

# U.S. Core Plus Fixed Income

## Objective

The strategy's objective is to achieve total return through a combination of current income and capital appreciation. Brandywine Global's goal is to outperform the Investment Benchmark by 1.5% (net of fees), on an average annual basis, over a full market cycle.

## Investment Philosophy

We believe that with our top-down, macroeconomic-driven investment approach to seeking value and anticipating risk, we can consistently outperform the Bloomberg U.S. Aggregate Index.

## Investment Process Summary

Strategic portfolio decisions, including duration, yield curve exposure, credit exposure, and sector weightings, are based upon the broad investment themes of our global macroeconomic research platform congruent with valuation. The portfolio management team develops a viewpoint on both the valuation opportunity and the business cycle and positions the strategy's duration, sector weighting, and credit exposures accordingly.

## Portfolio Construction

The strategy invests in fixed income securities and cash or cash equivalents. We believe skillfully toggling between safe-haven and risk-seeking betas can lead to superior risk-adjusted outcomes overtime, and the potential for material increases in absolute return figures. We expect to have exposure in the following sectors: Treasuries, Corporate - IG, Corporate - HY, Agency and Non-Agency ABS/MBS, and Non-US sovereigns, with a focus on U.S. fixed income. Portfolio holdings are limited to our highest conviction ideas.

## Duration Management

Portfolio duration typically can range +/-5 years from the benchmark. We have the flexibility to reduce portfolio duration should we believe duration risk poses a significant threat to capital preservation.

## Our Competitive Advantage

The strategy employs a top-down, value-based, and benchmark-agnostic approach for managing domestic 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.



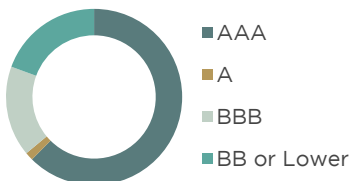
### At a Glance

- Primary Benchmark: Bloomberg U.S. Aggregate Index
- Investment process applies the top-down macroeconomic investment themes of our Global Fixed Income team
- U.S.-centric fixed income solution that prudently allocates to less traditional market segments in an effort to deliver improved outcomes
- Investments typically are concentrated in sectors and individual issuers that we believe offer the best total return potential

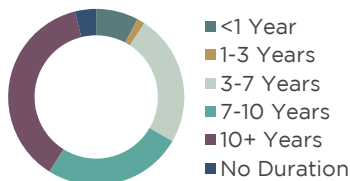
### Characteristics<sup>1,2</sup>

	Strategy	Benchmark
Avg. Quality <sup>3</sup>	A+	AA
Avg. Maturity (Yrs.)	22.70	8.50
Avg. Mod. Duration (Yrs.)	9.01	6.36
Avg. Coupon (%)	5.42	2.87
Current Yield (%)	5.99	3.07
Avg. Yield-to-Maturity (%)	6.52	4.40
Number of Issues	35	13,278

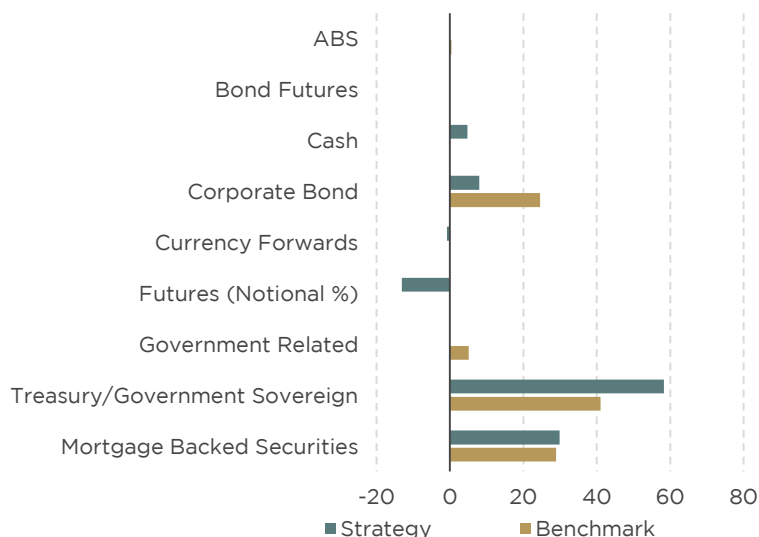
### Quality Ratings<sup>1,2</sup> (%)



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



### Sector Weights<sup>1,2</sup> (%)



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

Brandywine Global, Firmwide	54,856
Fixed Income Product Group	42,087
U.S. Core Plus Fixed Income	1,042

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

	Gross	Net	BUSA
2023	3.36	3.27	2.96
2022	-12.44	-12.75	-13.01
2021	-1.61	-1.95	-1.54
2020	18.35	17.94	7.51
2019	11.08	10.70	8.72
2018	2.50	2.32	1.66
2017	-	-	-
2016	-	-	-
2015	-	-	-
2014	-	-	-
2013	-	-	-

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

Sharpe Ratio	0.23
Sortino Ratio	0.33
Information Ratio	0.39

### Portfolio Managers



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



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



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



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

Data as of March 31, 2023  
Past performance is no guarantee of future results.



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

	Gross	Net	BUSA
QTD	3.36	3.27	2.96
YTD	3.36	3.27	2.96
1 Year	-7.85	-8.17	-4.78
3 Year	3.48	3.11	-2.77
Since Inception	3.91	3.54	0.99

Inception Date: 7/1/2018

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

Year or YTD	Gross	Net	BUSA	# of Accounts	Market Value (M)	Total Firm Assets (M)	Composite Dispersion	Composite Rolling 3Y SD	BUSA Rolling 3Y SD
2023	3.36	3.27	2.96	2	1,042	54,835	-	11.04	6.20
2022	-12.44	-12.75	-13.01	2	1,002	52,601	-	10.64	5.77
2021	-1.61	-1.95	-1.54	2	1,062	67,356	-	7.25	3.35
2020	18.35	17.94	7.51	2	313	63,872	-	-	-
2019	11.08	10.70	8.72	1	98	74,024	-	-	-
2018	2.50	2.32	1.66	1	33	70,070	-	-	-

Data as of March 31, 2023. BUSA = Bloomberg U.S. 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, 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. Verification does not provide assurance on the accuracy of any specific performance report. 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 U.S. Core Plus Fixed Income Composite (the "Composite") Inception date: July 1, 2018. Creation date: November 1, 2019. The Composite includes all fully discretionary, fee-paying portfolios with no minimum market requirement and no investment restrictions invested in the U.S. Core Plus Fixed Income Strategy. The strategy invests primarily in debt securities, such as U.S. Government and corporate obligations, bonds, notes, debentures, mortgage-backed securities, asset-backed securities. The strategy may also invest in securities denominated in foreign currencies and in US dollar denominated securities of foreign issuers, including securities that are economically tied to emerging market countries, as well as both investment grade and high yield securities. The strategy intends to maintain an average weighted portfolio quality of BBB- or better. The strategy seeks to provide maximum current income and achieve above average total return consistent with prudent investment management over a full market cycle. Primary Benchmark Description: The Bloomberg U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. 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. The net of fee return does not include a performance incentive fee; it's comprised solely of the base management fee. 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: Institutional Client Separate Account Management Fee Schedule (minimum initial investment: \$75 million): 0.350% on the first \$100 million; on any 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

BUSA = Bloomberg U.S. Aggregate 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 U.S. Core Plus Fixed Income 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.

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