

TCW High Yield Composite Performance

ASSET-WEIGHTED AND TIME-WEIGHTED RATES OF RETURN

	Annual Return		Bloomberg Barclays		# of Portfolios	Total Composite Assets at		Composite Internal Dispersion	Composite 3-Year Standard Deviation Annualized	Benchmark 3-Year Standard Deviation Annualized	Total Firm Assets (MSD)* (U.S.\$ millions)	As of 12/31
	Gross (%)	Net (%)	U.S. Corp. High Yield 2% Issuer Cap Index (%)	End of Period (U.S.\$ millions)		% of Non-Fee Paying Assets	Supplemental Information:					
							MetWest Total Assets (U.S.\$ millions)					
2008	-21.29	-21.55	-25.88	111.02	1	—	9.60	13.29	N/A	23,547		
2009	55.58	54.97	58.76	965.37	2	—	13.25	16.89	N/A	29,366		
2010	14.33	13.89	14.94	2,728.17	2	—	13.44	16.99	N/A	35,126		
2011	1.87	1.48	4.96	3,878.07	3	—	10.07	11.15	81,764	N/A		
2012	14.66	14.23	15.78	4,572.28	3	—	6.84	7.17	102,490	N/A		
2013	7.46	7.06	7.44	4,473.31	4	—	6.50	6.52	109,920	N/A		
2014	1.00	0.63	2.46	3,201.02	4	—	4.56	4.56	144,768	N/A		
2015	-1.69	-2.14	-4.43	1,898.84	3	—	4.67	5.33	165,036	N/A		
2016	8.87	8.12	17.13	930.63	2	—	4.12	6.08	177,187	N/A		
2017	7.04	6.30	7.50	705.16	2	—	3.37	5.64	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. *The 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. TCW High Yield Composite (Composite) has been examined for the period October 1, 2002 – December 31, 2012. 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.

Source: TCW

- There is a \$10 million minimum asset level for portfolios included in the Composite at the beginning and end of the month since inception.
- This GIPS®-compliant composite was created on October 1, 2002.
- The Composite is constructed of portfolios of high yield fixed income securities of varying maturities issued by domestic and foreign corporations and governments (and their agencies and instrumentalities) with a portfolio duration of two to eight years.
- The benchmark is the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index. The index along with all index related information is not subject to independent examinations. The Bloomberg Barclays High Yield 2% Issuer Capped Index is the 2% Issuer Cap component of the U.S. Corporate High Yield index.
- The Composite's U.S. institutional fee schedule is as follows:
 - 0.50% on the first \$100 million
 - 0.40% 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 2002. When a portfolio's total amount of net withdrawals of capital in a month equals or exceeds 15% 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 15%, the portfolio is reassigned to the Composite. Additional information regarding the treatment of Significant Cash Flows is available upon request.
- The Bloomberg Barclays High Yield 2% Issuer Capped Index was adopted on 12/31/06, and is presented above beginning 10/1/02, as it is more representative of the overall investment style of the composite. Prior to 12/31/06, the Lehman Brothers U.S. Corporate High Yield Index was used for comparison purposes. The Index has been linked using the same methodology as for the rates of return of the High Yield Fixed Income Composite. The performance of an index assumes no taxes, transaction costs, management fees or other expenses.
- The total firm assets of Metropolitan West Asset Management (MetWest) are presented prior to January 1, 2011 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.
- Effective December 19, 2014, the composite changed its name from TCW MetWest High Yield Fixed Income to TCW High Yield Fixed Income.