

Rolling 1-Year Performance Returns Period Ending:	31 May 19	31 May 18	31 May 17	31 May 16	31 May 15
Multi-Asset Credit Composite (gross of fees)	5.86%	1.50%	11.25%	-0.37%	1.28%
Multi-Asset Credit Composite (net of fees)	5.23%	0.90%	10.59%	-0.97%	0.69%

**Base Currency:** USD

Past investment results are not indicative of future investment results. Source for performance figures is Western Asset. Please refer to the Performance Disclosure for more information. Currency exchange rate fluctuations will impact the value of your investment.

**The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.**

#### Investment Risks:

The strategy does not offer any capital guarantee or protection and you may not get back the amount invested. The strategy is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:

**Asset-Backed Securities:** The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the strategy. These types of investments may also be difficult for the strategy to sell quickly.

**Bonds:** There is a risk that issuers of bonds held by the strategy may not be able to repay the investment or pay the interest due on it, leading to losses for the strategy. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

**Concentrated:** The strategy's investment approach may result in the strategy being focused in one, or a small number of, countries, sectors or asset classes compared to other investment strategies. This means that the strategy may be more sensitive to economic, market, political or regulatory events than other strategies that invest across a broader range of countries, sectors and asset classes.

**Counterparties:** The strategy may suffer losses if the parties that it trades with cannot meet their financial obligations.

**Currency:** Changes in exchange rates between the currencies of investments held by the strategy and the strategy's base currency may negatively affect the value of an investment and any income received from it.

**Derivatives:** The strategy makes significant use of derivatives. The use of derivatives can result in greater fluctuations of the portfolio's value.

**Emerging Markets:** The strategy may invest in the markets of countries which are smaller, less developed and regulated, and more volatile than the markets of more developed countries.

**Interest Rates:** Changes in interest rates may negatively affect the value of the strategy. Typically as interest rates rise, bond values fall.

**Low-rated Bonds:** The strategy may invest in lower rated or unrated bonds of similar quality, which carry a higher degree of risk than higher rated bonds.

*This strategy is managed by Western Asset. This information is only for use by professional clients, eligible counterparties or qualified investors. It is not aimed at, or for use by, retail clients.*

# Performance Disclosure

December 31, 2018

## Multi-Asset Credit Composite

Composite Inception Date: 10/01/2010 | Composite Creation Date: 07/17/2013

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value USD Mil	Percentage of Firm Assets	Firm Assets USD Mil
2009	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	482,218
2010 <sup>1</sup>	1	0.23%	0.13%	-na-	-na-	-na-	-na-	472	0.10%	453,909
2011	1	8.29%	7.86%	-na-	-na-	-na-	-na-	464	0.10%	443,140
2012	1	13.93%	13.48%	-na-	-na-	-na-	-na-	478	0.10%	461,891
2013	1	2.36%	1.95%	-na-	4.27%	-na-	-na-	393	0.09%	451,632
2014	3	5.21%	4.69%	-na-	3.99%	-na-	-na-	515	0.11%	466,036
2015	4	-2.35%	-2.93%	-na-	4.23%	-na-	-na-	615	0.14%	433,747
2016	6	9.56%	8.91%	-na-	4.18%	-na-	-na-	879	0.21%	419,207
2017	6	9.16%	8.51%	-na-	3.92%	-na-	0.60%	1,027	0.24%	436,309
2018	8	-3.01%	-3.59%	-na-	3.67%	-na-	0.49%	2,107	0.50%	424,136

**Description:** The Western Asset Multi-Asset Credit strategy is an unconstrained, income-focused strategy that aims to maximize total return through global credit sector rotation, duration positioning, currency allocation and security selection, while employing tail-risk hedging to dampen overall portfolio risk. The strategy invests in a globally diversified portfolio of high income assets including, but not limited to, investment-grade credit, non-USD debt, high-yield, bank loans, emerging markets and structured securities.

**Benchmark Description:** The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

**Base Currency:** USD | **Composite Minimum:** No minimum asset size requirement

**Current Fee Schedule:** .60 of 1% on the first \$100 million, .40 of 1% on amounts over \$100 million.

<sup>1</sup>Partial period return (October 1, 2010 to December 31, 2010).

**Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2018.**

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. The Multi-Asset Credit Composite has been examined for the period from January 1, 2013 to December 31, 2018. The verification and performance examination reports are available upon request.

For GIPS® purposes, the Firm is defined as Western Asset, a primarily fixed-income investment manager comprised of Western Asset Management Company, LLC; Western Asset Management Company Limited, authorised and regulated by the Financial Conduct Authority ("FCA"); Western Asset Management Company Pte. Ltd. Co. Reg. No. 200007692R, holder of the Capital Markets Services Licence for fund management and regulated by the Monetary Authority of Singapore; Western Asset Management Company Ltd, a registered Financial Instruments Business operator and regulated by the Financial Services Agency of Japan; Western Asset Management Company Pty Ltd ABN 41 117 767 923, holder of the Australian Financial Services Licence 303160; and Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários (DTVM) Limitada, authorised and regulated by Comissão de Valores Mobiliários and Banco Central do Brazil, with offices in Pasadena, New York, London, Singapore, Tokyo, Melbourne, São Paulo, Hong Kong, and Zürich. Each Western Asset company is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason") but operates autonomously, and Western Asset, as a Firm, is held out to the public as a separate entity. Western Asset Management Company was founded in 1971.

The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset, and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net of fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. This model fee does not reflect the deduction of performance-based fees. The portfolios in the Composite are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net of trading commissions and other transaction costs including non-recoverable withholding taxes. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The returns for the accounts in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. The returns for the commingled funds in the Composite are calculated daily using net asset values (NAV), adding back the funds' total expense ratio or equivalent. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts.

Composite returns are measured against a benchmark, when applicable. The benchmark is unmanaged and provided to represent the investment environment in existence during the time periods shown. For comparison purposes, its performance has been linked in the same manner as the Composite. The benchmark presented was obtained from third party sources deemed reliable but not guaranteed for accuracy or completeness. Benchmark returns and benchmark three-year annualized ex-post standard deviation are not covered by the report of independent verifiers.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation is not presented for periods where 36 monthly returns are not available for the composite or the benchmark. Any gross total three-year annualized ex-post standard deviation measures prior to 2011, included within the "Examination Period" identified above, are not covered by the report of independent verifiers.

Past investment results are not indicative of future investment results. Information contained herein is believed to be accurate, but cannot be guaranteed. Employees and/or clients of Western Asset may have a position in the securities mentioned.

Western Asset's list of composite descriptions is available upon request. Please contact Derek Fan at 626-844-9465 or [derek.fan@westernasset.com](mailto:derek.fan@westernasset.com). All returns for strategies with inception prior to January 1, 2009 are available upon request.