FRANKLIN TEMPLETON

Brandywine GLOBAL

BrandywineGLOBAL - Global Income Opportunities Fund Inc.

Commentary | as of June 30, 2025

Key Takeaways

- **Markets:** The global fixed income market overcame a setback in May and rallied during the second quarter, adding to its year-to-date gain. Developed market yields largely declined amid further progress on the inflation front, rate cuts by some central banks, signs of economic fragility, and the conflict between Israel and Iraq.
- **Contributors:** The Fund's overweight to local currency Brazilian bonds was the largest contributor to performance.
- **Detractors:** Select high-yield corporate bonds detracted from performance.
- **Outlook:** As global investors recalibrate, non-U.S. dollar assets could benefit from both cyclical and structural tailwinds in the months ahead.

Performance Review

- The Fund's overweight to local currency Brazilian bonds was the largest contributor for the quarter. The position benefited from a recent boost in government revenue which helped reinforce fiscal credibility. Although U.S. trade policy uncertainty presents a risk, markets currently view tariff threats as a negotiation tactic rather than a signal of sustained trade disruption, supporting relative stability in Latin American trade flows.
- The Fund's overweight to the South African rand was also a contributor for the second quarter. Expenditure-led fiscal consolidation has helped improve the structural fiscal balance. South Africa also experienced resilient private consumption and improving domestic demand, supported by real wage gains, lower real interest rates, and recent pension reforms. Structural reform prospects remain broadly positive despite ongoing challenges.
- U.S. agency mortgage-backed securities (MBS) positioning was accretive over the period. The asset class continued to benefit from strong investor demand amid the increased volatility and global uncertainty. Valuations remain attractive, with more defensive characteristics than corporate bond and sustained demand should continue to be supportive.
- Select high-yield corporate bonds moderately detracted from performance. Idiosyncratic credit issues in various sectors contributed to negative selection, with a few underwriting errors compounding the challenge.
- There were no other notable detractors over the period as fixed income performed well.

Outlook

- The global macroeconomic environment remains turbulent as the third quarter begins, with no clear resolution to persistent structural and geopolitical challenges. We anticipate a convergence in relative global growth rates, marking the end of prolonged U.S. economic outperformance. While the U.S. dollar remains heavily overweight in global portfolios, further downside may require concrete signs of U.S. economic deterioration. U.S. bond markets face competing forces: slowing domestic growth is exerting downward pressure on yields, yet expanding fiscal deficits are pushing them upward. The Federal Reserve is expected to tread cautiously in reducing policy rates amid rising stagflation risks, especially as trade tensions persist and tariff rates are projected to remain well above pre-2017 levels. These tariffs act as a tax on growth and contribute to inflationary pressures, complicating the policy path.
- Despite diminished near-term recession risk, U.S. growth is forecast to decelerate in the second half of the year due to trade policy uncertainty, slowing investment, and potential headwinds from reduced federal employment, lower immigration, and weaker tourism. A decisive Fed pivot would require more significant signs of economic strain. Outside the U.S., the eurozone may emerge as a relative outperformer, supported by aggressive monetary easing over the past year and a large-scale German fiscal expansion. As global investors recalibrate, non-U.S. dollar assets could benefit from both cyclical and structural tailwinds in the months ahead.

Fund Characteristics	Fund
Effective Duration	4.78 Years

Currency Exposure (% of Total)

	Fund
US Dollar	88.78
Euro	3.28
South Korean Won	3.02
Brazilian Real	2.65
Egyptian Pound	2.09
Mexican Peso	0.13
British Pound	0.06

Geographic Allocation (% of Total)

	Fund
United States	58.04
Mexico	10.30
Brazil	10.11
France	3.25
Argentina	3.03
Canada	2.64
Israel	2.51
Other	7.00
Cash & Cash Equivalents	3.13

Credit Quality Allocation (% of Total)

Rating	Fund
AAA	0.20
AA	18.70
A	2.85
BBB	17.88
BB	22.18
B	27.31
CCC	6.74
NR	1.01
Cash & Cash Equivalents	3.13

Average annual total returns (%) - as of June 30, 2025

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	2.45	10.00	10.00	12.66	12.16	4.02	4.16	2.82	3/28/2012
NAV Returns	—	—	4.57	8.33	8.33	11.55	9.71	1.59	2.29	2.80	3/28/2012
Benchmark	—	—	4.52	7.27	7.27	8.91	2.75	-1.16	1.17	0.76	—

*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.*
Gross expenses are the fund's total annual operating expenses as of the fund's annual report available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect voluntary fee waivers, expense caps and/or reimbursements. Voluntary waivers may be modified or discontinued at any time without notice.
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

Stagflation is a seemingly contradictory condition described by slow economic growth and relatively high unemployment, or economic stagnation, which is at the same time accompanied by rising prices (i.e. inflation).

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 Closed-End Funds are not sold or distributed by Franklin Distributors, LLC, or any affiliate of Franklin Resources, Inc. Unlike open-end funds, shares are not continually offered. Like other public companies, closed-end funds have a one-time initial public offering, and once their shares are first issued, are generally bought and sold through non-affiliated broker/dealers and trade on nationally recognized stock exchanges. Share prices will fluctuate with market conditions and, at the time of sale, may be worth more or less than your original investment. Shares of exchange-traded closed-end funds may trade at a discount or premium to their original offering price, and often trade at a discount to their net asset value. Investment return, market price and net asset value will fluctuate with changes in market conditions. The Funds are subject to investment risks, including the possible loss of principal invested. **Distributions are not guaranteed and are subject to change.**

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.

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

Effective Duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

Credit Quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

Brandywine Global Investment Management, LLC and Franklin Distributors, LLC, are Franklin Templeton companies.

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.