

# High Quality Bank Loans June 30, 2019

## STRATEGY INFORMATION<sup>1</sup>

**Inception Date**  
May 1, 2018

**Total Strategy Assets<sup>1</sup>**  
\$1,302 million

**Portfolio Managers**  
Matthew McInerney, CFA  
Steven Bruno, CFA  
Shane O'Driscoll

**Benchmark<sup>2</sup>**  
Standard & Poor's U.S. Leveraged Loan BB Index

**Investment Philosophy**  
We believe the bank loan market offers premium return potential that is best captured through diligent credit research.

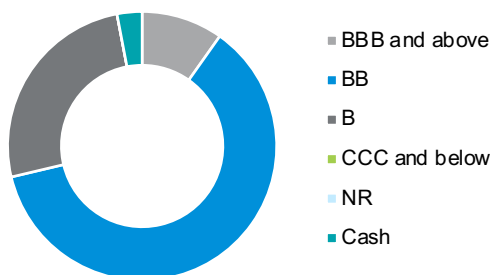
**Investment Approach**  
We seek to generate current income while preserving capital by investing primarily in USD-denominated leveraged loans with attractive risk/reward characteristics

- Conducting proprietary, in-depth fundamental research
- Utilizing bottom-up portfolio construction
- Emphasizing security-specific risk over sector risk
- Constructing portfolios with attractive risk / reward characteristics

**Key Differentiators**

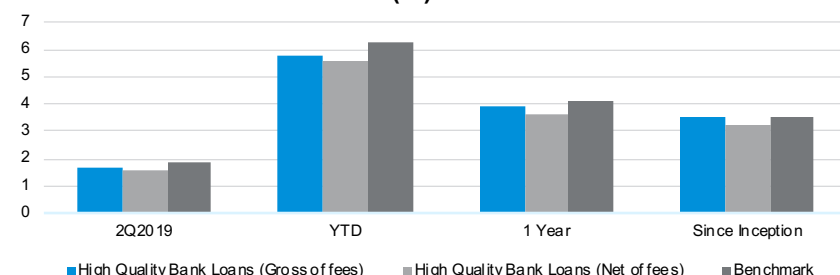
- Dedicated solely to the institutional marketplace
- Deep fundamental credit research capabilities with sector dedicated credit research analysts

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



	High Quality Bank Loans	Benchmark
BBB and above	9.8	0.0
BB	61.5	100.0
B	25.7	0.0
CCC and below	0.0	0.0
NR	0.0	0.0
Cash	3.0	0.0

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



	2Q2019	YTD	1 Year	Since Inception
High Quality Bank Loans (Gross of fees)	1.64	5.80	3.95	3.54
High Quality Bank Loans (Net of fees)	1.55	5.61	3.59	3.18
Benchmark	1.82	6.23	4.08	3.53

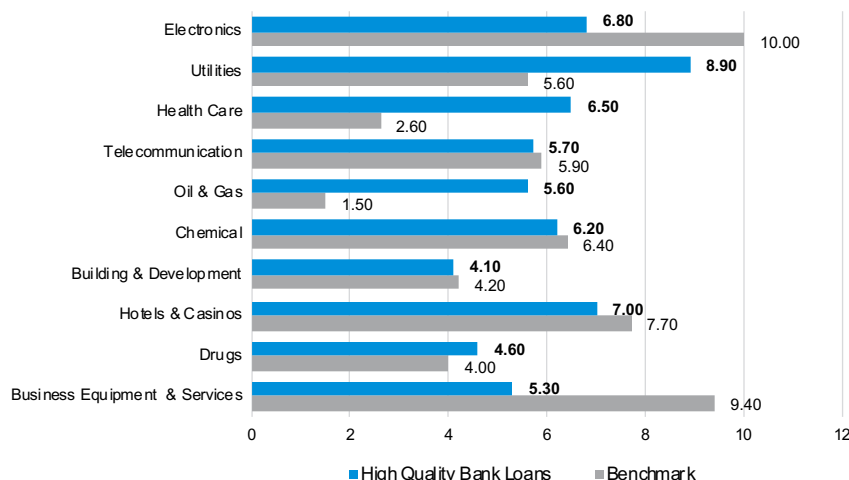
## PORTFOLIO STATISTICS<sup>4</sup>

	High Quality Bank Loans	Benchmark
Average Price (\$)	98.13	98.80
Coupon (%)	5.9	5.0
Issuers	107	337
Industries	31	33

## ASSET DISTRIBUTION (%)

	High Quality Bank Loans	Benchmark
First Lien Bank Loans	95.9	100.0
Senior Secured High Yield Bonds	1.1	0.0
Second Lien Bank Loans and High Yield Bonds	0.0	0.0
Cash	3.0	0.0

## TOP 10 SECTOR POSITIONING (%)<sup>4</sup>



1. Stated at estimated fair value (unaudited). High Quality Bank Loans is a category of public fixed income assets. Total Strategy Assets for High Quality Bank Loans include all assets managed by MIM in the High Quality Bank Loans strategy and may include certain assets that are not included in Composite Assets (as presented in GIPS® Composite Statistics and Performance table below) for High Quality Bank Loans.
2. The performance benchmark for the High Quality Bank Loans composite is the Standard & Poor's LSTA U.S. Leveraged Loan BB Index. 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 <sup>1</sup>	BENCHMARK RETURN <sup>1</sup>	NUMBER OF PORTFOLIOS	DISPERSION STDV <sup>2</sup>	COMPOSITE 3 YR STDV <sup>3</sup>	BENCHMARK 3 YR STDV <sup>3</sup>	COMPOSITE ASSETS <sup>4</sup>	% TOTAL FIRM ASSETS <sup>4</sup>
5/1/2018 (Inception) to 12/31/18	-1.56%	-1.79%	-1.97%	≤ 5	N/A	N/A	N/A	0.32	>1%
1Q2019	4.09%	4.00%	4.33%	≤ 5	N/A	N/A	N/A	0.36	>1%
2Q2019	1.64%	1.55%	1.82%	≤ 5	N/A	N/A	N/A	0.36	>1%

1. 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 Firm's ADV. Fees for separate accounts may be negotiable depending upon asset size and type of account. The benchmark is the Standard & Poor's LSTA U.S. Leveraged Loan BB Index. The index is comprised of loans in the S&P/LSTA U.S. Leveraged Loan index which are rated between BB+ and B- by Standard & Poor's Rating Services. To be included in the S&P/LSTA U.S. Leveraged Loan index, Loans must be US dollar denominated, with an initial par amount of at least \$50 Million at issuance. The index does not reflect holdings in all sectors targeted within the High Quality Bank Loan Strategy. The Benchmark is unmanaged, has no periodic or other distributions, retains all earnings and losses which are reflected in the gross asset value over time, and its performance does not reflect the impact of any management fees, taxes or expenses that would be borne by an investor. An investor cannot invest directly in the Benchmark.
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.
4. Composite Assets are expressed in billions of US Dollars. % 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.

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 High Quality Bank Loans Composite is comprised of fee paying portfolios which invest in below-investment grade syndicated bank loans denominated in U.S. Dollars (sometimes referred as "syndicated bank loans" or "leveraged loans") that are issued by a wide range of global corporate borrowers, creating a diversified portfolio of floating rate assets. The investment objective is to offer investors actively managed portfolios of syndicated bank loans that generate attractive total return and current income through business cycles and changing market conditions. The strategy pursues this investment objective by (i) primarily investing in leveraged loans that MIM believes offer an attractive relative value, while maintaining disciplined credit underwriting standards to minimize downside risk, and (ii) focusing on the higher quality segment of the leveraged loan market, which MIM believes offers favorable risk/reward characteristics. The portfolios in this composite are not allowed to use leverage.

Benchmark Description: The benchmark is the Standard & Poor's LSTA U.S. Leveraged Loan BB Index. The index is comprised of loans in the S&P/LSTA U.S. Leveraged Loan index which are rated between BB+ and B- by Standard & Poor's Rating Services. To be included in the S&P/LSTA U.S. Leveraged Loan index, Loans must be US dollar denominated, with an initial par amount of at least \$50 Million at issuance. The index does not reflect holdings in all sectors targeted within the High Quality Bank Loan Strategy. The Benchmark is unmanaged, has no periodic or other distributions, retains all earnings and losses which are reflected in the gross asset value over time, and its performance does not reflect the impact of any management fees, taxes or expenses that would be borne by an investor. An investor cannot invest directly in the Benchmark.

Gross Returns: Gross returns are presented (i) after the deduction of any transaction expenses and (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 have been calculated by reducing the monthly gross returns by 1/12th of the highest possible fee of 0.35%. The fee includes (i) the actual management fee, (ii) distribution and service fees, (iii) trustee's fees and expenses, and (iv) trading expenses. Net returns are reported before the deduction of withholdings taxes and include the reinvestment of income (e.g, dividends and interest).

Fee Schedule: The Composite management fee is 35 bps. of assets under management.

Three-Year Annualized Standard Deviation: The Three-Year Annualized Standard Deviation is not presented when the composite has fewer than 36 months of returns.

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 Composite Creation Date is May 1, 2018. The Composite Creation Date reflects the date on which the composite was compiled and may differ from the Composite Inception Date for two reasons: a) the firm built its GIPS compliant composites after the first portfolio in the composite was funded, and/or b) portfolios and composites are reviewed on a quarterly basis and appropriate additions or changes may be made retroactively.

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

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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.