



BrandywineGLOBAL - Global Opportunities Bond Fund

Class IS: GOBSX Class A: GOBAX

Commentary | as of September 30, 2025

Key Takeaways

- Markets: The global fixed income market continued its upward movement over the third quarter, adding to its year-to-date gains. Developed market yields were mixed, with rates falling in the U.S., while generally rising elsewhere. Trade negotiations, questions tied to future monetary policy, and geopolitical events were some of the factors impacting the market. Turning to monetary policy, as widely telegraphed, the Federal Reserve (Fed) cut rates 25 basis points (bps) at its meeting in September, the first reduction of the year. The European Central Bank (ECB) and Bank of Japan (BoJ) held rates steady over the quarter, while the Bank of England (BoE) cut rates in August and then held steady in September. The 10-year US Treasury yield fell, ending the quarter eight basis points (bps) lower at 4.16%. For the quarter, the Bloomberg Global Aggregate Bond Index gained 0.60%, raising its year-to-date return to 7.91%.
- Contributors: The Fund's rates positioning added to performance over the quarter.
- **Detractors**: Given the U.S. dollar's strength, the portfolio's non-U.S. currency positioning detracted from returns.
- Outlook: We think the "soft landing" camp has been the clear winner, but fading labor momentum and policy
 cross-currents argue for more caution moving forward.

Performance Review

- The largest contributor to performance was an overweight in Mexican duration, supported by elevated real yields and softer domestic growth.
- U.S. agency mortgage-backed securities (MBS) contributed to results, as demand strengthened.
- U.S. Treasuries were additive for returns; rates declined as labor market data softened.
- An overweight in U.K. gilts detracted from performance amid increased concerns surrounding Chancellor Reeves's budget proposal and persistent inflation.
- In currencies, the Japanese yen was the largest detractor on broad U.S. dollar strength. An overweight to the South Korean
 won also detracted on structural outflows. An overweight to the Brazilian real was a bright spot, aided by a supportive
 emerging markets backdrop and hawkish rhetoric from Brazil's central bank.

Outlook

- Heading into the fourth quarter, we think the "soft landing" camp has been the clear winner, but fading labor momentum and
 policy cross-currents argue for more caution moving forward. Global growth has proved more resilient to tariff shocks than
 feared, helped by slower price pass-through, healthy private sector balance sheets, and an artificial intelligence-driven
 capital spending boom. Yet U.S. job creation has cooled toward zero, leaving an uneasy gap between GDP and employment.
- Risks as we enter the fourth quarter include a prolonged U.S. government shutdown that would dent activity and delay key
 economic data, as well as a Supreme Court ruling on emergency-based tariffs that could reset the trade regime. Against this
 backdrop, G10 rate valuations look roughly neutral.
- Near term, European political uncertainty and Japan's leadership outcome, tilting toward fiscal stimulus, could buoy the U.S.
 dollar and nudge global long bond yields higher. Medium term, stretched U.S. dollar valuations and deteriorating U.S. fiscal
 dynamics support our medium-term bearish U.S. dollar view.
- Select emerging local markets look attractive with elevated real yields, attractive foreign exchange valuations, and limited imbalances. Investment-grade credit remains vulnerable given current spread levels.
- Overall, resilience persists, but its durability now hinges on real income growth and the staying power of Al-related investment.

Fund Characteristics	Fund
Distribution Frequency	Quarterly
30-Day SEC Yield (Class IS)—With Waiver	5.83%
30-Day SEC Yield (Class IS)—Without Waiver	5.83%

Average annual total returns and fund expenses (%) - as of September 30, 2025

			Without Sales Charge						With Maximum Sales Charge							Expenses		Sales Charges		Inception	
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDSC	Date
Class IS	524686318	GOBSX	0.23	13.37	2.30	5.82	-0.53	1.97	3.49	0.23	13.37	2.30	5.82	-0.53	1.97	3.49	0.55	0.55	_	_	11/1/2006
Class A	524686383	GOBAX	0.13	12.93	1.79	5.34	-0.99	1.54	2.51	-3.58	8.68	-2.06	4.01	-1.84	1.11	2.22	0.97	0.97	3.75	_	3/10/2010
Benchmark	_	_	0.16	7.43	1.59	4.45	-3.02	0.40	_	0.16	7.43	1.59	4.45	-3.02	0.40	_	_	_	_	_	_

Benchmark(s)

Benchmark =FTSE World Government Bond Index

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 12/31/2026 without Board consent. Actual expenses may be higher and may impact portfolio returns.

Maximum sales charges have been updated as of August 15, 2022, please refer the Fund's prospectus for more information.

What are the Risks?

All investments involve risks, including possible loss of principal. Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Low-rated, high-yield bonds are subject to greater price volatility, illiquidity and possibility of default. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. The portfolio is non-diversified and may invest in a relatively small number of issuers, which may negatively impact the fund's performance and result in greater fluctuation in the value of the fund's shares. Leverage increases the volatility of investment returns and subjects investments to magnified losses and a decline in value. The manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Glossary

A basis point (bp, or bps) is one one-hundredth of one percent (1/100% or 0.01%).

Duration is a measure of the sensitivity of a bond's price to changes in interest rates.

The **G10** is a group of the 11 leading industrial countries: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States. They meet on an annual basis to discuss economic, monetary and financial matters.

Gilts are bonds that are issued by the British government, and they are generally considered low-risk investments.

Important Information

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

The **FTSE World Government Bond Index** ("WGBI") measures the performance of fixed-rate, local-currency, investment-grade sovereign bonds. The WGBI currently comprises sovereign debt from multiple countries, denominated in a variety of currencies. The WGBI provides a broad benchmark for the global sovereign fixed income market. Source: FTSE.

Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

The **30-day SEC yield** is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.

