

TCW Core Fixed Income Composite Performance

ASSET-WEIGHTED AND TIME-WEIGHTED RATES OF RETURN

	Annual Return		Bloomberg Barclays		Total Composite Assets at			Composite Internal Dispersion	Composite 3-Year Standard Deviation Annualized	Benchmark 3-Year Standard Deviation Annualized	As of 12/31	
	Gross (%)	Net (%)	U.S. Aggregate Bond Index (%)	# of Portfolios	End of Period (U.S.\$ millions)	% of Non-Fee Paying Assets	Total Firm Assets (MSD)* (U.S.\$ millions)				Supplemental Information: MetWest Total Assets (U.S.\$ millions)	
	2008 ²⁵	-3.55	-3.71	5.24	34	3,455.99	—				2.97	3.93
2009 ²⁵	17.06	16.90	5.93	35	4,447.19	—	2.67	4.91	4.17	N/A	29,366	
2010 ²⁵	11.64	11.48	6.54	36	5,510.53	—	1.51	5.08	4.23	N/A	35,126	
2011	6.87	6.71	7.84	35	5,146.63	—	0.43	3.63 ²⁵	2.82	81,764	N/A	
2012	8.77	8.62	4.21	30	5,535.20	—	1.57	2.50 ²⁵	2.42	102,490	N/A	
2013	-0.68	-0.88	-2.02	26	5,808.56	—	0.49	2.52	2.75	109,920	N/A	
2014	6.14	5.89	5.97	28	6,395.73	—	0.20	2.51	2.67	144,768	N/A	
2015	0.74	0.51	0.55	32	9,227.30	—	0.19	2.59	2.92	165,036	N/A	
2016	2.80	2.55	2.65	32	9,835.01	—	0.16	2.59	3.02	177,187	N/A	
2017	3.59	3.36	3.54	32	10,831.57	—	0.19	2.42	2.81	191,104	N/A	

The TCW Group, Inc. is divided into three divisions: the Marketable Securities Division; the Alternative Products Division; and the Managed Accounts Division. On February 23, 2010, The TCW Group, Inc. acquired Metropolitan West Asset Management. On January 1, 2011, the Marketable Securities Division and Metropolitan West Asset Management completed a merger. Accordingly, effective January 1, 2011, Metropolitan West Asset Management was included within the Firm definition.

- Effective January 1, 2000, the Marketable Securities Division was established to provide investment advisory services in the marketable securities area. ²⁵The Marketable Securities Division is defined as the Firm for purposes of reporting performance in accordance with the Global Investment Performance Standards.
- The Marketable Securities Division of The TCW Group, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards for the periods shown since inception. The Marketable Securities Division has been independently verified for the periods January 2000 through December 2017. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The TCW Core Fixed Income Composite (Composite) has been examined for the period January 1, 2011 – December 31, 2017. The verification and performance examination reports are available upon request.
- Results are for portfolios present for an entire month. The Composite includes all portfolios managed in the strategy, except for those subject to material client restrictions, which are, therefore, deemed non-discretionary.
- Results are time-weighted and geometrically linked to yield quarterly returns, and include all items of income, gain and loss.
- Results are based on trade-date transactions.
- A complete list and description of Firm composites is available upon request.
- The internal dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the Composite for the full year. Periods with five or fewer portfolios are not statistically representative and are not presented.
- Asset-weighted results use beginning of period market values. Unless stated otherwise, asset-weighted results are shown for the entire period. Equal-weighted results represent the simple average of all composite portfolios present for the entire period.
- The currency used to express performance is U.S. dollars.
- Gross results do not reflect the deduction of management fees and other custodial fees. Including these costs would reduce the shown returns. The net Composite returns reflect the actual advisory fees paid in each portfolio. Certain clients could pay a significantly higher or lower fee which would result in different net returns. A fee which is 0.50% higher than the standard U.S. institutional fee will result in the total return being reduced, over five years, by 2.53% on a compound basis. Net results do not include the deduction of custodial fees or other administrative expenses, which will also reduce the returns shown. In general, advisory fees are paid quarterly in arrears based upon total assets. Performance results include accrued and reinvested interest. The Marketable Securities Division assumes that the fee charged is deducted from the portfolio equally at the end of each month in a quarter.
- TCW makes no representation that future investment performance will conform to past performance and it should never be assumed that past performance foretells future performance.
- Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

- There is a \$10 million minimum asset level for portfolios included in the Composite at the beginning and end of the month from 2000 to the present. From inception to December 31, 1999, portfolios in the Composite must have had a minimum market value of \$5 million at the beginning and end of the month.
- This GIPS®-compliant composite was created in 4Q 1996.
- The Composite is constructed of portfolios in excess of \$10,000,000 in assets managed to an average duration of +/- 1 year of the Bloomberg Barclays U.S. Aggregate Bond Index or similar benchmark. Portfolios in the composite will be invested primarily in investment grade securities, but may have a limited allocation to non-investment grade and non-U.S. fixed income securities. All sectors represented in the Bloomberg Barclays U.S. Aggregate Bond Index are utilized to add value while maintaining a prudent risk level similar to the benchmark. Effective May 1, 2013, the Composite definition changed to better clarify the security types and sector allocations of portfolios included within the Composite. There were no composite membership changes as a result of this clarification.
- The benchmark is the Bloomberg Barclays U.S. Aggregate Bond Index. The index return along with all index related information, including the benchmark 3-year standard deviation annualized, is not subject to independent examinations. The Bloomberg Barclays U.S. Aggregate Bond Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- The Composite's U.S. institutional fee schedule is as follows:
 - 0.275% on the first \$100 million
 - 0.20% on the remaining balance
- Derivatives are not a driving factor in the Composite's strategy, but may be used in certain portfolios where such use is consistent with client investment guidelines. Certain derivative instruments such as credit default swaps, treasury futures, and option contracts may be utilized to add incremental value, to hedge credit risk exposure, and/or to tactically adjust the duration and/or yield curve exposure.
- Withholding tax is not deducted from the portfolios contained in the Composite.
- There are not any known inconsistencies between the local laws that the Composite adheres to and the GIPS® standards.
- There are not any known inconsistencies between the chosen source of exchange rates and those of the benchmark.
- A Significant Cash Flow policy has been applied to this Composite beginning October 2006. When a portfolio's total amount of net withdrawals of capital in a month equals or exceeds 25% of the portfolio's beginning monthly market value, the portfolio is deemed to be temporarily non-discretionary and is removed from the Composite for the month. Upon the first month that this portfolio's total amount of net withdrawals is less than 25%, the portfolio is reassigned to the Composite. Additional information regarding the treatment of Significant Cash Flows is available upon request.
- The total firm assets of Metropolitan West Asset Management (MetWest) are presented as supplemental information to this presentation. The Marketable Securities Division AUM is represented with an N/A, because the two firms were managed separately prior to 2011.
- Performance presented for the investment periods prior to January 1, 2011 occurred while members of the portfolio management team were affiliated with MetWest. Such members of the portfolio management team were the only individuals responsible for investment management decisions at MetWest. The team and the decision-making process have remained intact and independent within the Marketable Securities Division. In the Marketable Securities Division's opinion, such performance track record conforms to the GIPS® standards with regard to the portability of investment results, and, as such, all historical performance results from MetWest have been linked to the on-going performance results of the Composite. Performance records of MetWest are available upon request.
- Periods have not been subject to an independent examination.
- Effective December 19, 2014, the composite changed its name from TCW MetWest Core Fixed Income to TCW Core Fixed Income.

Source: TCW