FRANKLIN TEMPLETON

BrandywineGLOBAL - Global Income Opportunities Fund Inc.

BWG | **Commentary | as of September 30, 2026**

Key Takeaways

- **Markets:** The global fixed income market was volatile during the third quarter and posted a negative return. Investor sentiment was impacted by sticky inflation, monetary policy tightening, resilient economic growth, and the ongoing war in the Middle East. In the U.S., yields moved sharply higher over the quarter.
- **Contributors**: An underweight to eurozone duration was the largest contributor as French fiscal concerns pushed European yields higher. An underweight to the euro also added to returns. Brazilian duration and exposure to the Brazilian real and Mexican peso contributed as well.
- **Detractors**: U.S. duration was the largest detractor as yields moved sharply higher over the quarter. Mexican duration and an underweight to Chinese government bonds also weighed on results. Elsewhere, currency positioning, including the Egyptian pound, Chilean peso and South Korean won, was a modest net detractor.
- **Outlook**: Rates are likely to stay structurally higher for longer as resilient, AI-led investment growth keeps yields elevated. That said, after the sharp third-quarter repricing, subdued hiring and limited second-round inflation effects suggest near-term risks are more balanced. Regional divergence is pronounced, with French fiscal concerns tightening European financial conditions, while tight credit spreads and crowded foreign exchange (FX) positioning leave growth-sensitive currencies vulnerable to volatility.

Fund Characteristics	Fund
Distribution Frequency	Monthly

Performance Review

- An underweight to eurozone duration was the largest contributor to performance, as French fiscal concerns and widening sovereign risk premiums pushed European yields higher. An underweight to the euro also added to returns as the currency weakened.
- Positioning in Brazil contributed through both duration and exposure to the Brazilian real. Exposure to the Mexican peso was also a notable contributor, partially offsetting the drag from Mexican duration, and Egyptian duration contributed modestly.
- Duration positioning in the U.S. was the largest detractor from performance, as U.S. yields moved sharply higher. Duration in Mexico also detracted, while an underweight to Chinese government bonds weighed on results as yields declined. U.K. duration detracted modestly.
- Currency positioning was a modest net detractor. Exposure to the Egyptian pound, the Chilean peso, the South Korean won and the Japanese yen weighed on performance, as did U.S. dollar positioning. Mexican Peso exposure was additive.

Outlook

- Rates stay structurally higher for longer, but near-term risks are more balanced. Resilient global growth, driven by an AI-led investment cycle spreading into infrastructure and defense, is the primary force keeping yields elevated, more so than oil. After the sharp third quarter repricing, though, subdued hiring and limited second-round inflation effects argue against much more tightening than markets already price.
- Regional divergence matters, especially in Europe. French fiscal concerns and wider sovereign risk premiums are tightening financial conditions, weighing on European growth and limiting the European Central Bank's room for further hikes.
- Credit and currency risks are building beneath the surface. Tight spreads and easy financing are sustaining the investment boom, but its debt-funded nature raises longer-term overinvestment risk and makes continued capital access critical. In the foreign exchange market, higher real yields, elevated energy costs, and crowded positioning leave growth-sensitive currencies vulnerable to volatility.

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns (%) - as of September 30, 2026

Product	Ticker	Listed Exchange	3-Mo*	6-Mo*	YTD*	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Inception Date
Market Price Return	BWG	NYSE - XNYS	-9.98	-3.98	-9.40	-10.12	9.31	-0.23	2.84	2.32	3/28/2012
NAV Returns	—	—	-4.92	-1.39	-3.75	-4.05	7.99	0.29	1.87	2.59	3/28/2012
Benchmark	—	—	-2.46	-1.61	-2.67	-2.43	3.82	-1.86	0.05	0.57	—

*Cumulative total returns

Benchmark(s)

Benchmark =Bloomberg Global Aggregate

Performance shown represents past performance and is no guarantee of future results. *Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when sold, may be worth more or less than the original cost. Returns based on Market Price or NAV, and assume the reinvestment of all distributions at the Dividend Reinvestment Plan Price or NAV, respectively. All returns include the deduction of management fees, operating expenses and all other fund expenses, and do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares. When applicable, performance would have been lower if fees had not been waived in various periods. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expense or sales charges. Returns for periods of less than one year are not annualized. Please visit franklintempleton.com for the most recent month-end performance.*

The difference between total assets and net assets, if any, is due primarily to the fund's use of borrowings and other liabilities; netassets do not include borrowings. The fund may employ leverage in the form of loans, preferred stock, reverse repurchase agreementsand/or other instruments. When the fund engages in transactions that have a leveraging effect on the fund's portfolio, the value of thefund will be more volatile and all other risks will tend to be compounded.

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. Asset-backed, mortgage-backed or mortgage-related securities** are subject to prepayment and extension risks. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Leverage** increases the volatility of investment returns and subjects investments to magnified losses and a decline in value. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. 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.

Glossary

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

Earnings per share (EPS) is defined as a company's net income divided by the number of outstanding shares of its common stock.

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.

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The **Bloomberg Global Aggregate Index** is a global investment-grade debt index including treasury, government-related, corporate and securitized fixed-rate bonds.

Source: Bloomberg Indices.

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