93	-5.65	-3.57	0.03
2014	8.56	7.75	-0.48	0.03
2013	-0.54	-1.10	-1.26	0.03
2012	-	-	-	-

## Risk Characteristics<sup>2</sup> (Composite Gross of Fees) (Since Inception)

Sharpe Ratio	0.37
Sortino Ratio	0.56
Information Ratio	0.42

## Portfolio Managers



**David F. Hoffman, CFA**  
Managing Director & Portfolio Manager  
46 Years of Experience



**Jack P. McIntyre, CFA**  
Portfolio Manager  
34 Years of Experience



**Anujeet Sareen, CFA**  
Portfolio Manager  
27 Years of Experience



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



**Tracy Chen, CFA, CAIA**  
Portfolio Manager  
19 Years of Experience

Data as of March 31, 2022  
Past performance is no guarantee of future results.



## Annualized Returns (%) (Results shown in USD)

	Gross	Net	WGBI	F3MTB
QTD	-2.53	-2.70	-6.46	0.03
YTD	-2.53	-2.70	-6.46	0.03
1 Year	-3.36	-4.03	-7.74	0.06
3 Year	3.58	2.86	-0.09	0.76
5 Year	3.19	2.47	1.27	1.09
7 Year	2.82	2.09	1.20	0.84
Since Inception	3.25	2.51	0.45	0.66

Inception Date: 4/1/2013

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

Year or YTD	Gross	Net	WGBI	F3MTB	# of Accounts	Market Value (M)	Total Firm Assets (M)	Composite Dispersion	Composite Rolling 3Y SD	WGBI Rolling 3Y SD	F3MTB Rolling 3Y SD
2022	-2.53	-2.70	-6.46	0.03	2	161	64,266	-	9.09	5.29	0.27
2021	-4.46	-5.12	-6.97	0.05	2	166	67,356	-	9.14	4.80	0.29
2020	11.60	10.83	10.11	0.58	3	180	63,872	-	9.98	4.48	0.24
2019	9.17	8.41	5.90	2.25	5	359	74,024	-	6.73	4.20	0.19
2018	-2.60	-3.28	-0.84	1.86	4	357	70,070	-	6.49	5.82	0.20
2017	9.85	9.08	7.49	0.84	4	364	74,382	-	5.45	5.75	0.11
2016	7.08	6.29	1.60	0.27	1	133	65,498	-	5.44	5.89	0.03
2015	-4.93	-5.65	-3.57	0.03	1	237	68,819	-	-	-	-
2014	8.56	7.75	-0.48	0.03	1	283	63,375	-	-	-	-
2013	-0.54	-1.10	-1.26	0.03	1	393	50,050	-	-	-	-

Data as of March 31, 2022

WGBI = FTSE WGBI (USD) F3MTB = FTSE 3 Month T-Bill

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, 2020. 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 Opportunistic Total Return Composite has had a performance examination for the periods April 1, 2013 through June 30, 2020. 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: The Global Opportunistic Total Return Composite (the Composite) Inception date: April 1, 2013. Creation date: April 1, 2013. The Composite includes all fully discretionary, fee-paying, actively managed Global Opportunistic Total Return accounts with limited client mandated restrictions. The Composite provides broad ranges of flexibility to be long or short bonds, interest rates, and currencies, but managed relative to the FTSE WGBI or other global bond index. The use of derivatives will increase risk in 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 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. 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 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. 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 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, 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: \$75 million): 0.700% on first \$75 mil, 0.650% on portion of assets in excess of \$75 million; or base fee of 0.20% of net assets plus 15.00% of performance in excess of the 3 month USD T-Bill rate. Institutional Client Commingled Account Management Fee Schedule (minimum initial investment: \$1 million): Base fee of 0.650% of net assets; or a base fee of 0.20% plus 15.00% of performance in excess of the 3 month USD T-Bill rate. 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

WGBI = FTSE World Government Bond Index (Unhedged) F3MTB = FTSE 3 Month T-Bill Index

\* Contribution to duration by market is determined by the bond's currency denomination.

\*\* 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 Information to the attached Global Opportunistic Total Return GIPS composite presentation.

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 (© 2022, Bloomberg Finance LP), which Brandywine Global believes to be accurate and reliable. The notional value of non-deliverable or cash settlement interest rate and bond futures may be higher than cash value of the portfolio but the overall exposure will be governed by duration guidelines. 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. 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. 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 FTSE 3-Month U.S. Treasury Bill Index (C3MTB) represents monthly return equivalent of yield averages of the last 3 month Treasury Bills 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. 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.

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