Discover opportunities in global bond markets

While U.S. fixed income investors have traditionally stayed close to home, there are compelling reasons for venturing farther afield. By exploring global fixed income markets, investors open themselves to a world of opportunities and the potential for several important benefits.
DISCOVER THE POTENTIAL OF GLOBAL BONDS

The advantages of expanding your horizons

Global bonds have always presented a compelling investment opportunity. However, in a rising interest rate environment, their potential benefits become even more important to investors facing increased risks and diminished opportunities from domestic bond portfolios.

More opportunities to explore

Global fixed income is often underrepresented in many portfolios, which can limit duration decisions and increase risks for domestic-only bond investors.

Portfolios may be underallocated to global bonds


International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility.
Attractive yields and the potential for strong total returns
Greater flexibility gives global bond investors multiple ways to potentially enhance returns. Selecting markets with the most attractive yields or favorable economic conditions may lead to strong price appreciation. Active currency management, which exploits movements in exchange rates across countries, offers another source of returns.

Comparison of 10-year government bond nominal yields (%)
Yields can vary widely between countries, particularly among developed and developing regions.

The benefits of diversification
Limiting bond investments to a single country and currency exposes an investor to concentrated interest rate, market and other risks. Conversely, broader exposure may provide important diversification benefits, through exposure to multiple business cycles and other countries with low correlations — both to one another and to other asset classes.

Global bond market correlations with U.S. bond market

Source: Bloomberg. Data as of December 31, 2008 – December 31, 2018. Correlations of the Citigroup World Government Bond Index, broad benchmark for the global sovereign fixed income market, and the JP Morgan Government Bond Index - Emerging Markets, emerging market debt benchmark that tracks local currency bonds issued by Emerging market governments, measured against the Bloomberg Barclays U.S. Aggregate Index, a broad-based bond index comprised of government, corporate, mortgage, and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.

Diversification does not guarantee a profit or protect against a loss.
WHEN INVESTING GLOBALLY, CHOOSE AN EXPERIENCED GUIDE

Brandywine Global: A pioneer in global fixed income

With over 25 years of global fixed income experience, Brandywine Global is a demonstrated leader in the asset class. The firm combines expertise in value and fixed income investing with a global perspective to bring differentiated investment options to clients worldwide.

A proven approach to global fixed income

<table>
<thead>
<tr>
<th>Macroeconomic research</th>
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<tbody>
<tr>
<td>Analyze secular and political trends</td>
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<td>Examine business and liquidity cycles</td>
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Establish investment themes to drive the security selection process

<table>
<thead>
<tr>
<th>Country</th>
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<tr>
<td>Invest in countries with high real yields and valuation anomalies, as well as positive economic developments that may drive changes in interest rates</td>
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<th>Currency</th>
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<tr>
<td>Actively manage currency exposures to help protect principal or opportunistically add value by taking advantage of or protecting against movements in exchange rates between countries</td>
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<th>Credit</th>
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<tr>
<td>Macroeconomic outlook determines credit-quality bias and opportunistic exposure to corporate bonds and mortgages</td>
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By investing with a long-term focus in higher real-yielding countries and their bond markets, Brandywine Global’s fixed income funds have generated above-average income over time.

Macroeconomic driven

By taking the broadest view, Brandywine Global can identify the most attractive investment opportunities across markets and avoid the biases inherent in country- or sector-specific research.

Value oriented

The firm’s global fixed income team focuses on global bonds that offer the best combination of high real yields, undervalued currencies, and attractive fundamentals given the macroeconomic outlook.

Actively managed

Brandywine Global actively and holistically targets three primary sources of alpha, or the “three Cs” of country, currency, and credit. Furthermore, their global fixed income team refrains from managing to global bond indices, which tend to be skewed toward the biggest issuers of debt.
Diversified investment strategies with track records in generating income and total return

Brandywine Global offers investors multiple choices for accessing the world of global bonds. Each fund provides a differentiated path to exploring the diverse corners of global bond markets, while all benefit from the deep experience and thoughtful approach for which Brandywine Global is well known.

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Sovereign focused</th>
<th>Credit focused</th>
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<tbody>
<tr>
<td></td>
<td>BrandywineGLOBAL — Global Opportunities Bond Fund</td>
<td>BrandywineGLOBAL — Global Unconstrained Bond Fund</td>
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</table>
| Applications | • Add diversification  
• Provide potential for higher income and returns to a fixed income portfolio | • Add diversification  
• Protect against a rising-rate environment, with the potential for positive returns in varying market conditions | • Add diversification to fixed income or alternatives allocations  
• Access differentiated sources of returns and low correlations with traditional asset classes |
| Overview | The Fund offers a traditional approach to global fixed income, seeking to maximize total return while exploring the full universe of global bonds, including sovereign debt, investment grade and high yield corporates, and mortgages. | Using an unconstrained approach that seeks to provide positive returns independent of market cycles, the Fund maintains a focus on global bonds and has the flexibility to generate alpha by taking both long and short exposures to interest rates, currencies, and credit markets. | The Fund relies on differentiated sources of performance and low correlation with traditional asset classes to generate positive returns and provide access to the investment team’s “best ideas” in global credit. |
| Style | Global Bond | Global Unconstrained Bond | Global Long-Short Credit |
| Investment objective | Maximize total return | Generate positive returns regardless of market cycles | Generate positive returns regardless of market cycles |
| Investment universe | Global sovereign bond, credit, and currency markets with long-term debt ratings above BB | Global sovereign bond, credit, and currency markets with long-term debt ratings above B | Broad credit sectors, including corporates, structured products, and EM, as well as select developed/EM sovereigns |
| Currency management | Unhedged but actively managed. Will invest in undervalued currencies and hedge overvalued currencies back to the U.S. dollar. | Unhedged but actively managed. Will take long positions in undervalued currencies and short positions in overvalued currencies. | Majority U.S. dollar exposure with typically no more than 20% in foreign currency exposure. |

| Able to take long or short positions\(^1\) | ✓ | ✓ |
| Alternative strategy categorization | Lipper Category: Alternative Global Macro Funds | Lipper Category: Alternative Credit Focus Funds |
| Duration range | 1 to 10 Years | -5 to 5 Years | -10 to 10 Years |
| Inception date | 11/1/2006 (IS Shares) | 2/28/2011 (A & I Shares) | 8/31/2010 (IS Shares) |

\(^1\) Short selling is a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. Please see back cover for Lipper category definitions.
Brandywine Global believes in the power of value investing.

Acting with conviction and discipline, the firm looks beyond short-term, conventional thinking to deliver long-term value. Known for its strong history of managing assets for prestigious institutional investors around the world, Brandywine Global brings its leading investment strategies to individuals through a range of Legg Mason mutual funds.

**A team approach to finding value across fixed income markets**

Brandywine Global’s fixed income team is led by industry veterans with extensive experience identifying value in global sovereign and corporate bond markets, as well as mortgages and structured credit. The investment team thrives in a culture that encourages intellectual curiosity, respects diverse viewpoints, and invites candid discussion. They challenge one another and conventional thinking to make better investment decisions.

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**Why Brandywine Global?**

Founded in 1986, the firm’s global presence includes offices in the U.S. and Canada, Europe, and Asia.

With over 25 years of experience managing global bonds, Brandywine Global is a pioneer in global fixed income investing.

The team’s top-down, macro-driven, value-oriented approach has produced proven track records across differentiated investment solutions.

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David F. Hoffman, CFA
Managing Director, Portfolio Manager
40+ years of experience

Stephen S. Smith
Managing Director, Portfolio Manager
40+ years of experience

Jack P. McIntyre, CFA
Portfolio Manager
30+ years of experience

Anujeet Sareen, CFA
Portfolio Manager
20+ years of experience

Gary P. Herbert, CFA
Portfolio Manager, Head of Global Credit
25+ years of experience

Brian Kloss, JD, CPA
Portfolio Manager, Head of High Yield
20+ years of experience

Tracy Chen, CFA, CAIA
Portfolio Manager, Head of Structured Credit
19+ years of experience
Legg Mason is a leading global investment company committed to helping clients reach their financial goals through long-term, actively managed investment strategies.

- A broad mix of equities, fixed-income, alternatives and cash strategies invested worldwide
- A diverse family of specialized investment managers, each with its own independent approach to research and analysis
- Over a century of experience in identifying opportunities and delivering astute investment solutions to clients

What should I know before investing?

Risks applying to the Global Opportunities Bond Fund, Global Unconstrained Bond Fund and Alternative Credit Fund: Fixed-income securities involve interest rate, credit, inflation, and reinvestment risks; and possible loss of principal. As interest rates rise, the value of fixed-income securities falls. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks. High yield bonds are subject to greater price volatility, illiquidity, and possibility of default. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. As a non-diversified Fund, it is permitted to invest a higher percentage of its assets in any one issuer than a diversified fund, which may magnify the Fund’s losses from events affecting a particular issuer. Leverage may increase volatility and possibility of loss. Active management does not ensure gains or protect against market declines.

Additional Fund risks

Global Unconstrained Bond Fund: Short selling is a speculative strategy. Unlike the possible loss on a security that is purchased, there is no limit on the amount of loss on an appreciating security that is sold short. Equity securities are subject to price fluctuation and possible loss of principal. The portfolio manager does not attempt to keep the portfolio structure or the Fund’s performance consistent with any designated stock, bond or market index and during times of market rallies, the Fund may not perform as well as other Funds that seek to outperform an index.

Alternative Credit Fund: The Fund may use derivatives to a significant extent, which could result in substantial losses and greater volatility in the fund’s net assets. Active and frequent trading may increase a shareholder’s tax liability and transaction costs, which could detract from fund performance. As a non-diversified Fund, it is permitted to invest a higher percentage of its assets in any one issuer than a diversified fund, which may magnify the Fund’s losses from events affecting a particular issuer. The manager’s investment style may become out of favor and/or the manager’s selection process may prove incorrect, which may have a negative impact on the Fund’s performance.

Diversification does not guarantee a profit or protect against a loss.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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BEFORE INVESTING, CAREFULLY CONSIDER A FUND’S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. YOU CAN FIND THIS AND OTHER INFORMATION IN EACH PROSPECTUS, AND SUMMARY PROSPECTUS, IF AVAILABLE, AT WWW.LEGGMASON.COM. PLEASE READ THE PROSPECTUS CAREFULLY.