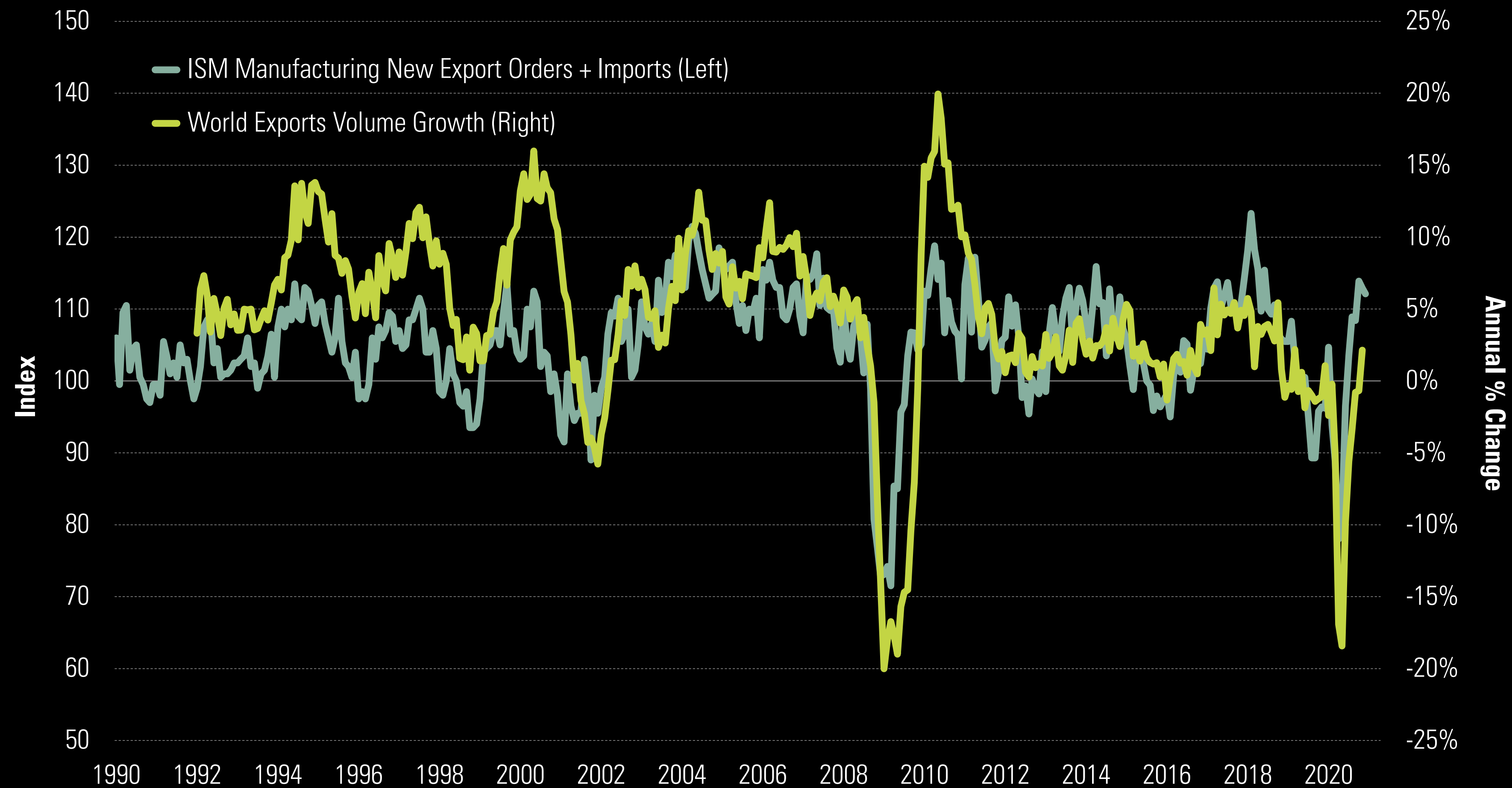


Global Trade Tells the Story

ISM Manufacturing and World Trade

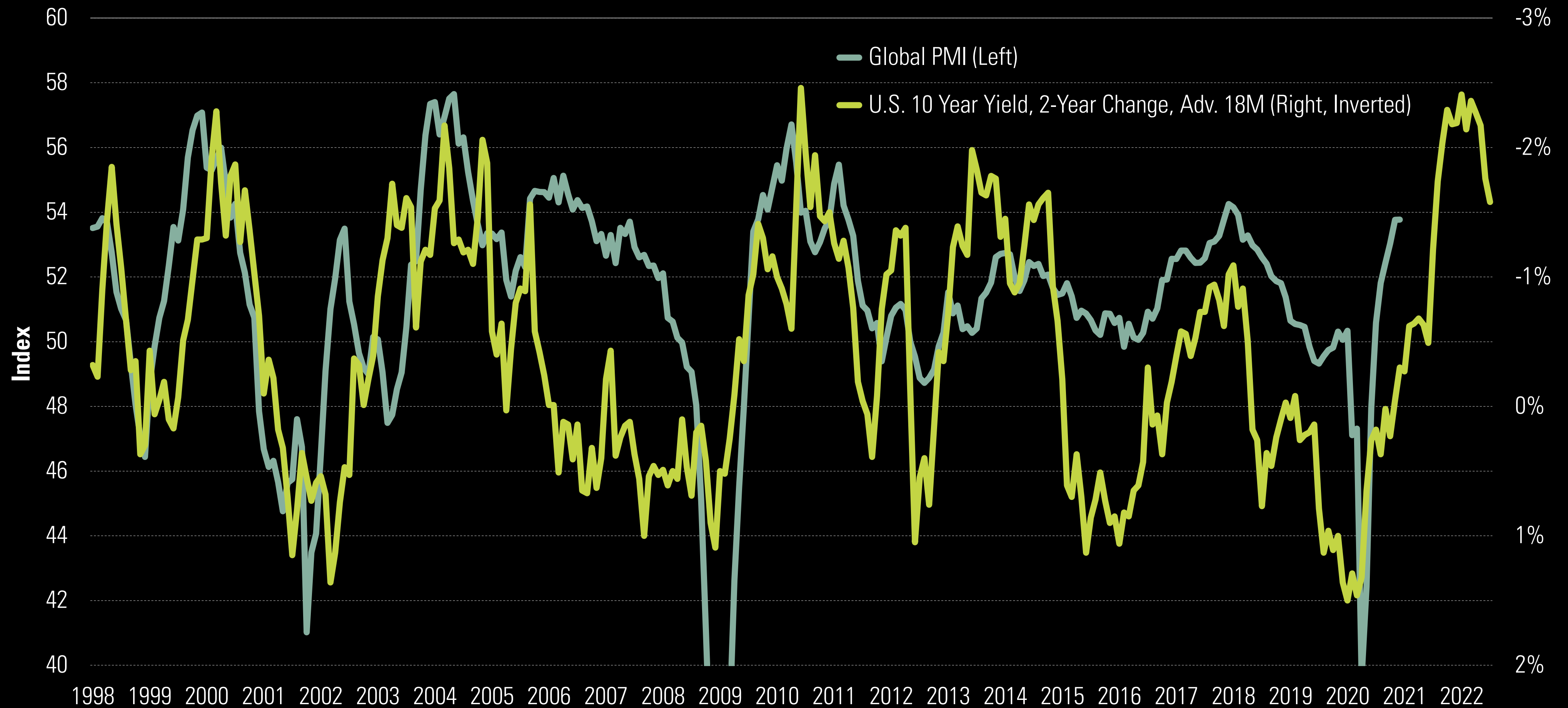


1. Reflationary pivots in 2013 & 2016 lifted global growth.
2. Another pivot was in play at the end of 2019: Fed easing, China stimulus & trade deal.
3. March 2020 lockdowns collapse world trade and the economy.
4. V-shaped recovery on extra-ordinary policy support and the expectation of learning to live with and overcoming the disease.
5. Inflection point comes when vaccines allow re-opening of the global service sectors.

As of 10/31/2020

Data has been obtained by Macrobond (© 2021, Macrobond), which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

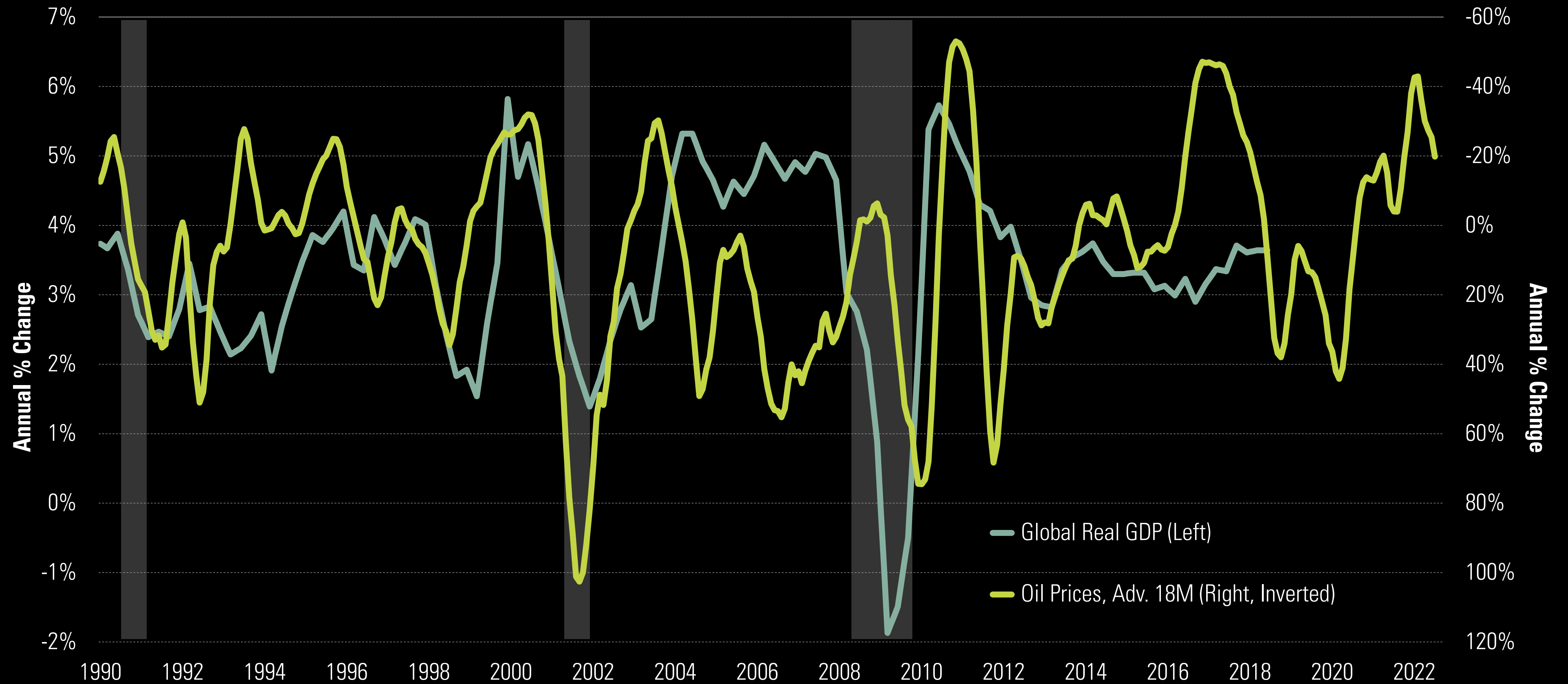
Lagged Influence of Lower Bond Yields Reinforce Potential for a Boom



As of 12/3/2020

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Low Energy Prices Add Fuel to Recovery

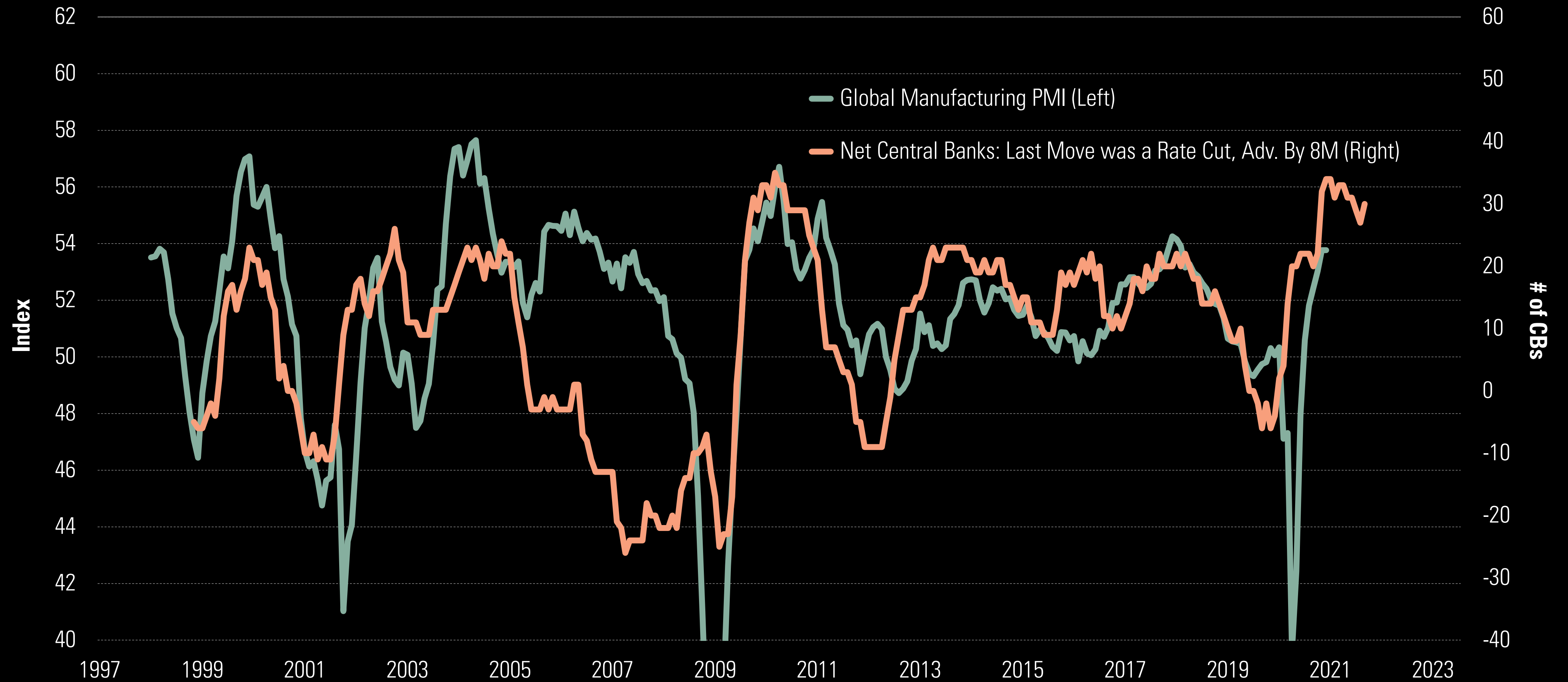


As of 12/3/2020

Data has been obtained by Macrobond (© 2021, Macrobond), which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

Rate Cuts Foster Economic Growth 2021/2022

Global Manufacturing PMI & Monetary Policy Stimulus

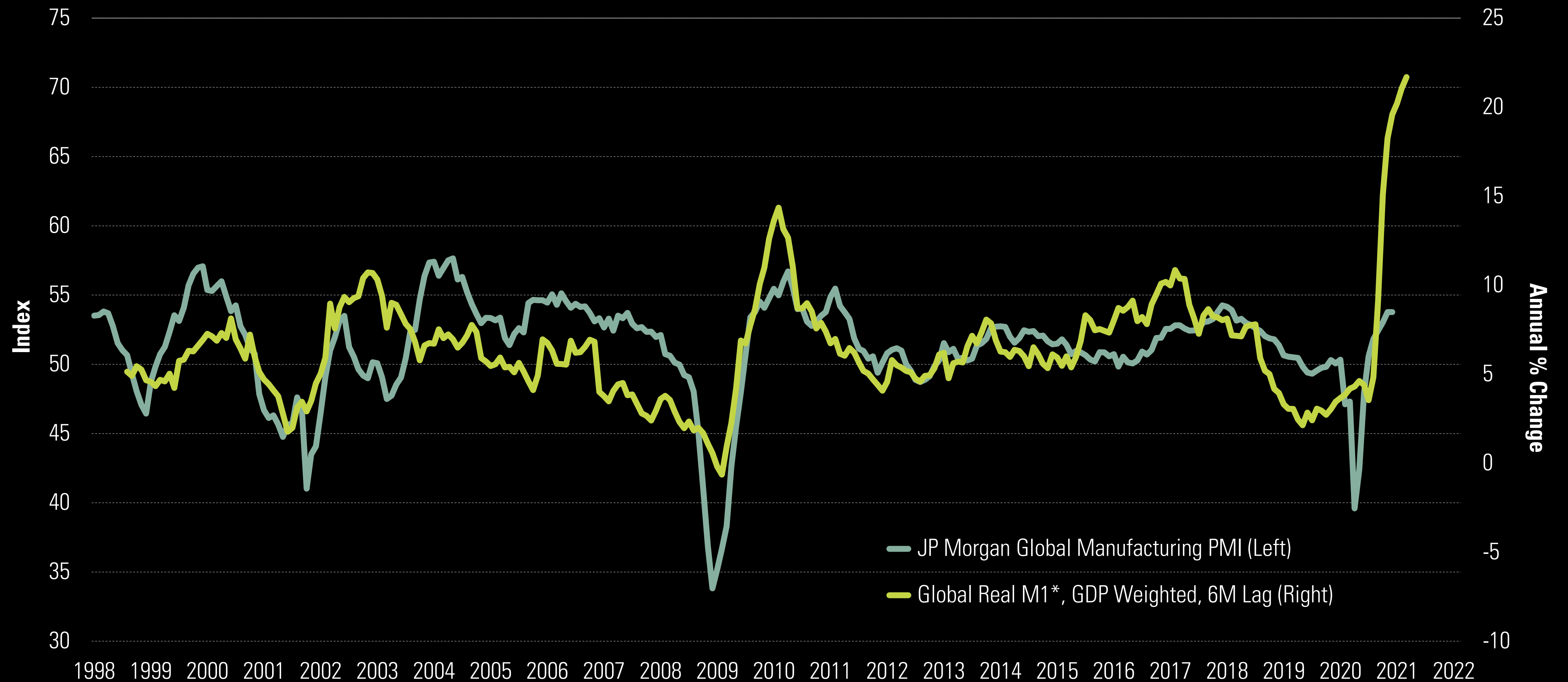


As of 12/31/2020

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Unprecedented Money Growth 2021/2022

JP Morgan Global Manufacturing PMI & Global Real M1



As of 12/31/2020

*U.S., U.K., Eurozone, Japan, China, India, Indonesia, Mexico, Turkey, Korea, Canada, Thailand, Australia, Poland

Data has been obtained by Macrobond (© 2021, Macrobond) which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

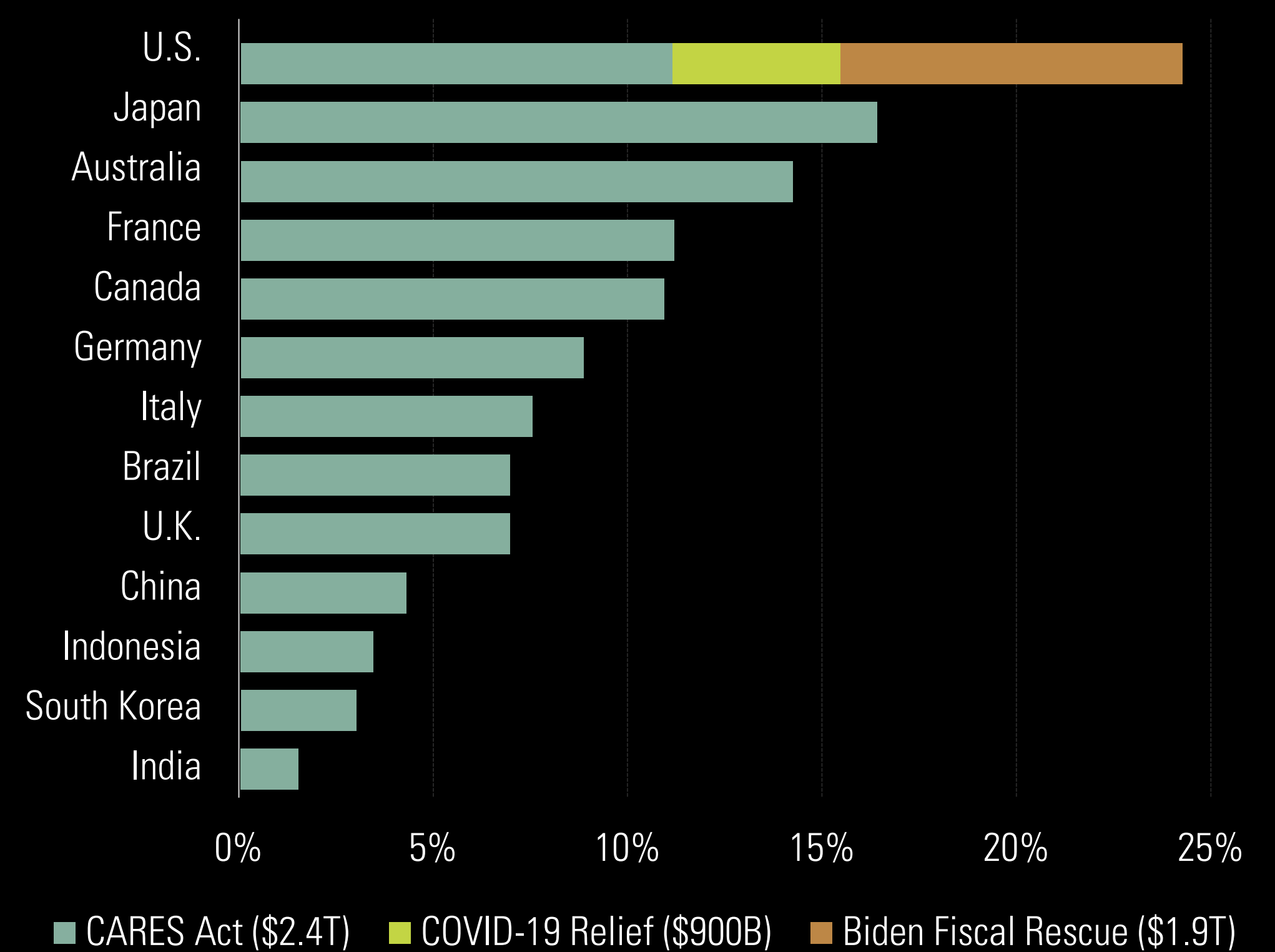
Economic Policy on Steroids – No Historical Precedent

G4 Central Bank Balance Sheet (FED, ECB, BOJ, PBOC)



As of 1/13/2021

Biden Pumps Up Fiscal Policy (Fiscal Support, % of 2019 GDP)

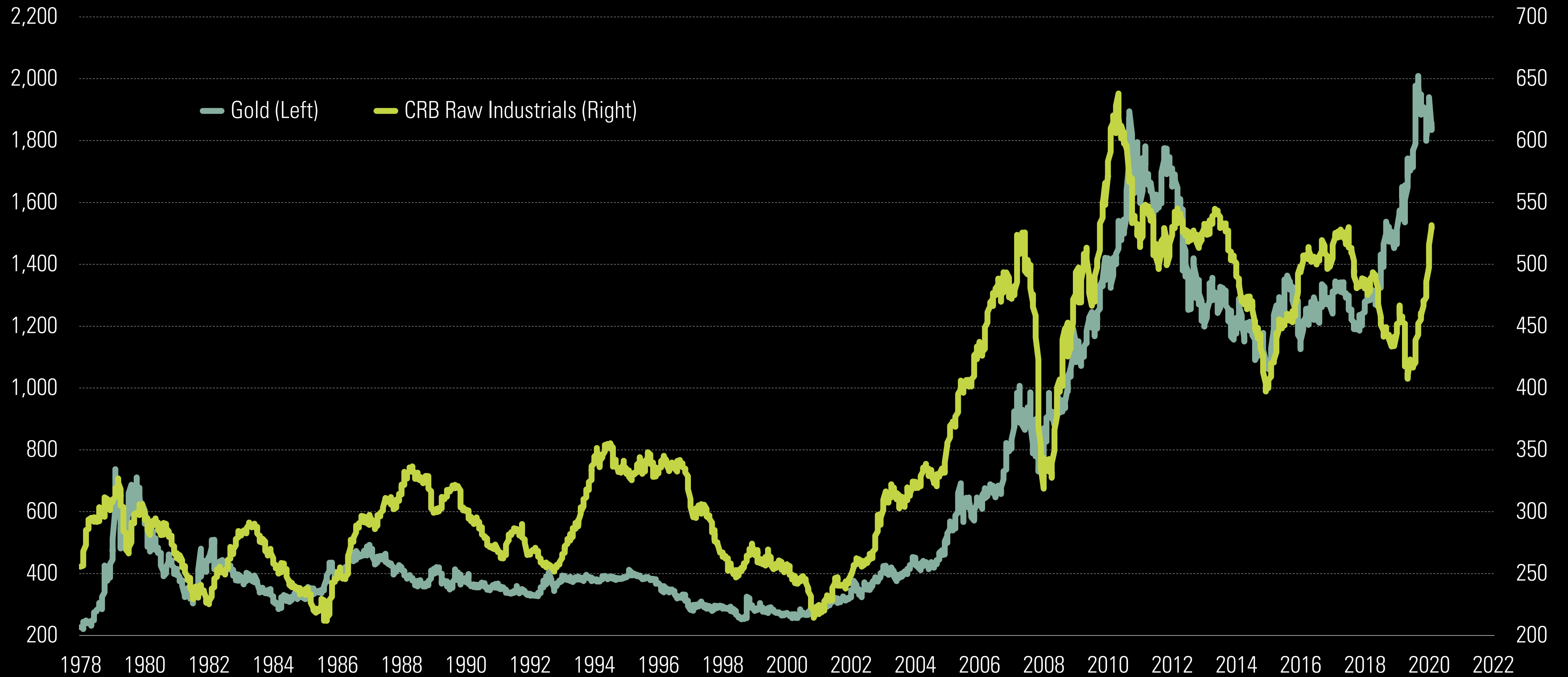


Source: Moody's Analytics

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Data for chart 1 has been obtained by Macrobond (© 2021, Macrobond), and Chart 2 has been provided by The Daily Shot (© 2021, The Daily Shot), the which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

Policy Working: Reflation Gaining Traction



As of 1/20/2021

Source: Bloomberg (© 2021, Bloomberg Finance LP), which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

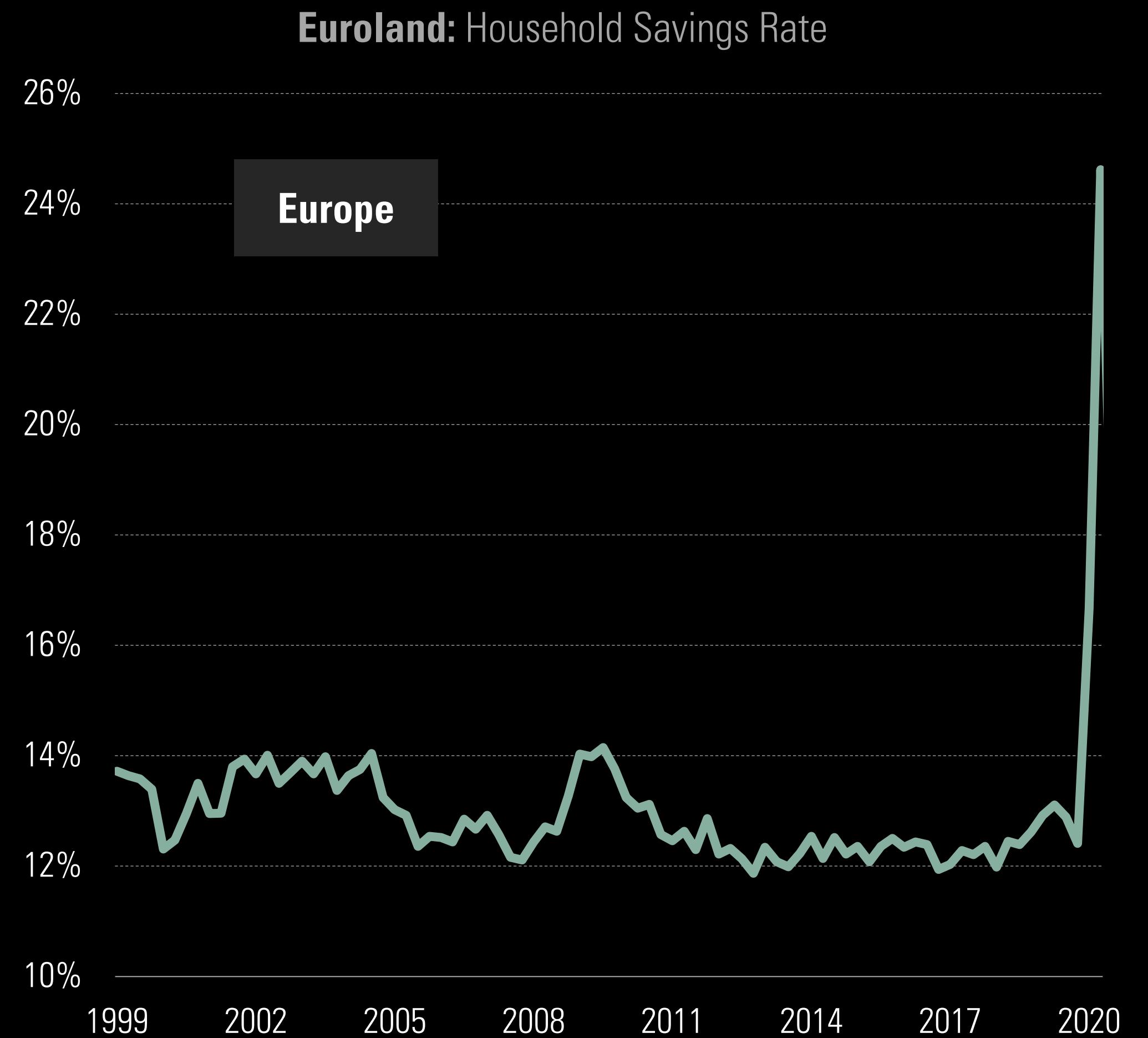
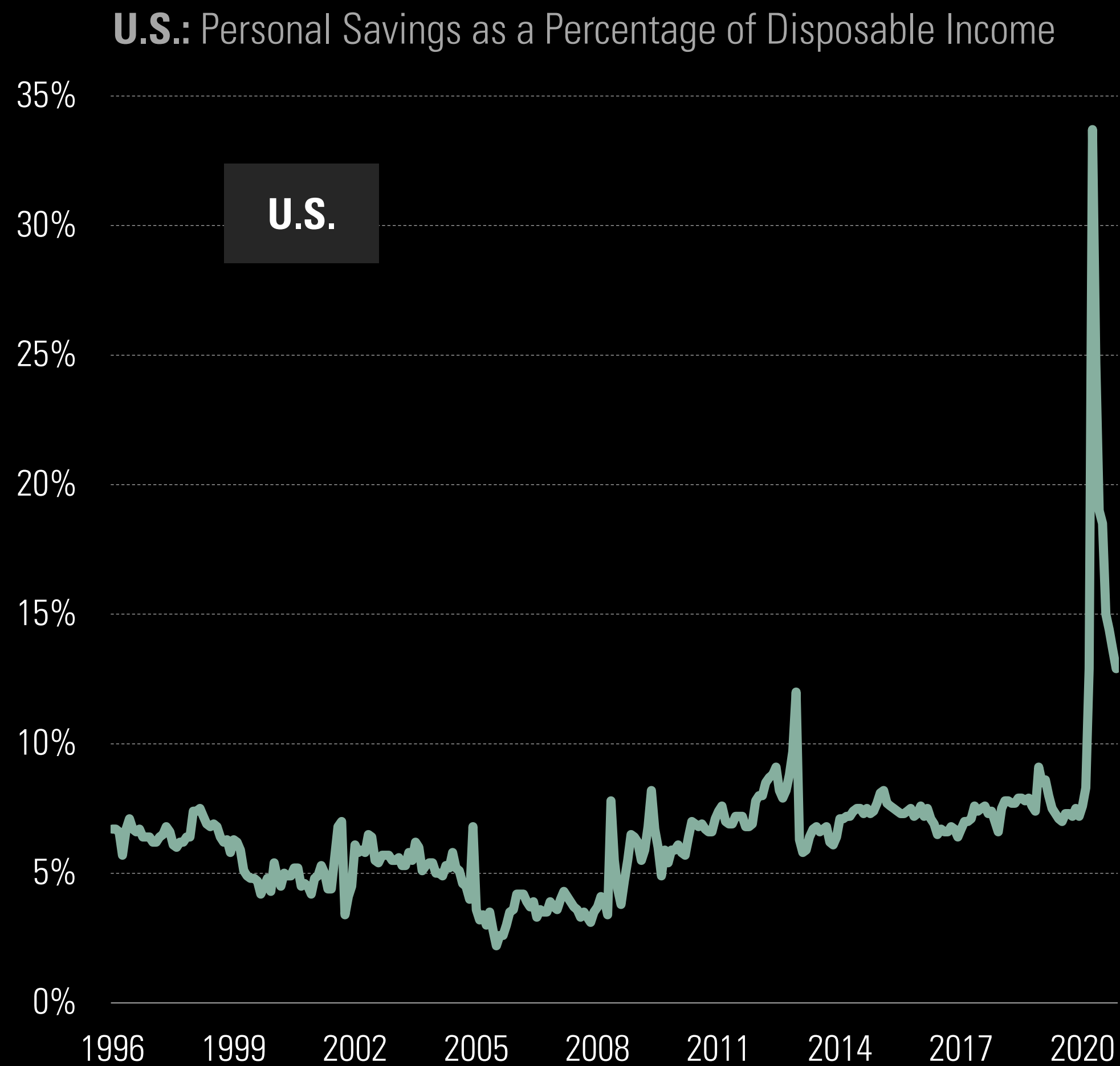
Which Creates Information Risk for Treasury Duration



As of 1/20/2021

Source: Bloomberg (© 2021, Bloomberg Finance LP), which Brandywine Global believes to be accurate and reliable. Charts created by Brandywine Global. Please refer to Appendix 1 for important disclosure information.

Plenty of Pent-up Demand...When Confidence Returns



Note: SA, AR. Source: Macrobond, U.S. Bureau of Economic Analysis (BEA).
As of 10/31/2020

Note: SA. Source: Macrobond, Eurostat Database. As of 6/30/2020

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The Global Economy Is Bouncing Back Fast

World trade has recovered 91% of the ground lost since December 2019



Source: Brandywine Global, Macrobond, CPB. As of 11/1/2020

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Regime Change? Zero Rates Forever? Greenlight for Market Speculation?

The Biden Administration plans to send \$1400 checks per person to many Americans in addition to the \$600 coming to them this month.

“Neither the President-elect nor I propose this relief package without an appreciation for the country’s debt burden. But right now, with interest rates at historic lows, the smartest thing we can do is act big.”

Janet Yellen Treasury Secretary Nominee, Testimony to the U.S. Senate Finance Committee, January 18, 2021

To be fully funded by the Federal Reserve

“My economic outlook is consistent with keeping the current pace of purchases throughout the rest of this year....I think we are going to get it done. As we move through the year, I expect for those challenges to be met and for the economy to turn in a very, very impressive growth performance.”

Richard Clarida Vice Chair Federal Reserve, December 12, 2020

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The views expressed above represent the opinions of Brandywine Global and are not intended as a forecast or guarantee of future results. Please refer to Appendix 1 for important disclosure information.