

# TCW Unconstrained Fixed Income Composite Performance

## ASSET-WEIGHTED AND TIME-WEIGHTED RATES OF RETURN

	Annual Return		ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Average Index (LUS\$) (%)	# of Portfolios	Total Composite Assets at End of Period (U.S.\$ millions)	% of Non-Fee Paying Assets	Composite Internal Dispersion	Composite 3-Year Standard Deviation Annualized	Benchmark 3-Year Standard Deviation Annualized	Total Firm Assets (MSD)* (U.S.\$ millions)
	Gross (%)	Net (%)								
4Q 11	8.37	8.37	0.10	1	13.89	—	—	—	—	81,764
2012	16.00	15.84	0.46	1	98.67	—	—	—	—	102,490
2013	3.58	3.08	0.28	3	792.49	—	—	—	—	109,920
2014	4.18	3.62	0.24	6	1,940.19	—	—	2.74	0.03	144,768
2015	0.96	0.30	0.29	9	2,984.98	—	0.20	1.70	0.01	165,036
2016	4.47	3.71	0.70	9	3,319.30	—	0.17	0.96	0.06	177,187
2017	4.74	3.98	1.22	17	6,601.77	—	0.43	0.89	0.12	191,104

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 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. The verification reports are available upon request.  
  
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. Verification does not ensure the accuracy of any specific composite presentation.
- 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.

Source: TCW

- 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 no minimum asset level for portfolios included in the Composite.
- This GIPS®-compliant composite was created on October 1, 2011.
- The TCW Unconstrained Fixed Income Composite includes portfolios with the ability to invest across multiple fixed income sectors, including but not limited to investment grade and high yield corporate bonds and bank loans, mortgage-backed securities, and emerging markets debt. Sector allocations are determined through an integration of macroeconomic analysis and fundamental research of individual securities. The overall duration of the portfolios are allowed to fluctuate significantly over the course of the business cycle.
- The benchmark is the ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Average Index (LUS\$). The ICE BofAML U.S. Dollar 3-Month Deposit Offered Rate Average Index (LUS\$) tracks the performance of a basket of synthetic assets paying Libor to a stated maturity. The index is not available for direct investment; therefore its performance does not reflect a reduction for fees or expenses incurred in managing a portfolio. The securities in the index may be substantially different from those in the Composite. This index was formerly known as BofA Merrill Lynch U.S. LIBOR 3-Month Average 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®.
- There are not any known inconsistencies between the chosen source of exchange rates and those of the benchmark.
- The annualized three-year composite and benchmark ex-post standard deviation are not presented because 36 monthly returns are not available.