

# Emerging Market Investment Grade Debt June 30, 2019

## STRATEGY INFORMATION

### Inception Date

April 1, 2015

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

\$120.3 million

### Portfolio Managers

Thomas Smith | Dominic Guilloso, CFA

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

50% J.P. Morgan EMBI Global Diversified Investment Grade / 50% J.P. Morgan CEMBI Broad 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

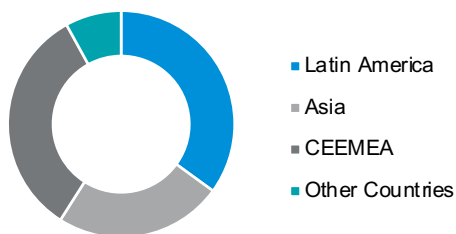
Seeks to exploit these inefficiencies and provide clients with excess returns to the benchmark

- Utilize a bottom-up credit selection approach, combined with top-down macro views
- Primarily invest in investment grade sovereign and 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

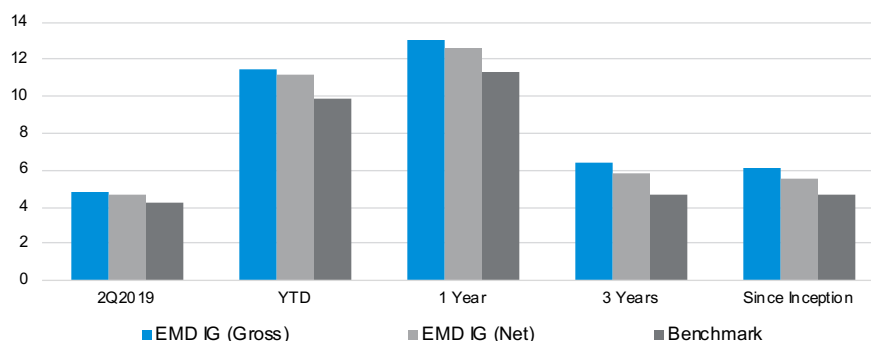
- Dedicated solely to the institutional marketplace
- The senior portfolio managers have an average of 23 years of investment experience
- Deep fundamental research capabilities with sector dedicated credit research analysts

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



	EMD IG	Benchmark
Latin America	35	29
Asia	24	37
CEEMEA	33	33
Other Countries	8	1

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



	2Q2019	YTD	1 Year	3 Years	Since Inception
EMD IG (Gross of fees)	4.79	11.46	13.14	6.36	6.06
EMD IG (Net of fees)	4.66	11.19	12.58	5.83	5.54
Benchmark	4.22	9.82	11.38	4.63	4.61

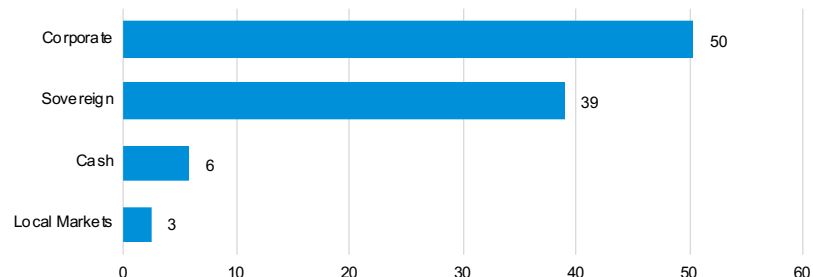
## PORTFOLIO STATISTICS<sup>4</sup>

	EMD IG	Benchmark
Average Price (\$)	104.22	108.01
Yield (%)	4.58	3.54
Effective Duration	6.75	6.70
Average Quality	BBB	BBB+
Coupon (%)	5.06	4.73
Issues	153	1,260

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

	EMD IG	Benchmark
BBB and above	80.0	99.0
BB	11.5	1.0
B	6.9	0.0
CCC and below	0.4	0.0
Not Rated/Other	0.0	0.0

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



1. Stated at estimated fair value (unaudited). Emerging Market Investment Grade Debt is a category of public fixed income assets. Total Strategy Assets for Emerging Market Investment Grade Debt include all assets managed by MIM in the Emerging Market Investment Grade Debt 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 Investment Grade Debt.
2. The performance benchmark for the Emerging Market Investment Grade Debt composite is a 50/50 blend of the JP Morgan EMBI Global Diversified Investment Grade Index and the JP Morgan CEMBI Broad Diversified Investment Grade Index. This Blended Benchmark is rebalanced daily. For additional benchmark disclosure, please see GIPS disclosures on the following page.
3. Past performance is not 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
2015*	-2.11	-2.48	-2.33	≤ 5	N/A	N/A	N/A	0.10	>1%
2016	8.60	8.06	6.43	≤ 5	N/A	N/A	N/A	0.11	>1%
2017	9.76	9.22	7.73	≤ 5	N/A	N/A	N/A	0.12	>1%
2018	-1.25	-1.75	-1.50	≤ 5	N/A	4.10	4.00	0.12	>1%
1Q2019	6.36	6.23	5.37	≤ 5	N/A	N/A	N/A	0.13	>1%
2Q2019	4.79	4.66	4.22	≤ 5	N/A	N/A	N/A	0.12	>1%

\*Data is for the period from April 1, 2015 (Composite Inception) through December 31, 2015.

- The performance benchmark for the Emerging Market Investment Grade Debt composite is a 50/50 blend of the JPM EMBI Global Diversified Investment Grade Index and the JPM CEMBI Broad Diversified Investment Grade index. The Blended benchmark is rebalanced daily, and is an unmanaged portfolio constructed to mirror the emerging markets debt market. The performance benchmark for the Emerging Market Investment Grade Debt composite is a 50/50 blend of the JP Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Investment Grade Index and the JP Morgan Corporate Emerging Market Bond Index ("CEMBI") Broad Diversified Investment Grade Index. The benchmark is rebalanced daily, and is an unmanaged portfolio constructed to mirror the emerging markets debt market. The JP Morgan EMBI Global Diversified Investment Grade Index includes Investment Grade US dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities. JP Morgan defines investment grade as a credit rating of BBB or above, based on the middle rating of the S&P, Moody's and Fitch ratings. 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%. The JP Morgan CEMBI Broad Diversified Investment Grade Index is a global benchmark for Investment Grade US-dollar corporate emerging market bonds and includes a specific set of emerging markets countries. JP Morgan defines investment grade as a credit rating of BBB or above, based on the middle rating of the S&P, Moody's and Fitch ratings. JP Morgan CEMBI Broad Diversified Investment Grade Index limits the weights of those index countries with larger corporate debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding, effectively capping country weightings at 10% of the total index. 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.
- 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.
- 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 quarters.

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 Investment Grade Debt Composite (the "Composite") is comprised of discretionary portfolios which invest in bonds issued by corporations and sovereign entities across the global emerging markets.

The strategy seeks to offer investors a customized, actively-managed bond strategy that generates attractive current income and total return by opportunistic allocation to country weights, while maintaining disciplined credit underwriting standards to minimize downside risk.

Effective January 1, 2019, the composite name was changed from Emerging Markets Debt to Emerging Market Investment Grade Debt.

Benchmark Description: The performance benchmark for the Emerging Market Investment Grade Debt composite is a 50/50 blend of the JPM EMBI Global Diversified Investment Grade Index and the JPM CEMBI Broad Diversified Investment Grade index. The Blended benchmark is rebalanced daily, and is an unmanaged portfolio constructed to mirror the emerging markets debt market. The performance benchmark for the Emerging Market Investment Grade Debt composite is a 50/50 blend of the JP Morgan Emerging Markets Bond Index ("EMBI") Global Diversified Investment Grade Index and the JP Morgan Corporate Emerging Market Bond Index ("CEMBI") Broad Diversified Investment Grade Index. The benchmark is rebalanced daily, and is an unmanaged portfolio constructed to mirror the emerging markets debt market. The JP Morgan EMBI Global Diversified Investment Grade Index includes Investment Grade US dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities. JP Morgan defines investment grade as a credit rating of BBB or above, based on the middle rating of the S&P, Moody's and Fitch ratings. 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%. The JP Morgan CEMBI Broad Diversified Investment Grade Index is a global benchmark for Investment Grade US-dollar corporate emerging market bonds and includes a specific set of emerging markets countries. JP Morgan defines investment grade as a credit rating of BBB or above, based on the middle rating of the S&P, Moody's and Fitch ratings. JP Morgan CEMBI Broad Diversified Investment Grade Index limits the weights of those index countries with larger corporate debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding, effectively capping country weightings at 10% of the total index. 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 0.50%. 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 Investment Grade Debt composite management fee is 50 bps. 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 Investment Grade Debt Composite creation date is January 14, 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.

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