

The **Emerging Markets Local Currency Sovereign** strategy does not offer any capital guarantee or protection and you may not get back the amount invested. **Past investment results are not indicative of future investment results.**

**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:**

**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 invests across a broader range of countries, sectors and asset classes.

**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.

**Hedging:** The strategy may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the strategy and base currency of the portfolio itself (hedging). However, hedging transactions can also expose the portfolio to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the strategy.

**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.

The following **investment terms** may be used within these materials:

Cash Flow Yield (CFY) the option-adjusted measure of expected return.

Convexity is the second order, option-adjusted price sensitivity to a parallel shift in interest rates.

Duration is the option-adjusted price sensitivity to a parallel shift in interest rates.

Key Rate Duration (KRD) is the option-adjusted price sensitivity to the changes in interest rates located close to the given key interest rate tenors (e.g., 6M, 2Y, 5Y, 10Y, 20Y, 30Y).

Option Adjusted Spread (OAS) is a measure of expected excess return over the risk-free rates that considered embedded options and possible pre-payments.

Spread Duration is the option-adjusted price sensitivity to the change in option adjusted spread.

Yield-to-Worst (YTW) is the lesser of yield-to-maturity or yield-to-call across all known call dates.

Credit ratings are based on each portfolio security's rating as provided by the following Nationally Recognized Statistical Rating Organizations ("NRSRO"): Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), Fitch Ratings, Ltd. In the absence of an NRSRO rating, Western Asset may assign a comparable rating. The credit quality of the investments in the portfolio does not apply to the stability or safety of the portfolio. The portfolio itself has not been rated by an independent rating agency.

Returns (%)						Rolling 1-Year Performance					
as of 31 Mar 26	1 Yr	3 Yr	5 Yr	10 Yr	SI*	Returns Period Ending:	31 Mar 26	31 Mar 25	31 Mar 24	31 Mar 23	31 Mar 22
Composite (gross)	14.50	8.30	3.83	2.94	4.05	Composite (gross)	14.50	2.99	7.70	1.20	-6.10
Composite (net)	14.05	7.87	3.42	2.53	3.64	Composite (net)	14.05	2.59	7.27	0.79	-6.48
Benchmark	11.76	6.84	2.06	2.57	-	Benchmark	11.76	4.03	4.91	-0.72	-8.53

Returns (%)					
as of 31 Dec 25	1 Yr	3 Yr	5 Yr	10 Yr	SI*
Composite (gross)	23.48	11.01	2.86	4.25	4.25
Composite (net)	23.00	10.57	2.45	3.83	3.84
Benchmark	19.26	9.48	1.12	3.88	-

Returns for periods greater than one year are annualized.

\*Since Inception: June 1, 2006. Benchmark: J.P. Morgan GBI-EM Global Diversified USD Unhedged Index. Base currency: USD

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, 2024.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Emerging Markets Local Currency Sovereign Composite has been examined for the period of September 1, 2010 to December 31, 2018 and January 1, 2024 to December 31, 2024. The verification and performance examination reports are available upon request.

**Emerging Markets Local Currency Sovereign Composite**

Composite Inception Date: 06/1/2006 | Composite Creation Date: 09/3/2010

	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
2016	3	10.44%	10.00%	9.94%	11.94%	11.97%	-na-	812	0.19%	419,207
2017	3	15.66%	15.20%	15.21%	10.99%	10.87%	-na-	944	0.22%	436,309
2018	3	-10.05%	-10.42%	-6.21%	11.90%	11.09%	-na-	736	0.17%	424,136
2019	2	11.62%	11.17%	13.47%	10.63%	9.20%	-na-	715	0.16%	455,276
2020	2	2.68%	2.27%	2.69%	13.98%	12.33%	-na-	504	0.11%	479,810
2021	2	-7.79%	-8.16%	-8.75%	12.61%	11.37%	-na-	440	0.09%	488,490
2022	2	-8.74%	-9.11%	-11.69%	12.75%	12.21%	-na-	339	0.09%	391,756
2023	1	14.50%	14.05%	12.70%	11.08%	10.71%	-na-	110	0.03%	385,964
2024	1	-3.25%	-3.63%	-2.38%	11.30%	10.85%	-na-	97	0.03%	277,454
2025	1	23.48%	23.00%	19.26%	9.22%	8.24%	-na-	63	0.03%	218,201

**Base Currency:** USD | **Composite Minimum:** No minimum asset size requirement as of 1/1/2020 (previously USD25 million).

**Description:** The Western Asset Emerging Markets Local Currency Sovereign strategy aims to maximize total return and add value through interest-rate positioning (duration, curve and country), currency allocation and security selection, while approximating benchmark risk. The strategy invests primarily in a diversified portfolio of local-currency-denominated issuers in emerging market countries.

**Benchmark Description:** The current benchmark is the J.P. Morgan GBI-EM Global Diversified USD Unhedged Index. The index tracks local currency bonds issued by Emerging Market governments.

**Strategy Fee Schedule:** The investment management fee schedule for the separate account is .40 of 1% on the first USD100 million, .30 of 1% on amounts over USD100 million. The investment management fee schedule for the Western Asset Emerging Markets Local Debt Portfolio, LLC, which is a member of the composite, is .40 of 1%. The total expense ratio considered to be current as of December 31, 2024 for the Western Asset Emerging Markets Local Debt Portfolio, LLC was .52 of 1%.

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. Effective January 1, 2020, for annual periods where the actual account weighted fees are higher than the composite model fees, the actual account weighted fees will be used for net-of-fees composite return calculations. Net-of-fees composite return calculations using actual account weighted fees may include fund returns and performance-based fee returns that incur higher fees than those applied to separately managed accounts. 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 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. 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.

Western Asset's list of composite descriptions, limited distribution pooled fund descriptions, broad distribution pooled funds descriptions, policies for valuing investments, calculating performance, and preparing GIPS reports, and all returns for strategies with inception prior to January 1, 2016 are available upon request.

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Unless otherwise noted, investment performance contained in these materials is reflective of a strategy composite. All other strategy data and information included in these materials reflects a representative portfolio which is an account in the composite that Western Asset believes most closely reflects the current portfolio management style of the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite are available upon request.

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