TCW Emerging Markets Income Fund

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Performance as of June 30, 2019

(%)	I Share	N Share	Index[1]
Latest Quarter	4.18	4.15	4.08
1 Year (annualized)	11.90	11.60	12.45
3 Years (annualized)	6.31	6.01	5.47
5 Years (annualized)	4.19	3.90	5.30
10 Years (annualized)	8.37	8.08	7.78
Since Inception[2] (annualized)	9.20	7.74	9.14; 7.55[3]

Expense Ratio (%)	I Share	N Share
Gross	0.86	1.16

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

Source: State Street B&T

1 JP Morgan EMBI Global Diversified Index – A market capitalization-weighted total return index of U.S. dollar and other external currency-denominated Brady bonds, loans, Eurobonds and local market debt instruments traded in emerging markets. 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.

2 Since inception 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 limited partnership was registered under the 1940 Act, its performance may have been adversely affected.

3 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 9/1/96-6/30/19; 2/27/04-6/30/19.

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.

Performance

For the three months ended June 30, 2019, the TCW Emerging Markets Income Fund, I Class ("Fund") returned 4.18%, outperforming the JP Morgan Emerging Markets Bond Index Global Diversified ("Index") return of 4.08% for the same period. Year-to-date the Fund returned 12.17% versus the Index return of 11.31% for the same period.

Outperformance for the quarter was driven by security selection in sovereign dollar-denominated debt, along with off-index allocations to local currency and corporate debt. Long duration positioning relative to the benchmark also contributed to outperformance. From a country perspective, outperformance was driven primarily by 1) security selection in Brazil, with an emphasis on long duration corporates, 2) overweight positioning in Qatar, and 3) overweight positioning and security selection (corporate exposure) in South Africa. Risk aversion in May negatively impacted the portfolio's high yield holdings in particular, but we made this up as sentiment improved in June.

From a regional perspective, we are overweight the Middle East and Africa region. Our overweight to the Middle East is driven by its investment grade ratings plus attractive spreads relative to global investment grade. As for Africa, our investments are generally in countries that are undergoing structural reforms and/or have IMF[1] support, with stable/attractive carry. We are neutral Latin America with overweights in Brazil (continued progress on pension reform) and Argentina (political backdrop has started to improve), against an underweight in Mexico, given our concerns about slower growth, potential policy/institutional deterioration, and the need to support Pemex. Larger underweights are in Asia and Central and Eastern Europe, where the growth backdrop remains weak and spreads are relatively tight.

Almost all of the exposure is in dollar-denominated debt. However, greater signs of U.S. growth slowing could put the dollar under more sustained pressure, which could present opportunities to add local currency exposure in the second half of the year.

Investment Environment

The second quarter was characterized by an escalation in global trade tensions, weaker global growth, and a rise in geopolitical risk. In response, both the Fed[2] and ECB[3] took a sharply dovish turn, helping to offset the impact of these factors. The subsequent rates rally helped support fixed income, including Emerging Markets (EM) debt, with sovereign dollar-denominated debt[4] returning 4.08%, local currency debt[5] returning 5.64%, and corporate debt[6], 3.50%.

1 International Monetary Fund; 2 Federal Reserve; 3 European Central Bank; 4 JP Morgan EMBI Global Diversified; 5 JP Morgan GBI-EM Global Diversified; 6 JP Morgan CEMBI Broad Diversified

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Industry Distribution[4] (%)

Sovereign	63.14
Oil & Gas	9.60
Metals & Mining	6.21
Financial	5.12
Utilities	3.89
Technology Media & Telecom	2.62
Real Estate	2.11
Transportation	1.48
Infrastructure	1.27
Industrial	1.01
Pulp & Paper	0.90
Consumer Products	0.41

Country Breakdown[4] (%)

Brazil	7.04	Oman	1.98
Indonesia	6.04	India	1.87
Turkey	4.69	Lebanon	1.68
Russia	4.41	Uruguay	1.66
South Africa	3.89	El Salvador	1.43
Colombia	3.87	Angola	1.36
Saudi Arabia	3.86	Ivory Coast	1.16
Qatar	3.66	Azerbaijan	0.99
Argentina	3.49	Kenya	0.98
Ukraine	3.48	Paraguay	0.93
Sri Lanka	3.38	Venezuela	0.90
Egypt	3.11	Mongolia	0.87
Kazakhstan	2.97	Chile	0.72
Dom. Republic	2.61	Senegal	0.63
Nigeria	2.60	Pakistan	0.62
Panama	2.50	Guatemala	0.61
Ecuador	2.49	Iraq	0.58
Bahrain	2.47	Zambia	0.56
Costa Rica	2.18	UAE	0.39
Ghana	2.13	Tunisia	0.29
China	2.11	Tanzania	0.25
Mexico	2.05	Belarus	0.24
Peru	2.03		

Source: TCW

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

4 As a percentage of the total portfolio. Cash percentage not shown

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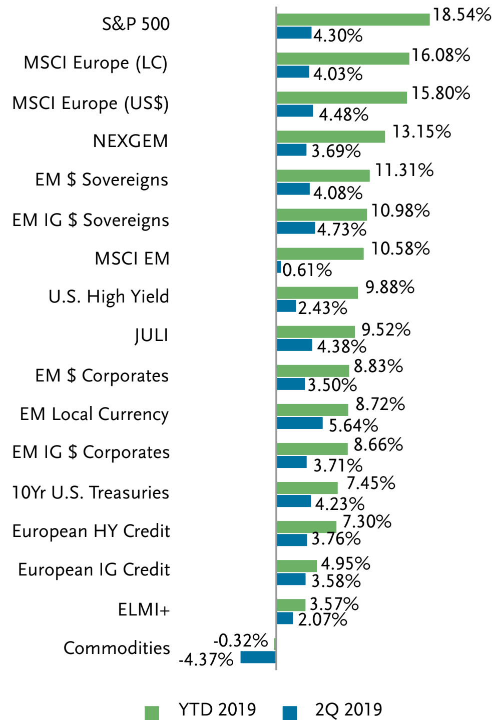
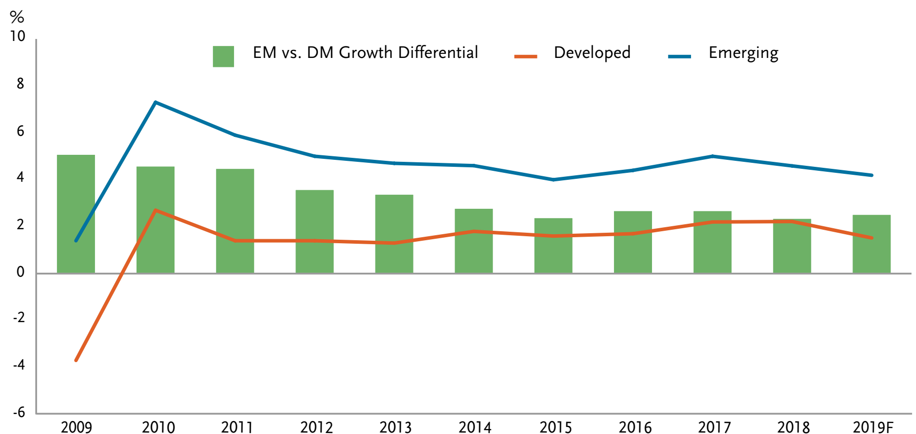
Total Returns Across Asset Classes



Source: TCW, Bloomberg; Data as of June 28, 2019

We have long stated that a key risk to global markets, in our view, is weaker global growth. At the end of the first quarter, we were starting to see early signs of stabilization in Chinese growth and were awaiting further data to confirm whether this was the start of a true upswing. Since then, Chinese data for April and May has been mixed although largely trending weaker. Additional stimulus measures will likely help offset some of this growth weakness, in our view, to help target growth in the 6-6.5% range. In addition, U.S. growth data prints have started to trend weaker. As such, we have lowered our growth forecasts for 2019 across both Developed Markets (DM) and Emerging Markets, but continue to see an improvement in the growth differential this year and next, which has historically helped provide support for EM.

Spread Between EM and DM Growth Expected to Moderately Improve in 2019



Source: TCW Emerging Markets Research; Data as of June 28, 2019

SECOND QUARTER 2019 COMMENTARY

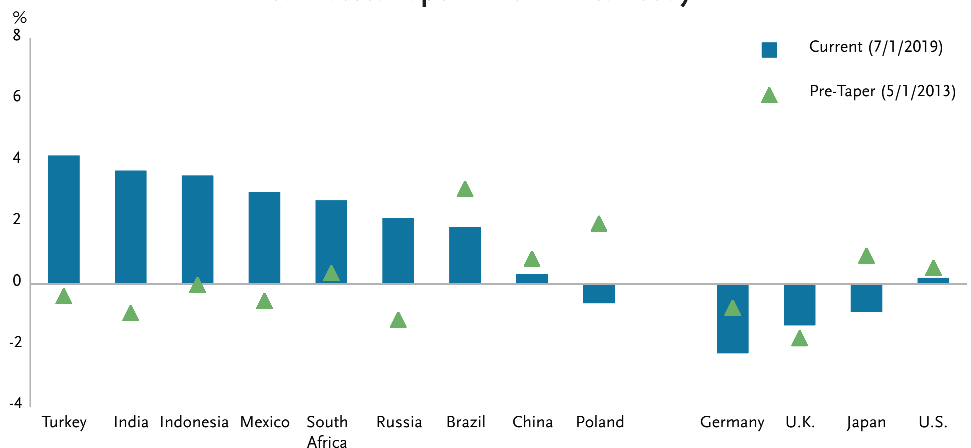
TCW Emerging Markets Income Fund

As for U.S./China trade, despite an agreement to hold off on further tariffs while talks resume, we believe uncertainty is likely to persist and weigh on growth. In addition, we believe that the U.S. administration is likely to further tighten restrictions on trade and investment in technology with China, which will also make it more complicated to finalize a trade deal. While the 'truce' has helped improve risk sentiment and provided some short-term relief, we must acknowledge that talks could fall apart at any time.

As such, we believe the key impact of the trade dispute is likely to come from a reduction in global trade and persistent uncertainty, leading to a deferral of investment. While this will impact the trade contribution to growth for both economies, each is primarily driven by domestic demand (roughly 90% in the case of the U.S. and 85% in the case of China). It will also of course affect economies across global supply chains. Some of the countries most affected – Taiwan, Korea, and Singapore – are not included in our benchmark (JP Morgan EMBI Global Diversified). On the other hand, over the long term, there are potential winners as well, such as Vietnam and India, which could benefit from a shift of productive capacity out of China. Both Brazil and Argentina could be alternative sources for China's agricultural imports from the U.S.

As we have seen, the Fed and ECB have responded to the weaker global growth data with much more accommodative policy, and we believe dovish sentiment will persist despite the recent de-escalation at the G20[7]. This accommodation, combined with the lack of inflationary pressure, should continue to keep global rates low for an extended period and support capital flows into EM. Importantly, increased accommodation from developed market central banks has allowed EM central banks – including China, India, Indonesia and Brazil – to turn more dovish to help counteract growth pressure. Moreover, Emerging Markets have built more of a buffer when compared to past periods of weaker growth. EM real rates are significantly higher today than they were at the start of the 2013 taper tantrum. EM inflation is near recent lows and continued slack in the major EM economies ensures that, while further downside surprises are unlikely, an upsurge in EM inflation is equally remote over the near to intermediate term. Finally, debt/GDP has fallen meaningfully for EM sovereigns (from over 100% in 2000 to approximately 50% today), and the bulk of issuance is denominated in local currency debt, thereby significantly reducing the vulnerability of EM sovereigns to extended periods of global uncertainty.

Real Rates: Taper Tantrum vs. Today*



Source: Bloomberg, TCW Emerging Markets. *Real yields defined as 5Yr. yields deflated by inflation.

In this low rate environment, the yield advantage that carry investors receive in EM is attractive from a risk/reward perspective. To put this in context, Emerging Markets debt yields on average approximately 5.5%. Currently 50% of global fixed income yields 2% or lower, and close to $13 trillion dollars of government debt trades with negative yields.

7 G20 is an international forum for the governments and central bank governors from 19 countries and the European Union

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From a spread perspective, EM sovereign spreads ended the quarter at approximately 345 basis points (bps), in line with long term averages and around 10bps wide to this year's tights on April 17th. As such, EM sovereign spreads appear to be at fair value. However, when compared to developed markets credit, EM sovereign credit continues to appear cheap, as it is one of the few asset classes that trades in the middle of its post-GFC range, as opposed to on the tighter end.

EM versus DM Spread Ranges

Index	6/28/19	4/17/19	Change	Post-GFC* Range: Tight	Post-GFC* Range: Wide	Current Percentile vs. Range
EMBI GD HY	556	522	34	323	766	53%
EMBI GD	346	336	10	237	507	41%
CEMBI BD	333	318	14	243	611	24%
EMBI GD IG	168	164	3	136	338	16%
JULI ex-EM	141	135	6	106	337	15%
US HY	461	410	51	355	1083	15%
Euro HY	424	402	22	290	1260	14%
Euro IG	72	73	-1	44	249	14%

Source: JP Morgan, Data as of June 28, 2019. *Global Financial Crisis

As for local currency debt, EM real rates remain high relative to DM real rates, and inflation remains low. The key question is when the dollar turns. Our base case is for the dollar to be under pressure as the U.S. slows so long as growth in China and Europe stabilizes or deteriorates at a slower pace. Structural issues facing the U.S. economy – a rising U.S. current account and fiscal deficit – have also been dollar negative historically. Local currency debt outperformed hard currency debt in June by over 200bps, and we believe there will be opportunities to increase exposure in the second half of the year.

At this point, the path of trade policy – and the extent of global growth weakness – remains uncertain. In our view, the low rate environment and relatively stable EM growth metrics will continue to help counteract weaker global growth, helping to justify an allocation to Emerging Market debt. While we would remain nimble in light of potential event risk, we believe there are opportunities in those sovereigns undergoing important economic reforms and corporates which are deleveraging. We believe that investors will continue to look for opportunities to increase exposure, particularly as many remain underweight an asset class that now represents 20% of global fixed income.

Sincerely,

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Investment Risks

Counterparty Risk – Counterparty risk refers to the risk that the other party to a contract, such as individually negotiated or over-the-counter derivatives, will not fulfill its contractual obligations, which may cause losses or additional costs to a Fund or cause a Fund to experience delays in recovering its assets. **Credit Risk** – Credit risk refers to the likelihood that an issuer will default in the payment of principal and/or interest on a security. **Debt Securities Risk** – Debt securities are subject to two primary (but not exclusive) types of risk: credit risk and interest rate risk. These risks can affect a debt security's price volatility to varying degrees, depending upon the nature of the instrument. **Derivatives Risk** – The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying instrument. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that changes in the value of a derivative held by a Fund will not correlate perfectly with the underlying asset, reference rate or index. Certain types of derivatives involve greater risks than the underlying obligations because, in addition to general market risks, they are subject to counterparty risk and liquidity risk. **Distressed and Defaulted Securities Risk** – Repayment of defaulted securities and obligations of distressed issuers (including insolvent issuers or issuers in payment or covenant default, in workout or restructuring or in bankruptcy or solvency proceedings) is subject to significant uncertainties, including suspension of interest payments on defaulted or distressed securities and incurring additional costs to protect its investment. In addition, defaulted or distressed securities involve the substantial risk that principal will not be repaid. **Emerging Market Country Risk/ Developing Market Country Risk** – Investing in emerging and developing market countries involves substantial risk due to, among others, higher brokerage costs in certain countries; different accounting standards; thinner trading markets as compared to those in developed countries; the possibility of currency transfer restrictions; and the risk of expropriation, nationalization or other adverse political, economic or social developments, and such countries may lack the social, political and economic stability characteristics of developed countries. The securities markets of emerging and developing market countries can be substantially smaller, less developed, less liquid and more volatile than the major securities markets in the U.S. and other developed nations. Currencies of emerging and developing market countries experience devaluations relative to the U.S. dollar from time to time. **Foreign Currency Risk** – Currency exchange rates may fluctuate significantly and unpredictably. As a result, a Fund's investments in foreign currencies, in foreign securities that are denominated, trade, and/or receive revenues in foreign currencies, or in derivatives that provide exposure to foreign currencies may reduce the returns of the Fund. **Foreign Investing Risk** – Investments in foreign securities generally involve higher costs than investments in U.S. securities, including higher transaction and custody costs as well as additional taxes imposed by foreign governments. In addition, security trading practices abroad may offer less protection to investors such as the Funds, and foreign countries typically impose less thorough regulations on brokers, dealers, stock exchanges, corporate insiders and listed companies than does the U.S. **Frequent Trading Risk** – Frequent trading will lead to increased portfolio turnover and increased brokerage commissions and may produce capital gains which are taxable to shareholders when distributed. **Interest Rate Risk** – Interest rate risk is the potential for a decline in bond prices due to rising interest rates. **Issuer Risk** – The value of securities held by a Fund may decline for a number of reasons directly related to an issuer, such as changes in the financial condition of the issuer, management performance, financial leverage and reduced demand for the issuer's goods or services. **Junk Bond Risk** – Junk bonds have a higher degree of default risk, may be less liquid than higher-rated bonds and may be subject to greater price volatility due to such factors as specific issuer developments, interest rate sensitivity, negative perceptions of junk bonds generally and less secondary market liquidity. **Leverage Risk** – During periods of adverse market conditions, the use of leverage, such as borrowing, reverse repurchase agreements, and certain derivatives, may cause a Fund to lose more money than would have been the case if leverage was not used. **Liquidity Risk** – A Fund's investments in illiquid securities may reduce the returns of the Fund because it may not be able to sell the illiquid securities at an advantageous time or price. **Market Risk** – Returns from the securities in which a Fund invests may underperform returns from the various general securities markets or different asset classes. Adverse events in an issuer's performance or financial position can depress the value of its securities, as can liquidity and the depth of the market for that security, a market's current attitudes about types of securities, market reactions to political or economic events, including litigation, and tax and regulatory effects (including lack of adequate regulations and federal, state and other government and regulatory intervention to regulate or support institutions, markets and Funds). **Non-U.S. Sovereign Debt Risk** – Creditor seniority rights, claims to collateral and similar rights may provide limited protection and may be unenforceable. Legal protections available with respect to corporate issuers (e.g., bankruptcy, liquidation and reorganization laws) do not generally apply to governmental entities or sovereign debt. A Fund may have limited recourse to compel payment in the event of a default. **Portfolio Management Risk** – Portfolio management risk is the risk that an investment strategy may fail to produce the intended results. **Price Volatility Risk** – The value of a Fund's investment portfolio will change as the prices of its investments go up or down. The Funds that invest primarily in the equity securities of small- and/or mid-capitalization companies are generally subject to greater price volatility than mutual funds that primarily invest in large companies. The fewer the number of issuers in which a Fund invests, the greater the potential volatility of its portfolio. **Securities Selection Risk** – The specific securities held in a Fund's investment portfolio may underperform those held by other funds investing in the same asset class or benchmarks that are representative of the asset class because of a portfolio manager's choice of securities. **Valuation Risk** – Portfolio instruments may be sold at prices different from the values established by the Fund, particularly for investments that trade in low volume, in volatile markets or over the counter or that are fair valued. Portfolio securities that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their value from one day to the next than would be the case if market quotations were used. A Fund may from time to time purchase an "odd lot" or smaller quantity of a security that trades at a discount to the price of a "round lot" or larger quantity preferred for trading by institutional investors. There is no assurance that the Fund could sell a portfolio security for the value established for it at any time and it is possible that the Fund would incur a loss because a portfolio security is sold at a discount to its established value. *Please see the Fund's Prospectus for more information on these and other risks.*

Glossary of Terms

Basis Point – one hundredth of one percent, used chiefly in expressing differences of interest rates. **Brady Bonds** – Bonds that are issued by the governments of developing countries. **Carry** – The return obtained from holding an investment (if positive), or the cost of holding it (if negative). **Central Bank** – A monopolized and often nationalized institution given privileged control over the production and distribution of money and credit. **Commodities** – A basic good used in commerce that is interchangeable with other commodities of the same type; commodities are most often used as inputs in the production of other goods or services. **Corporate** – Of or relating to a bond issued by a

corporation as opposed to a bond issued by the U.S. Treasury, a non-U.S. government or a municipality. **Corporate Debt** – A company's outstanding obligations. **Currency** – A generally accepted form of money, including coins and paper notes, which is issued by a government and circulated within an economy. **Deficit** – The amount by which expenses exceed income or costs outstrip revenues. **Developed Markets (DM)** – A country with a relatively high level of economic growth and security. **Distribution** – Distributions of income and capital gains that mutual funds make to their investors periodically during a calendar year. **Dividend** – A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. **Dove** – An economic policy advisor who promotes monetary policies that involve the maintenance of low interest rates, believing that inflation and its negative effects will have a minimal impact on society. Statements that suggest that inflation will have a minimal impact are called "dovish." **ECB** – European Central Bank. **Economic Stimulus** – Attempts by governments or government agencies to stimulate economic growth by loosening monetary or expanding fiscal policy. **ELMI+** – JP Morgan Emerging Local Market Index tracks total return for local currency denominated money market instruments in the emerging markets. **EMBI** – Emerging Markets Bond Index. **Emerging Market (EM)** – A country that has some characteristics of a developed market but is not a developed market. This includes countries that may be developed markets in the future or were in the past. **Emerging Market Debt (EMD)** – A term used to encompass bonds issued by less developed countries. **EMFX** – Emerging Markets currencies. **Eurobonds** – A bond issued in a currency other than the currency of the country or market in which it is issued. **Federal Reserve (the Fed)** – The central bank of the United States which regulates the U.S. monetary and financial system. **Fiscal** – Relating to government revenue, especially taxes. **GFC** – Global Financial Crisis. **Hard Currency** – Currency that is widely accepted around the world as a form of payment for goods and services. It must come from a politically and economically stable country. Examples: U.S. dollar and British pound. **High Yield** – A bond that is rated below investment grade. **Investment Grade (IG)** – A bond with a rating of Baa or higher from Moody's Investors Service, and a rating of BBB or higher from Standard & Poor's. **Inflation** – A condition of a rise in the general level of prices of goods and services in an economy over a period of time. **JULI** – JP Morgan U.S. Liquid Index provides performance comparisons and valuation metrics across a carefully defined universe of investment grade corporate bonds, tracking individual issuers, sectors and sub-sectors by their various ratings and maturities. **Local Currency** – The most common form of currency used in a country. This usually encompasses the national currency of the country. **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. **MSCI** – an investment research firm that provides indices, portfolio risk and performance analytics and governance tools to institutional investors and hedge funds. **NEXGEM** – JP Morgan Next Generation Markets Index is a fixed-income benchmark that provides exposure to a non-investment grade rated, smaller, less liquid population of emerging market economies than the EMBIG. **Outperform** – When an investment is expected to perform better than the return generated by a particular index or the overall market. Since the performance of many investments is compared to a benchmark index, outperform refers to generating a higher return than a particular benchmark over time. Outperform also refers to an analyst's rating on a security, and outperform is a better rating than neutral and worse than a strong buy recommendation. **Overweight** – A condition where the portfolio exposure to a given asset class (or risk measure) exceeds that of the benchmark index. **Sovereign** – A national government within a given country. **Spread** – The difference between the bid and the ask price of a security or asset. **Standard & Poor's 500 Index (S&P 500)** – An index of 505 stocks issued by 500 large companies with market capitalizations of at least $6.1 billion. It is seen as a leading indicator of U.S. equities and a reflection of the performance of the large-cap universe. **Stimulus** – Something that causes a reaction; an incentive. **Taper Tantrum** – A term used to define how the markets reacted to the comments by federal Reserve Chairman, Ben Bernanke, that the fed might slow down, or taper, the rate of bond purchases, which is part of its quantitative easing (economic stimulus) program. **Tariff** – A tax imposed on imported goods and services. **U.S. Treasuries (U.S. Treasury Securities)** – Bills, notes and bonds that are debt obligations of the U.S. government. **Underweight** – A condition where a portfolio does not hold a sufficient amount of a particular security when compared to the security's weight in the underlying benchmark portfolio.

For more information about the Fund call us at 800 Fund TCW (800 386 3829)

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