

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: TCW Funds - TCW High Yield Sustainable Bond Fund

Legal entity identifier: 5493006QIML761ORG77

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ ☒ ☒ Yes

☒ It made **sustainable investments with an environmental objective: 77.1%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 13.8%**

☐ ☐ ☐ No

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent was the sustainable investment objective of this financial product met?

This financial product converted to Article 9 of Regulation (EU) 2019/2088 on 21 July 2022. As such, the information provided in this Annex 5 is limited to the period 21 July 2022 to 30 September 2022. This financial product has a short history of operating as a sub-fund with respect to the requirements of Article 9 of Regulation (EU) 2019/2088. Further, the financial information related to the % of sustainable investments and asset allocation minimums were provided in Annex III for this Sub-Fund in November 2022, prior to 1 January 2023.

This Sub-Fund aims to achieve a sustainable investment objective, by targeting a lower carbon intensity than the reference benchmark (i.e., seek to reduce the carbon intensity of issuers by at least 30% under normal market conditions relative to its benchmark) in view of achieving the long-term global warming objectives of the Paris Agreement. As such, the portfolio weighted average carbon intensity was 78% below the benchmark, meeting the sustainability objective for the period between 21 July 2022 and 30 September 2022.

In addition, this Sub-Fund made sustainable investments in companies that are well-managed and are prudently managing ESG and sustainability risks. This Sub-Fund also invested in companies and collateral aligned with several sustainable environmental and social themes. As of 30 September 2022, 90.9% of the portfolio market value met TCW's sustainable criteria for inclusion and contributed to the Sub-Fund's sustainable objective.

All corporates were evaluated against TCW's Sustainability Assessment Framework, as outlined in Annex III, which is designed to measure an issuer's contribution to: i) GHG emissions intensity, ii) international standards for labor practices, iii) best practices for board governance, and iv) meet minimum expectations for tax compliance and workplace safety.

Finally, alignment of investments with sustainability themes were measured on the basis of revenue, capital expenditures, or operating expenditures by a company for products and services that aligned with the environmental and social themes outlined above.

● **How did the sustainability indicators perform?**

This financial product converted to Article 9 of Regulation (EU) 2019/2088 on 21 July 2022. As such, the information provided in this Annex 5 is limited to the period 21 July 2022 to 30 September 2022. This financial product has a short history of operating as a sub-fund with respect to the requirements of Article 9 of Regulation (EU) 2019/2088. Further, the financial information related to the % of sustainable investments and asset allocation minimums were provided in Annex III for this Sub-Fund in November 2022, prior to 1 January 2023.

Sustainability Indicators	TCW Funds - TCW HY Sustainable Bond Fund (UCITS)
% MV meeting TCW Sustainability Criteria	90.9%
The portfolio weighted average carbon intensity (scope 1+2) of companies, calculated as tCO ₂ e/million sales	71.02
Reduction of Weighted Average Carbon Intensity (Scope 1 +2) against respective Benchmark for Article 9 Funds	-78%
The number of issuers with a weighted average GHG emissions intensity above 1,000 tCO ₂ e/million sales (metric shown as % of issuer count)	1.4%

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The % of labeled green, social, sustainable and sustainability-linked bonds in the portfolio	1.8%
The % of companies that are in violation of the UN Global Compact, ILO Standards, UN Guiding Principles for Human Rights or OECD guidelines for Multinational Enterprises	0%
The % of companies with severe or very severe workplace accidents	0%
The % of companies with significant tax controversies or other severe controversies	0.7%
The % of companies with at least one independent board member	100%
The % of holdings that are compliance with the UN Global Compact Anti-Corruption Principle (10)	100%
Source: MSCI, Bloomberg, TCW, and Portfolio Companies	
Note: Certain indicators only apply to a subset of asset classes.	
ESG and Sustainability Data Use Risks: TCW uses best efforts to collect data relevant to the indicators and data collated by third-party providers. In certain instances, data is estimated by TCW. Where TCW relies on third-party data it does so following due diligence of that provider but cannot guarantee the accuracy of third-party data. There are limitations with respect to availability of ESG data in certain sectors. For a number of the indicators there is wide variance amongst the data points provided by third-party data providers, as well as differences between third-party provided data and company disclosure. Additionally, company disclosures for a given indicator may vary in the calculation methodology limiting cross comparability. Market conditions affect certain ratios, calculation methodologies are evolving, and data availability is changing and investor understanding of sustainability risks may be subjective and evolving. Where ESG data is not available, TCW may need to carry out estimations. In addition, there are many instances where TCW analysts disagree with third party ESG research assessments.	

	Sustainable Themes	% Market Value of Portfolio
Planet	Renewable Energy, Storage, and Green Hydrogen	0.4%
	Sustainable Mobility	0.0%
	Circular Economy	4.3%
	Climate Change Adaptation, Risk Mgmt & Water	1.5%

	Biodiversity, Oceans, & Sustainable Land Use	0.0%
	Sustainable Real Assets & Smart Cities	0.5%
	Total Environmental	6.6%
People	Health	4.3%
	Sanitation and Hygiene	1.9%
	Education	0.3%
	Financial and Digital Inclusion	4.0%
	Nutrition	3.4%
	Affordable and Inclusive Housing	0.0%
	Total Social	13.8%
Distinct Issuer Market value		20.4%
<p>Sources: MSCI, ISS, Bloomberg, TCW and Portfolio Companies</p> <p>Definition of Sustainable Theme: Sustainable thematic investments are determined by revenue, capital expenditures, or operating expenditures by a company for products and services. For holdings represented by securitized assets, the % of collateral is attributed to appropriate themes (ie green buildings). Additionally, labeled bonds are also counted towards individual themes as appropriate given use of proceeds. Consistent with regulatory guidance, there is no double counting. Themes are determined by the primary activity or largest contribution of revenue.</p> <p>Methodology: In determining whether assets are achieving or contributing to the attainment of sustainable investment objectives, TCW will assess the % of revenue or capital expenditures by a company that have products or services that are contributing to the above sustainable objectives. For securitized assets, TCW will assess the % of the underlying collateral that is contributing to the above sustainable objectives.</p> <p>Data is based on TCW analyst assessment which is informed by third party classification of product and services, fundamental analysis of companies, and engagement. Company or issuer is classified in thematic categories based on specific thresholds of qualifying products and services which varies by theme and sector. Labeled bonds may be qualified into inclusion for a thematic category related to use of proceeds and target.</p> <p>Data Coverage: Data does not apply to investments that are made for the purposes of hedging, duration management, or liquidity purposes. This includes cash, non-corporate cash equivalents, currency positions, derivatives, and other non-issuer specific instruments.</p> <p>ESG and Sustainability Data Use Risks: TCW uses best efforts to collect data relevant to the indicators and data collated by third-party providers. In certain instances, data is estimated by TCW. Where TCW uses third-party data it does so relying on the due diligence of that provider but cannot guarantee the accuracy of third-party data. There are also limitations with respect to availability of ESG data in certain sectors. For a number of the indicators there is wide variance</p>		

amongst the data points provided by third-party data providers, as well as differences between third-party provided data and company disclosure. Additionally, company disclosures for a given indicator may vary in the calculation methodology limiting cross comparability. Market conditions affect certain ratios, calculation methodologies are evolving, and data availability is changing and investor understanding of sustainability risks may be subjective and evolving. Where ESG data is not available, TCW may need to carry out estimations. In addition, there are many instances where TCW analysts disagree with third party ESG research assessments.

MSCI Data: This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although TCW's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

● ***...and compared to previous periods?***

Not applicable.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

As TCW aims to mitigate sustainability risks and investments that cause significant harm, TCW evaluated these risks within the existing investment processes, with the goal to mitigate risk and/or improve investment performance over time. Additionally, as part of our portfolio construction, TCW applied binding criteria to the Sub-Fund's investment universe in order to eliminate companies that are exposed to industries, businesses, or sectors deemed incompatible with the investment strategy for the Sub-Fund.

The Sub-Fund was in compliance with the following exclusions over the period 21 July 2022 to 30 September 2022. Specifically, TCW excluded:

- Any company whose revenues from production, sales or distribution are related to the following areas exceeds 5% of its total net revenue: tobacco, unconventional oil and gas exploration and drilling (including, but not limited to, arctic drilling, oil sands, fracking, etc.), military weapons-related (including nuclear weapons), and non-military weapons;
- Any company who derives 10% or more of total net revenue from thermal coal power production, or any company engaged in or intending to receive revenue from activities related to thermal coal extraction;
- Any company that has violated one or more of the United Nations Global Compact principles, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights;

- Any company engaged in the production or sale of, or that otherwise received revenues related to, controversial weapons, including, but not limited to, landmines, chemical weapons, and biological weapons; and
- Any company that derives more than 5% of its total net revenue from conventional oil and gas activities, including production, exploration, distribution, or related services for such activities.
- Any company whose revenues exceed 5% from (i) the production or distribution of alcohol, (ii) the provision or promotion of gambling, or (iii) the production, presentation, or distribution of adult entertainment.
- Lowest rated issuers/companies according to TCW's ESG scoring scale.
- MSCI CCC rated issuers/companies

The exception to the above is that the Sub-Fund may invest in green/social/sustainable bonds from issuers involved in energy-related sectors or industries, as such bonds may help support the global energy transition. However, no investments were made during this period that would meet this exception.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Sub-Fund considered and mitigated, to the extent reasonably practicable, the adverse impacts of its investments on sustainability factors. The investment team addressed these indicators through several tools: 1) binding exclusions that directly limited portfolio exposure to companies directly captured by many of the principal adverse impact indicators below; 2) portfolio compliance rules that help us monitor holdings and identify candidates for review in order to maintain holdings; 3) research and engagement with issuers that are found to have adverse impacts or potential impacts on sustainability.

The Sub-Fund considered, though the tools identified above, at least 14 indicators with regards to the principal adverse impacts of investment decisions on sustainability factors. The principal adverse impact indicators considered are:

- (1) GHG emissions.
- (2) Carbon Footprint.
- (3) Weighted average GHG intensity of investee companies.
- (4) Exposure to companies active in the fossil fuel sector.
- (5) Share of non-renewable energy consumption and production.
- (6) Energy consumption intensity per high impact climate sector.
- (7) Activities negatively affecting biodiversity-sensitive areas.
- (8) Emissions to water.
- (9) Hazardous waste ratio.
- (10) Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- (11) Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises.
- (12) Unadjusted gender pay gap.
- (13) Board gender diversity.
- (14) Exposure to controversial weapons.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The scope of adverse impacts may be wide and varied, and as a result, the data needed to assess these factors comprehensively and accurately is evolving. In addition, regulatory and industry standardization around the methodologies and tools needed for such an assessment is likely to materialize in the coming years. As this data and standardization improves, TCW will continue to make best efforts to assess the adverse impacts of our investment on sustainability factors and engage to address and mitigate these impacts.

Further, TCW monitored exclusions, issuer, and portfolio characteristics pre- and post-trade to ensure compliance with stated thresholds. Specific to the portfolio exclusions, upon notification of a change to excluded activities of an issuer resulting in a previously eligible security falling in scope of these exclusions, TCW will seek to sell the security expeditiously under normal market conditions in the best interests of shareholders, typically within 90 days of notification.

Engagement is also a key component of the investment process that was used to monitor status and progress against these indicators. Portfolio managers directly engaged companies as appropriate on a range of issues, such as balance sheet management, corporate strategy, financial performance, and risk, promoting the Sustainable Development Goals (“SDGs”), climate policy, governance, and sustainability themes. TCW’s engagement efforts are used to encourage issuers to undertake actions that may promote better outcomes for environmental, social, and governance objectives as well as benefits to financial objectives. Engagement takes multiple forms and often includes meetings or calls with company management or other company representatives, direct contact with policymakers, participation in investor meetings, quarterly earnings calls, and roadshows, along with outreach at industry events. The specific focus and means of engagement will vary by asset classes and sector.

This methodology is subject to change based on the evolving nature of ESG practices and metrics and relevance to TCW’s investment process.

Please refer to Exhibit I.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The companies representing in the Sub-Fund holdings were in compliance with the TCW’s criteria over the period 21 July 2022 to 30 September 2022. TCW’s criteria evaluate investment alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights exclusions. TCW also evaluated issuers for compliance against the ILO Standards and UN Guiding Principles for Human Rights as part of the TCW sustainability assessment framework.

To ensure alignment with these principles, TCW implemented binding exclusions against any company that has violated one or more of the UN Global Compact principles, OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.



How did this financial product consider principal adverse impacts on sustainability factors?

The Sub-Fund considered and mitigated, to the extent reasonably practicable, the adverse impacts of its investments on sustainability factors. The investment team addresses these factors through several tools, including but not limited to, research and engagement with issuers that are found to have adverse impacts or potential impacts on sustainability, as well as a variety of investment exclusions targeting issuers that are engaged in sectors or industries that would be captured by the exclusions.

Principal adverse impacts were considered as part of the research process, but are also factored into ESG scoring and exclusions that were employed to manage this Sub-Fund. TCW monitored exclusions, issuer, and portfolio characteristics pre- and post-trade to ensure compliance with stated thresholds. Specific to the portfolio exclusions, upon notification of a change to excluded activities of an issuer resulting in a previously eligible security falling in scope of these exclusions, TCW will seek to sell the security expeditiously under normal market conditions in the best interests of shareholders, typically within 90 days of notification. Engagement was also a key component of the investment process that is used to monitor status and progress against these indicators. Portfolio managers directly engaged companies and sovereigns as appropriate on a range of issues, such as balance sheet management, corporate strategy, financial performance, and risk, promoting the Sustainable Development Goals (SDGs), climate policy, governance, and sustainability themes. TCW's engagement efforts are used to encourage issuers to undertake actions that may promote better outcomes for environmental, social, and governance objectives as well as benefits to financial objectives. Engagement takes multiple forms and often includes meetings or calls with company management or other company representatives, direct contact with policymakers, participation in investor meetings, quarterly earnings calls, and roadshows, along with outreach at industry events. The specific focus and means of engagement will vary by asset classes and sector.

The scope of adverse impacts may be wide and varied, and as a result, the data needed to assess these factors comprehensively and accurately is evolving. In addition, regulatory and industry standardization around the methodologies and tools needed for such an assessment is likely to materialize in the coming years. As this data and standardization improves, TCW will continue to make best efforts to assess the adverse impacts of its investment on sustainability factors and engage to address and mitigate these impacts.



What were the top investments of this financial product?

Country	Weight	Issue (Coupon, Maturity)
UNITED STATES	4.02	UNITES STATES TREASURY BILL 0%, 03/11/2022
UNITED STATES	2.30	MOLINA HEALTHCARE INC - 144A - 3.875%, 15/11/2030
UNITED STATES	2.18	YUM! BRANDS INC 3.875%, 01/11/2023
UNITED STATES	1.46	QWEST CORP 7.25%, 15/09/2025
UNITED STATES	1.45	CENTENE CORP 4.25%, 15/12/2027
UNITED STATES	1.34	T-MOBILE USA INC 2.25%, 15/02/2026
UNITED STATES	1.32	POST HOLDINGS INC - 144A - 5.75%, 01/03/2027
UNITED STATES	1.30	GRAPHIC PACKAGING INTERNATIONAL LLC - 144A - 3.5%, 15/03/2028
UNITED STATES	1.24	FORD MOTOR CREDIT CO LLC 3.087%, 09/01/2023
UNITED STATES	1.20	LEVEL FINANCING INC - 144A - 3.625%, 15/01/2029
UNITED STATES	1.11	UNITES STATES TREASURY BILL 0%, 02/02/2023
UNITED STATES	1.08	CLEAN HARBORS INC 5.125%, 15/07/2029
UNITED STATES	1.07	NETFLIX INC. 5.875%, 15/02/2025
UNITED STATES	1.03	CATALENT PHARMA SOLUTIONS INC - 144A - 5%, 15/07/2027
UNITED STATES	1.03	HCA INC 5.875%, 01/02/2029

Source: TCW

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



What was the proportion of sustainability-related investments?

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This Sub-Fund achieved a sustainable investment objective by investing in companies that are well-governed and are prudently managing ESG and sustainability risks. Additionally, this Sub-Fund invested in companies that are aligned with the aforementioned environmental and social themes. As such, corporates were evaluated against TCW's Sustainability Assessment Framework, as outlined in Annex III, which is designed to measure an issuer's contribution to: i) GHG emissions intensity, ii) international standards for labor practices, iii) best practices for board governance, and iv) meet minimum expectations for tax compliance and workplace safety.

Alignment of investments with sustainability themes was measured on the basis of revenue, capital expenditures, or operating expenses by a company for products and services that aligned with the environmental and social themes outlined above.

As outlined in Annex III, TCW's objective is to invest a minimum of 80% of the Sub-Fund's NAV in securities that are assessed by TCW to be sustainable. The Sub-Fund has not defined a minimum share of investments with a dedicated environmental or social objective.

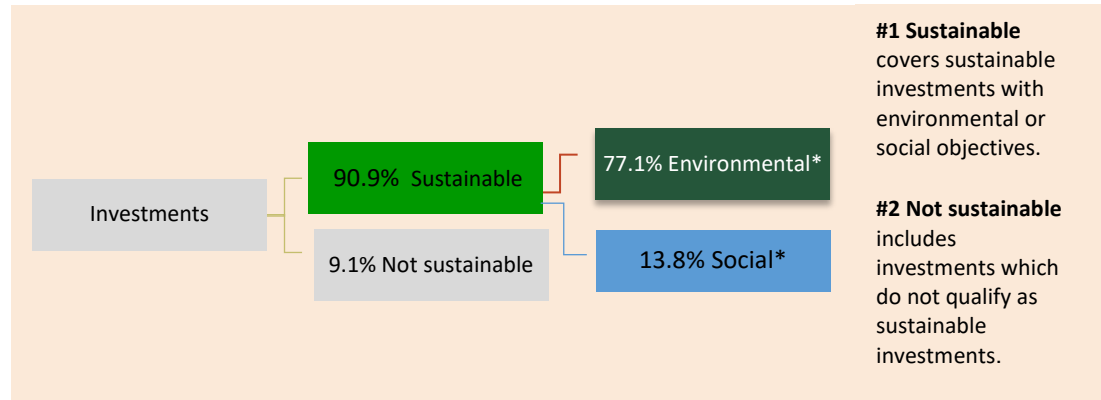
The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: As of 30 September 2022

The percent of investments that met TCW's sustainability criteria was 90.9% of the portfolio as of 30 September, 2022. These holdings contributed to the achievement of the sustainable investment objective, which was to reduce the portfolio weighted average carbon intensity relative to the reference benchmark by at least 30% and thus attributable to meeting the Sub-Fund's climate-related objective.

Of the 90.9% of investments that were sustainable, 77.1% of investments allowed us to meet our environmental objective in two ways: 1) Either investments contributed to our sustainable investment objective of reducing the portfolio weighted average carbon intensity relative to the reference benchmark, representing 70.5% of the portfolio; or 2) investments were dedicated to a specific environmental theme, representing 6.6% of the portfolio. Finally, 13.8% of investments were dedicated to a specific social theme.

● **What was the asset allocation?**

Asset allocation
describes the share
of investments in
specific assets.



● **In which economic sectors were the investments made?**

Economic Classification	%
Investment Banking and Brokerage Services	19.15
Telecommunications Service Providers	13.45
Health Care Providers	12.91
General Industrials	6.07
Governments	5.13
Travel and Leisure	4.50
Food Producers	3.99
Pharmaceuticals and Biotech	3.16
Medical Equipment and Services	2.46
Retailers	1.96
Consumer Services	1.90
Media	1.85
Technology Hardware and Equipment	1.68
Personal Care, Drug, and Grocery Stores	1.65
Leisure Goods	1.59
Non-life Insurance	1.56
Finance and Credit Services	1.40
Real Estate Investment Trusts	1.22
Industrial Support Services	1.21
Banks	1.18
Industrial Transportation	1.11
Electronic and Electrical Equipment	1.10
Waste and Disposal Services	1.08
Household Goods and Home Construction	1.01
Chemicals	0.78
Aerospace and Defense	0.56
Industrial Materials	0.55

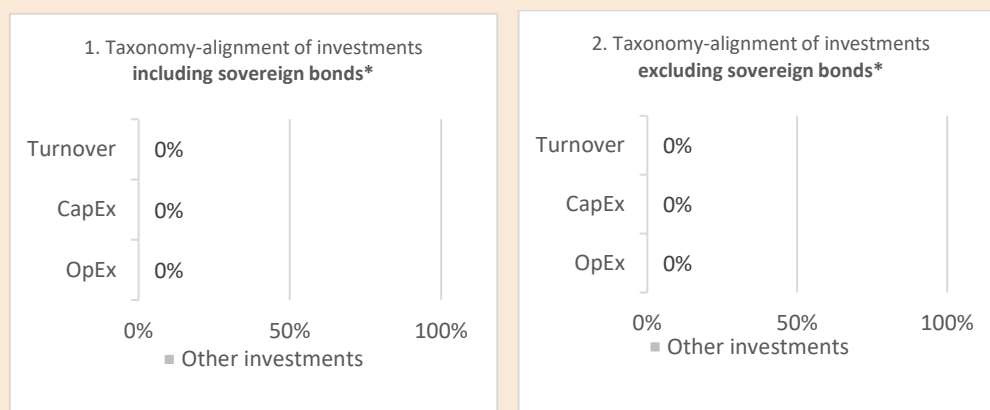
Electricity	0.52
Telecommunications Equipment	0.50
Construction and Materials	0.49
Precious Metals and Mining	0.48
Life Insurance	0.40
Software and Computer Services	0.25
	96.85

Source: TCW



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



TCW is not currently in a position to comment on an accurate and reliable basis on how and to what extent the Sub-Funds' investments technically qualify as 'environmentally sustainable' within the specific meaning of Taxonomy Regulation and as result, 0% of the Sub-Fund's investments are sustainable investments with an environmental objective that align with the EU Taxonomy.

What was the share of investments made in transitional and enabling activities?

Not applicable.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The % of investments with an environmental objective was 77.1%. Of this, 70.5% represented investments that contributed to our sustainable investment objective of reducing the portfolio weighted average carbon intensity relative to the reference benchmark. In addition, the % of investments that could be attributed to a sustainable environmental theme was 6.6%.



What was the share of socially sustainable investments?

The % of investments with a sustainable social theme was 13.8%.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Other represented 9.1% of the portfolio market value and was represented by securities where an evaluation of sustainability, or other environmental or social characteristics is not possible. These apply to investments that are made for the purposes of hedging, duration management, or liquidity proposes or instruments that are not issuer specific. These including cash, cash equivalents, currency positions, particular types of derivatives and other non-issuer specific instruments, as presenting ESG or sustainability risks, opportunities and/or issues, and we believe it is not practicable to evaluate such risks.



What actions have been taken to attain the sustainable investment objective during the reference period?

As part of the research process, securities were prioritized that contributed both to the environmental and social characteristics and presented good risk-adjusted returns based on the risks that have been identified. Additionally, TCW utilized ESG Scoring and TCW’s Sustainability Assessment Framework to provide the key issuer/security specific metrics that are employed to measure the attainment of each of the environmental and/or social characteristics. Specifically:

- **ESG Scoring:** Each investment by the Sub-Fund will be evaluated based on one or more of TCW’s ESG criteria and issuers considered by us to have average or higher ESG scores will be screened into the investment universe. The specific ESG scores, methodologies and thresholds used will vary by asset class and strategy and should generally result in a reduction of the corporate investment universe by 20%. Factors incorporated in the proprietary research score may include indicators such as factors related to physical and transition climate risk, lending standards and practices, deal terms and governance, and community impact among many other topics. In making such evaluations, TCW may rely on internal ESG ratings and/or ratings provided by third parties to evaluate potential and current investments. These ratings may utilize data from a variety of sources, including third-party providers as well as data that is culled from prospectuses, company filings, calls and meetings with issuers, and other sources.

- **TCW's Sustainability Assessment Framework:** TCW has developed a sustainability assessment framework based on the analysis of how issuers' business activities align with several identified sustainability objectives, which is integrated into the investment process. The goal of this analysis is to provide a minimum threshold by which to assess whether an issuer is making a positive contribution to selected environmental and social objectives, in addition to providing an assessment of governance that is broadly applicable. This methodology should not be viewed in isolation, and issuers will also be evaluated against TCW's broader evaluation of an issuer's ESG and sustainability related risks. TCW's sustainability objectives target metrics that specifically measure an issuer's contribution to: i) GHG emissions intensity, ii) international standards for labor practices, iii) best practices for board governance, and iv) meet minimum expectations for tax compliance and workplace safety.

In some instances where there is not enough disclosures or where performance either against our sustainability assessment framework, ESG scoring, or other identified metric presents concerns for our research team and portfolio managers, TCW utilized **engagement** as the main tool to encourage additional disclosure, best-practice, and improvement against identified concerns.

How did this financial product perform compared to the reference sustainable benchmark?

The Sub-Fund's comparison benchmark is the Bloomberg U.S. Corporate High Yield Index 2% Issuer Cap Index. The Sub-Fund targets a lower carbon intensity than its reference benchmark. This index is a broad market index without any sustainability objectives. Furthermore, TCW is an active investor and is not passively managing the Sub-Fund vs this benchmark.

● *How did the reference benchmark differ from a broad market index?*

The reference benchmark is a broad market index.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

The portfolio weighted average carbon intensity was 78% below the benchmark, meeting the sustainability objective for the period between 21 July 2022 and 30 September 2022.

● *How did this financial product perform compared with the reference benchmark?*

Please see Exhibit II for the financial product performance information.

● *How did this financial product perform compared with the broad market index?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

