

TCW Core Plus Fixed Income

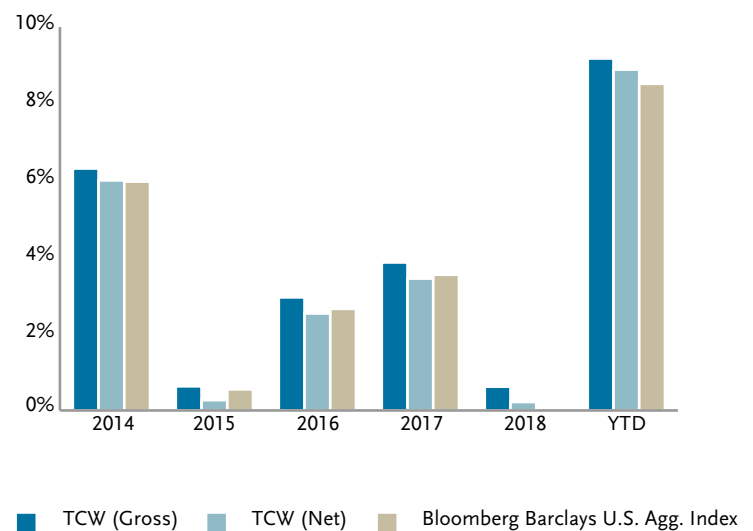
SEPTEMBER 30, 2019 | STRATEGY OVERVIEW AND ANALYSIS

A strategy that invests in domestic and international fixed income sectors. Its goal is to seek to outperform the aggregate bond market over full market cycles.

Performance Summary (%)

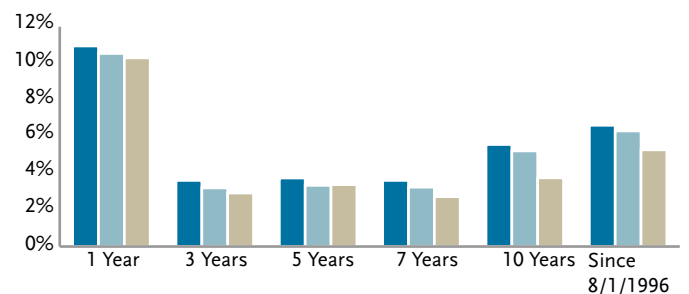
	TCW Core Plus Fixed Income		Bloomberg Barclays U.S. Aggregate Bond Index
	Gross	Net	
2006	6.72	6.42	4.33
2007	7.36	7.06	6.97
2008	-1.21	-1.48	5.24
2009	17.91	17.59	5.93
2010	11.90	11.58	6.54
2011	5.88	5.57	7.84
2012	11.56	11.23	4.21
2013	0.51	0.21	-2.02
2014	6.31	6.00	5.97
2015	0.63	0.27	0.55
2016	2.95	2.53	2.65
2017	3.86	3.44	3.54
2018	0.62	0.22	0.01
YTD	9.18	8.89	8.52
3Q19	2.34	2.25	2.27

Performance Returns



Annualized Returns (%)

	TCW Core Plus Fixed Income		Bloomberg Barclays U.S. Aggregate Bond Index
	Gross	Net	
1 Year	10.95	10.54	10.30
3 Years	3.61	3.20	2.92
5 Years	3.74	3.34	3.38
7 Years	3.61	3.24	2.72
10 Years	5.57	5.22	3.75
Since 8/1/1996	6.62	6.31	5.28



Source: TCW

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An investment in the strategy described herein has risks, including the risk of losing some or all of the invested capital. An investor should carefully consider the risks and suitability of an investment strategy based on their own investment objectives and financial position. There is no assurance that the investment objectives and/or trends will come to pass or be maintained. The information contained herein may include preliminary information and/or "forward-looking statements." Due to numerous factors, actual events may differ substantially from those presented herein. TCW assumes no duty to update any forward-looking statements or opinions in this document. This material comprises the assets under management of The TCW Group, Inc. and its subsidiaries, including TCW Investment Management Company LLC, TCW Asset Management Company LLC, and Metropolitan West Asset Management, LLC. Any opinions expressed herein are current only as of the time made and are subject to change without notice. The investment processes described herein are illustrative only and are subject to change. Past performance is no guarantee of future results. © 2019 TCW

Investment Objective

The investment objective is to seek to outperform the broad bond market by applying specialized management expertise to and allocating capital among U.S. government, corporate, CMBS/ABS, mortgage-backed, high yield and bank debt securities. In addition, exposure to international and emerging markets fixed income assets are opportunistically incorporated into portfolio positioning.

Investment Philosophy

TCW Core Plus Fixed Income exploits sector allocation as a key approach to risk management, blending top-down sector allocation with bottom-up fundamental research and securities selection by the sector specialists. This approach distinguishes the strategy from investment funds that rely on high-beta, indexing or closet-indexing strategies. The strategy allocates across these sectors: U.S. Governments, Investment-Grade Corporate, Mortgage-Backed, Asset-Backed, High-Yield Corporate, International, and Emerging Markets. This ability to allocate beyond the universe of domestic U.S. debt issuance has helped to limit risk and fuel higher risk-adjusted returns.

Investment Process

TCW Core Plus Fixed Income invests across domestic and international fixed income sectors, rather than being confined to the domestic universe of the Barclays Capital U.S. Aggregate Bond Index. We believe this flexibility enables us to limit market risk, or beta, while tapping an added potential source of incremental return.

TCW Core Plus Fixed Income utilizes a value-driven process. Portfolios are allocated across the domestic and international fixed income sectors. The baseline allocation is a reflection of our view that income drives returns over the long term and facilitates the exploitation of value in the less efficient market sectors.

Sector allocations away from the baseline are considered by the TCW Fixed Income team. Generalist portfolio managers, with the input of specialist portfolio managers from each team, analyze investment performance of the total portfolio and decide whether sector allocation shifts are warranted. The specific security selection within each sub-portfolio is managed by the team specializing in that area.

In the review process, particular focus is placed on identifying factors which might produce an unfavorably skewed risk/reward profile. Supply and demand conditions are also discussed, as well as yield spread relationships. Informal projections of total returns are made for each sector going forward over a range of interest rates. At the conclusion of the analysis, allocation decisions are made to the portfolio positioning. The goal is not to “fine tune” sector weightings, but to make noticeable changes at pronounced – though generally infrequent – turning points in market cycles.

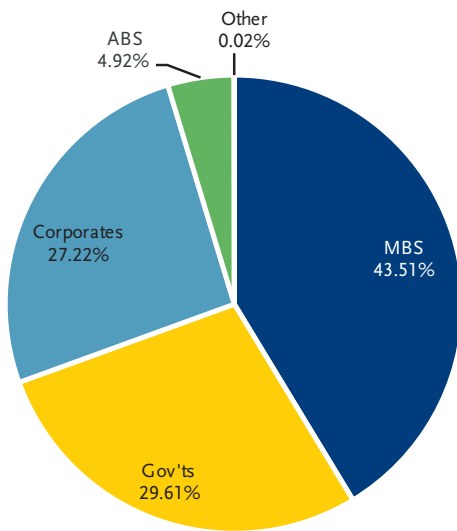
Portfolio Characteristics

	TCW Core Plus Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index
Duration	5.75	5.78
Maturity	7.63	7.92
Convexity	0.09	0.30
Quality Rating	AA-	AA+
Current Yield	3.81%	3.01%
Yield to Mat	2.53%	2.27%
Avg. Coupon	3.02%	3.20%

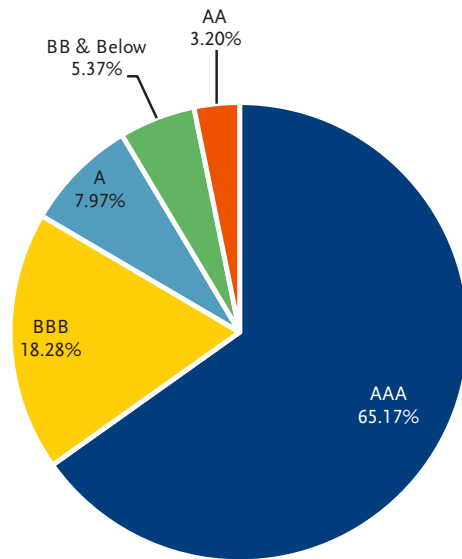
Regression Statistics (Gross)

	3 Years		5 Years	
	TCW Core Plus Fixed Income	Bloomberg Barclays U.S. Agg. Bond Index	TCW Core Plus Fixed Income	Bloomberg Barclays U.S. Agg. Bond Index
Information Ratio	2.57	-	0.91	-
Alpha	0.72%	-	0.54%	-
Beta	0.96	1.00	0.92	1.00
R-Squared	99.47%	100.00%	98.77%	100.00%
Sharpe Ratio	0.65	0.42	0.97	0.79
Standard Deviation	3.22%	3.35%	2.86%	3.08%
Tracking Error	0.27%	-	0.40%	-

Sector Weights*



Quality Weights



Five Year Statistics (Gross) October 2014 - September 2019

The Up/Down Capture Ratio measures a manager's performance in up and down markets relative to the market (benchmark). It is calculated by taking the managers up/down capture return and dividing it by the benchmark's up/down capture return.

	Up		Down		TCW vs. Index	
	# of Periods	Avg. Monthly Return	# of Periods	Avg. Monthly Return	Up Capture	Down Capture
TCW Core Plus Fixed Income	42	0.69%	18	-0.57%	97.50%	80.95%
Bloomberg Barclays U.S. Agg. Bond Index	37	0.79%	23	-0.54%	100.00%	100.00%

Source: TCW, Zephyr

* Sector weights will not sum to 100% as cash and equivalents sector are not shown.

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time.

All projections and estimates are based on current asset prices and are subject to change.

Please see additional disclosures on the last page, which are an integral and important part of this material. Individual results may vary. Past performance is no guarantee of future results.

Portfolio Management

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The Firm

TCW is a leading global asset management firm with more than four decades of investment experience and a broad range of products across fixed income, equities, emerging markets and alternative investments. Through the TCW and MetWest Fund Families, TCW manages one of the largest mutual fund complexes in the U.S. TCW's clients include many of the world's largest corporate and public pension plans, financial institutions, endowments and foundations, as well as financial advisors and high net worth individuals. As of September 30, 2019, TCW had total assets under management, including commitments, of \$211 billion. TCW is headquartered in Los Angeles, and has offices in New York, Boston, Chicago, London, Milan, Hong Kong, Tokyo, and Sydney.

Index Disclosure

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Performance Disclosure

The TCW Core Plus Fixed Income 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. The portfolios will usually have broad exposure to investment grade, non-investment grade, and non-U.S. fixed income securities. The composite includes all accounts with moderate deviations away from the sectors represented in the Bloomberg Barclays U.S. Aggregate Bond Index composition. 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 index along with all index related information is not subject to independent examinations. Returns are calculated in U.S. dollars. 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. 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 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. 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.

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.