

TCW Relative Value Dividend Appreciation

JUNE 30, 2019 | STRATEGY OVERVIEW AND ANALYSIS

A strategy which employs a highly disciplined, analytically-driven investment process utilizing quantitative and qualitative resources to generate investment ideas. Primarily invests in equities of companies with dividend paying records.

Performance Summary (%)

	TCW Relative Value Dividend Appreciation		Russell 1000® Value Index
	Gross	Net	
2006	19.49	18.68	22.25
2007	2.72	2.01	-0.17
2008	-42.54	-42.96	-36.85
2009	34.35	33.44	19.69
2010	20.37	19.53	15.51
2011	-0.96	-1.65	0.39
2012	21.79	20.93	17.51
2013	36.36	35.41	32.53
2014	10.67	9.90	13.45
2015	-3.88	-4.55	-3.83
2016	17.33	16.51	17.34
2017	11.95	11.16	13.66
2018	-13.38	-13.98	-8.27
YTD	19.74	19.32	16.24
2Q19	5.68	5.50	3.84

Annualized Returns (%)

	TCW Relative Value Dividend Appreciation		Russell 1000® Value Index
	Gross	Net	
1 Year	4.69	3.95	8.46
3 Years	9.36	8.59	10.19
5 Years	6.47	5.72	7.46
7 Years	11.74	10.96	12.09
10 Years	13.70	12.91	13.19
Since 1/1/2002	8.32	7.56	7.49

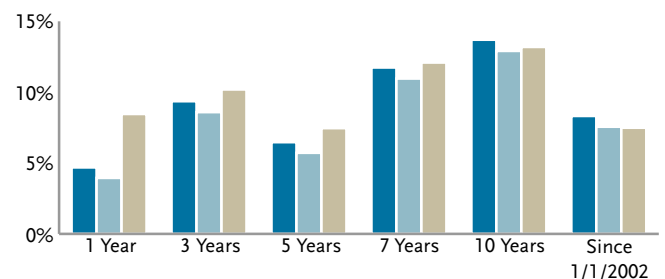
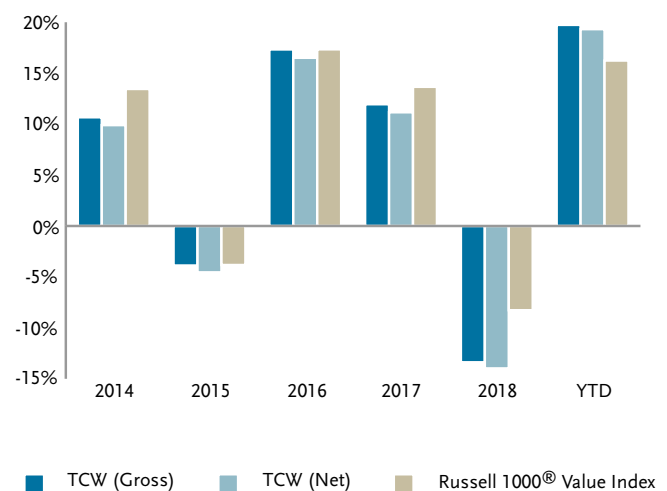
Source: TCW

Please see additional disclosures on the last page, which are an integral and important part of this material. Individual results may vary.

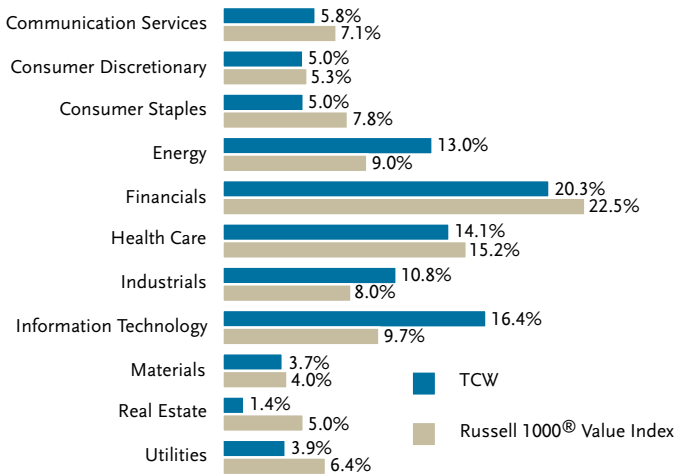
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An investment in the strategy described herein has risks, including the risk of losing some or all of the invested capital. An investor should carefully consider the risks and suitability of an investment strategy based on their own investment objectives 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

Performance Returns



Sector Summary



Top Ten Holdings

	% of Portfolio
Chevron	4.69
JPMorgan Chase	4.20
Cypress Semiconductor	4.14
Intercontinental Exchange	3.84
Citigroup	3.69
Gilead Sciences	3.58
MetLife	3.49
Cisco Systems	3.34
Johnson Controls International	3.19
AT&T	3.19

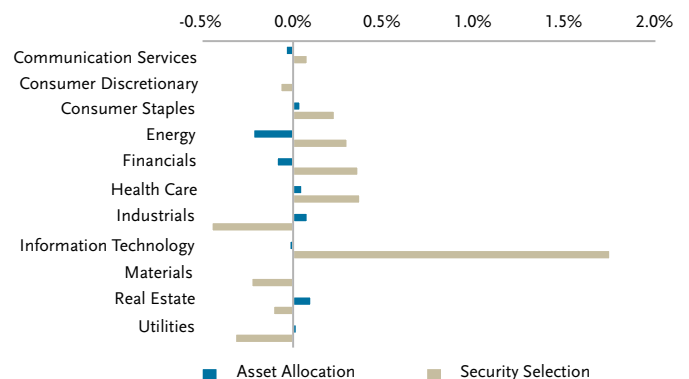
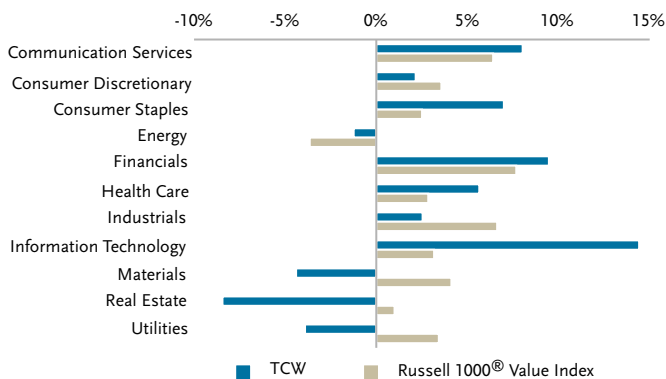
Attribution Analysis Quarter ending June 30, 2019

Sector Return

Sector	TCW	Russell 1000® Value Index	Difference
Communication Services	8.03	6.41	1.62
Consumer Discretionary	2.16	3.57	-1.41
Consumer Staples	7.00	2.51	4.49
Energy	-1.24	-3.65	2.41
Financials	9.47	7.68	1.79
Health Care	5.65	2.85	2.80
Industrials	2.54	6.63	-4.09
Information Technology	14.42	3.17	11.25
Materials	-4.40	4.12	-8.52
Real Estate	-8.44	1.00	-9.44
Utilities	-3.91	3.43	-7.34

Sector Attribution

Sector	Asset Allocation	Security Selection	Total
Communication Services	-0.04	0.08	0.04
Consumer Discretionary	0.00	-0.07	-0.07
Consumer Staples	0.04	0.23	0.26
Energy	-0.22	0.30	0.07
Financials	-0.09	0.36	0.27
Health Care	0.05	0.37	0.42
Industrials	0.08	-0.45	-0.37
Information Technology	-0.02	1.75	1.73
Materials	0.01	-0.23	-0.22
Real Estate	0.10	-0.11	-0.02
Utilities	0.02	-0.32	-0.30
Total	-0.11	1.91	1.80



Source: TCW, Zephyr, FactSet

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable. 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 Characteristics

	TCW Relative Value Dividend Appreciation	Russell 1000® Value Index
Price/Earnings 1yr EPS Forecast	13.45	14.35
Dividend Yield	2.87%	2.58%
Price/Book Value	1.93	2.16
Price/Sales	1.47	1.79
Price/Cash Flow	8.81	10.11
Debt/Equity	1.86	1.48
Debt/Capital	0.68	0.69
Forecast 1yr EPS Growth	8.13%	6.58%
Market Capitalization (Mil)	\$110,395	\$129,489
Return on Equity	13.03%	12.79%
ROE 5 Year Average	12.45%	12.12%
Annual Turnover	16.99%	N/A
Active Share	79.26%	N/A
Number of Holdings	45	722

Regression Statistics (Gross)

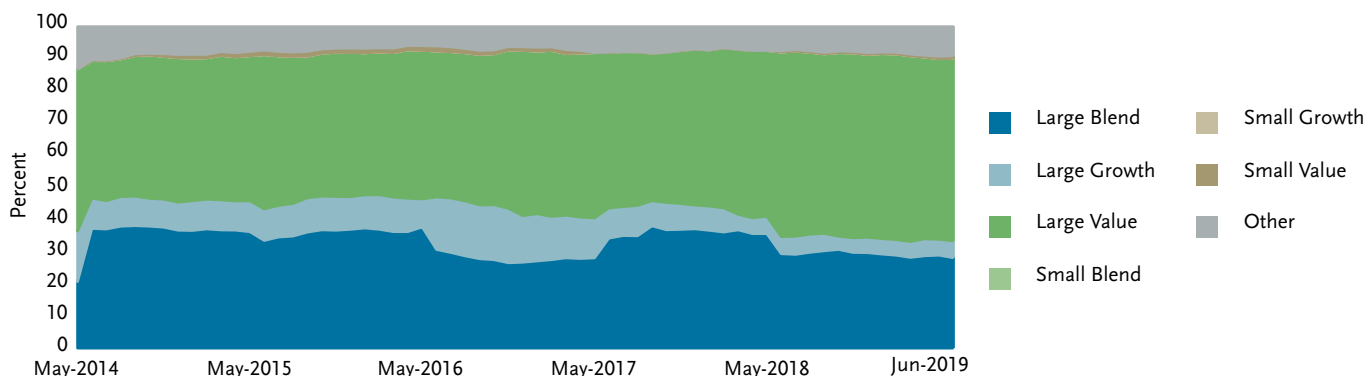
	3 Years		5 Years	
	TCW RVDA	Russell 1000® Value Index	TCW RVDA	Russell 1000® Value Index
Information Ratio	-0.23	-	-0.30	-
Alpha	-1.52%	-	-1.41%	-
Beta	1.11	1.00	1.09	1.00
R-Squared	94.29%	100.00%	94.72%	100.00%
Sharpe Ratio	0.58	0.73	0.42	0.55
Standard Deviation	13.81%	12.11%	13.40%	11.93%
Tracking Error	3.55%	-	3.28%	-

Five Year Statistics (Gross) July 2014 - June 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 Rel. Value Div. App.	35	2.95%	25	-2.70%	99.00%	105.10%
Russell 1000® Value Index	39	2.54%	21	-2.83%	100.00%	100.00%

Holdings-Based Style Analysis



Source: TCW, Zephyr, FactSet

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.

Portfolio Management

Diane E. Jaffee, CFA
Group Managing Director
Relative Value Group

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 June 30, 2019, TCW had total assets under management, including commitments, of \$205 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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The TCW Relative Value Dividend Appreciation composite is comprised of accounts whose objective is to outperform the benchmark by investing in securities with market capitalizations generally greater than \$1 billion and valuation criteria generally less 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 Russell 1000® Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. Returns are calculated in U.S. dollars. Leverage or derivatives are not used in the management of this composite. 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.

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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.