TCWFunds

TCW Family of Funds

SECOND QUARTER 2019 COMMENTARY

TCW Relative Value Large Cap Fund

Performance as of June 30, 2019

(%)	I Share	N Share[1]	Index[2]
Latest Quarter	4.11	4.00	3.84
1 Year (annualized)	1.28	1.06	8.46
3 Years (annualized)	9.05	8.81	10.19
5 Years (annualized)	5.32	5.07	7.46
10 Years (annualized)	12.17	11.92	13.19
Since Inception (annualized)	7.30	6.25	7.84;7.18[3]

Expense Ratio (%)	I Share	N Share
Gross	0.72	1.16
Net[4]	0.72	0.95

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 The performance data includes the performance of the Fund's predecessor investment company, ("SG Cowen Predecessor Fund"), which prior to December 14, 2001, was managed by SG Cowen Asset Management Company, Inc. The SG Cowen Predecessor Fund has investment objectives and strategies that are substantially similar to the Fund. The SG Cowen Predecessor Fund's performance was calculated using the fees and expenses of the Class A shares not including the 4.75% sales charge for Class A shares of the SG Cowen Predecessor Fund.

2 The Russell 1000® Value Index measures the performance of 1,000 of the 3,000 largest U.S.-domiciled companies (based on total market capitalization) with lower price-to-book ratios and lower forecasted 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.

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 12/31/03-6/30/19; 12/31/97-6/30/19.

4 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 0.72% of average daily net assets with respect to Class I shares and 0.95% 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.

**Portfolio holdings are stated as a percentage of the Fund's total net assets including cash and cash equivalents as of June 30, 2019.

Investment Environment

Early in the second quarter, economic data suggested a rosier outlook for the U.S. economy and reports out of China showed growth in exports, employment, and orders. Also, there was increased optimism for a U.S./China trade deal and a continued dovish view from the U.S. Federal Reserve. The preliminary reading for 1Q:19 U.S. GDP came in at 3.2%+ (with the second and third readings just a touch lighter at 3.1%), higher than estimates. This marks the first time since 2015 that growth in the first quarter topped 3%. In May, U.S. equities fell primarily from a setback in U.S./China trade negotiations. While the two sides appeared close to an agreement, optimism was upended by President Trump's announcement on May 5 the U.S. would increase tariffs on $200 billion of Chinese imports to 25% from 10% with the added threat on an additional $325 billion. China, unsurprisingly, countered with new tariffs on $60 billion of U.S. imports. Additionally, just after agreeing to lifting tariffs on metal imports from Mexico and Canada mid-month, Mr. Trump threatened to impose tariffs on Mexican imports in retaliation to the migrant issue at the countries' shared border only to reverse after the two sides came to an agreement. Even amidst trade tensions, U.S. equities rallied strongly in June due in part to the increased likelihood of a Fed rate cut. Although the Federal Open Market Committee (FOMC) took no action at its June meeting, investors largely expect rate cuts this year, perhaps as early as July when it next convenes. Additionally, ECB President Draghi said the zone's central bank is prepared to provide more stimulus to combat economic sluggishness and is ready to cut interest rates which are already at/near zero. Finally, stocks got a boost after Presidents Trump and Xi reaffirmed their intent to meet at the G-20 in Osaka at the end of June.

Sector Weightings[5]

Over the course of the second quarter, the best performing sectors were financials (8.0%), materials (6.8%), information technology (6.1%), and consumer discretionary (5.3%). Energy (-2.8%) was the worst performer and the only sector in the negative followed by health care (1.4%), real estate (2.5%), and utilities (3.5%). The portfolio's sector weights detracted most notably due to the overweight in energy and secondarily with the underweight in information technology while the overweight in financials was beneficial.

Security Selection[6]

Over the course of the quarter, the portfolio's top ten holdings by weight returned 12.2%, on average[7], led by Cypress Semiconductor (CY; 3.89%**), Intercontinental Exchange (ICE; 3.79%**), Citigroup (C; 3.59%**), Johnson Controls (JCI; 2.97%**), and JPMorgan Chase (JPB; 4.24%**). The most notable contribution to relative performance came from the portfolio's information technology stocks which outperformed 12.7% versus the group move of 6.1% led largely by Cypress Semiconductor. Intercontinental Exchange, JPMorgan Chase, Citigroup, and MetLife (MET; 2.28%**) highlighted in financials where the portfolio's

5 Relative attribution versus the S&P 500 **6** Relative performance versus the S&P 500. **7** Based on a simple average of the top ten holdings by weight.

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.

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Top 10 Securities (%)

	% of Portfolio
JPMorgan Chase & Co.	4.24
Cypress Semiconductor	3.89
Comcast	3.83
Intercontinental Exchange	3.79
Cisco Systems	3.71
Chevron	3.64
Citigroup	3.59
Textron	3.18
Corning	3.13
Johnson Controls International	2.97

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

Sector Weightings (%)

Financials	19.96
Health Care	13.16
Industrials	12.94
Information Technology	12.74
Energy	9.68
Communication Services	8.72
Consumer Discretionary	6.52
Consumer Staples	5.23
Materials	4.55
Utilities	3.41
Real Estate	2.40
Cash	0.66

Source: TCW

Past performance is no guarantee of future results.

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.

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† Not held by Fund as of June 30, 2019.

holdings rose 10.2% besting their peers' rise of 8.0%. The portfolio also benefited from its communication services names which outperformed 8.5% versus 4.5% led by Discovery (DISCA; 2.03%**), AT&T (T; 2.88%**), and Comcast (CMCSA; 3.83%**). The portfolio's industrials were the biggest detractors underperforming 0.3% versus 3.6% due largely to Fluor† (FLR; eliminated), UPS (UPS; 2.16%**), and nVent (NVT; 1.41%**). Freeport-McMoRan (FCX; 2.34%**) was largely responsible for the loss suffered in materials while Jones Lang LaSalle (JLL; 1.78%**) in real estate and AES (AES; 2.48%**) in utilities lagged in their respective sectors. After a fundamental review, Fluor was completely sold.

Market Outlook

Short term, equity markets tend to react wildly on news bits, rally and crash on sentiment, and celebrate or vilify the most inane data points, ramping up needless commission and transaction costs. As value investors, we believe it is imperative to stick to the fundamentals (cash flow, earnings, and company specific catalysts) which should be rewarded in the long term. Stocks trading at attractive valuations, with ample long-term growth prospects, should ultimately win investor favor.

The risk of a U.S. recession appears to be rising with the yield curve's inversion highlighting bond investors' concerns. The classic recessionary causes—overheated economy, earnings recession, runaway inflation, or financial imbalances—must be monitored. Second quarter GDP and earnings are likely to be depressed from prior expectations, dampened by as much as 0.2% due to fewer commercial aircraft deliveries as the Boeing 737 Max continues to be grounded for the foreseeable future. Other GDP headwinds include China/U.S. tariffs raising prices, fewer semiconductor and semi-equipment sales to Huawei since being placed on the U.S. "Security List", and unexpected hot points such as Mexican border issues and Iran causing business uncertainty. Global growth concerns have increased as have recessionary fears with Italy now in recession and the Eurozone's largest economy Germany teetering on one. Also adding to the consternation was Theresa May's stepping down as Britain's Conservative Party leader after failing to bring about an agreement on Brexit. She will remain the country's prime minster until her replacement has been chosen by the Conservative Party with Boris Johnson having an early lead. Friction between the U.S. and Iran has escalated after the U.S. accused Iran of attacking two internationally registered oil tankers followed by the downing of an American drone. Mr. Trump ordered a retaliatory attack only to abort it just prior to the deadline. With the Trump administration scrapping the nuclear accord, Iran has ramped up its uranium enrichment program to exceed the limit as agreed upon in the accord of 2015. More positively, at the G-20 Summit, Presidents Trump and Xi agreed to resume trade talks. For now, the U.S. will not increase tariffs and will lift some restrictions on Huawei while China is poised to increase its purchase of U.S. agricultural exports.

In May, the World Bank stated that global trade growth has slowed to its lowest level in ten years, and the International Monetary Authority cautioned that the tariffs imposed by the U.S. and China could shave as much as 0.5% from global GDP. While the Federal Open Market Committee (FOMC)decided to leave rates unchanged after the Committee meeting on June 18/19, Fed Chair Powell mentioned the central bank would "act as appropriate to sustain the expansion" amid risks to the economy in part due to the trade conflict with China. The Committee's Vice Chairman Richard Clarida echoed these comments stating the Fed expects the U.S. economic expansion to persist though he added the Committee is prepared to cut rates if trade and other concerns pose a risk. Fed officials were nearly split as to whether to cut rates or leave unchanged, though Mr. Clarida acknowledged there was "broad agreement" that the case for a rate cut had increased. Of note, inflation has been largely non-existent. St. Louis Federal Reserve bank president James Bullard stated "inflation measures have declined substantially since the end of last year and are presently running some 40 to 50 basis points below the FOMC's 2% inflation target," while non-voting Minneapolis Federal Bank President Neel Kashkari believes the central bank needs to be more assertive by cutting rates by 50 bps.

Investor/economist estimates for a cut as early as July have risen to as high as 80% while the odds are nearly 50% there will be as many as three 25 basis points cuts by the end of the calendar year.

The second positive phase of the U.S. equity cycle commenced when top line growth accelerated in early 2017. There was nothing wrong with earnings and revenue in late 2018. Rather, it was recessionary fears from tariffs, the government shutdown, and the Fed's wildly unpopular December hike that overshadowed fundamentals and precipitated the decline in the fourth quarter. Once 4Q:18 earnings season commenced, company reports came in as expected or better, and RVLC performance roared back in 1Q:19. The Fed's more dovish turn (i.e., increased likelihood for future rate cuts) and growing hopes for a trade deal between the U.S. and China provided an additional boost to equity markets. As recently as February, the consensus was for a decline in 1Q:19 year-over-year earnings. However, with nearly all S&P 500 companies having reported, earnings were up 1-2% with revenues expanding at a 3% pace. Knowing what we know today, earnings are estimated to be flat in the second quarter but should reaccelerate into the second half of the year to a 5-7% growth rate with revenues to continue to expand at a 3% pace throughout 2019. With valuations in many companies and value sectors close to historically low levels, it is not surprising companies flush with cash and available low interest rates have begun to step up strategic acquisitions.

Increased tariffs are our base case scenario as companies are including 10-20% tariffs in their guidance. Supply chain dynamics on stock prices should not be as impactful in 2H:19 as they had been in 2H:18 as companies have been adapting quickly to reconfigure their supply chains. Intermediate and longer term, U.S. corporations have made moves to reconfigure supply chains for products built overseas not for "in country" consumption and furthermore can make significant supply chain adjustments. According to EvercoreISI, softline companies have reduced their Chinese manufacturing exposure by 15-35% recently, an effort that had been ongoing for years but accelerated sharply once the first Chinese tariffs went into effect last spring. No matter the "truce" outcome, U.S. companies are quickly making adjustments. By the end of the second quarter of 2019, tariff exposure should be significantly reduced as U.S.-centric companies and markets will have become less beholden to China supply chains. Indications that the majority of the supply chain reconfigurations has been completed is supported by May's U.S. durable goods new orders (ex. transportation) posting their best gain month-over-month since October 2018.

Over the last decade, many investment professionals have been tested by two simultaneously occurring phenomena: the rise of passive investing and the stronger performance of growth stocks relative to value that make value investing appear broken. As growth approaches its 11th year of outperforming value, the price-to-book ratio and rolling 10-year relative performance remain at stretched levels. Historically, these extreme levels have reversed with value sizably outperforming growth over multiple years. The dilemma investors face is whether 1) they should continue to "ride" momentum and the S&P 500 (which are showing signs of fatigue with mega market caps and technology-led selloffs), or 2) consider value stocks with attractive valuations that have been overlooked and oversold as a result of the growth decade. We believe prudent investors should maintain diversification in both styles to avoid chasing potential seismic changes as well as curtail risk and be in the position to gain throughout economic cycles which should smooth returns over time.

The Financial Times (December 5) reported that "Not dead yet - Value stocks show signs of resilience amid autumn turmoil." Bond proxies in the stock market are the initial winners with value next to take the baton. Within the article, Morgan Stanley is cited stating it believes there is a "major leadership change occurring from growth to value which could be more long-lasting than most appreciate." We agree.

The RVLC portfolio remains attractively valued on all five factors relative to the Russell 1000 Value. Using consensus estimates (the RV team's own estimates are higher), the portfolio's

2Y EPS annualized growth rate is nearly double digits. The portfolio's slightly higher growth potential versus the benchmark while simultaneously trading at a discount underscores the "Search for Value Poised for Growth" Relative Value investment philosophy.

We thank you for your continued support.

Diane E. Jaffee, CFA
Group Managing Director

Representative Buys (Ticker; Sector)*

Ameriprise Financial, Inc. (AMP; Financials) (0.64%)** Ameriprise Financial, headquartered in Minneapolis, MN, sells life insurance products and wealth management services through its cadre of nearly 10,000 financial advisors. The company also has over $459 billion in assets under management and $891 billion in total assets under administration. At initiation, the stock had a $21.4 billion market capitalization and met four of the five valuation factors: price-to-cash flow, price-to-sales, price-to-earnings, and dividend yield. The primary catalyst is restructuring with a secondary catalyst of new products/new markets. Since it was spun-off from American Express in September of 2005, AMP has begun a steady transformation from predominantly a life insurance company to a formidable advice & wealth (A&W) management and asset management (AM) company. Among the more notable acquisitions have been H&R Block Financial Advisors and Columbia Asset Management. In April 2019, AMP sold its auto & home insurance unit to American Family Insurance for $1 billion. The resulting company's earnings are now powered by A&W at 53% and AM at 22% with life insurance accounting for just 28% (19% annuities and 9% protection), but the multiples are noticeably closer to life insurance peers rather than its capital markets peers. Of particular note, A&W has been especially robust, boasting 19% earnings growth in 2018 along with a healthy 22.4% pre-tax margins and double digit wrap account balance growth, while at the same time increasing advisory productivity by 10%. Management is investigating whether an AM joint venture would be feasible as Ameriprise has an impressive track record in cost cutting. Additionally, with recent approval from the Federal Reserve, Ameriprise is expected to launch a federal savings bank by mid-2019 which could potentially provide net interest income from over $3 billion of client cash. Once ramped up, new lending product launches are also possible. Ameriprise has an expected two-year EPS CAGR of 12.3% but trades at sub 9x price-to-earnings. As management continues to execute, it is expected that the multiples will expand closer to its capital market peers.

Cousins Properties (CUZ; Real Estate) (0.63%)** Cousins Properties, headquartered in Atlanta GA, is an office real estate investment trust (REIT) with 35 properties in the SunBelt region of the U.S., the largest markets being Atlanta, Charlotte, Austin, Phoenix, and Tampa. At initiation, CUZ had a $3.8 billion market capitalization and met three of the five valuation factors: price-to-book, price-to-earnings, and dividend yield. The catalysts are restructuring and new markets/new products. In October 2016, Cousins effectively negotiated an asset swap, whereby Houston-based Parkway Properties absorbed all of the buildings in the Houston market while CUZ acquired the assets outside of Houston. With a much more predictable rent stream (having exited the highly energy sensitive Houston market), CUZ has identified $18 million in cost saving opportunities and the ability to improve the legacy Parkway property margins which were lower than the legacy Cousins' property in the same markets. In March 2019, Cousins announced it would merge with Tier REIT (TIER). With Tier's 17 buildings, the combined will not only bulk up its Austin and Charlotte portfolio but also provide an entry into the Dallas/Fort Worth market. This deal will increase the total portfolio from 15.3 million to 21.1 million square feet (sf), a development pipeline from 620,000 to 1.9 million sf (77% pre-leased), and land bank from 2.1 million to 3.5 million sf. Roughly 70% of the net operating income (NOI) is exposed to markets that are showing office employment growth in excess of the top 32 markets (1.9% vs. 1.3%) while the concentration in Atlanta has been alleviated from 41% to 31%. Cousins' management has identified $18.5 million in general and administrative cost savings immediately after the close of the TIER deal and

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pro-forma leverage will be 4.1x, lower than its office REIT peers. Based on the ongoing success of the Parkway transaction, the TIER acquisition should also prove fruitful.

McKesson (MCK; Health Care) (1.03%)** McKesson, headquartered in Irving, TX is a leading medical distribution and healthcare information company that provides prescription and over-the-counter drugs, community oncology, medical supplies, specialty care, healthcare information technology, and pharmacy management software. MCK operates through the following segments: U.S. Pharmaceutical and Specialty Solutions, European Pharmaceutical Solutions, and Medical-Surgical Solutions. The dominant U.S. Pharmaceutical and Specialty Solutions segment represents 80% of revenues and distributes pharmaceutical and other healthcare-related products and provides pharmaceutical solutions to pharmaceutical manufacturers in the U.S. The European Pharmaceutical Solutions segment provides distribution and services to wholesale, institutional, and retail customers and serves patients and consumers in 13 European countries. The Medical-Surgical Solutions segment focuses on medical-surgical supplies and provides logistics and other services to healthcare providers in the United States. At initiation, the company had a $22.8 billion market capitalization and met four of the five valuation factors: price-to-sales, price-to-cash flow, price-to-earnings, and price-to-book. The catalysts are new management, restructuring, and cost reduction. Brian Tyler, who had been MCK's COO, was promoted to CEO effective April 1, 2019. While COO, in April 2019, Mr. Tyler began a process of optimizing, restructuring, and repositioning MCK's business emphasizing IT solutions to improve revenue growth and profitability, and it is expected the company will expand these efforts. Most recently, management increased the targeted annual cost saving from restructuring by $100 million to $400-500 million to be completed by the end of 2021. The company expects to meet and exceed this milestone through the repositioning and restructuring of its UK and European operations. Also key will be the continued successful execution of its medical supply business.

Representative Sells (Ticker; Sector)†

Fluor Corp. (FLR; Industrials) Fluor, headquartered in Irving, TX, is an engineering & construction company with a global presence and one of the few with the capability to design and construct complex facilities targeting the infrastructure, energy, chemicals, mining, life sciences, and government end markets. Fluor has a blue-chip reputation not only for its expertise, pristine balance sheet, but also for customer satisfaction. At elimination, the stock had a $4.1 billion market capitalization and met four of the five valuation factors (price-to-book, price-to-sales, price-to-earnings, and dividend yield). The catalysts were new management and restructuring. Fluor replaced its COO and CFO in March and November of 2017, respectively, as it works to implement an integrated services business model that should help the company better manage large scale project costs. When Fluor reported fiscal Q1 earnings on May 2, the company announced a series of charges related to completed run-off project execution challenges and residual costs. Fluor's Board of Directors also replaced the CEO with an interim CEO and Executive Chairman, effective immediately. As a result of the fundamental misstep as well as the abrupt change in CEO, the position was sold by one-half. Subsequently, the stock's price decline warranted a fundamental review with the decision to sell the position completely.

State Street Corp. (STT; Financials) State Street, headquartered in Boston, MA, provides foreign exchange, custody, and shareholder services under the Investment Servicing segment as well as exchange traded funds (ETFs) and asset management under the Investment Management segment. State Street currently meets all five valuation factors. The company is on track to successfully executing the primary catalyst, restructuring/cost cutting, having realized most of the $1.1 billion target of combined cost saves. Additionally, the acquisition and integration of Charles River Development (CRD) provides a differentiated new product that will incorporate an end-to-end risk and trading platform to trade execution and custody services. However, as its clients have faced significant fee pressure, it too is dealing with ongoing fee compression, as its revenues and assets under custody have continued to trend down. This headwind has caused margins to remain fairly static despite management progress on the cost front. While CRD synergies are likely to materialize, it will take time for the thesis to be played out; the company has not yet integrated its asset management unit, State Street Global Advisors, to the combined platform, and material new contract wins seem

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unlikely until it can demonstrate proof of concept. Coupled with macro headwinds from the Federal Reserve that went from raising interest rates to the strong likelihood of cutting rates, STT is expected to face compression on the net interest income line as well. Despite its positive longer-term prospects and cost cutting achievements, the near-term macro pressures are deemed to be too material, and thus the position was sold.

Western Digital (WDC; Information Technology) Western Digital, headquartered in Irvine, CA, is one of the world's leading providers of storage devices and systems. The company has over a 40% share of the world high-density drive (HDD) market which is used as storage devices for storing data on personal computers, large computer systems, data centers, and in cloud computing centers. Currently, the stock meets all five of the valuation factors. The catalyst was restructuring. In 2012, WDC acquired Hitachi Global Storage Technologies (HGST) giving the company a powerful presence in the enterprise segment of the storage market. Subsequently, in 2016, WDC acquired SanDisk, a major provider of flash. During 2018, flash prices experienced a significant decline due to increased supply while demand from the smartphone market (the largest market for flash) weakened significantly. Secondly, demand from the hyper-scale and cloud data center markets decelerated creating a more challenging environment for WDC for both its HDD and flash product. Additionally, the geopolitical trade conflict with China has triggered further demand uncertainty as WDC (as well as other technology suppliers) scramble to comply with U.S. government restrictions. The conclusion of the fundamental review was to eliminate the position.

Investment Risks

Equity Risk – Equity investments entail equity risk and price volatility risk. The value of stocks and other equity securities will generally fluctuate and may decline in value over short or extended periods based on changes in a company's financial condition and in overall market and economic conditions. **Financial Services Sector Risk** – Companies in the financial services sector may be affected by the overall economic conditions as well as by factors particular to the financial services sector. **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. **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. **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). **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. **Value Investing Risk** – Undervalued stocks may not realize their perceived value for extended periods of time or may never realize their perceived value. *Please see the Fund's Prospectus for more information on these and other risks.*

Index Disclosure

TCW Relative Value Large Cap Fund

Glossary of Terms

Annuities – A fixed sum of money paid to someone each year, typically for the rest of their life. **Blue Chip** – A blue chip is a nationally recognized, well-established, and financially sound company. Blue chips generally sell high-quality, widely accepted products and services. Blue chip companies are known to weather downturns and operate profitably in the face of adverse economic conditions, which helps to contribute to their long record of stable and reliable growth. **Brexit** – An abbreviation of "British exit", which refers to the June 23, 2016 referendum by British voters to exit the European Union. **Cash Flow** – The movement of money into or out of a business, project, or financial product. **Central Bank** – A monopolized and often nationalized institution given privileged control over the production and distribution of money and credit. **Compound Annual Growth Rate (CAGR)** – The geometric progression ratio that provides a constant rate of return over a specific time period longer than one year. **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. **Dividend Yield** – A financial ratio that shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock. **Dove/Dovish** – 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. **EPS (Earnings Per Share)** – The portion of a company's profit allocated to each outstanding share of common stock. **Eurozone** – A geographic and economic region that consists of all the European Union countries that have fully incorporated the euro as their national currency. **Federal Funds Rate** – The interest rate at which depository institutions actively trade balances held at the Federal Reserve, called federal funds, with each other, usually overnight, on an uncollateralized basis. **Federal Reserve (the Fed)** – The central bank of the United States which regulates the U.S. monetary and financial system. **FOMC (Federal Open Market Committee)** – The branch of the Federal Reserve Board that determines the direction of monetary policy. **Fundamental** – Macroeconomics and Microeconomics. Macroeconomic fundamentals include topics that affect an economy at large. **GDP (Gross Domestic Product)** – The market value of all final goods and services produced within a country in a given period of time. **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. **Inflation** – A condition of a rise in the general level of prices of goods and services in an economy over a period of time. **Joint Venture** – A Joint Venture is a commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. **Large Capitalization (Large Cap)** – Companies with a market capitalization value of more than $10 billion. **Leverage** – The use of borrowed money to increase investing power. A firm with significantly more debt than equity is considered to be highly leveraged. **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. **Net Operating Income (NOI)** – A calculation used to analyze real estate investments that generate income. Net operating income equals all revenue from the property minus all reasonably necessary operating expenses. **Outperform** – Outperform is 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. **Price-to-Book (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-Cash Flow** – A ratio that measures the market's expectations of a firm's future financial health. It is calculated by dividing the share price by the cash flow per share. **Price-to-Earnings (P/E)** – A valuation ratio of a company's current share price compared to its per-share earnings. **Price-to-Sales** – A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. **Pro Forma** – Latin for "as a matter of form" or "for the sake of form") is most often used to describe a practice or document that is provided as a courtesy and/or satisfies minimum requirements, conforms to a norm or doctrine, tends to be performed perfunctorily and/or is considered a formality. **Recession** – Two consecutive quarters of negative economic growth as measured by a country's gross domestic product. **REIT (Real Estate Investment Trusts)** – Any corporation, trust or association that acts as an investment agent specializing in real estate and real estate mortgages" under Internal Revenue Code section 856. **Restructuring** – A significant modification made to the debt, operations or structure of a company. **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. **Tariff** – A tax imposed on imported goods and services. **Top Line** – Reference to the gross sales or revenues of a company. **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. **Valuations** – The process of determining the current worth of an asset or company. There are many techniques that can be used to determine value, some are subjective and others are objective. **Value** – A fund that primarily holds stocks that are deemed to be undervalued in price and that are likely to pay dividends. **Volatility** – A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. **Yield** – The income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. **Yield Curve** – A line that plots the interest rates, at a set point in time, of bonds having equal credit quality, but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt. This yield curve is used as a benchmark for other debt in the market, such as mortgage rates or bank lending rates. The curve is also used to predict changes in economic output and growth.