

TCW Total Return Mortgage-Backed Securities

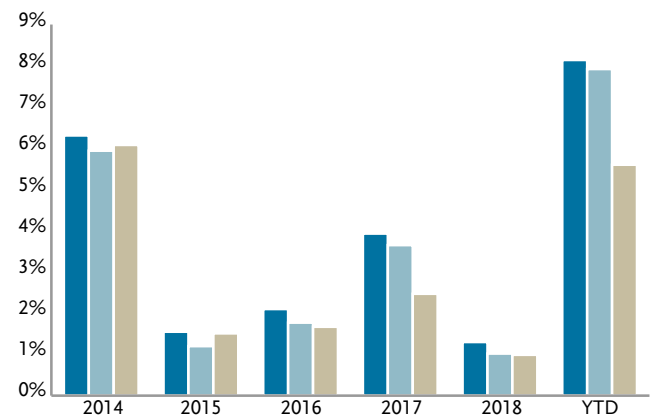
SEPTEMBER 30, 2019 | STRATEGY OVERVIEW AND ANALYSIS

A fixed income strategy that seeks high income and total returns in excess of the broad investment grade bond market through investing in U.S. dollar-denominated mortgage-backed securities.

Performance Summary (%)

	TCW Total Return Mortgage-Backed Securities		Bloomberg Barclays MBS Index
	Gross	Net	
2009	18.77	18.36	5.89
2010	11.18	10.79	5.37
2011	4.56	4.20	6.23
2012	13.79	13.39	2.59
2013	2.05	1.69	-1.41
2014	6.31	5.94	6.08
2015	1.55	1.20	1.51
2016	2.10	1.77	1.67
2017	3.93	3.65	2.47
2018	1.30	1.02	0.99
YTD	8.14	7.92	5.60
3Q19	2.40	2.33	1.37

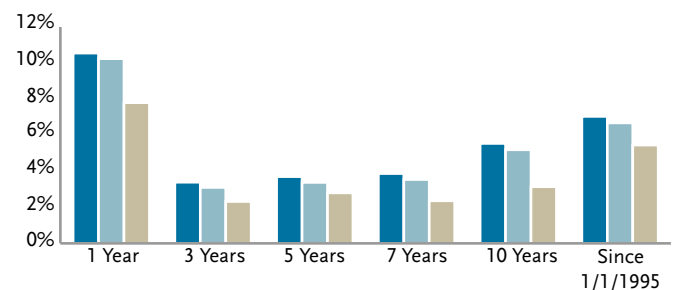
Performance Returns



■ TCW (Gross) ■ TCW (Net) ■ Bloomberg Barclays MBS Index

Annualized Returns (%)

	TCW Total Return Mortgage-Backed Securities		Bloomberg Barclays MBS Index
	Gross	Net	
1 Year	10.55	10.24	7.80
3 Years	3.39	3.10	2.32
5 Years	3.70	3.38	2.80
7 Years	3.87	3.54	2.36
10 Years	5.54	5.19	3.14
Since 1/1/1995	7.04	6.68	5.45



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

Investment Objective

The objective of TCW Total Return MBS is to achieve a long-term total return in excess of the Bloomberg Barclays Mortgage Index and overall mortgage market. At least 50% of the Portfolio will be invested in mortgage-backed securities guaranteed by, or secured by collateral that is guaranteed by, the United States Government, its agencies, instrumentalities or sponsored corporations; or privately issued mortgage-backed securities rated at time of investment Aa3 or higher by Moody's or AA- or higher by S&P or the equivalent by any other nationally recognized statistical rating organization; other obligations of the United States Government, its agencies, instrumentalities or sponsored corporations; or money market instruments.

Investment Philosophy

The basic philosophy driving this strategy is that market inefficiencies can be systematically identified and exploited to enhance returns relative to the overall market. Our focus, experience and resources allow us to sift through the thousands of MBS securities available for sale in the market. This process highlights securities and even entire sub-sectors of the market which we believe are priced inconsistently with other bonds of similar interest rate and credit risk. Through an iterative approach we identify undervalued securities as potential investments and portfolio holdings which have become fully priced.

Investment Process

TCW Total Return MBS concentrates on fully understanding a wide range of mortgage securities and the variables affecting the returns of these investments. Emphasis is placed on reducing exposure to those variables which can adversely impact portfolio performance and increasing exposure to those that can improve performance. The net effect of variables such as changing interest rates, market trends, and mortgage refinancing activity is carefully quantified using a variety of analytic tools and computer models.

We stress security selection over other methods of gaining incremental return such as interest rate forecasting and sector rotation. A key tenet of our investment philosophy is: "Value asserts itself over time." Toward that end, we concentrate on selecting securities that will offer competitive returns under anticipated future interest rate environments. This technique seeks to create portfolios that we believe will perform well without requiring substantial portfolio turnover as rates move, allowing the portfolio managers to occasionally restructure to take advantage of market opportunities.

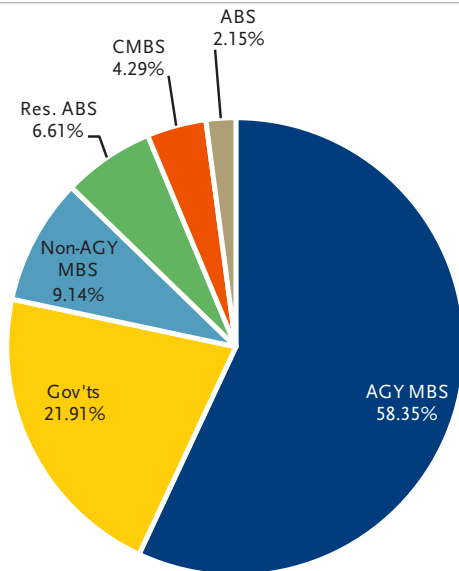
Portfolio Characteristics

	TCW Total Return Mortgage-Backed Securities	Bloomberg Barclays MBS Index
Duration	5.63	2.73
Maturity	7.08	4.45
Convexity	-0.25	-1.63
Quality Rating	AA	AAA
Current Yield	4.28%	3.46%
Yield to Mat	2.41%	2.45%
Avg. Coupon	3.28%	3.61%

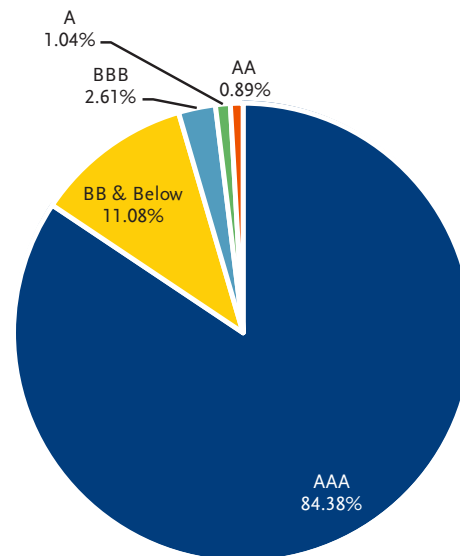
Regression Statistics (Gross)

	3 Years		5 Years	
	TCW Total Return MBS	Bloomberg Barclays MBS Index	TCW Total Return MBS	Bloomberg Barclays MBS Index
Information Ratio	0.73	-	0.72	-
Alpha	0.81%	-	0.38%	-
Beta	1.32	1.00	1.28	1.00
R-Squared	86.43%	100.00%	85.65%	100.00%
Sharpe Ratio	0.54	0.32	0.93	0.86
Standard Deviation	3.47%	2.48%	2.95%	2.13%
Tracking Error	1.46%	-	1.25%	-

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 Total Return MBS	39	0.73%	21	-0.49%	128.28%	118.95%
Bloomberg Barclays MBS Index	39	0.56%	21	-0.37%	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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Fixed Income

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Fixed Income

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Managing Director
Fixed Income

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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 Total Return MBS composite is comprised of long-term mortgage-related securities accounts whose objective is to outperform the benchmark by investing in U.S. dollar denominated mortgage-backed securities. The composite includes all accounts with higher performance goals and minimal or no rules-based holdings tests. 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 Bloomberg Barclays MBS Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Returns are calculated in U.S. dollars. 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.