

Class I: LFLIX Class A: LFLAX



BrandywineGLOBAL - Flexible Bond Fund

Key Takeaways

- Markets: The global fixed income market continued its ascent over the quarter. Developed market yields were mixed, with rates falling in the U.S. while generally rising elsewhere. The 10-year U.S. Treasury yield ended the quarter eight basis points (bps) lower at 4.16%. Credit markets delivered solid returns in the third quarter, as markets leaned into declining rate expectations, solid fundamentals, and a continued investor search for yield. US investment grade and high yield credit spreads, as well as U.S. mortgage-backed security spreads, all narrowed and posted positive total returns. Emerging markets continued to benefit from favorable relative growth dynamics. Net flows into emerging markets continued, and emerging market sovereigns and corporate issuers posted meaningful gains.
- Contributors: U.S. high-yield and investment-grade credit. .
- Detractors: Foreign currency positions.
- Outlook: Corporate credit fundamentals remain broadly solid, in our view.

Performance Review

- High-yield corporate credit was the top contributor to performance during the quarter, led by U.S. high-yield exposures, particularly within communications. Spreads tightened amid resilient corporate earnings and a strong technical backdrop for the asset class. Investment-grade corporate credits also supported returns.
- Emerging market sovereigns were additive for returns, led by Mexico, Egypt, and Brazil. These markets were supported by
 improving fiscal outlooks, moderating U.S. yields, and sustained investor demand.
- U.S. Treasury positions contributed, particularly at the long end of the curve, where yields rallied following softer U.S. labor
 market data and renewed expectations of eventual Federal Reserve (Fed) easing. U.S. prime residential mortgage-backed
 securities also added to results.
- Foreign currency positions detracted from performance, largely due to weakness in the Japanese yen, as well as the Canadian dollar and South Korean won. The US dollar strengthened over the quarter amid safe haven demand and lingering uncertainty around global growth.
- U.K. gilts were a headwind for results, as yields rose over the quarter amid inflation pressures, elevated supply, and fiscal
 policy uncertainty. The Band of England (BoE) maintained a cautious tone despite softening data. Gilt markets were further
 weighed by quantitative tightening (QT), though the BoE's decision in September to slow the pace of QT helped spark a latemonth rally.

Outlook

- We expect U.S. growth to remain moderately positive but below trend, as tighter financial conditions and slowing income
 growth temper demand. The labor market continues to cool, with hiring slowing and employment growth near zero, pointing
 to further moderation but not recession. Globally, we believe growth should stay resilient, supported by healthy private
 sector balance sheets and ongoing artificial intelligence-driven investment, though policy and trade uncertainty may weigh
 on sentiment
- Corporate credit fundamentals remain broadly solid, in our view. In high-yield, low defaults and strong demand relative to
 muted net new supply continue to provide a favorable backdrop. We favor short-dated high-yield issues for their income, low
 duration, and pull-to-par dynamics, which can help offset volatility if spreads widen. Within securitized credit, we continue to
 find value in prime U.S. residential mortgage-backed securities, which offer attractive carry and diversification versus
 corporates amid stable collateral performance.
- Select emerging market exposures also remain compelling. Latin American sovereigns and corporates benefit from high real
 yields and improving fiscal dynamics, while a softer U.S. dollar and potential Fed easing should provide additional support.
- Overall, resilient fundamentals, elevated all-in yields, and limited net supply reinforce the case for active income generation
 while maintaining a selective, risk-aware approach to positioning.

Fund Characteristics	Fund
Distribution Frequency	Quarterly
30-Day SEC Yield (Class I)—With Waiver	7.42%
30-Day SEC Yield (Class I)—Without Waiver	7.42%

Commentary | as of September 30, 2025

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

			Without Sales Charge						With Maximum Sales Charge								ses	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 I	52471E449	LFLIX	2.36	7.32	5.14	7.44	2.91	_	4.75	2.36	7.32	5.14	7.44	2.91	_	4.75	0.75	0.75	_	_	5/31/2016
Class A	52471E456	LFLAX	2.40	7.16	4.92	7.22	2.67	_	4.49	-1.44	3.14	0.98	5.86	1.78	_	4.00	0.96	0.96	3.75	_	5/31/2016
Benchmark	_	_	2.03	6.13	2.88	4.93	-0.45	_	_	2.03	6.13	2.88	4.93	-0.45	_	_	_	_	_	_	_

Benchmark(s)

Benchmark = Bloomberg U.S. Aggregate 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. Equity securities are subject to price fluctuation and possible loss of principal. Leverage increases the volatility of investment returns and subjects investments to magnified losses and a decline in value. Active and frequent trading may increase a shareholder's tax liability and transaction costs. 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. 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.

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

Investment grade is a rating that indicates that a municipal or corporate bond has a relatively low risk of default. BBB is medium credit quality rating.

Residential mortgage-backed securities (RMBS) are a type of mortgage-backed debt obligation created from residential debt, such as mortgages, home-equity loans and subprime mortgages.

Important Information

Prior to July 7, 2020, this fund was known as the BrandywineGLOBAL - Global Flexible Income fund. At that time, the investment objective and strategy also changed.

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 **Bloomberg US Aggregate Index** is comprised of investment-grade, U.S. dollar-denominated government, corporate, and mortgage- and asset-backed issues having at least one year to maturity. Source: Bloomberg Indices.

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.

