

# Western Asset Core Plus Bond Fund (IS Platform)

An Institutional Select Separate Account

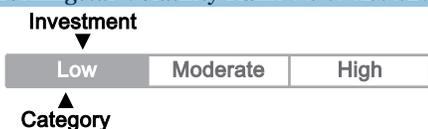
Fourth Quarter 2019 Fund Fact Sheet

## Key Facts

Investment Advisor	Western Asset Management Company
Asset Class	Fixed Income - Core Plus Bond
Primary Index	Bloomberg Barclays US Aggregate Bond Index
Net Assets	\$494.0 Million
Inception Date	12/26/2014
Net Expense Ratio	0.23%
Morningstar Category	Intermediate Core Bond
Morningstar Overall Rating™	★★★★★
Overall # of Funds in Morningstar Category	382
Portfolio Manager(s)	Julien Scholnick; Mark Lindbloom; Carl Eichstaedt; Kenneth Leech
Investment Minimum	\$1.0 Million

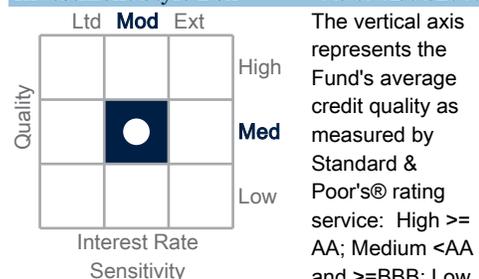
**Overall Morningstar Rating** as of quarter ending 12/31/2019. The Morningstar Rating shown is for this expense ratio and assumes no contract charges are imposed. Other expense ratios may have different performance characteristics. ©2019 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

## Morningstar Volatility Rank As of 12/31/2019



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

## Investment Style Box As of 12/31/2019



<BBB

The horizontal axis represents the Fund's sensitivity to interest rates as measured by the average effective duration: Ltd <=3.5 Yrs; Mod > 3.5 Yrs and <=6 Yrs; Ext > 6 Yrs

## Description / Objective

The Separate Account (the "Fund") seeks to outperform its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, by 150 basis points (gross) over full market cycles. The Separate Account's performance shall be measured against the Bloomberg Barclays U.S. Aggregate Bond Index (the "Index").

There is no assurance the objectives will be met.

*Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise. Fund shares are not guaranteed by the U.S. Government.*

## Investment Strategy

Western Asset's investment philosophy is to provide clients with diversified, tightly controlled, value-oriented portfolios. The Firm's management style emphasizes the use of multiple strategies and active sector rotation and issue selection, while constraining overall interest rate risk relative to the benchmark. This philosophy has been successfully fulfilled through uniform application of the following key strategic points:

- > Long-term, fundamental value discipline
- > Diversified strategies
- > Integrated risk management

## Top Five Holdings As of 12/31/2019

US TREASURY N B	4.10%
US TREASURY N B	2.56%
US TREASURY N/B	1.82%
US TREASURY N/B	1.74%
US TREASURY N/B	1.67%

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

## Top Five Sectors As of 12/31/2019

Securitized	42.44%
US Corporate	28.02%
Government	21.37%
Cash (% of FI assets)	8.14%
Derivative	0.03%

## Characteristics As of 12/31/2019

	Fund	Index
Effective Duration (Yrs)	--	5.87
Average Maturity (Yrs)	--	8.06
Number of Holdings - Long	972	10982
Portfolio Turnover (%)	174.64	--

## Quality Distribution

Data Unavailable

## Performance (%) As of 12/31/2019

	Cumulative Returns		Average Annual Total Returns				
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund	1.24	12.69	12.69	5.60	4.44	--	4.45
Primary Index	0.18	8.72	8.72	4.03	3.05	--	
Morningstar Rating™				★★★★★	★★★★★		
# of Funds in Category				382	327		

**Fund Fees Reflected in Performance.** The Separate Account was established 12/26/2014. Currently all performance results are net of the management fee for this Fund of 0.21%. Actual Fund performance is also net of other Fund operating expenses of 0.02% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-877-778-2100. Actual performance may be affected by the manager not being able to invest directly in a country prior to satisfaction of that country's legal requirements. It is possible to lose money investing in securities. Past performance is not indicative of future performance and short periods of performance may be particularly unrepresentative of long-term performance.

## Guidelines / Approach / Advantage

- The Manager may invest in:
- > Government and Agency Securities
  - > Supranational Securities

Annual Performance		
	Fund	Primary Index
2019	12.69%	8.72%
2018	-1.35%	0.01%
2017	5.92%	3.54%
2016	5.19%	2.65%
2015	0.30%	0.55%

**ISelect Platform: Limitation of PRIAC's****Responsibilities Institutional Select Separate**

**Accounts.** PRIAC provides investors with the information in this Fact Sheet to assist them in making investment decisions regarding the Fund. Investors must determine whether any other information is necessary in making those decisions. The investor is solely responsible for obtaining any other information required by the investor, which may not be available from PRIAC. The investor is solely responsible for the decision to invest or continue to invest in the Fund. PRIAC assumes no responsibility for any investor's decision to invest or continue to invest in the Fund. These Separate Accounts are not part of the Manager-of-Managers program and therefore, PRIAC does not assume any responsibility with respect to the selection, monitoring, or replacement of the investment manager. Selection or termination of the Fund on a retirement plan's investment line-up is the sole responsibility of each retirement plan's fiduciary.

- > Corporate Securities
- > Money Market Instruments
- > Repurchase agreements
- > Yankee and Euro Bonds
- > Mortgage-Backed Securities (including CMOs and REMICs)
- > Mortgage Derivatives
- > Asset-Backed Securities
- > Emerging Market Securities
- > Private Placements
- > Forwards used to hedge currency exposure
- > Foreign Exchange
- > Spread trades
- > CDOs, CLOs and CBOs
- > Money market instruments including obligations of domestic and foreign banks including but not limited to certificates of deposit, time deposits, bank notes, bankers' acceptances, repurchase agreements and Short Term Investment Fund (STIF) selected by Company up to 10% of Account's net assets. It is understood, however, that from time to time higher than maximum cash positions may exist for brief periods while cash flow (subscription and redemption) related trades clear and may affect the other limitations herein, and these circumstances will not be considered a breach of the guidelines by the Manager. Minimum 70% in investment grade instruments
- > Non-USD securities may be held on a currency hedge or un-hedged basis. The portfolio may invest in currency exchange transactions on a spot or forward basis. Both long and short currency exposures are permissible.

**Concentration Limits**

The Manager will limit the concentrations within the portfolio to the following:

Issue/Issuer:

- > Obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies are eligible without limit: 100%
- > Obligations of other national governments: 10%
- > Corporates: 10%
- > Private mortgage-backed and asset-backed (where issuer is defined as the individual trust): 5%
- > Obligations of other issuers: 5%
- > Total High Yield Securities (rated below BBB-): 30%
- > US High Yield: 20%
- > Non-US High Yield: 10%
- > Non-US dollar denominated securities: 20%
- > Non-USD via foreign currency transactions and unhedged foreign currency denominated bonds: 10%
- > Mortgage and Asset Back Securities: 60%
- > ETFs: 5%
- > Yankee and Euro Bonds: 10%
- > Convertible Bonds: 5%
- > Supranationals: 10%
- > Structured Notes: 5%
- > Bank Loans: 15%
- > Municipals: 10%
- > Private Placements: 1%
- > Preferred Stock: 5%
- > Emerging Market Securities: 20%
- > Illiquid Securities\*: 5%
- > REITS: 5%
- > Futures and Options: 50% (net notional excluding money Market derivatives)

**Possibility of Contract Charges.** Your retirement plan may have agreed to contract charges. If so, these would reduce the performance (and possibly the Morningstar ratings) shown above. Any contract charges are included in the expense ratio shown in your statement and in the performance shown in your statement. The Fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with this Fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

**The Separate Account.** Your retirement plan purchases units of a Separate Account established and made available as an investment option under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company ("PRIAC"), Hartford, CT. The Separate Account holds the investment securities, and exercises all rights in connection with these

securities. For tax purposes, PRIAC owns the assets in the Separate Account and receives any dividends-received deduction. Pursuant to CFTC Rule 4.5, PRIAC has claimed an exclusion from registration as a commodity pool operator with respect to the Fund. The investment guidelines for this Separate Account prohibit leverage.

In-Kind Distributions. Generally all distributions will be for cash. However, if you redeem units that represent 10% of the Fund's assets, the Fund reserves the right to pay part or all of your distribution proceeds in readily marketable securities instead of cash. If payment is made in securities, the Fund will value the securities selected in the same manner in which it computes its unit value. This process minimizes the effect of large distributions on the Fund and its remaining investors.

*For more information, go to [www.prudential.com](http://www.prudential.com). All Plan Sponsors (or authorized representatives of Plan Sponsors) participating in the commingled accounts are generally provided with uniform written reports regarding these products. To the extent a Plan Sponsor requests additional information or perspective from the portfolio manager, we will make such information available to any Plan Sponsor who makes a similar request.*

**Miscellaneous.** Frequent exchanging of investment options may harm long-term investors. Policies may be in effect at the plan or the investment level to detect and deter exchanges that may be abusive. Such policies may require us to modify, restrict, suspend or terminate purchase or exchange privileges and impose redemption fees. Indices are unmanaged and cannot be invested in directly. See User Guide for index definitions and refer to the section entitled "Description of PRIAC Separate Accounts" for a description of PRIAC's role related to the type of fund described in this Fact Sheet. The index shown, if applicable, in the Characteristics chart refers to the Primary Index.

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