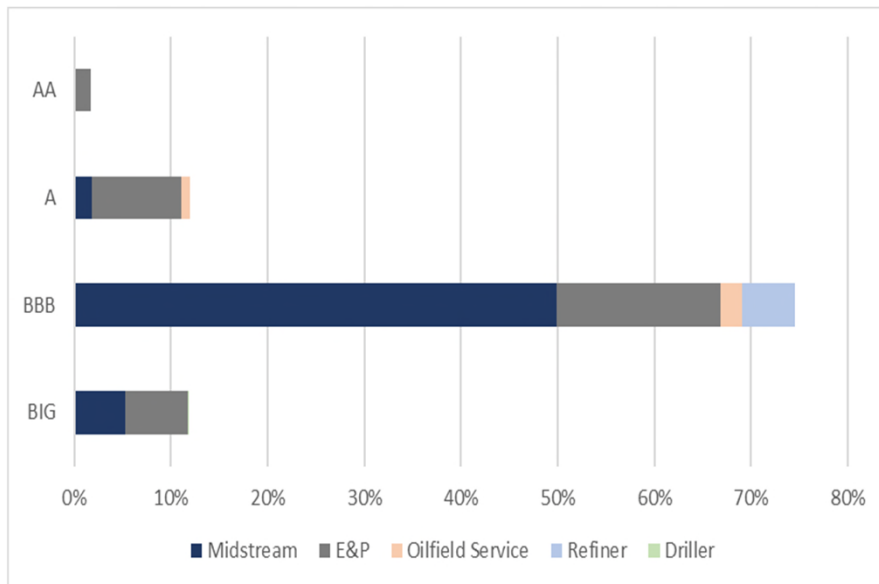


# Energy Portfolio

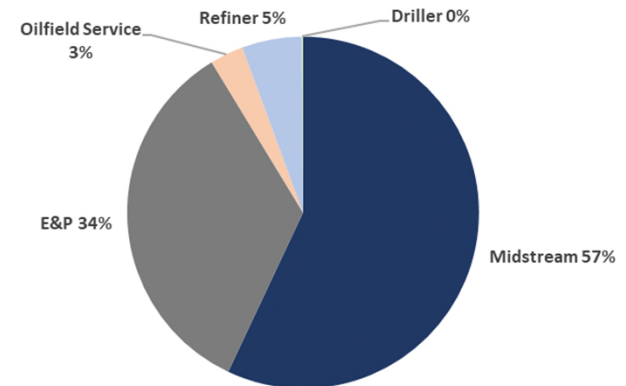
## Overview

- ~9.6% of Globe Life's fixed maturity portfolio
  - Less than ICE BofA US Corporate Index (9.7%) and ICE BofA 15+ Year US Corporate Index (10.3%)
- 88% of Energy exposure rated BBB or higher
- Well-diversified portfolio
  - Exposure across energy value chain with a focus on the more defensive midstream subsector
  - Top 20 energy exposures = 7% of fixed maturity portfolio

## Limited BIG Exposure



## Subsector Composition



\*Chart may not sum due to rounding.

## Defensively Positioned

- **Midstream (57%)**
  - Well positioned to manage commodity price volatility
  - GL's exposure focused on large cap, higher quality issuers
  - Expect issuers to adjust capital allocation policies to defend credit quality
  - Anticipate limited downgrades and view default risk as limited
- **Exploration and Production (34%)**
  - Exposure weighted towards US independent issuers with good scale and resource play diversification as well as adequate liquidity
  - Generally, issuers are reducing capital investments, dividends, buybacks, and headcount to mitigate impact of lower oil prices
  - Primary risk is potential downgrades from NAIC 2 to 3 with limited risk of default

As of 12/31/2020