

BrandywineGLOBAL-Global Income Opportunities Fund Inc  
Form N-CSRS  
June 29, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-22491**

**BrandywineGLOBAL - Global Income Opportunities Fund Inc.**

**(Exact name of registrant as specified in charter)**

**620 Eighth Avenue, 49<sup>th</sup> Floor, New York, NY 10018**

**(Address of principal executive offices) (Zip code)**

**Robert I. Frenkel, Esq.**

**Legg Mason & Co., LLC**

**100 First Stamford Place**

**Stamford, CT 06902**

**(Name and address of agent for service)**

**Registrant's telephone number, including area code: (888) 777-0102**

**Date of fiscal year end: October 31**

**Date of reporting period: April 30, 2018**

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ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

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Semi-Annual Report

April 30, 2018

BrandywineGLOBAL

GLOBAL INCOME

OPPORTUNITIES FUND INC.

(BWG)

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

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### **Fund objectives**

The Fund's primary investment objective is to provide current income. As a secondary investment objective, the Fund will seek capital appreciation.

The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in global fixed income securities.

## **Letter from the chairman**

### **Dear Shareholder,**

We are pleased to provide the semi-annual report of BrandywineGLOBAL Global Income Opportunities Fund Inc. for the six-month reporting period ended April 30, 2018. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund's reporting period.

### **Special shareholder notice**

Effective December 29, 2017, Legg Mason BW Global Income Opportunities Fund Inc. was renamed BrandywineGLOBAL Global Income Opportunities Fund Inc. The change to the Fund's name was effected as part of a rebranding of Legg Mason funds subadvised by Brandywine Global Investment Management, LLC ( Brandywine Global ). Legg Mason Partners Fund Advisor, LLC continues to serve as the investment manager to the Fund, and Brandywine Global continues to serve as subadviser. The Fund's shares of common stock continue to trade under its existing New York Stock Exchange symbol BWG ; however, its cusip changed from 52469B100 to 10537L104 on January 2, 2018. The Fund's investment objectives, strategies and policies did not change as a result of the name change.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, [www.lmcef.com](http://www.lmcef.com). Here you can gain immediate access to market and investment information, including:

Fund prices and performance,

# Edgar Filing: BrandywineGLOBAL-Global Income Opportunities Fund Inc - Form N-CSRS

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

II BrandywineGLOBAL Global Income Opportunities Fund Inc.

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We look forward to helping you meet your financial goals.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

May 31, 2018

BrandywineGLOBAL Global Income Opportunities Fund Inc. III

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## Investment commentary

### Economic review

Economic activity in the U.S. was somewhat mixed during the six months ended April 30, 2018 (the reporting period). Looking back, the U.S. Department of Commerce reported that third and fourth quarter 2017 U.S. gross domestic product (GDP) growth was 3.2% and 2.9%, respectively. Finally, the U.S. Department of Commerce's second reading for first quarter 2018 GDP growth released after the reporting period ended was 2.2%. The deceleration in GDP growth in the first quarter reflected decelerations in personal consumption expenditures (PCE), exports, state and local government spending, and federal government spending and a downturn in residential fixed investment. These movements were partly offset by an upturn in private inventory investment and a larger increase in nonresidential fixed investment.

Job growth in the U.S. was solid overall and supported the economy during the reporting period. When the reporting period ended on April 30, 2018, the unemployment rate was 3.9%, as reported by the U.S. Department of Labor. This was the lowest unemployment rate since December 2000. The percentage of longer-term unemployed declined during the reporting period. In April 2018, 20.0% of Americans looking for a job had been out of work for more than six months, versus 23.8% when the period began.

Turning to the global economy, in its April 2018 *World Economic Outlook Update*, the International Monetary Fund (IMF) said, "World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. From a regional perspective, the IMF projects 2018 growth in the Eurozone will be 2.4%, versus 2.3% in 2017. Japan's economy is expected to expand 1.2% in 2018, compared to 1.7% in 2017. Elsewhere, the IMF projects that overall growth in emerging market countries will accelerate to 4.9% in 2018, versus 4.8% in 2017."



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### **Market review**

#### **Q. How did the Federal Reserve Board (the Fed<sup>ii</sup>) respond to the economic environment?**

**A.** The Fed increased the federal funds rate<sup>iv</sup> twice during the reporting period. Looking back, at its meeting that concluded on September 20, 2017 before the reporting period began the Fed kept rates on hold, but reiterated its intention to begin reducing its balance sheet, saying, "In October, the Committee will initiate the balance sheet normalization program." At its meeting that ended on December 13, 2017, the Fed raised rates to a range between 1.25% and 1.50%. As expected, the Fed kept rates on hold at its meeting that concluded on January 31, 2018. However, at its meeting that ended on March 21, 2018, the Fed again raised the federal funds rate, moving it to a range between 1.50% and 1.75%.

#### **Q. What actions did international central banks take during the reporting period?**

**A.** Central banks outside the U.S. largely maintained their accommodative monetary policy stances during the reporting period. Looking back, in December 2016, the European Central Bank (ECB<sup>v</sup>) extended its bond buying program until December 2017. From April 2017 through December 2017, the ECB purchased 60 billion-per-month of bonds. Finally, in October 2017, the ECB announced that it would continue to buy bonds through September 2018, but after December 2017 it would pare its purchases to 30 billion-per-month. However, the ECB did not change its key interest rates. In other developed countries, on November 2, 2017, the Bank of England<sup>vi</sup> raised rates from 0.25% to 0.50% the first increase since July 2007. After holding rates steady at 0.10% for more than five years, in January 2016, the Bank of Japan<sup>vii</sup> announced that it cut the rate on current accounts that commercial banks hold with it to -0.10% and kept rates on hold during the reporting period. Elsewhere, the People's Bank of China<sup>viii</sup> kept rates steady at 4.35% during the reporting period.

#### **Q. Did Treasury yields trend higher or lower during the reporting period?**

**A.** Both short-term and longer-term Treasury yields moved higher during the six-month reporting period ended April 30, 2018. The yield for the two-year Treasury note began the reporting period at 1.60% the low for the period and ended the period at 2.49% equaling its peak for the period. The yield for the ten-year Treasury began the reporting period at 2.38% and ended the period at 2.95%. The low for the period of 2.32% occurred several times in November 2017 and the high for the period of 3.03% took place on April 25, 2018.

#### **Q. What factors impacted the spread sectors (non-Treasuries) during the reporting period?**

**A.** The spread sectors generally posted weak results during the reporting period. Performance fluctuated given changing expectations for global growth, uncertainties regarding future central bank monetary policy, the signing of the U.S. tax reform bill in December 2017 and concerns over a global trade war. All told, the broad U.S. bond market, as measured by the Bloomberg Barclays U.S. Aggregate Index<sup>ix</sup>, returned -1.87% during the six-month reporting period ended April 30, 2018.

**Table of Contents****Investment commentary (cont d)****Q. How did the emerging markets debt asset class perform over the reporting period?**

A. The JPMorgan Emerging Markets Bond Index Global (EMBI Global) returned -2.87% during the six months ended April 30, 2018. The asset class produced choppy results during the reporting period. At times it was supported by solid investor demand, less concern over a significant shift in U.S. trade policy and a weakening U.S. dollar. However, at other times it was dragged down by rising U.S. interest rates, periods of investor risk aversion and geopolitical issues. In addition, the U.S. dollar rallied in April 2018, negatively impacting the performance of the asset class.

**Performance review**

For the six months ended April 30, 2018, BrandywineGLOBAL Global Income Opportunities Fund Inc. returned 0.65% based on its net asset value (NAV<sup>i</sup>) and 0.86% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmark, the Bloomberg Barclays Global Aggregate Index<sup>xii</sup>, returned 1.20% for the same period. The Lipper Global Income Closed-End Funds Category Average<sup>xiii</sup> returned 0.42% over the same time frame. Please note that Lipper performance returns are based on each fund's NAV.

During this six-month period, the Fund made distributions to shareholders totaling \$0.47 per share. As of April 30, 2018, the Fund estimates that 55% of the distributions were sourced from net investment income and 45% constituted a return of capital.\* The performance table shows the Fund's six-month total return based on its NAV and market price as of April 30, 2018. **Past performance is no guarantee of future results.**

**Performance Snapshot as of April 30, 2018**

(unaudited)

	6-Month Total Return**
Price Per Share	
\$14.50 (NAV)	0.65%
\$12.64 (Market Price)	0.86%

**All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.**

**\*\* Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

**Total return assumes the reinvestment of all distributions, including returns of capital, if any, at NAV.**

**Total return assumes the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund's Dividend Reinvestment Plan.**

\*These estimates are not for tax purposes. The Fund will issue a Form 1099 with final composition of the distributions for tax purposes after year-end. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder's investment. For more information about a distribution's composition, please refer to the Fund's distribution press release or, if applicable, the Section 19 notice located in the press release section of our website, [www.lmcef.com](http://www.lmcef.com) (click on the name of the Fund).

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### Looking for additional information?

The Fund is traded under the symbol **BWG** and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol **XBWGX** on most financial websites. *Barron's* and the *Wall Street Journal's* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as [www.lmcef.com](http://www.lmcef.com) (click on the name of the Fund).

In a continuing effort to provide information concerning the Fund, shareholders may call 1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

Thank you for your investment in BrandywineGLOBAL Global Income Opportunities Fund Inc. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

Jane Trust, CFA

Chairman, President and Chief Executive Officer

May 31, 2018

***RISKS:** The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. The Fund's common stock is traded on the New York Stock Exchange. Similar to stocks, the Fund's share price will fluctuate with market conditions and, at the time of sale, may be worth more or less than the original investment. Shares of closed-end funds often trade at a discount to their net asset value. Because the Fund is non-diversified, it may be more susceptible to economic, political or regulatory events than a diversified fund.*

*The Fund's investments are subject to various risks, including but not limited to, credit, inflation, income, prepayment and interest rate risks. As interest rates increase, the value of fixed income securities decrease. Fixed income securities rated below investment grade are commonly referred to as high yield securities or junk bonds and are subject to greater liquidity and credit risks (risk of default) than higher-rated securities. Fixed income securities rated C or lower by Moody's Investor Service, Inc., CCC or lower by Standard & Poor's Corporation Ratings Group or CC or lower by Fitch Ratings, Inc. or comparably rated by another NRSRO or, if unrated, determined by Brandywine Global to be of comparable quality are considered to have extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or to be in default or not current in the payment of interest or principal. Ratings may not accurately reflect the actual credit risk associated with a corporate security. International investments involve certain risks not associated with domestic investing, such as currency fluctuations, and changes in political, social and economic conditions which*

BrandywineGLOBAL Global Income Opportunities Fund Inc.

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## Investment commentary (cont d)

*could increase volatility. These risks are magnified in emerging or developing markets. Mortgage-backed securities are subject to additional risks, including prepayment risk, which can limit the potential gains in a declining interest rate environment. The Fund may invest in foreign currencies or currency derivatives which may increase the risk and volatility of the Fund.*

*The Fund may invest in illiquid securities and securities/investments that have a leveraging effect on the portfolio which will increase the risks of the Fund. The Fund's use of leverage may result in greater volatility of NAV and the market price of common shares and increases a shareholder's risk of loss. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses and have a potentially large impact on Fund performance. The use by the Fund of derivatives such as options, forwards or futures contracts for investment and/or risk management purposes may subject the Fund to risks associated with short economic exposure through such derivatives. Taking a short economic position through derivatives exposes the Fund to the risk that it will be obligated to make payments to its counterparty if the underlying asset appreciates in value, thus resulting in a loss to the Fund. The Fund's loss on a short position, whether caused by the use of derivatives or otherwise, theoretically could be unlimited.*

*The Fund may invest in contingent convertible securities (CoCos). CoCos are a form of hybrid debt security that are intended to either convert into equity or have their principal written down upon the occurrence of certain triggers. The triggers are generally linked to regulatory capital thresholds or regulatory actions calling into question the issuing banking institution's continued viability as a going-concern. CoCos are subject to risks, such as Loss absorption risk (the risk that CoCos' fully discretionary coupons can potentially be cancelled at the banking institution's discretion or at the request of the relevant regulatory authority in order to help the bank absorb losses) and subordination risk (the risk that (i) in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the CoCos will generally rank junior to the claims of all holders of unsubordinated obligations of the issuer; and (ii) if the CoCos are converted into the issuer's underlying equity securities following a conversion event (i.e., a trigger), each holder will be subordinated due to their conversion from being the holder of a debt instrument to being the holder of an equity instrument).*

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole. Forecasts and predictions are inherently limited and should not be relied upon as an indication of actual or future performance.

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- <sup>i</sup> Gross domestic product ( GDP ) is the market value of all final goods and services produced within a country in a given period of time.
- <sup>ii</sup> The International Monetary Fund ( IMF ) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.
- <sup>iii</sup> The Federal Reserve Board (the Fed ) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- <sup>iv</sup> The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- <sup>v</sup> The European Central Bank ( ECB ) is responsible for the monetary system of the European Union and the euro currency.
- <sup>vi</sup> The Bank of England ( BoE ), formally the Governor and Company of the BoE, is the central bank of the United Kingdom. The BoE's purpose is to maintain monetary and financial stability.
- <sup>vii</sup> The Bank of Japan is the central bank of Japan. The bank is responsible for issuing and handling currency and treasury securities, implementing monetary policy, maintaining the stability of the Japanese financial system and the yen currency.
- <sup>viii</sup> The People's Bank of China is the central bank of the People's Republic of China with the power to carry out monetary policy and regulate financial institutions in mainland China.
- <sup>ix</sup> The Bloomberg Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- <sup>x</sup> The JPMorgan Emerging Markets Bond Index Global ( EMBI Global ) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds and local market instruments.
- <sup>xi</sup> Net asset value ( NAV ) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- <sup>xii</sup> The Bloomberg Barclays Global Aggregate Index is an index comprised of several other Bloomberg Barclays indices that measure fixed-income performance of regions around the world.
- <sup>xiii</sup> Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended April 30, 2018, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 14 funds in the Fund's Lipper category.



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**Fund at a glance** (unaudited)

**Investment breakdown** (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of April 30, 2018 and October 31, 2017 and does not include derivatives, such as futures contracts, swap contracts and forward foreign currency contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

**Table of Contents****Schedule of investments (unaudited)**

April 30, 2018

**BrandywineGLOBAL Global Income Opportunities Fund Inc.**

Security	Rate	Maturity Date	Face Amount	Value
<b>Sovereign Bonds 61.9%</b>				
<i>Brazil 15.6%</i>				
Federative Republic of Brazil, Notes	10.000%	1/1/23	38,785,000 BRL	\$ 11,536,485
Federative Republic of Brazil, Notes	10.000%	1/1/27	122,900,000 BRL	35,903,719
<i>Total Brazil</i>				<i>47,440,204</i>
<i>Colombia 6.2%</i>				
Republic of Colombia, Senior Bonds	7.500%	8/26/26	48,800,000,000 COP	18,836,789
<i>India 6.6%</i>				
Republic of India, Senior Bonds	8.170%	12/1/44	1,300,000,000 INR	19,979,173
<i>Indonesia 11.6%</i>				
Republic of Indonesia, Senior Bonds	8.375%	3/15/24	65,100,000,000 IDR	5,028,715
Republic of Indonesia, Senior Bonds	8.375%	9/15/26	50,000,000,000 IDR	3,895,777
Republic of Indonesia, Senior Bonds	7.000%	5/15/27	43,115,000,000 IDR	3,131,551
Republic of Indonesia, Senior Bonds	9.000%	3/15/29	120,400,000,000 IDR	9,952,746
Republic of Indonesia, Senior Bonds	8.375%	3/15/34	69,800,000,000 IDR	5,471,116
Republic of Indonesia, Senior Bonds	8.750%	2/15/44	96,900,000,000 IDR	7,974,879
<i>Total Indonesia</i>				<i>35,454,784</i>
<i>Mexico 10.9%</i>				
United Mexican States, Senior Bonds	10.000%	11/20/36	72,700,000 MXN	4,806,032
United Mexican States, Senior Bonds	8.500%	11/18/38	96,600,000 MXN	5,625,584
United Mexican States, Senior Bonds	7.750%	11/13/42	421,500,000 MXN	22,788,255
<i>Total Mexico</i>				<i>33,219,871</i>
<i>South Africa 5.8%</i>				
Republic of South Africa	8.750%	2/28/48	229,260,000 ZAR	17,837,954
<i>Turkey 5.2%</i>				
Republic of Turkey, Bonds	11.000%	2/24/27	68,360,000 TRY	15,751,695
<b>Total Sovereign Bonds (Cost \$204,535,440)</b>				<b>188,520,470</b>
Collateralized Mortgage Obligations <sup>(a)</sup>				