

# TCW | Gargoyle Hedged Value Fund

MARCH 31, 2018 | QUARTERLY FACT SHEET

**TCW** Alternative  
Funds TCW Family of Funds

<b>SYMBOL</b> I Share: TFHIX N Share: TFHVX	<b>TOTAL AUM</b> \$29 Million	<b>NAV</b> I Share: \$9.73 N Share: \$9.76	<b>CATEGORY</b> Morningstar Option Writing	<b>BENCHMARK</b> S&P 500	<b>INCEPTION DATE</b> I Share: 12/31/99 N Share: 12/31/99	<b>CUSIP</b> I Share: 87808J109 N Share: 87808J208
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## Top Ten Equity Holdings (%)

Apple Inc.	3.78
Microsoft Corporation	3.12
Amazon.com, Inc.	2.59
Berkshire Hathaway Inc. Class B	1.71
Facebook, Inc. Class A	1.70
JPMorgan Chase & Co.	1.68
Johnson & Johnson	1.53
Exxon Mobil Corporation	1.41
Alphabet Inc. Class C	1.40
Alphabet Inc. Class A	1.38
TOTAL	20.29

## GICS Sector Allocation (%)

Information Technology	18.86
Health Care	17.82
Consumer Discretionary	16.97
Financials	16.02
Industrials	7.38
Materials	6.64
Energy	6.12
Telecommunication Services	5.31
Consumer Staples	4.88
TOTAL	100.00

Source: TCW Portfolio Analytics, Factset

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. Sector allocation is the equity exposure, excluding cash.

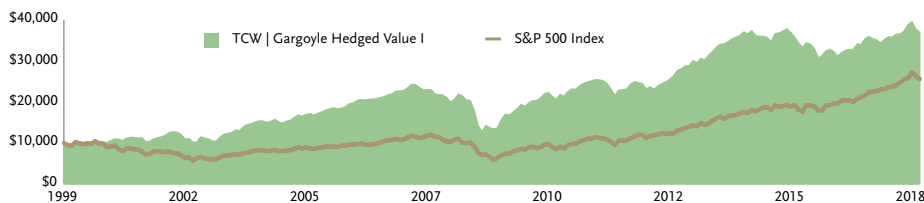
## Fund Performance (%)

	Annualized						Since Inception <sup>1</sup>
	1Q18	YTD	1 Year	3 Years	5 Years <sup>1</sup>	10 Years <sup>1</sup>	
<b>I Share</b>	-4.52	-4.52	4.74	0.22	5.15	6.40	7.43
<b>N Share</b>	-4.59	-4.59	4.50	-0.03	4.90	6.25	7.35
Index <sup>2</sup>	-0.76	-0.76	13.99	10.78	13.31	9.49	5.28
MStar Option Writing Category	-4.94	-4.94	8.59	8.59	4.09	5.69	2.90

## Fund Performance by Year (%)

	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>I Share</b>	-4.52	14.11	2.85	-7.22	4.62	29.38	13.86	-3.66	18.16	42.20	-34.42
<b>N Share</b>	-4.59	13.79	2.67	-7.48	4.41	29.16	-	-	-	-	-
Index <sup>2</sup>	-0.76	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
MStar Option Writing Category	-4.94	8.59	5.45	-0.51	4.35	12.59	5.89	3.01	5.75	9.42	-20.61

## Growth of \$10,000



Source: TCW, Morningstar Option Writing category returns sourced from Morningstar

Returns include the reinvestment of dividends and capital gains.

Option writing funds aim to generate a significant portion of their returns from the collection of premiums on options contracts sold. The fund was moved to the Option Writing category effective 4/29/16.

<sup>1</sup> Returns include the performance of the predecessor limited partnership for periods before the Fund's registration became effective. The predecessor limited partnership was not registered under the Investment Company Act of 1940 ("1940 Act") and therefore was not subject to certain investment restrictions imposed by the 1940 Act. If the predecessor limited partnership had been registered under the 1940 Act, its performance may have been adversely affected. For period 12/31/99-3/31/18. <sup>2</sup> S&P 500 - A capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The performance data presented represents past performance and is no guarantee of future results. Total returns include reinvestment of dividends and distributions. Current performance may be lower or higher than the performance data presented. Performance data current to the most recent month end is available on the Fund's website at TCW.com. Investment returns and principal value will fluctuate with market conditions. The value of an investment in the Fund, when redeemed, may be worth more or less than its original purchase cost. The Fund offers another class, the performance for which will vary due to fees and expenses.

## Investment Objective

The TCW | Gargoyle Hedged Value Fund seeks long-term capital appreciation with lower volatility than a stand-alone stock portfolio.

## Investment Strategy

Under normal market conditions, the Fund seeks to achieve its investment objective by (i) investing substantially all of its net assets in equity securities of medium-large capitalization companies (the "Stock Portfolio") that Gargoyle Investment Advisor L.L.C., the Fund's sub-advisor ("Gargoyle" or the "Sub-Adviser"), believes are attractively priced relative to medium-large capitalization stocks generally and (ii) selling index call options against the Stock Portfolio (the "Options Portfolio") with the objective of partially hedging the Stock Portfolio, reducing volatility and improving the reward/risk of the Stock Portfolio. Gargoyle considers medium-large capitalization companies to be those within the market capitalization range of the Russell 1000 Index. As of December 31, 2017, companies in that index had market capitalizations of at least \$1.1 billion.

See additional Strategy information on the next page.

## Expense Ratio (%)

	I Share	N Share
Gross	2.28	2.63
Net*	1.25	1.50

Annual fund operating expenses as stated in the Prospectus dated February 28, 2017.

\*TCW Investment Management Company LLC, the Fund's Investment Adviser, adviser (the "Adviser"), has contractually agreed to waive fees and/or reimburse expenses to limit the Fund's total annual operating expenses (excluding taxes, interest, brokerage commissions, dividends on securities sold short, acquired fund fees and expenses, and extraordinary expenses) to 1.25% of average daily net assets with respect to Class I shares and 1.50% of average daily net assets with respect to Class N shares. This contractual fee waiver/expense reimbursement will remain in place through March 1, 2019. During this term, only the Board of Trustees may terminate or modify the terms of the contract. The Adviser may request recoupment of previously waived fees and paid expenses from the Fund for three years from the date they were waived or paid, subject to any applicable expense caps at the time of recoupment or at the time of waiver and/or reimbursement, whichever is lower. If the Adviser does not agree to waive fees and/or reimburse expenses after March 1, 2019, the fees and expenses paid by shareholders of the Fund will increase.

**You should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. A Fund's Prospectus and Summary Prospectus contain this and other information about the Fund. To receive a Prospectus, please call 866-858-4338 or you may download the Prospectus from the Fund's website at TCW.com. Please read it carefully.**

# TCW | Gargoyle Hedged Value Fund

## Portfolio Managers

Thomas F. Concannon, Jr., Gargoyle Investment Advisor LLC

Joshua B. Parker, Gargoyle Investment Advisor LLC

Alan L. Salzbank, Gargoyle Investment Advisor LLC

## Investment Adviser: TCW

- Leading global asset management firm with more than four decades of investment experience
- \$202 billion under management as of March 31, 2018
- High level of employee ownership of TCW
- TCW offers strategies that invests globally in fixed income, equity, and alternative markets, with offices in Los Angeles, New York, Boston, Chicago, London, Hong Kong, and Tokyo

## Sub-Adviser: Gargoyle

- Established in 1988
- \$461 million under management/advisement as of March 31, 2018
- Gargoyle principals and employees have \$10+ million invested in the strategy
- Each member of the investment team has 25+ years of options experience;
- Managing principals have 15+ years experience working together

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## Investment Strategy (cont'd)

The equity securities in which the Fund invests are primarily common stocks. The Fund invests primarily in the securities of U.S. companies, but it may also invest in securities of non-U.S. issuers. The Fund invests in a non-U.S. issuer only through shares of that issuer listed directly on a U.S. stock exchange.

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

## Performance & Characteristics | Since Inception 12/31/99

	I Share	N Share	Index
Cumulative Return	270.24%	48.99%	155.92%
Annualized Return	7.44	6.97	5.28
Annualized Std Deviation	13.41	9.40	14.52
Sharpe Ratio	0.45	0.44	0.25
Alpha	3.89	3.81	0.00
Beta	0.72	0.72	1.00

Source: TCW Portfolio Analytics

## PERFORMANCE DISCLOSURE

The performance information herein relates to the Institutional Class shares of the RiverPark/Gargoyle Hedged Value Fund, a series of RiverPark Funds Trust (the "predecessor mutual fund"). The predecessor mutual fund offered two classes of shares, retail class (RGHVX) and institutional class (RGHIX), which invested in the same portfolio of securities, but had different returns based on their respective expenses. Retail Class shares had lower returns than Institutional Class shares because of their higher expenses. On July 13, 2015, the predecessor mutual fund reorganized into the Fund, a series of TCW Alternative Funds.

Performance information shown prior to July 13, 2015 is that of the institutional class shares of the predecessor mutual fund. The Fund charges the same management fee as the predecessor mutual fund and the Fund's total operating expenses after fee waiver or expense reimbursement will be the same as those of the predecessor mutual fund. If the predecessor mutual fund had been charged the same fees and expenses of the Fund, the annual returns for the predecessor mutual fund would have been the same. Performance information shown prior to April 30, 2012 is for the predecessor mutual fund's predecessor limited partnership (Gargoyle Hedged Value Fund L.P.), a private partnership with one class of units. The predecessor limited partnership was merged into and reorganized as the predecessor mutual fund as of April 30, 2012. The merger and reorganization of the predecessor limited partnership into the predecessor mutual fund was for purposes entirely unrelated to the establishment of a performance record. The predecessor mutual fund was managed by the same investment adviser (i.e., its sub-adviser, Gargoyle Investment Advisor L.L.C.) and in a manner that was in all material respects equivalent to the management of the predecessor limited partnership since December 31, 1999. The predecessor limited partnership was formed and commenced operations in 1997; however, substantial changes were made to the strategy in January 2000, consistent with the strategy that the predecessor mutual fund pursued. Data presented since inception is measured from this December 31, 1999 date. Performance is presented for the predecessor limited partnership from December 31, 1999 to April 30, 2012 net of a 1% annual management fee and a 20% performance fee, brokerage commissions and other expenses, and includes the reinvestment of dividends, interest, and other earnings, and for the predecessor mutual fund, from April 30, 2012 to July 13, 2015, net of operating expenses as described in the predecessor mutual fund's prospectus. During its operating history since December 31, 1999, the predecessor limited partnership's investment policies, objectives, guidelines and restrictions were in all material respects equivalent to the predecessor mutual fund's. The information for periods prior to April 30, 2012 shows how the predecessor limited partnership's performance varied from year to year, and reflects the actual fees and expenses that were charged when the predecessor mutual fund was a partnership. When the predecessor mutual fund was a partnership, it charged investors a 1% annual management fee and a 20% performance fee. The predecessor mutual fund did not charge a performance fee. If the predecessor limited partnership had been charged the same fees and expenses as the predecessor mutual fund, the annual returns for the predecessor limited partnership would have been higher. From its inception through April 30, 2012, the predecessor limited partnership was not subject to certain investment restrictions, diversification requirements and other restrictions of the Investment Company Act of 1940, as amended, or the Internal Revenue Code of 1986, as amended, which if they had been applicable, might have adversely affected its performance. The Fund has only adopted the financial statements of the predecessor mutual fund since it has been a registered investment company and not its financial statements as an unregistered partnership. Annual performance returns provide some indication of the risks of investing in the Fund by showing changes in performance from year to year. Comparison of performance to an appropriate index indicates how the Fund's, the predecessor mutual fund's and the predecessor limited partnership's average annual returns compare with those of a broad measure of market performance. The predecessor mutual fund's and the predecessor limited partnership's past performance is not necessarily an indication of how the Fund will perform in the future. Past performance is no guarantee of future results.

## INVESTMENT RISKS

Equity investments entail equity risk and price volatility risk. The value of stocks and other equity securities will change based on changes in a company's financial condition and in overall market and economic conditions.

The investment strategies employed by the Fund are alternative strategies that have not been applied to mutual funds for an extended period of time. Accordingly, the Fund is subject to the risk that anticipated opportunities do not play out as planned, or that there are unexpected challenges in implementing the Fund's strategies due to regulatory constraints for mutual funds.

As the writer of an index call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the index covering the call option above the exercise price of the call option. Since the Fund's investment strategy does not contemplate investing in or replicating a particular index, the Fund will not profit from increases in market value of a particular index. Therefore, selling index call options also can limit the Fund's opportunity to profit from an increase in the market value of the Stock Portfolio; however, only to the extent that the Stock Portfolio correlates with the index underlying the call option written by the Fund.

As part of its investment strategy, the Fund sells index call options to hedge the Stock Portfolio. There is the risk that the returns of the Stock Portfolio do not correlate with those of the indexes on which the call options are written. Further, the Sub-Adviser may not correctly assess the degree of correlation between the performance of the basket of indexes used in the hedging strategy and the performance of the equity securities in the Stock Portfolio being hedged. It is also not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

## GLOSSARY OF TERMS

**Alpha** – A measure of active return on investment in excess of benchmark index. **Beta** – The sensitivity of a stock (portfolio) to the market (benchmark) in the capital asset pricing model. It is comprised of the volatility of a stock and its correlation with the market (benchmark). **Call Option** – an option to buy assets at an agreed price on or before a particular date. **Exercise Price** – The price at which the underlying security can be purchased (call option) or sold (put option). The exercise price is determined at the time the option contract is formed. **Global Industry Classification Standard (GICS)** – A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's. **Hedge/Hedging** – Making an investment to reduce the risk of adverse price movements in an asset. **Index Option** – An index option is the same as an equity or stock option, except the underlying asset is an index instead of a stock. Just like an equity call option, an index call option is the right to buy the underlying index. And just like an equity put option, an index put option is the right to sell the underlying index. Index options are cash settled, whereas individual stock options are settled using the underlying stock. **Long/Long Position** – Buying of a security or currency, with the expectation that the asset will rise in value; In the context of options, the buying of an options contract. **Put Option** – an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time. This is the opposite of a call option, which gives the holder the right to buy shares. **Sharpe Ratio** – The Sharpe Ratio is calculated by subtracting the risk-free rate, such as that of the 3-month U.S. Treasury Bill, from the rate of return for a portfolio and dividing the result by the annualized standard deviation of the monthly portfolio returns. **Standard Deviation** – A measure of dispersion that indicates the way the returns are centered about the mean return. **Volatility** – A measure of the risk of price moves for a security calculated from the standard deviation of month-to-month logarithmic historical price changes.

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