

Microcap Equity

Objective

We seek to outperform the benchmark over a 3-5 year period while maintaining a portfolio with consistent microcap equity characteristics.

Philosophy

As value investors, we seek to buy businesses for less than they are worth. However, often stocks with low multiples are not attractively valued but efficiently priced. Rather than focus on traditional value factors, our process relies on multiple valuation methodologies to determine intrinsic value while also applying a margin of safety and downside protection. Each business is different, with different cycles, capital needs, and reinvestment opportunities. We believe using the same valuation framework for every situation may produce underperforming results. In our view, value creation can best be assessed by evaluating owner earnings or cash flow. We also believe that growth and value are not mutually exclusive, which may result in the strategy reflecting a greater or lower traditional value orientation at times.

Fundamental Analysis

We apply rigorous bottom-up analysis, utilizing financial documents, other pertinent company information, in-person interviews, and additional data sources, as the first step in determining the nature of the business and the company's potential for long-term value creation. We attempt to understand management's philosophy toward growing the business, addressing risk, allocating capital, and creating shareholder value. Our process subjects potential holdings to thorough fundamental analysis and calculates intrinsic value using a variety of metrics, including free cash flow, net asset value, or potential return on capital. Reviews are conducted by at least two analysts, with the second analyst providing an opposing view to counter any possible "motivated reasoning" or other behavioral biases. Prospective holdings are vetted by the team with the final determination made by the lead portfolio managers.

Portfolio Structure

Portfolios are constructed on a bottom-up basis with sector weights incidental but consistent with our 40% policy maximum. Individual holdings are limited to a maximum of 5% at cost. Weights are determined based on quantitative and qualitative risk/reward characteristics.

Sell Discipline

We employ a disciplined approach to sell decisions, generally selling a stock when:

- The stock appreciates to our target price without commensurate gain in intrinsic value.
- Long-term fundamentals deteriorate, negatively impacting intrinsic value.
- The existing holding is replaced with a more attractive reward/risk opportunity.
- The market capitalization drifts.

Our Competitive Advantage

The strategy seeks microcap equity opportunities in sound businesses that are priced significantly below our estimation of intrinsic value. We believe that such an approach, mirroring a private-buyer mindset, can preserve capital through improved downside protection and deliver attractive risk-adjusted returns over full market cycles.



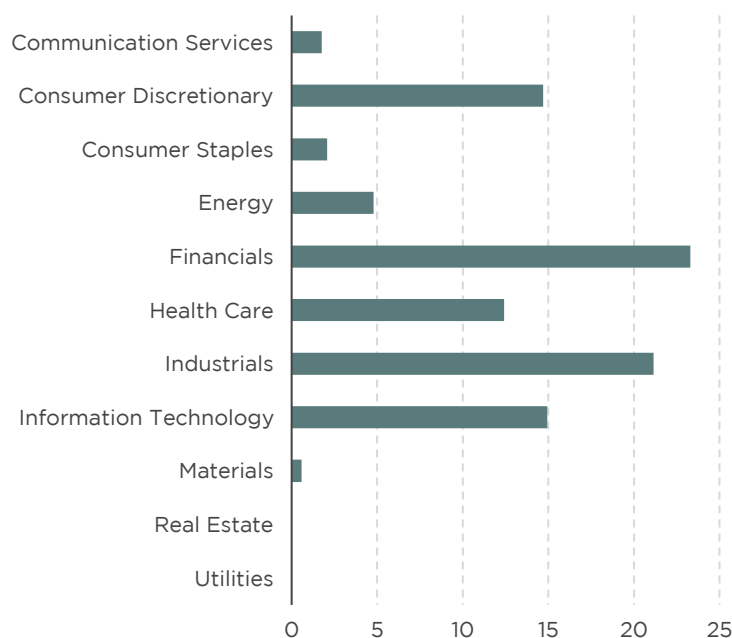
At a Glance

- Primary Benchmark: Brandywine US Micro-Cap Value IndexSM.
- We expect to add value primarily through stock selection, rather than industry or sector weightings.
- We generally invest in 50-75 companies.
- Our positions in cash and cash equivalents are not actively managed, but generally account for less than 5% of portfolio assets, though our cash position may reach 10% during periods of active portfolio trading.

Characteristics^{1,2}

Price-to-Earnings ³	10.5
Price-to-Book	1.2
Price-to-Cash Flow	10.3
Dividend Yield (%)	1.3
Avg. Market Cap (\$B)	0.8
Current # of Securities	70
Turnover (% LTM)	58.1

Sector Weights^{1,2} (%)



Assets Under Management (M) (Shown in USD)

Brandywine Global, Firmwide	54,856
Fundamental Equity Product Group †	7,008
Microcap Equity	226

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

	Gross	Net	BUSMICV	WUSMIC
2023	4.85	4.53	-1.19	3.37
2022	-18.58	-19.61	-16.53	-26.07
2021	24.88	23.35	36.30	14.50
2020	15.08	13.66	7.65	16.63
2019	30.92	29.32	19.04	17.79
2018	-11.97	-13.08	-12.67	-15.58
2017	17.87	16.43	9.05	15.66
2016	35.42	33.78	36.16	17.86
2015	0.42	-0.83	-6.75	-4.13
2014	3.26	1.98	3.27	2.74
2013*	33.47	32.13	33.20	36.89
Performance Break				

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

Sharpe Ratio	0.45
Sortino Ratio	0.57
Information Ratio	0.22

Top Ten Holdings^{1,2} (%)

Blue Bird Corp	3.4
Manitowoc Co Inc/the	3.1
Green Brick Partners Inc	2.9
Jeld-wen Holding Inc	2.8
Cohu Inc	2.7
Ichor Holdings Ltd	2.7
Nerdwallet Inc	2.5
Aersale Corp	2.5
Allegiant Travel Co	2.3
Computer Programs And Systems Inc	2.3

Lead Portfolio Managers



Justin C. Bennett

Portfolio Manager & Research Analyst
27 Years of Experience



Gregory P. Manley, CFA

Portfolio Manager & Research Analyst
26 Years of Experience



Steven D. Shin, CFA

Assoc. Portfolio Manager & Research Analyst
22 Years of Experience

† Includes \$2,899M in Fundamental Equity assets for which Brandywine Global provides non-discretionary investment management services. Nondiscretionary assets are reported on one month lag.

Data as of March 31, 2023

Past performance is no guarantee of future results.



Lead Portfolio Managers

Justin C. Bennett Portfolio Manager & Research Analyst

Justin rejoined the Firm in April 2013 as an analyst on the Fundamental Equity team and now also co-manages the micro-, small- and smid-cap portfolios. He has over 25 years' experience in the investment management industry with a focus on fundamental research and analysis. Before rejoining the firm, Justin was a Managing Member of Clarke Bennett, LLC. (2005-2011). He previously held several roles with Brandywine Global including Midcap Value Equity Portfolio Co-Manager (2004 - 2005); Senior Research Analyst - Small/Smid Product Group (2001 - 2005); Research Analyst - International Value Product Group (1998 - 2001) and Quantitative Analyst - Domestic and International Product Groups (1996 - 1998). Justin earned a B.A. in Economics from Hobart and William Smith Colleges.

Gregory P. Manley, CFA Portfolio Manager & Research Analyst

Greg is a portfolio co-manager for our micro- small- and smid-cap portfolios. During his career at Brandywine Global, Greg has served as a fundamental and quantitative analyst as well as the lead trader for the Diversified Value Equity portfolios. Greg joined the Firm in 2000. Previously, he was with Trinity Investment Management as a securities trader (1996-2000). Greg holds the Chartered Financial Analyst® designation and earned a B.A. in Accounting from Pennsylvania State University. He is a member of the CFA Society of Philadelphia and the CFA Institute.

Steven D. Shin, CFA Associate Portfolio Manager & Research Analyst

Steven is an associate portfolio manager for the the micro-, small- and smid-cap portfolios and research analyst for the Fundamental Equity Team. Prior to joining Brandywine Global in April 2016, Steven was a senior investment analyst covering multiple sectors for value investment firms, Aegis Financial Corporation (2012-2015) and Leap Tide Capital Management (2005-2012), and an investment analyst for value investment firm, Kenner Management (Tivoli Partners, L.P.)(2004-2005). He also held associate positions in equity research with Jefferies & Company (2002-2004) covering value-oriented special situations and C.E. Unterberg, Towbin (2000-2001) covering technology. Steven graduated from Swarthmore College with a B.A. in Economics and is a CFA® charterholder.

Investment Team

James J. Clarke Portfolio Manager & Director of Fundamental Research

Jim serves as the Director of Fundamental Equity Research and co-manages the Global and International Opportunistic Equity strategies. He rejoined the Firm in December 2008 after three years serving as a founding partner of Clarke Bennett, LLC. From 1997 to 2005, Jim worked as an equity analyst and portfolio manager for Brandywine Global's large, mid, and small cap value equity portfolios, and as lead manager of the Firm's small cap portfolios for five years. Prior to his initial term of employment with Brandywine Global, Jim worked as a financial analyst at Morgan Stanley in New York and Tokyo (1991-1995). He earned a B.A. in History from Williams College where he was a member of Phi Beta Kappa and graduated summa cum laude. Jim earned an M.B.A. in Finance from Columbia University.

Ivy Gluck, CFA Senior Research Analyst, ESG Lead - Fundamental Equity

Ivy is a senior research analyst for our Fundamental Equity Team, responsible for healthcare and general research coverage across geographies, industries, and market capitalizations in support of our fundamental equity products. As the Fundamental Equity Team ESG Lead, Ivy coordinates efforts and implementation across the team, working closely with the Head of ESG for the firm. Prior to joining Brandywine Global in January 2014, Ivy was an intern with Brandywine Global in 2013 assisting with company research. She graduated summa cum laude with a B.A. in Mathematics from Bryn Mawr College. Ivy is a CFA® charterholder.

Hannah Crismon Research Analyst

Hannah is a research analyst on the Fundamental Equity Team, responsible for general research coverage across geographies, industries, and market capitalizations in support of our fundamental equity products. Prior to joining Brandywine Global in 2021, Hannah served as a senior analyst with Ernst & Young (2018-2020) in their Strategy and Transactions practice. Hannah graduated Magna Cum Laude with a B.S. in Finance from the University of Delaware.

**Patrick S. Kaser, CFA Managing Director & Portfolio Manager**

Patrick is head of the Fundamental Equity team and serves as co-lead portfolio manager on the Classic Large Cap Value strategy. Patrick is responsible for researching the financial and healthcare sectors, contributing insights and stock recommendations. He joined the Firm in 1998. He is a member of the Firm's Executive Board, co-chair of the firm's Brokerage Committee, and Executive Sponsor of the firm's DEI Council. Before becoming a portfolio manager, Patrick worked for the Firm as an analyst on the Large Cap Value Equity team. He was also with Dean Witter as an account executive (1996-1997). Patrick is a CFA® charterholder and earned an M.B.A. in Finance from the University of Delaware and a B.A. in Political Science from Arizona State University. He is a member of the CFA Society of Philadelphia and has been quoted in The Wall Street Journal, Financial Times, The Washington Post, Barron's and others. Patrick has appeared on CNBC, Fox Business News, and Bloomberg television and radio.

Vincent Yu International Equity Analyst

Vincent is an international equity analyst on the Fundamental Equity Team, responsible for general research coverage outside of the U.S. across industries and market capitalizations in support of our Global Opportunistic Equity and International Opportunistic Equity strategies. Prior to joining Brandywine Global in 2022, Vincent served as principal at Needham & Company (2018-2022), as associate director at Oppenheimer & Co (2017-2018), as research analyst at 7ParkData, and as investment generalist at Sureview Capital (2012-2015). Vincent earned an M.S. in Financial Engineering from New York University and a B.S. in Economics and Law from China University of Political Science and Law.

Celia R. Hoopes, CFA Portfolio Manager & Research Analyst

Celia serves as a co-lead portfolio manager on the Classic Large Cap Value Strategy and research analyst on the Fundamental Equity team. Celia is responsible for researching the technology, communications services, and consumer discretionary sectors, contributing insights and stock recommendations. Prior to joining Brandywine Global in September 2018, she served in various roles at Aberdeen Standard Investments (2012-2018), including as an investment manager. Celia earned a B.A. in Philosophy, Politics & Economics from the University of Pennsylvania. She is a CFA® charterholder and a member of the CFA Society of Philadelphia. Celia is a member of Inve\$t in Her Future, a committee within the CFA Society of Philadelphia, focused on promoting the financial industry amongst female university students as an attractive career path and supporting the next generation of female financial professionals.

Sorin Roibu, CFA Portfolio Manager & Research Analyst

Sorin is a research analyst for our large-cap equity strategies and co-manages the global and international opportunistic equity strategies. He is responsible for research coverage of U.S. and global financial companies. Prior to joining Brandywine Global in May 2014, Sorin was a global equity analyst and Principal of Turner Investment Partners (2011-2014) with a focus on global real estate, U.S. REITS, U.S. homebuilders and emerging market banks; senior research analyst, Vice President at Blackrock on their Global Opportunities team covering global financials (2005-2011); and an investment banking analyst focusing on global industrials and corporate and investment banking for Bank of America Securities (2004-2005). He graduated summa cum laude with a B.S. in Business Administration from Drexel University and studied at the Academy of Economic Studies of Moldova. Sorin is a CFA® charterholder.

Steven D. Shin, CFA Associate Portfolio Manager & Research Analyst

Steven is an associate portfolio manager for the the micro-, small- and smid-cap portfolios and research analyst for the Fundamental Equity Team. Prior to joining Brandywine Global in April 2016, Steven was a senior investment analyst covering multiple sectors for value investment firms, Aegis Financial Corporation (2012-2015) and Leap Tide Capital Management (2005-2012), and an investment analyst for value investment firm, Kenner Management (Tivoli Partners, L.P.)(2004-2005). He also held associate positions in equity research with Jefferies & Company (2002-2004) covering value-oriented special situations and C.E. Unterberg, Towbin (2000-2001) covering technology. Steven graduated from Swarthmore College with a B.A. in Economics and is a CFA® charterholder.



Traders

John R. Edelman Equity Trader

John is the lead trader for the Firm's micro-, small- and small/mid-cap portfolios and a primary trader for the Wealth Management Group channel. He is also responsible for providing support to the Diversified Value Equity portfolios. John joined the Firm in 1999. Previously, he was with Southcoast Capital as an institutional equity trader (1996-1999), and PNC Bank as a financial analyst (1989-1996). John earned an M.B.A. in Finance from St. Joseph's University and a B.A. in Finance and Accounting from Lehigh University.

Kevin McClafferty Equity Trader

Kevin is the primary trader for the Fundamental Equity team's Wealth Management Group channel. He also supports the U.S. equity trading desk in performing functions for all equity investment strategies at Brandywine Global. Prior to becoming an equity trader in August 2009, Kevin supported the trading desk as a trading assistant and has been with the Firm since 1999. Kevin earned a B.S. in Finance from Wilmington University.

David A. Tattersall Head Trader - Equity

Dave is the head trader for Brandywine Global's equity portfolios. Prior to being appointed to this position in March 2007, he served as lead equity trader for the Firm's Diversified Value Equity portfolios in addition to providing support to the Fundamental Equity team. He joined the Firm in 2000. Previously, Dave was with OTA Limited Partnership, a full-service institutional broker/dealer, as a financial analyst/trader (1989-2000); First Federal Savings Bank as a senior accountant (1987-1989), and Beneficial Mortgage Corporation as the loan accounting manager (1985-1987). Dave earned a B.S. in Accounting from Pennsylvania State University.

Specialists

William M. Roach Senior Research Analyst

Bill is a senior research analyst for our Fundamental Equity Team, responsible for general research coverage across geographies, industries, and market capitalizations in support of our fundamental equity products. Bill joined the Firm in 2003. Previously, he was a senior investment analyst for The Vanguard Group (2000-2003); senior equity analyst for DuPont Capital Management (1996-1999); partner/portfolio manager/analyst & director of marketing for Cashman, Farrell & Associates (1990-1996); portfolio manager & vice president for Smith Affiliated Capital Corp. (1989-1990); senior portfolio manager and vice president of marketing for Hutton Capital Management (1986-1989); and account executive for Merrill Lynch, Pierce, Fenner and Smith & Thomson McKinnon Securities (1982-1986). Bill graduated cum laude with a B.A. in Political Science from Boston College.



Annualized Returns (%) (Results shown in USD)

	Gross	Net	BUSMICV	WUSMIC
QTD	4.85	4.53	-1.19	3.37
YTD	4.85	4.53	-1.19	3.37
1 Year	-11.86	-12.97	-16.13	-15.96
3 Year	25.99	24.45	25.30	15.54
5 Year	8.06	6.72	5.10	0.35
7 Year	12.28	10.89	9.27	5.63
10 Year	11.57	10.19	8.64	5.82
Since Inception*	11.95	10.57	9.05	6.37
Performance Break				
Pre-Break Period*	7.47	5.88	-	-

Inception Date: 3/1/2013

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

Year or YTD	Gross	Net	BUSMICV	WUSMIC	# of Accounts	Market Value (M)	Total Firm Assets (M)	Composite Dispersion	Composite Rolling 3Y SD	BUSMICV Rolling 3Y SD	WUSMIC Rolling 3Y SD
2023	4.85	4.53	-1.19	3.37	3	226	54,835	-	25.47	25.54	25.33
2022	-18.58	-19.61	-16.53	-26.07	3	215	52,601	-	30.03	30.55	29.63
2021	24.88	23.35	36.30	14.50	4	315	67,356	-	29.05	28.73	27.22
2020	15.08	13.66	7.65	16.63	4	285	63,872	-	30.14	29.08	27.18
2019	30.92	29.32	19.04	17.79	2	163	74,024	-	18.66	16.04	16.10
2018	-11.97	-13.08	-12.67	-15.58	1	38	70,070	-	17.86	16.13	16.57
2017	17.87	16.43	9.05	15.66	1	47	74,382	-	14.52	14.64	13.93
2016	35.42	33.78	36.16	17.86	1	40	65,498	-	14.29	15.86	15.15
2015	0.42	-0.83	-6.75	-4.13	1	30	68,819	-	-	-	-
2014	3.26	1.98	3.27	2.74	2	30	63,375	-	-	-	-
2013*	33.47	32.13	33.20	36.89	2	31	50,050	-	-	-	-

Data as of March 31, 2023. BUSMICV = BW US Micro-Cap Value Index. WUSMIC = Wilshire US Micro-Cap Index. 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 (GIPSA®) 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 Microcap Equity Composite has had a performance examination for the periods July 1, 2018 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. GIPSA® 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 Microcap Equity Composite (the "Composite") Inception date is December 31, 2005 and the Composite creation date is March 1, 2013. The Composite includes discretionary accounts invested in the firm's Microcap Equity strategy. This strategy invests in microcap stocks (typically consistent with the capitalization range of the Russell Microcap Index) that are considered undervalued and attractive by the team based on a combination of quantitative and fundamental factors and typically represents 50-100 different holdings. * The Composite originally existed as Domestic Microcap Equity, creation date 1/1/2006. All members terminated mid-December 2012, causing the Composite to temporarily close. New assets funded end of February 2013, causing the Composite to reopen with a new creation date of 3/1/2013. Since Inception figures are representative of the period beginning 3/1/2013 with the ?pre-break? record reflected separately. Per GIPS, performance from the two distinct periods is never linked. Primary Benchmark Description: The Brandywine US Micro-cap Value Index measures companies from the The Brandywine US Micro-cap Index that exhibit lower price to book and price to earnings ratios and lower forecasted growth values. Secondary Benchmark Description: The Wilshire US Micro-Cap Index is a float-adjusted, market capitalization-weighted index of the issues ranked below 2,500 by market capitalization of the Wilshire 5000 Total Market Index. 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-fee 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: The Institutional Client Separate Account Management Fee Schedule (minimum initial investment: \$10 million); 1.250% flat fee on all assets. 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

BUSMICV = Brandywine U.S. Micro-Cap Value Index WUSMIC = Wilshire U.S. Micro-Cap 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 Microcap Equity GIPS composite presentation.
- 3 Portfolio characteristics calculation uses weighted harmonic average methodology.

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. Individual securities mentioned are intended as examples of portfolio holdings and are not intended as buy or sell recommendations. Characteristics, holdings and sector weightings are subject to change and should not be considered as investment recommendations. There is no guarantee that holding securities with relatively high (or low) price-to-earnings, price-to-book or price-to-cash flow ratios will cause the portfolio to outperform its benchmark or index. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. Small capitalization companies may present such risks as lack of product diversification, potentially insufficient capital resources and greater exposure to business and economic cycles. 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® presentations, which include performance footnotes, fee schedules, detailed index descriptions, and disclosures.

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Brandywine GLOBAL

Brandywine Global Investment Management, LLC

1735 Market Street
 Suite 1800
 Philadelphia, PA 19103


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 THE
 Curve**

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