

Brandywine Asset Management

BRANDYWINE ENHANCED STRATEGIES

A Smarter Way to Invest

Brandywine Enhanced Strategies employ Brandywine’s innovation of “Risk Replacement” to seek to reduce risk in order to match or exceed the returns of their benchmarks over a full market cycle. Contrary to the conventional approach of increasing risk in order to increase returns, Brandywine seeks to outperform by *reducing* risk. When losses are reduced, recoveries can start from higher levels, potentially increasing returns.

Portfolio Managers

Michael P. Dever
Professional Experience Since 1982
Robert B. Proctor
Professional Experience Since 1982

Investment Strategy

Brandywine’s Risk Replacement strategy protects the downside with the purchase of put options and then allocates to a lower risk multi-strategy “Return Driver Diversifier” designed to pay for the cost of those options, while retaining 100% exposure to the benchmark. The higher **risk** of the benchmark is **replaced** by the lower risk of the Return Driver Diversifier.

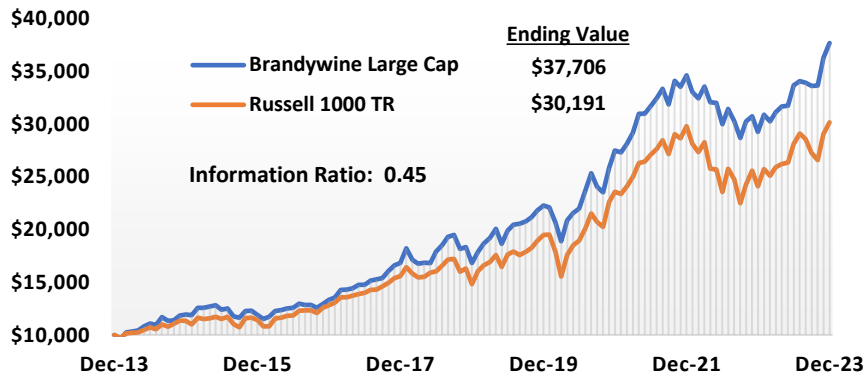
As an example, the -24.6% loss in the Russell 1000 Index during the 2022 bear market required a 33% return just to get back to even. If instead the loss was constrained to just -17.2%, that same +33% return would yield +10% in new profits.



Example Fund - Brandywine Large Cap - Hypothetical Performance

Strategy	YTD	3 Month	1 Year	3 Year	5 Year	10 Year	Since Inception
Brandywine Large Cap	28.85%	12.10%	28.85%	11.08%	17.52%	14.19%	14.72%
Russell 1000 TR	25.16%	10.75%	25.16%	8.58%	15.27%	11.68%	10.74%

Performance shown as of December 31, 2023 and is net of fees and expenses.
Since Inception performance is from the start of the hypothetical period in January 1991



About Brandywine

Founded in 1982, Brandywine Asset Management has a 40 year legacy of investment research, management and innovation. Brandywine’s founder and CEO is a featured subject in three books and wrote a best-selling book describing Brandywine’s Return Driver based investment approach. This is a key component of Brandywine’s innovation of Risk Replacement, which powers the Brandywine Enhanced Strategies.

For investment related questions please contact:
Robert Proctor: 610.361.1000 x102 or rob@brandywine.com.
Or schedule a call: <https://connect.brandywine.com/meetings/robproctor/zoom>

Brandywine Enhanced Strategies

Brandywine provides 401(k) and other qualified plans the ability to invest across nine separate equity and fixed income “Enhanced” strategies, plus five related target date strategies. Each strategy incorporates Brandywine’s Risk Replacement strategy that seeks to limit losses and increase returns.

US Equity Strategies

- [Brandywine Large Cap](#)
- [Brandywine Extended Market](#)
- [Summit Large Cap Growth](#)
- [Summit Small Cap Growth](#)
- [Advantage Large Cap Value](#)
- [Advantage Small Cap Value](#)

International Equity

- [Focus International](#)

Fixed Income / debt

- [Foundation Core Bond](#)
- [Foundation Diversified Income](#)

This page provides an example of the potential alpha generation and the improvement made in risk metrics such as standard deviation, Sharpe ratio and drawdown as a result of Brandywine’s innovation of Risk Replacement. This example uses data from the Brandywine Large Cap strategy.

Risk Analysis 5-Year

Brandywine Large Cap Strategy

Investment

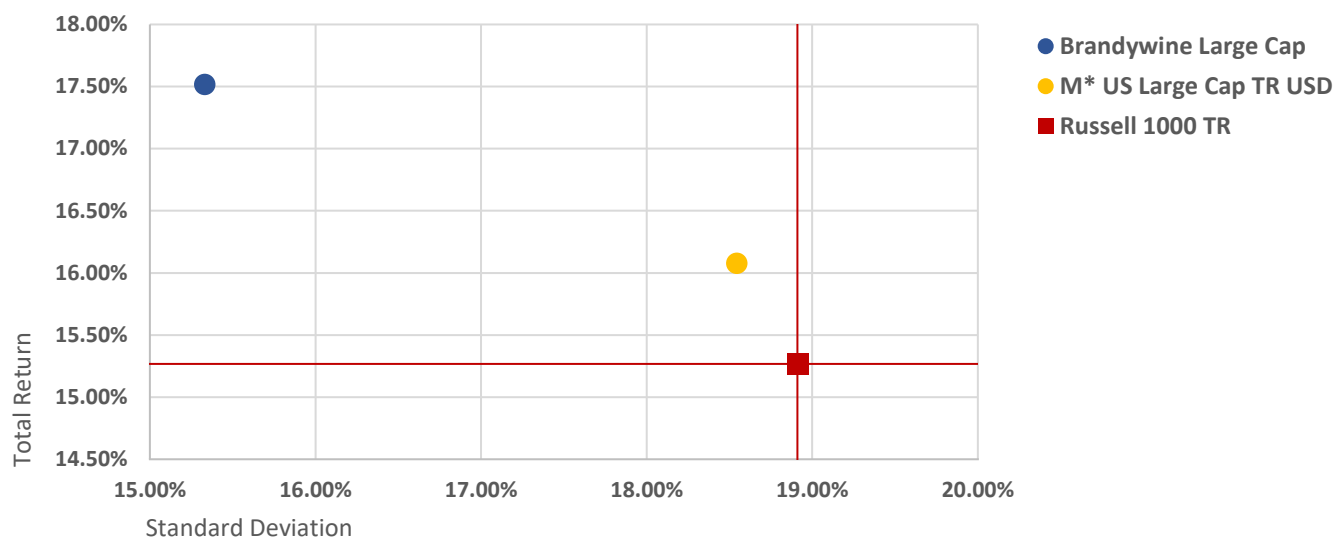
Brandywine Large Cap

Morningstar Index

M* US Large Cap TR USD

Calculation Benchmark

Russell 1000 TR



USD | Category: M* US Large Cap TR USD | Index: Russell 1000 TR | Return and Standard Deviation as of December 31, 2023

Risk & Volatility Measures

Trailing	Brandywine Large Cap	M* US Large Cap TR USD
Alpha	4.53	1.01
Beta	0.77	0.97
R ²	96.01	99.47
Sharpe Ratio	1.02	0.76
Standard Deviation	15.33	18.54

USD | All Measures as of December 31, 2023 | Calculation Benchmark: Russell 1000 TR

Market Volatility Measures

Capture Ratios	Brandywine Large Cap	M* US Large Cap TR USD
Upside	93	101
Downside	67	96

Drawdown	Brandywine Large Cap %	M* US Large Cap TR USD %
Maximum	-17.23	-25.33

Drawdown Peak Date	Drawdown Valley Date	Max Drawdown Duration
December 2021	September 2022	9 Months

USD | As of December 31, 2023 | Calculation Benchmark: Russell 1000 TR | Drawdown as of December 31, 2023

NOT FDIC INSURED—MAY LOSE VALUE—NO BANK GUARANTEE—FOR FINANCIAL PROFESSIONALS

Strategy Performance Disclaimer

This Fact Sheet briefly describes the Risk Replacement investment strategy utilized by Brandywine Asset Management in the Brandywine Enhanced and Target Date Funds. The Strategy Performance displayed in this Fact Sheet for the Brandywine Large Cap strategy is provided to serve as a representative example of the performance of the nine enhanced strategies offered by Brandywine. Performance has been independently verified by Alpha Performance Verification Services for the period January 2013 through October 2023 and is based on a combination of actual and hypothetical performance, net of all fees and expenses. All returns starting in July 2023 are actual. The Brandywine Large Cap strategy combines significant exposure to the Russell 1000 Index and other large cap indexes with the performance of Brandywine's Risk Replacement strategy, which assumes the quarterly purchase of one-year put options covering a portion of the fund's value, together with an investment in a systematic, multi-strategy diversified program (the "Return Driver Diversifier") trading across dozens of financial and commodity markets. This program seeks to pay for the cost of the strategy's put option protection over time.

The performance of Brandywine's Return Driver Diversifier is based on 18 years 5 months of actual trading by Brandywine and 14 years 7 months of tested performance. The actual trading includes the performance of the Brandywine Benchmark Trading Program from 1991 through 1998, Brandywine's futures trading programs from July 2011 through June 2018 and June 2020 through February 2023, and actual trading beginning in May 2023. The tested performance includes the periods 1999 through June 2011, July 2018 through May 2020, and March through April 2023. All performance is based on the performance of an initial \$10,000 investment, with dividends and other earnings reinvested and based on monthly settlement prices for all investments in the strategy.

The effect of material market or economic conditions on the strategy's performance may result in performance for the strategy that varies from that of its benchmark index. For example, the use of put protection in the actual performance of the strategy may result in the strategy losing less when the strategy's benchmark index falls and in periods of strong benchmark index performance the strategy may underperform if the performance of the Return Driver Diversifier does not offset the losses incurred by the put protection.

Potential investors are encouraged to contact Brandywine with any questions related to the actual or backtested performance of the strategy in order to better understand how the risks and limitations of the strategy, to the extent they may not be reflected in the actual and backtested performance, may affect any investment decisions.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE. THERE IS THE RISK OF LOSS AS WELL AS THE OPPORTUNITY FOR GAIN WHEN INVESTING IN THIS STRATEGY. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.