

# TCW Artificial Intelligence Equity Fund

TCWFunds

TCW Family of Funds

DECEMBER 31, 2019 | EQUITIES | QUARTERLY FACT SHEET

<b>SYMBOL</b> I Share: TGFTX N Share: TGJNX	<b>TOTAL AUM</b> \$4.8 Million	<b>MORNINGSTAR CATEGORY</b> Technology	<b>BENCHMARK</b> Russell 3000® Growth Index	<b>INCEPTION DATE</b> I Share: 8/31/17 N Share: 8/31/17	<b>CUSIP</b> I Share: 872365-739 N Share: 872365-721
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## Fund Performance

(%)	Annualized		
	4Q19	1 Year	Since Inception <sup>1</sup>
I Share	11.47	33.46	14.80
N Share	11.49	33.27	14.73
Index <sup>2</sup>	10.67	35.85	17.39

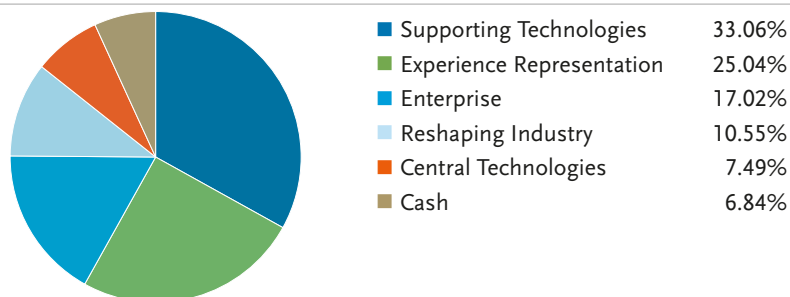
## Fund Information<sup>3</sup>

	I Share	N Share
12/31/19 NAV	\$13.80	\$13.78
Minimum Investment	\$2,000	\$2,000
Distributions	Annually	Annually
	Fund	Index
Number of Securities	48	1,702
Price-to-Sales	6.2x	3.8x
Price-to-Book	8.0x	8.9x
Price/Earnings	37.6x	29.3x
Market Capitalization:		
	Average (Dollar-Weighted)	\$227.9 bil
	Average (Equal-Weighted)	\$163.3 bil
	Median	\$51.5 bil

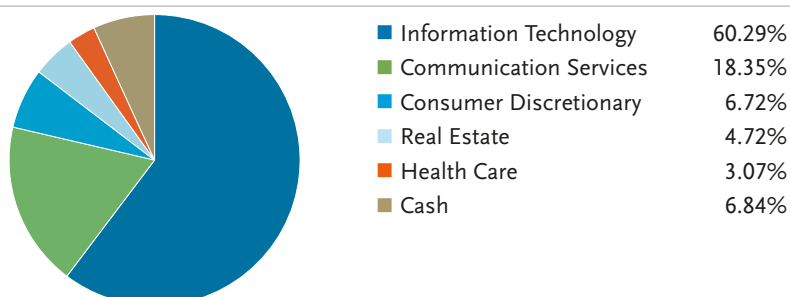
<sup>1</sup> The annualized since inception return for the index reflects the inception date of the TCW Class I and Class N Share Funds, respectively. For period 8/31/17-12/31/19. <sup>2</sup> Russell 3000® Growth Index – Measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher expected growth values. The index is not available for direct investment; therefore its performance does not reflect a reduction for fees or expenses incurred in managing a portfolio. The securities in the index may be substantially different from those in the Fund. <sup>3</sup> Portfolio characteristics and holdings are subject to change at any time. <sup>4</sup> It should not be assumed that an investment in the securities listed was, or will be, profitable.

Source: TCW, State Street B&T

## Investment Type Allocation



## Sector Breakdown



Source: TCW  
May not total 100% due to rounding.

## Top Ten Securities<sup>3,4</sup>

	% of Portfolio
1. ASML Holding	4.00
2. Microsoft	3.93
3. ServiceNow	3.72
4. Lam Research	3.49
5. salesforce.com	3.45
6. Facebook	3.26
7. Amazon.com	3.16
8. Alphabet	2.87
9. Adobe	2.86
10. Qualcomm	2.76
<b>Total</b>	<b>33.52</b>

Security percentages are calculated on the total net asset value, including cash and cash equivalents.

## Expense Ratio

(%)	I Share	N Share
Gross	8.22	9.50
Net*	0.90	1.00

Annual fund operating expenses as stated in the Prospectus dated February 28, 2019, excluding interest and acquired fund fees and expenses, if any.

\* Effective January 1, 2019, the Fund's investment advisor has agreed to waive fees and/or reimburse expenses to limit the Fund's total annual operating expenses (excluding interest, brokerage, extraordinary expenses and acquired fund fees and expenses, if any) to 0.90% of average daily net assets with respect to Class I shares and 1.00% of average daily net assets with respect to Class N shares. This contractual fee waiver/expense reimbursement will remain in place through March 1, 2020 and may be terminated by the investment adviser, or extended or modified with approval of the Board of Directors.

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.

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 800-386-3829 or you may download the Prospectus from the Fund's website at TCW.com. Please read it carefully.

# TCW Artificial Intelligence Equity Fund

## Portfolio Managers

Jeffrey W. Lin, CFA

Thomas Lee

## Our 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 December 31, 2019, TCW had total assets under management, including commitments, of \$217 billion. TCW is headquartered in Los Angeles, and has offices in New York, Boston, Chicago, London, Milan, Hong Kong, Tokyo, and Sydney.

## Investment Objective and Strategy

The Fund's investment objective is to seek long-term capital appreciation.

Under normal circumstances, the Fund invests at least 80% of the value of its net assets, plus any borrowings for investment purposes, in publicly traded equity securities of businesses that the portfolio managers believe are benefitting from or have the potential to benefit from advances in the use of artificial intelligence. Artificial intelligence refers to the development or use by a business of computer systems that perform tasks previously requiring human intelligence such as decision-making or audio or visual identification or perception. The Fund invests primarily in issuers that are characterized as "growth companies" according to criteria established by the portfolio managers, which may include attributes such as an expected growth cycle, accelerating earnings or cash flow, and general growth of a business sector. Bottom-up fundamental research that focuses on the individual attributes of a company, such as its financial characteristics, is used to identify these companies. If the Fund changes this investment policy, it will notify share-holders in writing at least 60 days in advance of the change. Equity securities include common and preferred stock; rights or warrants to purchase common or preferred stock; securities convertible into common or preferred stock such as convertible preferred stock, bonds or debentures; American Depositary Receipts (ADRs); and other securities with equity characteristics.

The Fund typically invests in companies in information technology, consumer discretionary, industrial and health care sectors with market capitalizations of at least \$300 million at the time of acquisition. The Fund typically invests in a portfolio of 25 to 60 companies. The portfolio managers use both qualitative and quantitative screening criteria to supplement the fundamental research. The portfolio managers' qualitative screening focuses on those companies that they believe have the potential to grow or otherwise materially benefit partly as a result of their development or use of artificial intelligence in analysis, forecasting, efficiency, automation, consistency and scale.

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

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

### INDEX DISCLOSURE

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### 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. Funds investing in mid and small cap companies involve special risks including higher volatility and lower liquidity. The Fund may be susceptible to the impact of market, economic, regulatory, and other factors affecting the technology sector because of its concentrated investments in companies expected to benefit from the rising influence of artificial intelligence. At times of such impact, the value of the Fund may fluctuate more widely than it would for a fund that invests more broadly across varying sectors. The Fund may be more susceptible to any single economic, political or regulatory event than a diversified fund because a higher percentage of the Fund's assets may be invested in the securities of a limited number of issuers. *Please see the Fund's Prospectus for more information on these and other risks.*

### GLOSSARY OF TERMS

**ADR (American Depositary Receipt)** – A negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction. **Bottom-Up** – An investment approach that de-emphasizes the significance of economic and market cycles. This approach focuses on the analysis of individual stocks. **Convertibles** – Securities, usually bonds or preferred shares, that can be converted into common stock. **Debenture** – A type of debt instrument that is not secured by physical assets or collateral. **Dividend** – A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. **Growth** – A diversified portfolio of stocks that has capital appreciation as its primary goal, with little or no dividend payouts. Portfolio companies would mainly consist of companies with above-average growth in earnings that reinvest their earnings into expansion, acquisitions, and/or research and development. **Liquidity** – The ability to convert an asset to cash quickly. **Market Capitalization** – Represents the aggregate value of a company or stock. It is obtained by multiplying the number of shares outstanding by their current price per share. **Mutual Funds** – An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money-market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. **Price-to-Book Value (P/BV or Price/Book or P/B)** – A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. **Price-to-Sales** – A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. **Volatility** – The propensity of the value of an asset or market to rise or fall. **Warrant** – A derivative that confers the right, but not the obligation, to buy or sell a security – normally an equity – at a certain price before expiration.

**TCWFunds**

The TCW Funds are distributed by TCW Funds Distributors LLC