

# Emerging Market Government Bond June 30, 2019

## STRATEGY INFORMATION

### Inception date

June 1, 2016

### Total Strategy Assets<sup>1</sup>

\$63.3 million

### Portfolio Managers

Thomas Smith | Dominic Guillossou, CFA

### Benchmark<sup>2</sup>

JP Morgan Emerging Markets Bond Index Global Diversified Investment Grade

### Investment Philosophy

We believe return potential is best captured over the long term through country, sector and issuer-level research, an established relative value process, and robust credit monitoring

### Investment Approach

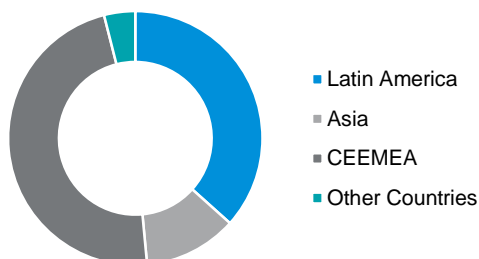
Seeks to exploit inefficiencies and provide clients with excess returns to the benchmark

- Utilize a bottom-up credit selection approach, combined with top-down macro views
- Primarily invest in either sovereign and/or corporate bonds of issuers domiciled in emerging markets
- Target investments based on fundamentals with an emphasis on issuer selection
- Follow a disciplined process to construct portfolios with attractive risk/reward characteristics

### Key Differentiators

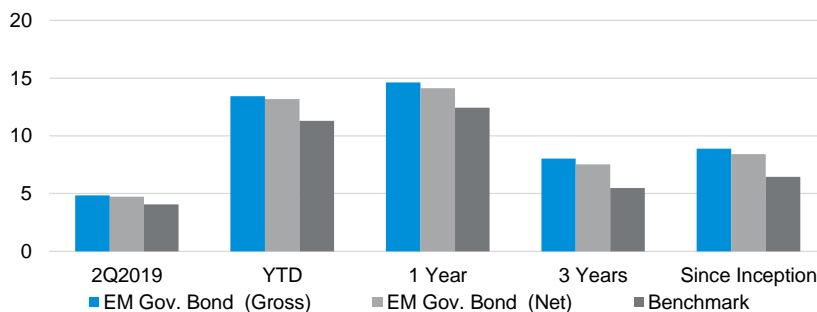
- Dedicated solely to the institutional marketplace
- The senior portfolio managers have an average of 23 years of investment experience
- Deep fundamental research capabilities with sector dedicated credit research analysts

## REGIONAL DISTRIBUTION (MV%)<sup>4</sup>



	EM Gov. Bond	Benchmark
Latin America	37	34
Asia	12	18
CEEMEA	48	47
Other Countries	4	0.3

## COMPOSITE PERFORMANCE (%)<sup>3</sup>



	2Q2019	YTD	1 Year	3 Years	Since Inception
EM Gov. Bond (Gross of fees)	4.84	13.45	14.63	8.03	8.90
EM Gov. Bond (Net of fees)	4.73	13.20	14.12	7.54	8.42
Benchmark	4.08	11.31	12.45	5.47	6.46

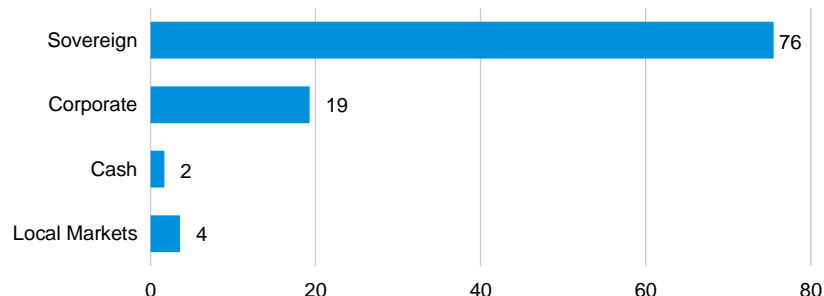
## PORTFOLIO STATISTICS<sup>4</sup>

	EM Gov. Bond	Benchmark
Average Price (\$)	98.49	102.68
Yield (%)	6.28	4.91
Effective Duration	7.17	7.16
Average Quality	BB	BB+
Coupon (%)	6.40	5.83
Issues	139	741

## CREDIT QUALITY DISTRIBUTION (MV%)<sup>4</sup>

	EM Gov. Bond	Benchmark
BBB and above	37.8	50.7
BB	17.4	15.5
B	41.6	31.2
CCC and below	2.4	1.7
Not Rated/Other	0.9	0.9

## SECTOR POSITIONING (MV%)<sup>4</sup>



1. Stated at estimated fair value (unaudited). Emerging Market Government Bond is a category of public fixed income assets. Total Strategy Assets for Emerging Market Government Bond include all assets managed by MIM in the Emerging Market Government Bond strategy and may include certain assets that are not included in Composite Assets (as presented in GIPS® Composite Statistics and Performance table below) for Emerging Market Government Bond.

2. The performance benchmark for the Emerging Market Government Bond ("EM Gov. Bond") Composite is the JP Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Index. For additional benchmark disclosure, please see GIPS® disclosures on the following page.

3. Past performance is indicative of future results. Net of fee returns reflect the deduction of investment advisory fees and are calculated in the same manner as gross of fee returns. Net of fee returns are calculated using the highest fee rate disclosed in the Form ADV. Fees for separate accounts may be negotiable depending upon asset size and type of account.

4. The characteristics displayed are for a representative account for this investment strategy. Actual account characteristics may differ. All data above is provided for illustrative purposes only. This data is supplemental to the information required in a GIPS® compliant presentation. Credit ratings reflect the index provider's credit quality methodology. Average quality excludes cash and securities that are not rated.

## COMPOSITE STATISTICS AND PERFORMANCE

Year	Gross-of-Fee Return	Net-of-Fee Return	Benchmark Return <sup>2</sup>	Number of Portfolios	Dispersion STDV	Composite 3 Yr STDV	Benchmark 3 Yr STDV	Composite Assets (Billions)	% Total Firm Assets
2016 (Inception June 1, 2016)	4.82	4.54	3.22	≤ 5	N/A	N/A	N/A	0.05	>1%
2017	12.43	11.93	10.26	≤ 5	N/A	N/A	N/A	0.06	>1%
2018	-2.71	-3.15	-4.26	≤ 5	N/A	N/A	N/A	0.06	>1%
1Q2019	8.21	8.09	6.95	≤ 5	N/A	N/A	N/A	0.06	>1%
2Q2019	4.84	4.73	4.08	≤ 5	N/A	N/A	N/A	0.06	>1%

\*Data is for the period from June 1, 2016 (Composite Inception) through December 31, 2016.

1. The performance benchmark for the Emerging Market Government Bond Composite is the JP Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Index. The JP Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Index includes US dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities. The EMBI Global Diversified Index limits the current face amount allocations of the bonds in the Index and caps the maximum weight of countries at 10%. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.
2. The dispersion of annual returns is measured by the standard deviation among asset-weighted portfolio returns represented in the composite for the full year. "N/A" is an indication that the information is not statistically meaningful due to an insufficient number of portfolios (five or fewer) in the composite for the entire year. Standard deviation is only presented for accounts managed for a full calendar year.
3. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 month period. The standard deviation is not presented for quarter-ends.

Claim of GIPS Compliance: MetLife Investment Management ("MIM") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MIM has been independently verified for the periods January 1, 2011 until December 31, 2017. The verification report is available upon request.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm: For purposes of GIPS compliance, the Firm is defined as MetLife Investment Management ("MIM"). MIM is MetLife, Inc.'s institutional investment management business, and makes investments on behalf of MetLife's general accounts, separate accounts and unaffiliated investors.

Valuation and GIPS Policies: Valuations are computed and performance results are reported in U.S. dollars. MIM's policies for valuing the portfolios, calculating performance, and preparing compliant presentations are available upon request.

List of MIM Composites: A complete list and description of all MIM composites is available upon request.

Asset Weighted Dispersion: Internal dispersion is calculated using the asset weighted standard deviation of annual gross of fees returns of those portfolios that were included in the composite for the entire year. For those years when less than 5 portfolios were included in the composite for the full year, no dispersion measure is presented.

Important Information: The performance shown is all past performance and is not indicative of, nor a guarantee of, similar future results. Actual results will vary. An investor could lose all or a substantial amount of its investment. Investment returns and principal will fluctuate, and there can be no assurances that losses will not be incurred.

Composite Description: The Emerging Market Government Bond Composite (the "Composite") is comprised of discretionary portfolios which invest primarily in US Dollar denominated government and quasi-sovereign bonds domiciled in emerging markets countries, while having limited exposure (up to 30%) to corporate bonds. Up to 10% of the portfolio may be invested into local currency denominated bonds and non-USD hard currency bonds. The strategy seeks to provide attractive investment returns by opportunistic allocation to credit quality and country weights.

Benchmark Description: The performance benchmark for the Emerging Market Government Bond composite is the JP Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Index. The JP Morgan EMBI Global Diversified Index includes US dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities. The EMBI Global Diversified Index limits the current face amount allocations of the bonds in the Index and caps the maximum weight of countries at 10%. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

Gross Returns: Gross returns are presented (i) after the deduction of any transaction expenses, but (ii) gross of management fees. Gross returns are reported before the deduction of withholdings taxes and include the reinvestment of income (e.g. dividends and interest).

Net Returns: Net returns are presented after the deduction of transaction expenses. Net returns have been calculated by reducing the monthly gross returns by 1/12th of the highest possible management fee of 0.45%.. No performance based fees are applicable, and are therefore not applied. Net returns are reported before the deduction of withholdings taxes and include the reinvestment of income (e.g. dividends and interest). The portfolios in this composite may allocate up to 5% of assets under management to derivatives such as Forwards, Options, and Interest Rate Swaps to hedge any Local Currency exposure. They may also utilize Credit Default Swaps to mitigate credit risk, with the notional value of the CDS capped at 10%. 100% of the composite assets are comprised of non-fee-paying portfolios for the periods presented.

Fee Schedule: The Emerging Market Government Bond Composite management fee is 45 basis points of assets under management. Three-Year Annualized Standard Deviation: The three-year annualized standard deviation is not presented for earlier periods because the Composite does not yet have 36 monthly returns as of those years.

Composite Assets: Composite Assets represents the sum of the ending market values of all portfolios contained in the Composite at the close of the specified year.

% of Total Firm Assets: % of Total Firm Assets represents the Composite Assets divided by the sum of the ending market values of all the Firm's Portfolios at the end of the specified year.

Composite Inception Date: The Composite Inception Date reflects the first day of the first full month after the inception date of the earliest portfolio that was included in the Composite. Partial months of portfolio performance are not included in the Composite. Composite Creation Date: The Emerging Market Government Bond

Composite creation date is June 1, 2016. The Composite Creation Date reflects the date on which the Composite was formed.

Performance Calculation: Unless unitized portfolio valuations are available for a portfolio, MIM uses the Transactions Based Returns method to calculate security level returns on a daily basis. This method divides the end of day market value (including accrued income and any interest or principal paid) by the beginning of day market value, including accrued income. For positions which were purchased during the day, the total transaction value is used as the denominator of the calculation. For positions which were sold during the day, the total transaction value is used as the numerator of the calculation. Position level returns are aggregated using the asset weighted average method to arrive at a total portfolio daily return. For portfolios where unitized portfolio valuations are available, performance is calculated by dividing the end of day market value of the total portfolio by the beginning of day market value to arrive at a total portfolio daily return. Total portfolio daily returns are chain linked to arrive at the total portfolio monthly return. The Composite return is calculated on a monthly basis using the beginning of month asset weighted average of the full month returns of all portfolios which were assigned to the composite for the period.

**Past performance is not indicative of future results.** The information presented is only available for institutional client use.

## General Disclosures

MetLife, Inc. provides investment management services to affiliates and unaffiliated/third party clients through various subsidiaries.<sup>1</sup> MetLife Investment Management ("MIM"), MetLife, Inc.'s institutional investment management business, is responsible for investments in a range of asset sectors, public and privately sourced, including corporate and infrastructure private placement debt, real estate equity, commercial mortgage loans, customized index strategies, structured finance, emerging market debt, and high yield debt. The information contained herein is intended to provide you with an understanding of the depth and breadth of MIM's investment management services and investment management experience. This document has been provided to you solely for informational purposes and does not constitute a recommendation regarding any investments or the provision of any investment advice, or constitute or form part of any advertisement of, offer for sale or subscription of, solicitation or invitation of any offer or recommendation to purchase or subscribe for any securities or investment advisory services. Unless otherwise specified, the information and opinions presented or contained in this document are provided as of the quarter end noted herein. It should be understood that subsequent developments may affect the information contained in this document materially, and MIM shall not have any obligation to update, revise or affirm. It is not MIM's intention to provide, and you may not rely on this document as providing, a complete or comprehensive analysis of MIM's investment portfolio, investment strategies or investment recommendations.

**No money, securities or other consideration is being solicited.** No invitation is made by this document or the information contained herein to enter into, or offer to enter into, any agreement to purchase, acquire, dispose of, subscribe for or underwrite any securities or structured products, and no offer is made of any shares in or debentures of a company for purchase or subscription. Prospective clients are encouraged to seek advice from their legal, tax and financial advisors prior to making any investment.

**Confidentiality.** By accepting receipt or reading any portion of this document, you agree that you will treat the document confidentially. This reminder should not be read to limit, in any way, the terms of any confidentiality agreement you or your organization may have in place with MetLife Investment Management. This document and the information contained herein is strictly confidential (and by receiving such information you agree to keep such information confidential) and are being furnished to you solely for your information and may not be used or relied upon by any other party, or for any other purpose, and may not, directly or indirectly, be forwarded, published, reproduced, disseminated or quoted to any other person for any purpose without the prior written consent of MIM. Any forwarding, publication, distribution or reproduction of this document in whole or in part is unauthorized. Any failure to comply with this restriction may constitute a violation of applicable securities laws.

**Past performance is not indicative of future results.** No representation is being made that any investment will or is likely to achieve profits or losses or that significant losses will be avoided. There can be no assurance that investments similar to those described in this document will be available in the future and no representation is made that future investments managed by MIM will have similar returns to those presented herein. All information has been presented in U.S. dollars. Actual returns may increase or decrease due to currency fluctuations.

**No offer to purchase or sell securities.** This document does not constitute an offer to sell or a solicitation of an offer to buy any security and may not be relied upon in connection with the purchase or sale of any security.

**No reliance, no update and use of information.** You may not rely on this document as the basis upon which to make an investment decision. To the extent that you rely on this document in connection with any investment decision, you do so at your own risk. This document is being provided in summary fashion and does not purport to be complete. The information in the document is as of the date indicated on the cover of this document unless otherwise specified and MIM does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in this document, includes performance and characteristics of MIM's by independent third parties, or have been prepared internally and have not been audited or verified. Use of different methods for preparing, calculating or presenting information may lead to different results for the information presented, compared to publicly quoted information, and such differences may be material.

**Risk of loss.** An investment in the strategy described herein is speculative and there can be no assurance that the strategy's investment objectives will be achieved. Investors must be prepared to bear the risk of a total loss of their investment.

**No tax, legal or accounting advice.** This document is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Any statements of U.S. federal tax consequences contained in this document were not intended to be used and cannot be used to avoid penalties under the U.S. Internal Revenue Code or to promote, market or recommend to another party any tax-related matters addressed herein.

**Forward-Looking Statements.** This document may contain or incorporate by reference information that includes or is based upon forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words and terms such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will," and other words and terms of similar meaning, or are tied to future periods in connection with a discussion of future performance. Forward-looking statements are based MIM's assumptions and current expectations, which may be inaccurate, and on the current economic environment which may change. These statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict. Results could differ materially from those expressed or implied in the forward-looking statements. Risks, uncertainties and other factors that might cause such differences include, but are not limited to: (1) difficult conditions in the global capital markets; (2) changes in general economic conditions, including changes in interest rates or fiscal policies; (3) changes in the investment environment; (4) changed conditions in the securities or real estate markets; and (5) regulatory, tax and political changes. MIM does not undertake any obligation to publicly correct or update any forward-looking statement if it later becomes aware that such statement is not likely to be achieved.

1. As of June 30, 2019, subsidiaries of MetLife, Inc. that provide investment management services to MetLife's general account, separate accounts and/or unaffiliated/third party investors include Metropolitan Life Insurance Company, MetLife Investment Advisors, LLC ("MLIA"), MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Asset Management Corp. (Japan), Logan Circle Partners, L.P. ("LCP") and Logan Circle Partners I, LLC ("LCP I"). Effective July 1, 2019, LCP merged with and into MLIA and the combined entity was renamed MetLife Investment Management, LLC and LCP I was renamed MIM I LLC.