

# Intermediate Corporate Fixed Income September 30, 2019

## STRATEGY INFORMATION

### Inception Date

July 1, 2013

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

\$616.3 million

### Portfolio Manager

Andrew J. Kronschnabel, CFA

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

Bloomberg Barclays U.S. Intermediate Corporate 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

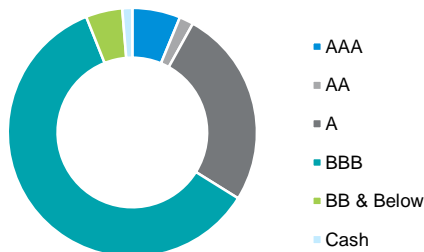
We seek to exploit inefficiencies in the market and provide clients with excess returns to the benchmark through:

- Conducting proprietary, in-depth fundamental research (free cash flow and balance sheet analysis)
- Analyzing capital structures and covenants
- Reviewing of management and industry trends
- Targeting duration-neutral portfolios
- Constructing portfolios with attractive risk / reward characteristics

### Key Differentiators

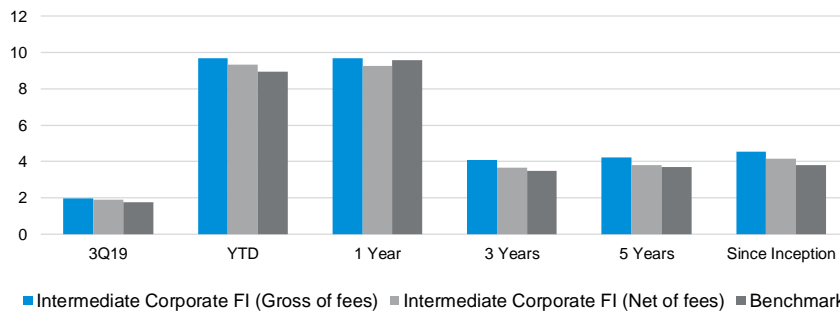
- Dedicated solely to the institutional marketplace
- The senior portfolio manager has been involved in the strategy since inception
- Deep fundamental credit research capabilities with sector dedicated credit research analysts

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



	Intermediate Corporate FI	Benchmark
AAA	6.24	1.14
AA	1.84	8.49
A	25.78	40.75
BBB	60.10	49.61
BB & Below	4.74	0.00
Cash	1.30	0.00

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

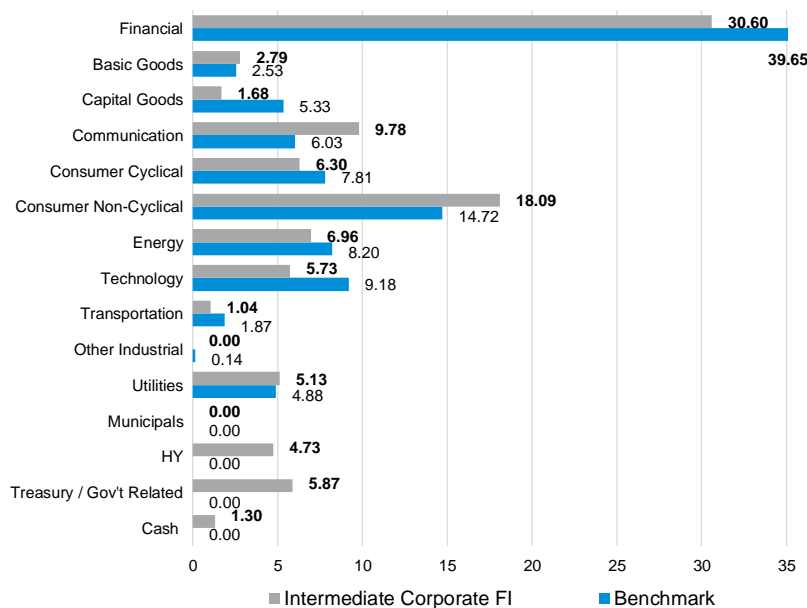


	3Q19	YTD	1 Year	3 Years	5 Years	Since Inception
Intermediate Corporate FI (Gross of fees)	1.98	9.67	9.69	4.08	4.21	4.55
Intermediate Corporate FI (Net of fees)	1.88	9.34	9.26	3.67	3.79	4.14
Benchmark	1.74	8.94	9.57	3.50	3.68	3.81

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

	Intermediate Corporate FI	Benchmark
Average Price (\$)	104.72	104.46
Yield (%)	2.83	2.52
Effective Duration	4.38	4.28
Average Quality	Baa1	A3
Coupon (%)	3.97	3.57
Issues	226	4,010

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



1. Stated at estimated fair value (unaudited). Intermediate Corporate Fixed Income is a strategy of public fixed income assets. Total Strategy Assets for Intermediate Corporate Fixed Income include all assets managed by MIM in the Intermediate Corporate Fixed Income strategy and may include certain assets that are not included in Composite Assets (as presented in GIPS® Composite Statistics and Performance table on the following page) for Intermediate Corporate Fixed Income.

2. The performance benchmark for the Intermediate Corporate Fixed Income composite is the Bloomberg Barclays U.S. Intermediate Corporate Index, which is a broad based index that measures all publicly issued, fixed rate, non-convertible, investment grade, corporate debt. Issues have specific rating requirements and must be rated investment grade (Baa3/BBB- or higher) by two of Moody's, Fitch or S&P. For additional benchmark disclosure, please see the GIPS® disclosures at the end of this document.

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. This information is supplemental to the information required in a GIPS® compliant 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 document. 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 <sup>4</sup>
7/1/2013 (Inception) to 12/31/2013	2.87%	2.67%	1.93%	≤ 5	N/A	N/A	N/A	\$130,447,424	-
2014	5.19%	4.78%	4.35%	≤ 5	N/A	N/A	N/A	\$827,964,831	-
2015	0.77%	0.37%	1.08%	≤ 5	N/A	N/A	N/A	\$776,443,268	-
2016	5.95%	5.53%	4.04%	≤ 5	N/A	N/A	N/A	\$780,490,021	-
2017	4.63%	4.21%	3.92%	≤ 5	N/A	2.48%	2.41%	\$652,559,028	-
2018	-0.36%	-0.76%	-0.23%	≤ 5	N/A	2.42%	2.27%	\$649,260,065	-
1Q 2019	4.15%	4.05%	3.82%	≤ 5	N/A	N/A	N/A	\$675,995,941	-
2Q 2019	3.25%	3.14%	3.13%	≤ 5	N/A	N/A	N/A	\$697,668,557	-
3Q 2019	1.98%	1.88%	1.74%	≤ 5	N/A	N/A	N/A	\$697,668,557	-

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

- The performance benchmark for the Intermediate Corporate Fixed Income composite is the Bloomberg Barclays U.S. Intermediate Corporate Index, which is a broad based index that measures all publicly issued, fixed rate, non-convertible, investment grade, corporate debt. Issues have specific rating requirements and must be rated investment grade (Baa3/BBB- or higher) by two of Moody's, Fitch or S&P. It is not possible to invest directly in an unmanaged index. 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 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 2000 through 2010 because it is not required for periods prior to 2011. It is also not presented for quarter-ends.
- Prior to July 1, 2019, the investment team was part of a prior firm. Therefore, "% Total Firm Assets" is left blank for year ends before the team joined MetLife Investment Management.

For purposes of the Global Investment Performance Standards ("GIPS") compliance, the "Firm" is defined as MetLife Investment Management ("MIM"). MIM is MetLife, Inc.'s institutional investment management business. The Firm is defined to include all accounts captured in MetLife's Assets Under Management. On September 15, 2017, MetLife, Inc. ("MetLife") acquired Logan Circle Partners ("LCP") and the Firm was redefined as of July 1, 2019 to include LCP in the MIM assets.

The Firm 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 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. Verification does not ensure the accuracy of any specific composite presentation.

The creation date of the Intermediate Corporate Fixed Income ("Intermediate Corporate") composite is July 1, 2013 and the inception date is July 1, 2013. Prior to July 1, 2019, the performance of the composite represents the performance that occurred while members of the management team were affiliated with prior firms. The composite has been examined for the periods November 1, 2007 to December 31, 2017 while at another firm. The prior firm, LCP, was verified for the periods November 1, 2007 to December 31, 2017. The verification and performance examination reports are available upon request.

The Intermediate Corporate strategy seeks to outperform the benchmark by investing in high quality fixed income securities across the government, corporate and structured markets, focusing on U.S. investment grade corporate debt. The Intermediate Corporate composite includes all fee-paying portfolios managed on a discretionary basis according to the applicable composite strategy except as otherwise excluded herein. The Firm maintains a complete list and description of composites which are available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The performance benchmark for the Intermediate Corporate composite is the Bloomberg Barclays U.S. Intermediate Corporate Index which is a broad based index that measures all publicly issued, fixed rate, non-convertible, investment grade, corporate debt. Issues have specific rating requirements and must be rated investment grade (Baa3/BBB- or higher) by two of Moody's, Fitch or S&P. 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 index is fully invested and includes the reinvestment of income. The index is unmanaged and includes the reinvestment of interest and does not reflect transaction costs or management fees and other expenses. Investors cannot purchase interests directly in an index. The Intermediate Corporate composite does not have a cash flow policy.

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 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 and 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 Intermediate Corporate strategy is 0.35% on the first \$50 million, 0.30% on amounts from \$50 to \$150 million and 0.25% on amounts over \$150 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 March 2018, the highest stated ADV fee used to calculate monthly net returns was 0.40%. From April 2018 to the present the highest stated ADV fee is 0.35%. 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.

Derivatives may make up a part of the Corporate strategy as the Firm believes that derivatives offer value and are appropriate investments for client mandates. The Firm may utilize futures, forwards and interest rate swaps to assist in the management of our portfolios. The Firm utilizes derivatives in its efforts to achieve the appropriate level of risk to meet the return targets rather than for speculative purposes.

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.

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<sup>1</sup> As of September 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.