Customized Solutions for Insurance Clients

Insurance Asset Management

Western Asset is one of the world's leading fixed-income managers. With a focus on long-term fundamental value investing that employs a top-down and bottom-up approach, the Firm has deep experience across all fixed-income sectors. Western Asset emphasizes a team-based approach to portfolio management, intensive proprietary research and robust risk management.

Western Asset assists our insurance clients by developing portfolios that take into consideration regulatory and accounting requirements as well as objectives related to hedging liabilities, risk, growth and return on capital. Building on Western Asset's proven investment philosophy, process and research, the Insurance Team adds a layer of portfolio and risk management expertise that incorporates the unique needs of insurers. Western Asset understands the complex needs of insurance companies, including the shifting priorities driven by regulatory, accounting and actuarial requirements.

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Expertise, Experience, Engagement

Western Asset's primary competitive advantages include our investment expertise, our extensive experience with insurance clients, our strong team-based culture, our global Insurance Team, and our ability to provide open and direct access to investment, risk and operations professionals.

Investment Philosophy—Western Asset's long-term fundamental value investing approach translates into portfolios that seek to generate attractive statutory income. This philosophy, along with multiple diversified strategies, helps mitigate risk and can produce attractive capital and risk-adjusted returns.

Insurance Client History	Western Asset has been managing dedicated insurance portoflios since 1986. Our clients represent a wide range of insurer types, including life, health, property & casualty insurers and reinsurers. Portfolios span the spectrum from broad market allocations to sector-specific strategies.
Depth of Regulatory Experience	Our Insurance Team has comprehensive real-world experience across a wide range of insurer types and regulatory regimes. This includes but is not limited to NAIC (US), Solvency II (Europe) and LAGIC (Australia). Clients benefit from the team's broad base of subject matter expertise on topics including investment management, risk management, quantitative analysis, derivatives and academic research.
Proprietary Systems	Western Asset has a number of proprietary systems that are critical to effectively manage insurance portfolios. This includes our compliance system, our regulatory capital calculators and our risk system, WISER.
Strong Team Culture	The team is highly collaborative both within the Firm and when working with our clients on a day-to-day basis.
Open and Direct Access	We provide our insurance clients with direct and open access to investment, risk and operational professionals at Western Asset.
Customization and Solutions	We understand that each insurer has unique needs. Our platform is specifically designed to accommodate customized and specialized mandates. We do not deliver "off-the-shelf" solutions; rather, we approach each insurer by first understanding their individual requirements and then developing an investment and servicing strategy that addresses their distinct needs.
Global Presence	Our Insurance Team has deep insurance expertise to support clients across the globe, with investment professionals located in Pasadena, New York, London, São Paulo, Melbourne, Tokyo and Singapore. Western Asset has built supplemental analytics and systems to support the management of portfolios with customized objectives and constraints, serving the needs of health care, life, property & casualty insurers and reinsurers.

Integrated Team Approach

Western Asset utilizes a collaborative team approach to manage assets for insurance clients. This ensures consistency in the investment process and that each client has access to the best resources in the Firm. Each client has a distinct team dedicated to meeting their unique day-to-day needs.

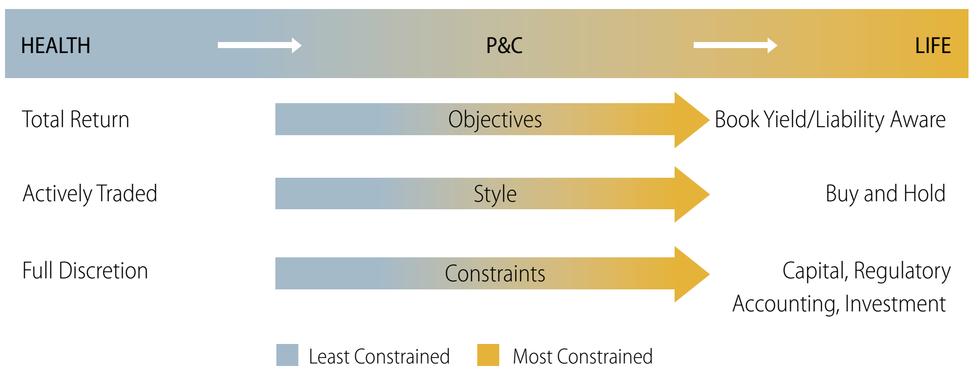
Western Asset's integrated Investment Management Team approach benefits insurance clients by pairing each client with investment professionals who have substantial day-to-day responsibilities covering insurance portfolios. These professionals have a deep understanding of the multiple and often competing investment objectives insurers must balance. The Insurance Team further leverages Western Asset's global platform to assist insurance clients with issues that may go beyond the range of standard asset management services.

Sample Client Experience – A large multinational corporation with many business lines works with Western Asset as a strategic partner and the sole external asset manager for large, sector-specific book-yield-focused mandates. The client has daily access to the Investment Management Team members who understand the yield objectives of the client's portfolios and the regulatory impact of their holdings. Our Client Service and Risk Teams actively support this high-touch relationship with frequent updates, risk analysis, and assistance with preparation of regulatory and financial reporting.

Objective-Driven Customized Solutions

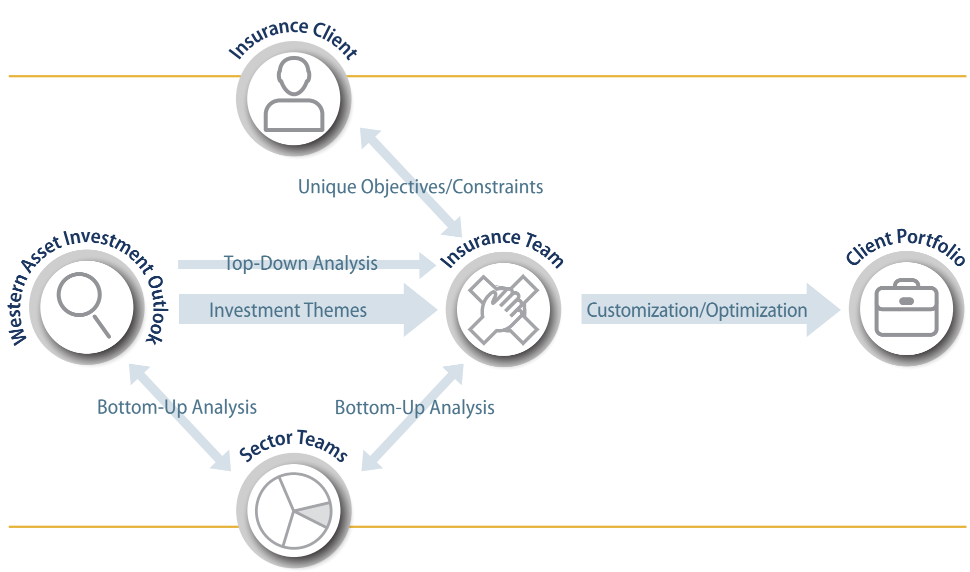
- Investment strategies are customized based on clients' unique objectives and constraints.
- Robust optimization tools target client-specific metrics (e.g., volatility, capital efficiency, yield, liability hedging and gain/loss goals).
- Sector teams actively contribute to clients' individual investment outlooks and provide sub-sector/issue selection expertise to the Insurance Team.

Objective-Driven Customized Solutions: Spectrum of Strategies—Traditional to Customized



Optimizing Implementation

Western Asset works hard to ensure an optimal experience for our insurance clients. As shown here, several teams work together—in collaboration with the client—to provide thorough analysis, client-specific investment decision making and robust portfolio optimization.



Insurance Team Approach

- Our investment process is consistent across the Firm.
- We customize the investment strategy based on client constraints and objectives.
- We use robust optimization tools to target volatility, capital efficiency, yield, gain/loss and other client-specific metrics.
- Sector teams inform our investment outlook and provide sub-sector and issue selection expertise to the Insurance Team.

About the Team

Western Asset's team of professionals is replete with career experience in the insurance industry, including former insurance compliance officers, staff with full analytics capabilities, risk management and quantitative solutions experts, and a dedicated client service team versed in insurance asset management issues. What's more, a number of the Firm's portfolio management staff also have experience working in the investment departments of insurance companies.

Your US Insurance Team:

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- Head of Insurance
- Over 35 years of experience
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- Over 27 years of experience
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- Client Service Executive
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Investment Management
- More than 118 investment professionals on five continents, in seven offices
- Over 26 years of experience on average
- Over 33 portfolio and quantitative analysts

Client Service & Marketing
- More than 144 client service staff members
- Specialized teams to meet client needs

Risk Management & Operations
- Independent risk management function with more than 31 professionals including approximately 9 PhDs
- More than 261 staff members dedicated to globally integrated operations

Insurance Team
- More than 74 professionals
- Expertise across insurer types and a multitude of global regulatory regimes

Past performance does not predict future returns. These materials should not be deemed to be a prediction or projection of future performance.

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