

Release Date: 12-31-2018

Western Asset Variable Global High Yield Bond Portfolio — Class II

Investment Strategy from investment's prospectus

The investment seeks to maximize total return. The fund invests primarily in high yield fixed income securities issued by U.S. and foreign companies and foreign governments and their agencies and instrumentalities. It invests at least 80% of its assets in high yield bonds. The fund may invest without limit in foreign securities denominated either in U.S. dollars or foreign currencies and may invest up to 35% of its assets in sovereign debt issued by emerging market governmental issuers. Its investments may be of any maturity or duration.

Past name: Legg Mason WA Var Gbl High Yield Bd II.

Category Description: High Yield Bond

High-yield bond portfolios concentrate on lower-quality bonds. Because such bonds are riskier than those of higher-quality companies, they offer higher coupons to attract investors. Therefore, these funds generally offer higher yields than other types of funds, but they are also more vulnerable to economic and credit risk. While defaults have been rare lately, these funds can suffer losses from recessions and bankruptcies.

Operations

Fund Inception Date	02-26-04
Initial Share Class Inception Date	05-01-98
Advisor	Legg Mason Partners Fund Advisor, LLC
Subadvisor	Western Asset Management Company Limited
	Western Asset Management Company Pte Ltd
	Western Asset Management Company, LLC

Fees and Expenses as of 05-01-18

Gross Prospectus Expense Ratio	1.08%
Net Prospectus Expense Ratio	1.08%

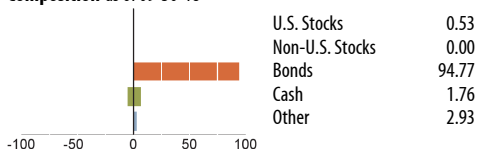
Waiver Data	Type	Exp.Date	%
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Portfolio Manager(s)

Timothy J. Settel. M.B.A., New York University (Stern). B.S., Lehigh University. Since 2012.
 Walter E. Kilcullen. B.A., University of Massachusetts, Amherst. Since 2012.

Portfolio Analysis as of 09-30-18

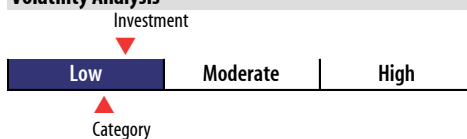
Composition as of 09-30-18



Top 20 Holdings as of 09-30-18

Security	% Assets
Teva Pharmaceutical Finance Netherlands III B.V. 2.2% 07-21-21	3.38
Petrobras Global Finance B.V. 5.75% 02-01-29	3.09
ALTICE FRANCE S.A. 7.38% 05-01-26	2.73
Brazil (Federative Republic) 4.25% 01-07-25	2.26
Turkey (Republic of) 4.25% 04-14-26	1.96
DISH DBS Corporation 7.75% 07-01-26	1.72
Petsmart Inc Petm T1B 11 Usd 03-11-22	1.60
Argentina (Republic of) 5.88% 01-11-28	1.60
DAE Funding LLC 5.9% 08-01-24	1.56
Altice Luxembourg S.A. 7.75% 05-15-22	1.50
Bausch Health Companies Inc 6.12% 04-15-25	1.34
WINDSTREAM SVCS LLC / WINDSTREAM FIN CORP 10.5% 06-30-24	1.29
Intesa Sanpaolo S.p.A. 5.71% 01-15-26	1.22
Invesco Senior Loan ETF	1.04
Lukoil International Finance BV 4.75% 11-02-26	1.03
UPCB Finance IV Ltd 5.38% 01-15-25	0.99
Republic of Colombia 4% 02-26-24	0.97
PEMERINTAH REPUBLIK INDONESIA 4.12% 01-15-25	0.96
Avolon T1b Borrower 1 Us Avol T1B3 11 Usd 01-15-25	0.95
Sprint Corporation 7.88% 09-15-23	0.94
Total Number of Stock Holdings	2
Total Number of Bond Holdings	234
Annual Turnover Ratio %	112.00
Total Fund Assets (\$mil)	147.56

Volatility Analysis



In the past, this investment has shown a relatively small range of 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.

Morningstar Style Box™ as of 09-30-18



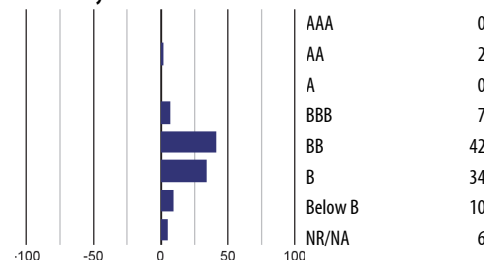
Risk Measures as of 12-31-18

Metric	Port Avg	BC Aggr	Category
3 Yr Std Dev	4.90	2.88	4.27
3 Yr Sharpe Ratio	1.01	0.34	1.05
3 Yr Alpha	4.84	—	4.30
3 Yr Beta	0.24	—	0.13
3 Yr R-squared	1.90	—	2.02

Morningstar Sectors as of 09-30-18

Sector	%Fund	%Category
Government	23.76	1.80
Corporate	68.56	87.46
Securitized	0.96	1.53
Municipal	0.00	0.01
Cash and Equivalents	1.67	4.91
Other	5.04	4.30

Credit Analysis as of 09-30-18



Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE