

Investment Objective & Philosophy

The TCW Emerging Markets Local Currency Income strategy seeks to provide high total return from current income, foreign exchange gains and capital appreciation by investing in fixed income securities and instruments denominated in the local currency of various emerging market (EM) countries.

Investment Approach

The TCW Emerging Markets Local Currency Income strategy primarily invests in bonds and money market instruments issued or guaranteed by non-financial companies, financial institutions and government entities in emerging market countries denominated in the local currency of these countries. The strategy may use derivative instruments to provide investment access to certain markets. The strategy may, but is not required to, hedge its exposure to non-U.S. currencies.

The strategy's value seeking investment approach has been developed to identify and capitalize the best reward risk opportunities in emerging markets local currency fixed income. Its experienced team of research, trading and investment professionals utilizes highly developed research methods to establish a dynamic link between fundamentals, foreign exchange dynamics, market valuations and portfolio strategy.

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Why Emerging Markets Local Currency?

- Spread between EM and Developed Market (DM) growth stable to improving
- Trade competitiveness has improved, with EM currencies down over 30% since the time of the taper tantrum, despite improved fundamentals
- With average yields of approximately 6.75%¹, EM local currency offers some of the highest real yields in global fixed income

Why TCW EM Local Currency Income?

The Investment Team

- Experienced portfolio management team averaging over 30 years of investment experience
- Fund managers are supported by a group of 10 emerging markets sovereign and corporate fundamental research analysts with deep country and industry expertise, in addition to 2 strategists who focus on shorter-term market technicals
- Net compounded annualized returns = 0.98%; Annual net excess returns of 91 bps since 2011²

The Investment Process

- Highly developed investment process tested in extreme market conditions
- Identify the most attractive opportunities in the global emerging markets local currency universe
- Sophisticated internal process to forecast currency rates and local market interest rate curves.
- Scenario analysis performed on each investment idea to determine base, upside and downside cases
- Strong emphasis on risk and liquidity management

There is no assurance that the objectives and/or trends will come to pass or be maintained.

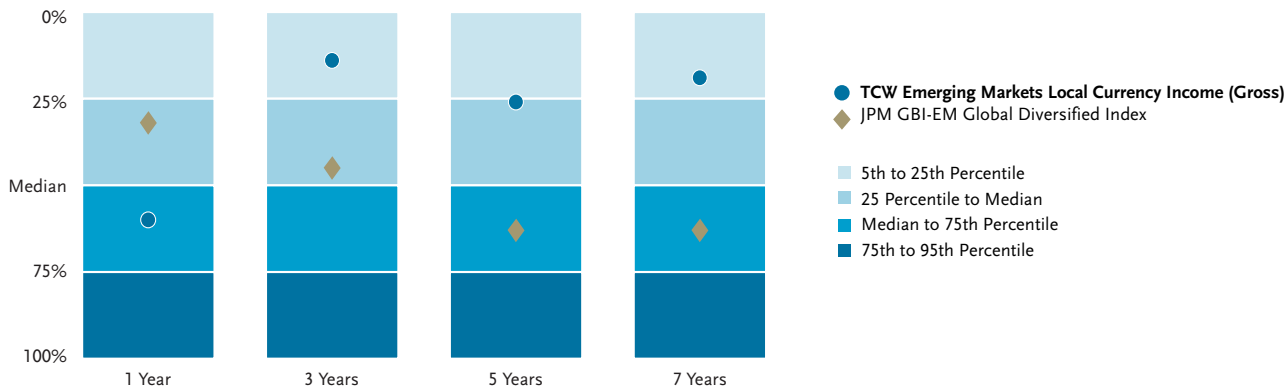
¹ Source: Bloomberg. JP Morgan GBI-EM Global Diversified.

² Footnotes regarding performance appear at the end of this document and are an integral and important part of this disclosure. Past performance is not a guarantee of future results. Performance based on TCW Emerging Markets Local Currency composite.

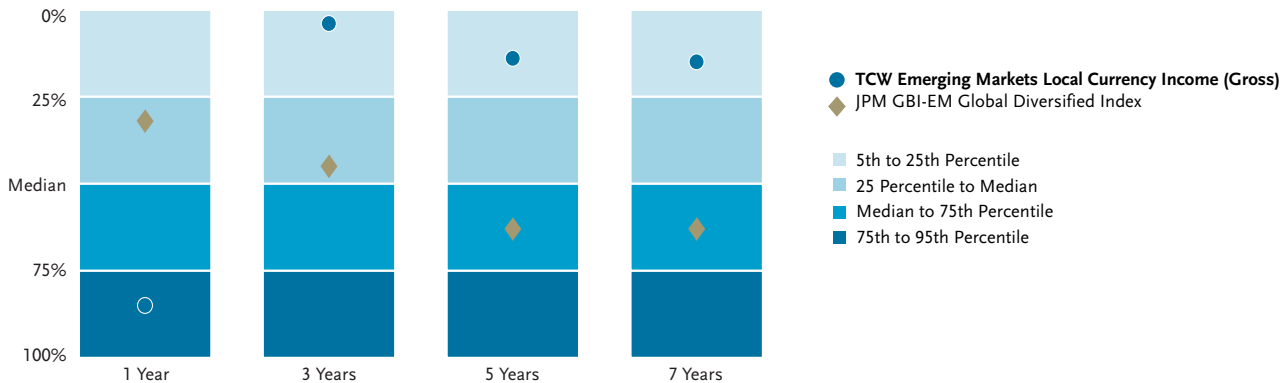
TCW Emerging Markets Local Currency

FOURTH QUARTER 2018

Return Rank



Information Ratio Rank



Source: eVestment, TCW Portfolio Analytics; Data as of December 31, 2018.

Universe: eVestment Emerging Markets Fixed Income – Local Currency. The 1 year period included 79 managers, 76 managers for the 3 year period, 71 managers for the 5 year period, and 59 managers for the 7 year period.

Annualized Returns AS OF DECEMBER 31, 2018

Quarter	Annualized					Since Inception
	1 Year	3 Years	5 Years	7 Years		
TCW EM Local Currency Income (Gross)	-7.23	7.17	0.10	1.59	1.51	
TCW EM Local Currency Income (Net)	-7.70	6.64	-0.40	1.08	0.98	
JP Morgan GBI-EM Global Diversified Index	-6.21	5.91	-0.96	0.18	0.07	

Past performance is no guarantee of future results.

Inception date: 12/14/2010

Performance Footnotes MANAGED BY MARKETABLE SECURITIES DIVISION

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

The TCW Emerging Markets Fixed Local Currency composite is comprised of accounts whose objective is to outperform the benchmark over the long term by investing in the local currency debt of emerging countries. While TCW's objective is to outperform the stated benchmark it does not imply that this strategy shall share, or attempt to share, the same or similar characteristics of the benchmark or attempt to track the benchmark. The benchmark is the JP Morgan GBI-Emerging Markets Global Diversified. The benchmark measures the local currency performance of emerging market government debt excluding China and India. Returns are calculated in U.S. dollars. Leverage or derivatives are used in the management of this composite. Derivatives, such as currency options or forwards, may be employed from time to time to implement various hedging strategies. Returns include the reinvestment of all earnings. Investment directly into an index is not possible. Investments in the strategy will be subject to fees and expenses that will reduce returns.

The Marketable Securities Division claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of TCW's composites and/or presentation that adheres to the GIPS® standards contact Client Services at 213.244.0000 or contact us by e-mail at PortfolioAnalytics.Group@tcw.com.

TCW Emerging Markets Local Currency

FOURTH QUARTER 2018

Investment Team



Penelope D. Foley
Group Managing Director
Emerging Markets



David I. Robbins
Group Managing Director
Emerging Markets



Alex Stanojevic
Managing Director
Emerging Markets

	Number	Avg. number of years with firm	Avg. years of investment expertise
Portfolio Managers	3	20	32
Sovereign Research Analysts	6	9	16
Corporate Research Analysts	5	11	17
Traders	2	12	15
Portfolio Specialist	1	6	16

TCW

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Portfolio Profile

	Strategy	Index
Current Yield	6.70%	5.93%
Blended Spread ¹	507 bps	383 bps
Effective Duration	5.06 years	5.13 years
Average Life	7.52 years	7.50 years
Credit Quality Distribution (%): ²		
A	14.30	
BBB	42.03	
BB	35.59	
B	5.09	
Sovereigns	96.66%	
Quasi-Sovereigns	0.35%	
Cash & Equivalents	2.99%	
Investment Grade	56.33%	
High Yield	40.68%	

Top Five Net Currency Exposures (%)

	EMLC	Index	Relative UW/OW ³
Brazil	12.19	10.00	2.19
Indonesia	11.86	9.37	2.50
Mexico	10.58	10.00	0.58
South Africa	8.67	8.46	0.21
Colombia	8.24	7.14	1.10

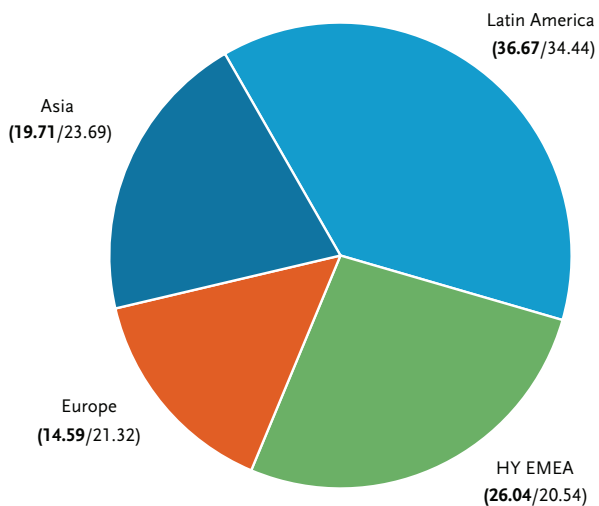
Currency	UW/OW	GBI-EM GD	Off Index
Latin America	4.08	4.08	
HY EMEA	5.50	1.00	4.50
Europe	1.00	0.12	0.88
Asia	1.12	1.12	
Total	11.70	6.32	5.37

Bonds	EMLC	GBI-EM GD	UW/OW
Latin America	36.67	34.44	2.22
HY EMEA	26.04	20.54	5.50
Europe	14.59	21.32	-6.74
Asia	19.71	23.69	-3.98
Total	97.00	100.00	-3.00

Duration	EMLC	GBI-EM GD	UW/OW
Latin America	4.83	4.86	-0.03
HY EMEA	4.58	5.35	-0.76
Europe	5.89	4.27	1.61
Asia	6.29	6.12	0.17
Total	5.06	5.13	-0.07

Regional Breakdown (%)

(EMLC Allocation / Index Weight)



Source: TCW Portfolio Analytics; Data as of December 31, 2018

Data is based upon a representative institutional account.

Portfolio characteristics and holdings are subject to change at any time.

¹ Blended Spread - Represents the difference between bond yields issued in emerging markets versus U.S. Treasuries.

² These ratings are provided by one or more outside credit agencies including Moody's, Standard & Poor's and Fitch Ratings. The credit quality of the investments in the portfolio does not apply to the stability or safety of the strategy. Credit quality ratings are subject to change and pertain to the underlying holdings of the portfolio and not the portfolio itself.

³ Underweight/Overweight