

# Long Credit Fixed Income June 30, 2019

## STRATEGY INFORMATION

### Inception Date

November 1, 2008

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

\$17,311 million

### Portfolio Manager

Stephen Mullin, CFA

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

Bloomberg Barclays U.S. Long Credit Index

### Investment Philosophy

We believe the fixed income markets are efficient with respect to interest rate risk, but regularly misprice securities that are exposed to credit, default and liquidity risks

### Investment Approach

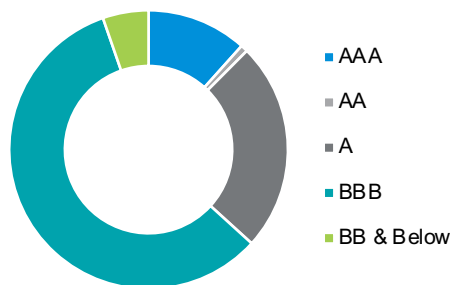
We seek to exploit inefficiencies in the market and provide clients with excess returns to the benchmark without incurring undue risk through:

- Conducting proprietary, in-depth fundamental research
- Analyzing capital structures and covenants
- Reviewing of company management and industry trends
- Targeting duration-neutral portfolios
- Constructing portfolios with attractive risk / reward characteristics

### Key Differentiators

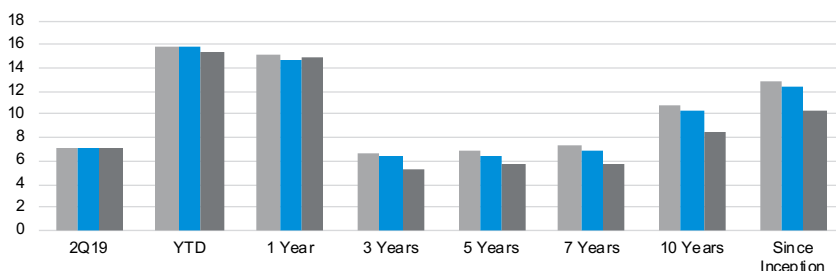
- Dedicated solely to the institutional marketplace
- The senior portfolio manager has been involved in the strategy since inception
- Deep fundamental credit research capabilities with sector dedicated credit research analysts

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



	Long Credit FI	Benchmark
AAA	11.64	3.44
AA	0.82	9.41
A	24.28	35.57
BBB	57.94	51.58
BB & Below	5.31	0.00

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

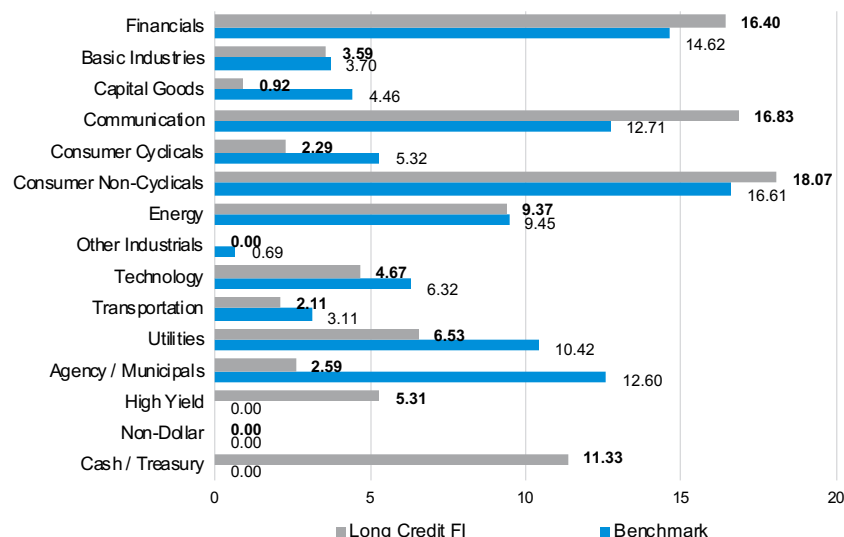


	2Q19	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Long Credit FI (Gross of fees)	7.18	15.94	15.04	6.76	6.89	7.34	10.76	12.78
Long Credit FI (Net of fees)	7.08	15.74	14.64	6.39	6.52	6.97	10.37	12.39
Benchmark	7.02	15.44	14.97	5.33	5.78	5.67	8.41	10.36

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

	Long Credit FI	Benchmark
Average Price (\$)	116.54	114.81
Yield (%)	4.30	3.96
Effective Duration	13.76	13.84
Average Quality	Baa1	A3
Coupon (%)	5.39	5.08
Issues	227	2,240

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



1. Stated at estimated fair value (unaudited). Long Credit Fixed Income is a category of public fixed income assets. Total Strategy Assets for Long Credit Fixed Income include all assets managed by MIM in the Long Credit Fixed Income strategy and may include certain assets that are not included in Composite Assets (as presented in GIPS® Composite Statistics and Performance table below) for Long Credit Fixed Income.
2. The performance benchmark for the Long Credit Fixed Income ("Long Credit") composite is the Bloomberg Barclays U.S. Long Credit Index which measures the performance of a large group of high quality corporate and non-corporate bonds with maturities greater than 10 years. The benchmark may not reflect all sectors targeted within the Long Credit strategy. Please see GIPS® disclosures on the following page.
3. Past performance benchmark for the Long Credit Fixed Income composite is the Bloomberg Barclays U.S. Long Credit Index which measures the performance of a large group of high quality corporate and non-corporate bonds with maturities greater than 10 years. The benchmark may not reflect all sectors targeted within the Long Credit strategy. For additional benchmark disclosure, please see the GIPS® disclosures at the end of this document.
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>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	% Total Firm Assets
11/1/2008 (Inception) to 12/31/2008	22.37%	22.30%	21.38%	≤ 5	N/A	N/A	N/A	\$62,336,312	< 1%
2009	20.82%	20.36%	16.80%	≤ 5	N/A	N/A	N/A	\$290,940,496	3%
2010	14.76%	14.36%	10.69%	≤ 5	N/A	N/A	N/A	\$428,925,179	4%
2011	20.03%	19.62%	17.13%	≤ 5	N/A	8.59%	8.53%	\$543,293,327	4.02%
2012	17.34%	16.94%	12.73%	≤ 5	N/A	7.08%	7.07%	\$1,151,894,747	5.57%
2013	-3.96%	-4.30%	-6.62%	≤ 5	N/A	8.28%	8.40%	\$1,735,155,457	6.83%
2014	17.75%	17.34%	16.39%	≤ 5	N/A	7.62%	7.71%	\$2,441,339,941	7.54%
2015	-4.73%	-5.06%	-4.56%	8	0.24%	7.86%	8.02%	\$2,391,601,874	7.67%
2016	13.46%	13.07%	10.22%	10	0.21%	7.99%	7.86%	\$2,618,197,151	7.83%
2017	13.59%	13.20%	12.21%	13	0.26%	7.43%	7.28%	\$3,384,652,187	8.80%
2018	-6.20%	-6.53%	-6.76%	13	0.24%	6.95%	6.88%	\$3,345,583,526	8.66%
1Q 2019	8.17%	8.08%	7.86%	14	N/A	N/A	N/A	\$3,824,182,183	9.43%
2Q 2019	7.18%	7.08%	7.02%	14	N/A	N/A	N/A	\$3,785,149,041	8.97%

Past performance is not indicative of future results. Please see the full GIPS® disclosures below.

1. The performance benchmark for the Long Credit Fixed Income ("Long Credit") composite is the Bloomberg Barclays U.S. Long Credit Index which measures the performance of a large group of high quality corporate bonds, U.S. Treasuries and government-related issues with maturities greater than 10 years. The Bloomberg Barclays U.S. Long Credit Index is comprised of investment grade rated credit issuers. To be index eligible, each security must be a minimum of \$250 million in size, have a maturity of 10 years or longer, be U.S. Dollar denominated, publicly issued, and carry a fixed coupon. All index returns presented are provided to represent the investment environment existing during the time periods shown and will not be covered by the future report of independent verifiers. For comparison purposes, the indices are fully invested, include the reinvestment of income, and are unmanaged and unavailable for direct investments. The returns for the indices 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 2008 through 2010 because it is not required for periods prior to 2011. It is also not presented for quarter-ends.
4. Prior to November 1, 2007, the investment team was part of Delaware Investments and therefore the percentage of Firm assets is not available for periods prior to that date.

The performance presented is through June 30, 2019 for Logan Circle Partners, L.P. ("Logan Circle" or the "Firm"). The Firm is a registered investment adviser and began managing assets on November 1, 2007. On September 15, 2017, the Firm became a wholly owned subsidiary of MetLife, Inc. and is part of MetLife Investment Management, MetLife, Inc.'s institutional investment management business. From April 16, 2010 to September 15, 2017, the Firm was a subsidiary of Fortress Investment Group LLC. Additionally, on December 19, 2011, the Firm formed a new subsidiary, Logan Circle Partners I LLC, which is a wholly-owned entity of the Firm. The Firm is defined to include all accounts managed by Logan Circle and Logan Circle Partners I LLC. The track record presented represents the team's performance for the Long Credit Fixed Income ("Long Credit") composite that the investment team managed for the Firm from November 1, 2008 ("inception date" and "creation date") to the present. Effective July 1, 2019 the Firm became part of MetLife Investment Management and performance for future periods will be included as part of the GIPS Firm defined as MetLife Investment Management.

The Firm claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. The Firm has been independently verified for the periods November 1, 2007 to December 31, 2017. 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. The Long Credit Fixed Income composite has been examined for the periods November 1, 2008 to December 31, 2017. Verification does not ensure the accuracy of any specific composite presentation. The verification and performance examination reports are available upon request. The Firm maintains a complete list and description of composites, policies for valuing portfolios, calculating performance and preparing compliant presentations all of which are available upon request.

The Long Credit Fixed Income strategy seeks to outperform the long maturity U.S. bond market by investing in fixed income securities across the corporate and structured markets. Derivatives may make up a part of the Long Credit Fixed Income strategy, as the Firm utilizes futures, forwards and interest rate swaps in its efforts to achieve the appropriate level of risk to meet the return targets, rather than for speculative purposes. Effective December 1, 2014 the Long Credit Fixed Income composite contains fully discretionary, fee-paying fixed income accounts with assets exceeding \$20 million, managed in accordance with the applicable composite strategy except as otherwise excluded herein. Prior to December 1, 2014 there was no minimum account size for the Long Credit Fixed Income composite.

The performance benchmark for the Long Credit Fixed Income ("Long Credit") composite is the Bloomberg Barclays U.S. Long Credit Index which measures the performance of a large group of high quality corporate bonds, U.S. Treasuries and government-related issues with maturities greater than 10 years. The Bloomberg Barclays U.S. Long Credit Index is comprised of investment grade rated credit issuers. To be index eligible, each security must be a minimum of \$250 million in size, have a maturity of 10 years or longer, be U.S. Dollar denominated, publicly issued, and carry a fixed coupon. All index returns presented are provided to represent the investment environment existing during the time periods shown and will not be covered by the future report of independent verifiers. For comparison purposes, the indices are fully invested, include the reinvestment of income, and are unmanaged and unavailable for direct investments. The returns for the indices do not include any transaction costs, management fees or other costs.

Returns are based on fully discretionary accounts under management and may include terminated accounts. The dispersion of annual returns is measured by the standard deviation among asset-weighted portfolio returns represented within the Long Credit composite for the full year. Dispersion is not calculated for composites with five or fewer accounts for the whole period.

Performance returns are presented gross and net of fees, include the reinvestment of all income and are calculated in U.S. dollars. Dividend income has been recorded net of all applicable foreign withholding taxes. Returns calculated gross of fees do not reflect the deduction of our investment management fees. Individual client returns will be reduced by investment management fees and other expenses that the account may incur. The investment management fee schedule for the Long Credit strategy is 0.30% on the first \$100 million, 0.25% on amounts from \$100 million to \$250 million and 0.20% on amounts over \$250 million. Net returns have been calculated by reducing the monthly gross returns by the highest stated ADV fee for the strategy. From inception date to November 2009, the highest stated ADV fee used to calculate monthly net returns was 0.40%. From December 2009 thru March 2018 the highest stated ADV fee is 0.35%. From April 2018 to the present the highest stated ADV fee is 0.30%. Fees have a compounding effect on cumulative results. Investment management fees are described in Part 2A of the Firm's Form ADV. Actual investment management fees incurred by clients may vary.

**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.