

ITEM 1: COVER PAGE

METROPOLITAN WEST ASSET MANAGEMENT, LLC
(“**We**” or “**Us**”)

Form ADV, Part 2A
(the “**Brochure**”)

March 30, 2012

Metropolitan West Asset Management, LLC
865 South Figueroa Street, Suite 2100
Los Angeles, CA 90017
www.tcw.com

This brochure provides information about the qualifications and business practices of Metropolitan West Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at advpartII@tcw.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about Metropolitan West Asset Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

We may refer to ourselves as a “registered investment adviser” or “**RIA**”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

See the attached Exhibit I for a description of the material changes that we have made to this brochure from the version of the brochure dated March 31, 2011.

ITEM 3: TABLE OF CONTENTS

<u>Item</u>		<u>Page</u>
1	Cover Page	1
2	Material Changes	2
3	Table of Contents	2
4	Advisory Business	3
5	Fees and Compensation	3
6	Performance-Based Fees and Side-By-Side Management	9
7	Types of Clients	10
8	Methods of Analysis, Investment Strategies and Risk of Loss	11
9	Disciplinary Information	17
10	Other Financial Industry Activities and Affiliations	17
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	19
12	Brokerage Practices	22
13	Review of Accounts	24
14	Client Referrals and Other Compensation	25
15	Custody	25
16	Investment Discretion	26
17	Voting Client Securities	26
18	Financial Information	29
	Attachment 1 - Summary of Material Changes	30

ITEM 4: ADVISORY BUSINESS

WHO WE ARE. We are an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”) and have been since 1996. We are a California limited liability company.

We are wholly-owned by The TCW Group, Inc., a Nevada corporation (“**Our Parent**”). Our Parent is majority-owned by Société Générale Holding de Participations, (“**SG Holding**”), which is controlled by Société Générale, S.A., (“**SG**”) an international banking company. SG Holding is the only 25% or more shareholder of Our Parent. SG is the only 25% or more shareholder of SG Holding.

THE SERVICES WE OFFER. We specialize in traditional fixed income management of low duration, intermediate fixed income and total return portfolios, but we also offer more focused strategies and products described in Item 5, below. We offer fixed income portfolio management services to institutional investors, as well as individual investors through the Metropolitan West Funds (“the **Funds**”). We offer a strategy called “AlphaTrak”, which is designed for investors seeking returns linked to the equity market. We also provide investment advice for liability driven investment strategies as well as non-traditional fixed income strategies. In general, portfolios are designed to maximize total return consistent with price volatility benchmarks or mandates provided by portfolio specific investment guidelines.

Our clients include private or government investment funds and institutions, including pension funds, high net worth individuals and family offices and others. Those clients are generally sophisticated investors and often have internal and external consultants and advisers to assist them with determinations of their individual needs, such as allocations among types of investments, and do not seek those determinations from us. We may agree with certain clients on investment guidelines that restrict the securities or types of securities that we invest in on their behalf.

ASSETS UNDER MANAGEMENT. As of December 31, 2011, we had \$41,983,713,689 in discretionary assets under management and \$238,539,236 in non-discretionary assets under management. The TCW Group of companies, including affiliated entities, had approximately \$117 Billion of assets under management as of that date.

ITEM 5: FEES AND COMPENSATION

OUR COMPENSATION.

The investment management fees we charge are generally computed as a percentage of the market value of assets under management in the Account or Fund, and are billed, rather than deducted from the assets we manage. Our clients typically pay our management fees quarterly in arrears, although some Accounts and Funds pay us

monthly. Accounts are generally subject to a minimum account size as shown in Item 7, below. Investment management fees are based on the investment strategy and size of the account.

SEPARATE ACCOUNTS. The current fee schedule for Accounts is given below, stated on a per annum basis for the amount of assets under management. Our fee schedule is generally not negotiable. If investment objectives differ from styles covered by our fee schedule (such as for liability driven investment strategies or non-traditional fixed income strategies), or client servicing requirements are atypical, we may agree to another fee. We may combine the assets we manage for a client with more than one portfolio for fee calculation purposes. Occasionally, we may recommend that clients invest in the Metropolitan West Mutual Funds (“**MetWest Funds**”) as part of their separate account portfolio. In those cases, we collect our fees through the MetWest Funds and waive our fee for the portion of the portfolio invested in the MetWest Funds.

Low Duration and Ultra Short Portfolios:

25 basis points on the first \$25 million
 20 basis points on the next \$75 million
 15 basis points thereafter

Total Return, Intermediate and Long Duration Portfolios:

35 basis points on the first \$25 million
 25 basis points on the next \$75 million
 20 basis points thereafter

AlphaTrak Portfolios: We offer alternative fee schedules:

- *Performance Fee Schedule*

Base Fee:	\$0
Incentive Fee:	No fee on first 10 basis points of outperformance 25% of remaining value added
Maximum Fee:	55 basis points
- *Fixed Fee Schedule*

35 basis points on the first \$25 million,
25 basis points on the next \$75 million,
20 basis points thereafter

High Yield Portfolios:

50 basis points on the first \$100 million,
 40 basis points thereafter

TIPS Portfolios:

25 basis points on the first \$25 million
 20 basis points on the next \$75 million
 15 basis points thereafter

Unconstrained/Strategic Income Portfolios:

60 basis points on the first \$50 million
 50 basis points thereafter

We, or our affiliates, also offer the Strategic Income strategy through other investment vehicles, which may have differing fee schedules.

In addition to our asset-based investment advisory fee schedules described above, we may offer performance based fees to certain institutional investors. These are determined on a case by case basis, and will comply with Rule 205-3 of the Advisers Act, if applicable. See Item 6, below for additional information about performance fees and their risks.

Our asset based fees are payable quarterly in arrears, and are typically billed, rather than deducted from the assets we manage.

MUTUAL FUNDS AND OTHER INVESTMENT COMPANIES

Metropolitan West Mutual Funds. We also are the investment adviser of the Metropolitan West Funds, which currently include the following funds which pay us investment advisory fees at the annual rate shown. The fee is charge on the average daily value of the fund assets, payable monthly in arrears by a deduction from the applicable fund.

FUND	ADVISORY FEE
Metropolitan West Ultra Short Bond Fund	0.25%
Metropolitan West Low Duration Bond Fund	0.30%
Metropolitan West Intermediate Bond Fund	0.35%
Metropolitan West Total Return Bond Fund	0.35%
Metropolitan West High Yield Bond Fund	0.50%
Metropolitan West Unconstrained Bond Fund	0.65%

Our investment advisory fees for two of the Metropolitan West Mutual Funds have two linked components: a basic fee (asset based) component and a performance adjustment component. The actual fee paid may be higher or lower than the basic fee.

- **Metropolitan West AlphaTrak 500 Fund.** This fund pays us a management fee, computed daily and payable monthly, at an annual rate of 0.35% of the AlphaTrak Fund's average daily net assets. The basic fee may be adjusted upward or downward (by a performance component of up to 0.35% of the AlphaTrak Fund's average daily net assets for the relevant 3-month performance period), depending on whether and to what extent the investment performance of the AlphaTrak Fund, for that performance period, exceeds or is exceeded by the investment record of the S&P 500 Stock Price Index plus a margin.

The AlphaTrak Fund uses a rolling 3-month performance period. The performance adjustment, which is applied to the AlphaTrak Fund's average daily net assets for the performance period, equals 35% of the difference between the AlphaTrak Fund's investment performance and the investment record of the S&P 500 Stock Price Index plus a margin of 0.30% when the AlphaTrak Fund's performance is calculated assuming the maximum possible management fee of an annual rate of 0.70% rather than the actual fee accrued. Alternatively, the margin also can be described as 1.00% if the investment performance of the AlphaTrak Fund is calculated after operating expenses but before any management fee.

An annual performance difference of 1.00% or more between the AlphaTrak Fund and the Index plus the margin would result in an annual maximum performance adjustment of 0.35%. This formula requires that the AlphaTrak Fund's performance exceed the investment record of the Index plus the margin before any performance adjustment is earned. If the AlphaTrak Fund's performance is below the performance of the Index plus the margin, a negative performance adjustment would apply.

- **Metropolitan West Strategic Income Fund.** This fund pays us a basic management fee, computed daily and payable monthly, at an annual rate of 1.20% of the fund's average daily net assets. The basic fee may be adjusted upward or downward (by a performance component of up to 0.70% of the Strategic Income Fund's average daily net assets for the relevant 12-month performance period), depending on whether and to what extent the investment performance of the Strategic Income Fund, for that performance period, exceeds or is exceeded by the investment record of the Merrill Lynch 3 Month U.S. Treasury Bill Index plus a margin.

The Strategic Income Fund calculates its fee by using a rolling 12-month performance period. The performance adjustment, which is applied to the Strategic Income Fund's average daily net assets for the performance period, equals 35% of the difference between the Strategic Income Fund's investment performance and the investment record of the Merrill Lynch 3 Month U.S. Treasury Bill Index plus a margin of 0.10% when the Strategic Income Fund's performance is calculated assuming the maximum possible management fee of an annual rate of 1.90% rather than the actual fee accrued. Alternatively, the margin

also can be described as 2.00% if the investment performance of the Strategic Income Fund is calculated after operating expenses but before any management fee.

For example, an annual performance difference of 2.00% or more between the Strategic Income Fund and the Index plus the margin would result in an annual maximum performance adjustment of 0.70%. This formula requires that the Strategic Income Fund's performance exceed the investment record of the Index plus the margin before any performance adjustment is earned. If the Strategic Income Fund's performance is below the performance of the Index plus the margin, a negative performance adjustment would apply.

- **Terms Applicable to Both Funds.** Investment performance for each is calculated based on its net asset value per share after expenses but assuming the maximum possible management fee. For purposes of calculating the investment performance of each fund, any dividends or capital gains distributions paid by the fund are treated as if those distributions were reinvested in the fund. The investment record for the respective Index is based on the change in value of that Index and earnings from underlying securities.

Because the adjustment to the basic fee is based on the comparative performance of each fund and the record of its Index, the controlling factor (regarding the performance adjustment) is not whether the fund's performance is up or down, but whether it is up or down more or less than the investment record of the applicable Index plus the margin. In addition, the comparative investment performance of each fund is based solely on the relevant performance period without regard to the cumulative performance over a longer or shorter period.

The management fee and any performance adjustment for each fund are accrued daily and the entire management fee is normally paid monthly. It is possible for high past performance to result in a daily management fee accrual or monthly management fee payment by the one of these funds that is higher than lower current performance would otherwise produce. The reverse is also true. It is possible for low past performance to result in a daily management fee accrual or monthly management fee payment by a fund that is lower than the higher current performance would otherwise produce.

Additional information about the fees charged to the Metropolitan West Funds by the Adviser and other expenses, and risks of investing, can be found in the prospectus for the Metropolitan West Funds, which may be downloaded from www.mwamllc.com.

Other Investment Companies. We (or our affiliates pursuant to sub-advisory agreements) also serve as investment adviser to affiliated and unaffiliated investment companies registered under the 1940 Act and foreign investment companies ("**Investment Companies**") under written agreements pursuant to which we manage the

investments of such Investment Companies' assets. We provide investment management advice for Investment Companies at fees negotiated with each such company. Fees generally range from .15% of average daily net assets to .75% of average daily net assets depending upon the strategy offered by the Investment Companies but may be negotiable. Fees may also include incentive fees, which fees will comply with Rule 205-3, if applicable. The actual fees, minimum investment amounts and other conditions relevant to maintaining an investment in any such Fund are disclosed in the offering documents of the Investment Companies.

PRIVATE FUNDS. We also serve as an investment manager for privately-offered Funds (“**Private Funds**”):

- the collateral manager of (and/or investment adviser to) various Private Funds that are collateralized bond obligation and collateralized debt obligation vehicles. Fees for these services are individually negotiated.
- adviser to other Private Funds for which we, or an affiliate, will receive management fees payable at the annual rate as described in the relevant offering material for the Private Fund. We, in our discretion, may waive all or a portion of the management fee as to an investor, or may agree confidentially with an investor to other changes to the management fee respecting such investor. Investors in these privately offered funds may have different fee arrangements.

With respect to privately-offered funds, we, or our affiliates, may receive an incentive fee. Each fund’s offering memorandum provides the terms of these incentive fees and provides other important information about the applicable Private Fund, including the significant risks associated with an investment in the fund. Fees based on performance will meet all requirements for such fees as specified under Rule 205-3 under the Advisers Act.

OTHER EXPENSES IN CONNECTION WITH ACCOUNTS AND FUNDS.

- **Accounts.** Our Account clients will typically pay fees to their custodian in addition to our management fees. Depending on the strategy in which the account invests, the Account will incur brokerage fees for most equity trading, and the effect of the difference with respect to the bid/ask spread for trading in fixed income investments. If the strategy for the Account involves derivatives, the Account may be required to make payments under the derivatives to counterparties.
- **Mutual Funds.** In addition to our management fees, our Mutual Fund clients incur fees for 12b-1 fees, custodian, administrative services, transfer agent, state registration, Securities and Exchange Commission registration, membership in the Investment Company Institute (a mutual fund industry association), state and city taxes, audit, printing, mailing, legal, compliance, as well as director’s expenses.
- **Private Funds.** Our private investment vehicles will typically incur the same fees for Accounts described above, as well as fees for maintenance of books and

records, custody fees, audit expense, tax preparation expense, organizational expense, fees to fund administrators, insurance expense, and annual licensing and registration fees and taxes. If the private investment vehicle permits borrowing or other leverage, there may be interest expense and fees for credit. Certain alternative strategies may incur legal expense in connect with the acquisition or disposition of investments and the handling of distressed investments. The Fund offering documents describe these fees and expenses in greater detail.

COMPENSATION OF OUR EMPLOYEE MARKETING REPRESENTATIVES.

Our employees who act as our marketing representatives are not normally paid a sales commission by our Funds for marketing those Funds to our clients. If they were to be paid a sales commission by any of our Funds, we would fully disclose that in the Fund documents provided to potential investors prior to investment. We do, however, compensate our Marketing Representatives from the management fees we earn on Accounts that they are responsible for and for their clients who invest in our Funds. This practice presents a conflict of interest and gives our marketing representatives an incentive to recommend our investment strategies and Funds based on the compensation received, rather than on a client's needs. Our mutual fund strategies are available through brokers and agents not affiliated with us. Those brokers or agents are generally compensated through a portion of our advisory fees, and in some cases through 12b-1 fees disclosed in the mutual fund documents.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We may receive investment advisory fees for some of the Accounts and Funds that we manage that are performance fees, as described in Item 5, above.

Our portfolio managers may share in performance fees. In each case the fees are specifically authorized by the Account or Fund documents and disclosed in any Fund disclosure documents. For other Accounts and Funds we manage that make the same or similar investments, we may receive investment advisory fees based only on a percentage of assets or a fixed fee.

Performance fees create a risk that:

- we may have an incentive to allocate more attractive investment opportunities to accounts or funds with performance fees, and
- we may cause the Account or Fund to make investments that are more speculative than we would for an account or fund with similar investment guidelines that does not have performance fees. However, we may receive no performance fee or a reduced fee if the account or fund has losses, which can align our interest with the client and temper this risk.

Accounts and Funds that make similar investments, but do not pay us performance fees, may have different investment advisory fees from each other, which also can create the risk that we may allocate more attractive investment opportunities to Accounts and Funds with greater investment advisory fees.

To mitigate these risks, we monitor accounts and funds for compliance with investment guidelines and follow investment allocation policies. Under our allocation policies, when a particular investment would be appropriate for several accounts and funds we manage, we apportion the investment in a manner that we determine in good faith to be fair and equitable. Our apportionment may not be strictly pro rata depending on our determination of all relevant factors such as differing investment objectives, diversification considerations, and cash availability. We follow similar good faith apportionment policies when disposing of investments for our accounts and funds. These allocation policies could in certain circumstances adversely affect the price paid or received by our Accounts and Funds. See Item 12 of this Brochure, describing our *Brokerage Practices*, for more information.

ITEM 7: TYPES OF CLIENTS

Our clients include many of the largest corporate and public pension plans, financial institutions, endowments and foundations in the U.S., as well as mutual funds, other investment companies, foreign investors and high net worth individuals.

SEPARATE ACCOUNTS. Accounts in our investment strategies are generally subject to the minimum account size of \$25 million. In some instances, the minimum may be negotiated because of special circumstances.

METROPOLITAN WEST MUTUAL FUNDS. The minimum account size for each of the Metropolitan West Mutual funds is shown below:

FUND	MINIMUM
Metropolitan West Ultra Short Bond Fund	I Class -\$3 million M Class- \$5,000 (\$1,000 for IRA's)
Metropolitan West Low Duration Bond Fund	I Class - \$3 million M Class - \$5,000 (\$1,000 for IRA's) N Class - \$2,500
Metropolitan West Intermediate Bond Fund	I Class - \$3 million M Class -\$5,000 (\$1,000 for IRA's)
Metropolitan West Total Return Bond Fund	I Class - \$3 million M Class - \$5,000 (\$1,000 for IRA's) N Class - \$2,500

	P Class - \$25 million
Metropolitan West High Yield Bond Fund	I Class - \$3 million M Class - \$5,000 (\$1,000 for IRA's)
Metropolitan West Alpha Track 500 Fund	M Class - \$5,000 IRA - \$1,000
Metropolitan West Strategic Income Fund	I Class - \$3 million M Class - \$5,000 (\$1,000 for IRA's)
Metropolitan West Unconstrained Bond Fund	I Class - 3 million M Class - \$5,000 (\$1,000 for IRA's)

PRIVATE FUNDS.

We or our affiliates currently, and may in the future, serve as investment adviser to certain investment funds that are not generally available to the public for investment (“**Private Fund**”). A Private Fund may be organized as either US or non-US pooled investment vehicles, and we or an affiliate also may serve as a general partner or managing member of a Private Fund that is organized as a limited partnership or limited liability company. Our employees may also serve as officers or directors of Private Funds that are organized as corporations.

Investment interests in Private Funds are generally only available to investors who meet the definitions of “Accredited Investor” under the Securities Act of 1933, as amended, and “Qualified Purchaser” under the Investment Company Act of 1940. In addition, Private Fund investors are required to make representations concerning their sophistication as investors and ability to bear risk of loss of their entire investment. Under certain circumstances, we may waive all or part of any admission standard of any Private Fund within our sole discretion. The minimum subscription that will generally be accepted within any particular Private Fund is disclosed, along with other restrictions on investment, in the offering material provided to potential investors.

The investment objective, investment policies, risk factors and other important information for each Private Fund is described in the Private Fund’s offering material.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

An investment in any of our strategies involves risk, including the risk that an investor can lose money. An investment in any of these strategies by itself is not a balanced investment program for purposes of an investor's portfolio diversification needs. Investors should consult with their financial adviser regarding the appropriateness of an investment in any of these strategies for their overall investment program.

OUR STRATEGIES.

- **Alpha Track Strategy.** We have designed this strategy for investors looking for equity market returns. The portfolios are managed to track the Standard and Poor's 500 Index. AlphaTrak uses a combination of S&P 500 futures contracts, along with an enhanced cash or low duration fixed income portfolio. (The AlphaTrak strategy also may use S&P 500 swap contracts together with or in lieu of the S&P index futures.) The actual dollars invested in the enhanced cash portfolio approximately equal the notional value of the S&P futures contracts held. Outperformance relative to the S&P 500 can be obtained provided the enhanced cash portfolio outperforms the implied financing rate of the S&P 500 futures contracts, which typically slightly exceeds the 3 month London Interbank Offered Rate (LIBOR). Hence, the investor achieves his equity "alpha" by relying on MetWest's fixed income skills to manage an enhanced cash portfolio with the goal of outperforming the short-term implied financing rate embedded in the pricing of the futures contracts.

Outperformance of the short-term financing rate can be achieved by utilizing a strategy which emphasizes investments in short maturity fixed income instruments whose yields exceed LIBOR. These additional yields are achievable by investing in U.S. Treasury securities, corporate bonds, U.S. Government Agency Securities, asset backed securities and mortgage securities, among others, and by utilizing a longer average maturity structure than LIBOR.

- **Low Duration Fixed Income Strategy.** For this strategy, we construct portfolios to normally maintain an average interest rate duration of between 1 and 3 years. Investments can include U.S. Government and corporate debt securities, mortgage and asset-backed securities, money market instruments and derivatives, although other fixed income securities may be used in the portfolio.
- **Intermediate Fixed Income Strategy.** This strategy constructs portfolios to normally maintain an average interest rate duration of between 2 and 4.5 years. Investments can include U.S. Government and corporate debt securities, mortgage and asset-backed securities, money market instruments and derivatives, although other fixed income securities may be used in the portfolio.
- **Total Return Fixed Income Strategy.** In this strategy we construct portfolios to normally maintain an average interest rate duration of between 3 and 6 years. Investments can include U.S. Government and corporate debt securities, mortgage and asset-backed securities, money market instruments and derivatives, although other fixed income securities may be used in the portfolio.
- **Long Duration Fixed.** This strategy constructs portfolios to normally maintain an average interest rate duration of between 8 and 14 years. Investments can include U.S. Government and corporate debt securities, mortgage and asset-backed

securities, money market instruments and derivatives, although other fixed income securities may be used in the portfolio.

- **TIPS Strategy.** We invest in securities commonly known as TIPS (Treasury Inflation-Protected Securities). The strategy attempts to select TIPS at various maturities that appear more advantageous while striving to outperform against the chosen index, and providing protection against inflation.
- **High Yield Strategy.** For this strategy, we construct portfolios that are primarily invested in securities rated BB+ / Ba1 and below. The High Yield strategy focuses on identifying credits with substantial underlying asset value relative to the market price of their debt. The portfolio managers generally emphasize the debt of companies with hard asset value and resilient operating cash flow and de-emphasizes those companies and industries with limited asset value protection (e.g. retailers, supermarkets, and distributors). There is a preference within the strategy for bank loans or bonds that are senior in the capital structure and/or closer to the company's assets.
- **Strategic Income Strategy.** We have designed this strategy to create low correlation, absolute return in fixed income markets over a long-term market cycle. It does so through a series of interrelated tactics, including seeking opportunities created by a dynamic bond market environment, exploring inefficiencies created in new product areas, and looking for opportunities to create capital structure arbitrage, inter-sector arbitrage and rating agency arbitrage in asset backed securities. This strategy emphasizes a long-term top-down approach designed to benefit from mean reversion, using an intrinsic value analysis while exploiting a bottom-up approach such as inefficiencies in the credit default swap market.
- **Ultra Short Strategy.** With this strategy, we attempt to maintain a dollar-weighted average portfolio maturity normally exceeding one year, while normally maintaining an average portfolio interest rate duration of up to one year. Investments can include government and corporate debt securities, mortgage and other asset-backed securities, money market instruments and derivatives, although other fixed income securities may be used in the portfolio.
- **Unconstrained Strategy.** This strategy seeks a long term rate of return by utilizing a flexible approach that allocates investments across a range of global investment opportunities related to credit, currencies and interest rates. The use of the term “unconstrained” in the strategy’s name means that it has few limitations with respect to types of investments, is flexible in the use of interest rate duration and is not managed to be compared to an index. The portfolio management team expects to actively evaluate each investment idea based on its potential return, its risk level and how it fits within the Fund’s overall portfolio in determining whether to buy or sell investments.

RISKS OF OUR STRATEGIES.

The principal risks affecting for all fixed income strategies are:

- **interest rate risk:** the risk that debt securities will decline in value because of changes in interest rates or a decline in interest rates will lower the Fund's yield.
- **credit risk:** the risk that an issuer will default in the payment of principal and/or interest on a security.
- **price volatility risk:** the risk that the value of the Fund's investment portfolio will change as the prices of its investments go up or down.
- **issuer risk:** the risk that the value of a security may decline for reasons directly related to the issuer such as management performance, earnings, financial leverage, the value of assets and reduced demand for the issuer's goods or services.
- **liquidity risk:** the risk that there may be no willing buyer of the Fund's portfolio securities and the Fund may have to sell those securities at a lower price or may not be able to sell the securities at all each of which would have a negative effect on performance.
- **market risk:** the risk that returns from the securities in which we invest will decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets.
- **securities selection risk:** the risk that the securities held by the Fund will underperform other funds investing in the same asset class or benchmarks that are representative of the asset class because of the portfolio managers' choice of securities.
- **portfolio management risk:** the risk that an investment strategy may fail to produce the intended results.
- **globalization risk:** the risk that the growing inter-relationship of all global economies and financial markets has increased the effect of conditions in one country or region on issuers of securities in a different country or region.
- **market disruptions and geopolitical risk:** geopolitical events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in foreign or domestic economic and political conditions could adversely affect the value of a portfolio's investment.

The following are risks of strategies that invest in mortgage-backed securities:

- **prepayment risk:** the risk that in times of declining interest rates, the Fund's higher yielding securities will be prepaid and the Fund will have to replace them with securities having a lower yield.
- **extension risk:** the risk that in times of rising interest rates mortgage prepayments will slow causing portfolio securities considered short or intermediate term to be long-term securities which fluctuate more widely in response to changes in interest rates than shorter term securities.

- **underlying collateral risk:** the risk that the impairment of the value of the collateral underlying a non-agency security in which the Fund invests, such as non-payment of mortgage loans, will result in a reduction in the value of the security.

The following are risks of strategies that employ derivatives or leverage:

- **derivatives risk:** the risk of investing in derivative instruments, including liquidity, interest rate, market and management risks, mispricing or improper value. Changes in the value of a derivative may not correlate perfectly with the underlying asset, reference rate or index and the Fund could lose more than the principal amount invested.
- **leveraging risk:** the risk that leverage created from borrowing or certain types of transactions or instruments, including derivatives, may impair the Fund's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended result.
- **counterparty risk:** the risk that the other party to a contract, such as a swap agreement, will not fulfill its contractual obligations.

The following is a risk of strategies that invest in asset-backed securities:

- **underlying collateral risk:** the risk that the impairment of the value of the collateral underlying a security in which the Fund invests such as non-payment of loans, will result in a reduction in the value of the security.

METHODS AND SOURCES OF OUR ANALYSIS

We are a value investment manager. As such, our investment process focuses on preserving capital for our clients, while extracting value utilizing deep, fundamental, "bottom-up" research and analysis.

For the credit sector, our research focuses on asset value, seniority in the capital structure, and the ability to generate free cash flow. We utilize several measures to determine a company's asset value (including discounted cash flow analysis, multiples of cash flow, multiples of free cash flow, percentage of replacement cost, required IRR, etc.) and then compare that to the market price of their debt. We conduct a detailed examination of the company's organizational and capital structure to determine seniority. We consider both structural and payment seniority, as well as limitations on the company's ability to incur debt senior to us. In addition, we concentrate on the actual cash flow generated by reconstructing the components that make up the change in cash from period to period. This removes accrual accounting distortions. Other firm specific factors such as liquidity, management, and competitive position are also considered. Finally, industry and regulatory characteristics and conditions are examined for desirability and timing of investment.

We employ quantitative research that is driven by a number of powerful and dynamic proprietary models that aid in the analysis of fixed income securities. These models assist us in establishing independent criteria for bond valuation. We believe that the process of developing quantitative fixed income tools in-house improves their understanding and knowledge of different securities. These proprietary analytics also help us to understand and focus on how portfolios are structured relative to benchmarks and how portfolios will perform across a variety of interest rate, yield curve, and volatility scenarios.

Our proprietary quantitative models assist us in analyzing the following sectors of the fixed income market: Treasury securities, Treasury futures, callable corporate bonds, mortgage pass throughs, and collateralized mortgage obligations (CMOs). In addition, we have a proprietary portfolio management system, which aids in risk management, scenario analysis, portfolio risk metrics, client reporting, and compliance. Finally, by having a proprietary portfolio management system rather than vended software, we are able to adapt faster to changes in the market and to do customized reporting or implement risk management projects from clients and consultants.

Our loan level database of over 30 million loans provides original and current loan characteristics that are updated monthly. The original information provided includes LTV, zip code, property type, documentation, loan type, FICO score, etc. Current information is updated monthly to include payment status, modification details, loss amounts, prepayments and liquidation amounts necessary for us to estimate information and REO sale prices.

The research and analytics generate deal and zip code level metrics including delinquency roll rates, prepayment rates, REO sales index, mark-to-market LTV, negative/positive equity and many other factors historically critical in the analysis of the complex non-agency MBS sector. In today's market, the most important factor is the loan-to-value ratio, as it is the primary driver of a borrower's default decision, a key input to loss severity calculations and a significant indicator of prepayment speeds. Our ability to determine a more accurate LTV than is observable in the broader market statistics is a critical way we add incremental value to portfolio analysis and security selection. The output of this analysis shapes our market analysis/insight and pricing and determines vintage rankings, alt-A vs. subprime vs. prime vs. option-arm comparative analysis, absolute and relative rankings at the deal level as well as security level.

In addition to our proprietary resources, we also utilize the best tools available from external vendors. One example is our utilization of Open-Bloomberg, which allows our proprietary analytics packages to interface directly with real time market data. This includes a database containing over 1,000,000 separate fixed income issues. Another example is our utilization of The Yield Book. This tool enables us to model client indexes with an additional database containing 50,000+ issues. The Yield Book allows us to provide clients, by request, with third-party risk metrics for their portfolio.

The output of our analysis shapes our market analysis/insight and pricing and we will conduct further in-depth research to determine relative value.

ITEM 9: DISCIPLINARY INFORMATION

Not Applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer. TCW Funds Distributors (“TFD”) is a registered broker-dealer that is affiliated with us. Some of our employees are registered representatives or principals of TFD. These registered representatives and principals may receive compensation from us for selling interests in open- and closed-end commingled investment vehicles that we manage. They do not receive sales commissions from those investment vehicles, unless specifically disclosed.

Commodities Registration. We are registered as a commodity trading adviser (“CTA”). Our affiliate TCW Asset Management Company is registered as a commodity pool operator (“CPO”) and a CTA. Trust Company of the West (“TrustCo”), related party that is a California Trust Company licensed by the California Department of Financial Institutions, is also registered as a CPO. Some of our officers are registered as associated persons of the CPO or CTA. These associated persons may receive compensation from us or our affiliates for selling interests in Funds or for Accounts we or our affiliates manage. They do not receive sales commissions or other compensation from those funds or accounts, unless specifically disclosed.

Investment Advisers. For certain strategies, we may retain related registered investment advisers on a fully-disclosed basis. See the ADV Part 1 and the Brochure for each registered investment adviser described below for additional information regarding their investment management services.

- Buchanan Street Partners, L.P. (SEC Number: 801-60634; CRD Number: 113634)
- TCW Asset Management Company (SEC Number: 801-6642; CRD Number: 105742)
- TCW Investment Management Company (SEC Number: 801-29075; CRD Number: 106546)
- West Gate Advisors, LLC (Sec Number: 801- 63237; CRD No. 131967)

Banks and Trust Companies. An affiliate of ours, Trust Company of the West, is a California trust company licensed by the California Department of Financial Institutions. We are indirectly controlled by Société Générale, S.A., an international banking institution. See Item 11, Participation or Interest in Client Transactions, for further information about transactions we may enter into with Société Générale, S.A. and its affiliates.

Private Funds. We or one of our affiliates is the general partner or managing member of the limited partnerships and limited liability companies listed below that we provide investment management services to and for which our clients of have been solicited to invest. At the time of any such solicitation clients received an offering memorandum relating to the limited partnership or limited liability company.

- MWAM Opportunity Master Fund, B.V.
- MWAM Opportunity Fund, B.V.
- MWAM Opportunity Fund, L.P.
- MetWest Enhanced TALF Strategy Fund, L.P.
- MetWest Enhanced TALF Strategy Fund, Ltd.

IMPORTANT NOTICE

This Brochure may be provided to a prospective investor (“**Investor**”) in one of our privately-offered Funds, together with the Fund’s private placement memorandum (“**PPM**”), organizational documents and other related documents (“**Governing Documents**”), in connection with Investor’s consideration of an investment in the Fund. While this Brochure may include information about the Fund, it does not represent a complete discussion of the features, risks or conflicts of interests associated with the Fund. More complete information about each of our Funds is included in its PPM and other Governing Documents.

In no event should this Brochure be considered an offer of interests in a Fund or relied upon in determining to invest in a Fund. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed only to provide information about us to comply with regulatory requirements under the Advisers Act, which may cause information in this Brochure to differ from the information provided in a PPM. If there is any conflict between the information in this Brochure and similar information in the Fund’s PPM, you should rely on the information in the PPM.

Other Advisers We May Recommend to Clients.

We from time to time recommend to our clients affiliated and unaffiliated investment advisors that are not subsidiaries of The TCW Group, Inc. (together “**Non-TCW Advisors**”). The Non-TCW Advisors may pay us compensation, including a portion of the management and performance fees that they receive, for any of our clients that invest with the Non-TCW advisor. This could create the risk that we refer our clients to the Non-TCW Advisors solely to receive the compensation, without consideration of the interests of the client. However, we review each Non-TCW Advisor, as well as their investment strategies and funds that we recommend, to determine that the adviser has appropriate business capability and capacity and that they offer investment alternatives that may not be available from us. We disclose to the clients we refer to Non-TCW

Advisors that we may be compensated if the client establishes an Account or invests in a Fund of the Non-TCW Advisor.

The following are Non-TCW Advisors we may refer our clients to:

- Amundi Group and subsidiaries
- Lyxor Asset Management, S.A.
- Rockefeller & Co., Inc.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SUMMARY OF OUR CODE OF ETHICS

Our officers, directors and employees are generally subject to our Code of Ethics (the "**Code**"). We will provide a copy of our Code of Ethics to any client or prospective client upon request. Our contact information appears on the first page of this Brochure.

The Code includes:

- **Conduct Principles.** General principles of conduct for all employees;
- **Restrictions on Personal Investment.** Restrictions on investment transactions in which our officers, directors and certain other persons have a beneficial interest to avoid any actual or potential conflict or abuse of their fiduciary position. The Code permits personnel subject to the Code to invest in securities, but contains several restrictions and procedures designed to eliminate conflicts of interest including: (a) pre-clearance of non-exempt personal investment transactions; (b) quarterly reporting of personal securities transactions and initial and annual reporting of securities holdings; (c) a prohibition against personally acquiring securities in an initial public offering, entering into uncovered short sales and writing uncovered options; (d) a ten day "black out period" prior or subsequent to a client transaction during which portfolio managers are prohibited from making certain transactions in securities which are being purchased or sold by a client of such manager; (e) a prohibition, with respect to certain investment personnel, from profiting in the purchase and sale, or sale and purchase, of the same (or equivalent) securities, within 60 calendar days; (f) a prohibition against buying or selling any security which is subject to firm wide or, if applicable, a department restriction; (g) a prohibition of the purchase of securities offered in a hedge fund, other private placement or limited offering (other than certain TCW-sponsored offerings) except with prior approval of designated officers; (h) a prohibition of a purchase, without prior disclosure to a designated officer, on behalf of a client through a private placement of a security of an issuer or its affiliate, if a member of the department purchasing the security has a beneficial interest in the issuer or affiliate; and (i) a prohibition of acquiring any shares of third party mutual fund advised or subadvised by TCW.

- **Insider Trading Rules.** A policy statement on insider trading that provides generally that no officer, director or employee of TCW (a) may buy or sell a security either for themselves or others while in possession of material non-public information about the company, or (b) communicate material, non-public information to others who have no official need to know. The policy statement provides guidance about what is material non-public information, lists common examples of situations in which TCW personnel could obtain that information, and describes TCW's procedures regarding securities maintained on its "Restricted Securities List" and for establishing Information Walls. It also identifies parties to contact for questions in connection with the requirements of the policy statement.
- **Restrictions on Gifts and Preferential Treatment.** A policy governing gifts, payments and preferential treatment that includes an approval process for specific categories of gifts and entertainment provided to TCW employees or given by TCW employees.
- **Restrictions on Employee Outside Activities.** A policy governing an employee's activities outside of their employment with TCW, including outside employment, service as a director or in a similar capacity, fiduciary appointments, participation in public affairs and service as treasurer of clubs, houses of worship and lodges.
- **Restrictions on Political Contributions and Activities.** A policy on political activities and contributions, containing general rules governing contributions and solicitation, responsibility of individuals for personal contribution limits, quarterly reporting of political activities by certain employees and rules for political activities on TCW premises and for using TCW resources. The policy further requires employees and certain of their related parties to obtain pre-clearance of political contributions, solicitations and volunteer activity.
- **Confidentiality Requirements.** Policies governing the confidentiality of our client and business information.
- **Whistleblower Provisions.** A policy stating it is TCW's practice that employees report illegal activity or activities not in compliance with TCW's formal written policies and procedures, including the Code.

The Code provides that exemptive relief may be given from certain of its requirements, upon application.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Transactions with Société Générale and Related Parties. Société Générale Holding de Participations, a company controlled by Société Générale, S.A. ("SG") owns a majority of the stock of The TCW Group, Inc., our parent company. As a result, SG and its subsidiaries and affiliates (which include broker-dealers, banks and other financial intermediaries and institutions) are now our related persons.

- We will enter into transactions or services involving related persons only in accordance with applicable laws and where we determine that the transactions or services are being done on an arm's length basis at fees or rates comparable to: (i) those generally available to the related person's other clients and (ii) those available to us in the marketplace from unrelated parties.
- Where required under Section 206(3) of the Advisers Act, and related rules, or Rule 17e-1 under the Investment Company Act, we will obtain client consent prior to effecting transactions with related parties, either on a case-by-case basis or on a blanket basis, as required or permitted by law. Certain funds we manage specifically authorize transactions with related parties and we, or an affiliate, may consent to those on behalf of those funds.
- From time to time, we may take the following actions on behalf of our clients, or recommend to our clients that they take such actions:
 - buy or sell securities in which persons related to us have a financial interest;
 - effect transactions through related persons, including broker-dealers acting as principal or as agent for non-clients;
 - buy or sell securities to or from related persons who are broker-dealers;
 - buy or sell securities in which we, parties related to us or our other client's accounts are at the same time effecting a sale or purchase; and
 - effect transactions with brokers that have clearing relationships with related persons who are broker-dealers.

In any transaction with a related party, the related party may receive compensation. Furthermore, we may act as investment adviser for related persons and may act as investment adviser for pension vehicles of related persons. We may be restricted under certain circumstances from entering into principal and agency and other transactions with affiliates of Société Générale S.A. ("S.G."). We have adopted procedures to identify brokers affiliated with SG, and that are designed generally to prevent the purchase for certain clients of securities issued by SG and certain of its affiliates. We have also adopted policies and procedures with respect to permitted transactions with our affiliates designed to assure that client interests are not adversely affected.

Investment Products. We may, from time to time, recommend to or purchase or sell on behalf of clients, securities or other investment products ("**Investment Products**") in which we, our affiliates or other related persons have a financial interest as the investment manager, general partner or trustee or as a co-investor in such Investment Products.

Consulting and Structuring Fees. We and our affiliates may receive fees from third parties for performing consulting, merger and acquisition structuring or other financial advisory services or acting as directors, officers or creditors' committee members. These fees can relate to actual, contemplated or potential investments of our clients. Such fees may be retained entirely by one of our affiliates or us.

Certain Funds pay us or an affiliate up-front structuring fees. In each case the fees are specifically authorized by the fund documents and disclosed in fund or account disclosure documents, if any. All or a portion of any structuring fees may be credited against investment advisory fees that we earn from the fund.

Transactions by Different Accounts, Funds and Strategies. We may recommend or enter into for clients of any investment strategy:

- sales of or short positions (if allowed) in securities of an issuer, at the same time other of our or our related investment strategies purchase securities of the same issuer for their clients; or
- investments in securities in the same and/or different parts of the capital structure of an issuer than other of our, or our related, strategies.

Securities We Purchase, Hold or Sell. We may recommend, buy or sell securities of issuers in which we or related persons may also purchase, hold or sell securities. These securities may be either publicly traded or private placements. Our Code of Ethics described above establishes various procedures with respect to investment transactions in which our related persons have a beneficial interest that are designed to reduce the potential for conflicts of interest.

Board of Director Memberships. Our officers or employees may from time to time be members of the boards of directors of publicly-held companies which may be permitted investments of various investment strategies we offer. In these cases, we take steps, such as establishing appropriate "Information Wall" procedures or placing the security in question on a Restricted List, which may limit or preclude us from purchasing or selling such securities for our clients.

ITEM 12: BROKERAGE PRACTICES

General. We and our affiliates seek to achieve best execution when trading. Other goals include execution of trades on behalf of clients in a timely and cost effective manner, fairness to clients, both in priority of order execution and in the allocation of the price obtained in execution of trades, and compliance with client trading related mandates and investment restrictions. In executing fixed income trades, such factors as price (including the applicable dealer spread), size of order, and difficulty of execution are also taken into account.

Fixed income securities are generally purchased from the issuer or a primary market maker acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread. Fixed income securities may also be purchased from underwriters at prices that include underwriting fees. Because of this pricing structure, research, and other products and services are not paid for from trades in fixed income securities.

Block Trades. In an effort to achieve efficiencies in execution and reduce trading costs, we and our affiliates frequently aggregate securities transactions on behalf of a number of accounts at the same time, generally referred to as "*block trades*." When executing block trades, trades will be allocated among accounts using procedures that we consider fair and equitable. Participation of an account in the allocation is based on such considerations as investment objectives, guidelines and restrictions, availability of cash, amount of existing holdings (or substitutes) of the security in the accounts, investment horizon and directed brokerage instructions, if applicable. We may execute securities transactions alongside or interspersed between block orders when we think that such execution will not interfere with our ability to execute the order in a manner believed to be most favorable to our clients as a whole. We may exclude trades for accounts that direct brokerage or that are managed in part for tax considerations from block trades.

In some cases, various forms of pro rata allocation are used, and in other cases, random allocation processes are used. However, considerations such as lot size, existing or targeted account weightings in particular securities, account size, cash availability, diversification requirements and investment objectives, restrictions and time horizons may result in more particularized allocations. In connection with multi-account purchase or sale programs, and in other circumstances, if practicable, if multiple trades for a specific security are made with the same broker in a single day, those securities are allocated to accounts based on a weighted average purchase or sale price.

Allocation of New Issues. For new issues of fixed income securities, various forms of pro rata allocations among eligible accounts are generally used, and in other cases, random allocation processes are used. If a small amount of par value is allocated to us, we may allocate disproportionately, taking into consideration lot size, existing or targeted account weightings in particular securities and/or sectors, account size, diversification requirements and investment objectives/restrictions.

Client Directed Brokerage. We may not be able to obtain volume discounts or negotiate price with a broker for accounts that direct brokerage. Because of that, such accounts may not get best execution. Accounts with directed brokerage instructions may be excluded from block trades and their directed orders will generally be executed following completion of any non-directed trades. As a result, performance results for these accounts may vary from other client accounts we manage in the same strategy. In some instances, the client may direct us to make all or substantially all of their account trades with specific broker-dealers ("*fully directed*" accounts). Fully directed account clients may be required to sign certain acknowledgments, including the fact that such

direction regarding brokerage may compromise best execution and that the client's account may trade after other accounts.

Affiliated Broker-Dealers. Broker-dealers selected may include broker-dealers in which clients or their affiliates, or, indirectly, we or our affiliates, have some financial interest.

Women-Owned/Minority-Owned Brokers. We may, consistent with our duty to seek best execution, select broker-dealers for the execution of portfolio transactions that are majority-owned or operated by women and/or members of minority groups. We will select such a broker-dealer only if the broker-dealer can achieve best execution for the account and if selecting the broker-dealer will not cause our clients to incur portfolio transaction costs in an amount greater than would have been incurred if we had not used such firm. We maintain a selected list of women-owned and minority-owned broker-dealers that we have determined are capable of providing best execution. The Trading Review Committee establishes and reviews targets for use of women-owned and minority-owned broker-dealers.

ITEM 13: REVIEW OF ACCOUNTS

Our clients are divided among investment professionals according to the investment strategy of the portfolio. Portfolios are typically monitored and reviewed by the personnel who handle the strategy on an ongoing basis. The details of the monitoring vary based on the nature of the investment strategy.

Separately, our compliance and risk functions perform monitoring and review, including daily transaction reviews for marketable securities strategies.

A combined team led by members of our portfolio analytics and risk departments review the activities of each marketable and alternative investment strategy during our quarterly Portfolio Analytics Committee meeting. This Committee, comprised of members of our executive management, compliance, legal, portfolio analytics, and risk teams, reviews investment activities and portfolio analytics with a focus on changes or shifts to investment style, as well as quantitative metrics, including performance, historical trends, and risk profiles. If necessary, we hold additional detailed meetings with individual senior investment professionals to further review their respective strategy in order to gain a deeper understanding of the fundamental drivers of the performance metrics. In addition, we review certain alternative investment strategies quarterly at Investment Product Review Committee ("IPRC") meetings. Participants in IPRC meetings typically include senior portfolio management personnel from the investment strategy, as well as members of our executive management, legal and compliance teams.

We generally distribute quarterly or semi-annual written reports to investors in the Private Funds listed in Item 10, above. The reports describe the activities and provide information about the investments of these funds. In addition, annual reports containing

the audited financial statements are prepared and distributed to the investors for many of these Funds.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, we may pay a non-affiliated third party (“Solicitor”) a fee or compensation for referral of a client to us in a separate account. The Solicitor is required to provide prospective clients with a current copy of our Brochure and the Solicitor's written disclosure statement. The Solicitor's statement will disclose the particulars of the referral relationship and the compensation we will pay to the Solicitor. We will obtain a signed and dated acknowledgement from each referred client of the receipt of the Brochure and the disclosure statement, as required by Rule 206-4(3) of the Investment Advisers Act of 1940.

At times, we may pay persons affiliated with us a fee or compensation for referring a client to us in a separate account. Those persons will disclose to clients the nature of their relationship to us at the time they solicit clients for us.

Many of our clients engage the services of consultants in connection with their investments and investment managers. Compensation we pay to consultants would typically be disclosed as indicated by the paragraph above, as required by law. We may also pay from time to time a portion the cost of conferences, seminars and other activities we attend that are sponsored by consultants.

ITEM 15: CUSTODY

Accounts. Due to certain arrangements, we may be deemed to have “custody” of client accounts within the meaning of Rule 206(4)-2 under the Advisers Act because we may have access to or authority over client funds and securities for purposes other than issuing trading instructions. If we are deemed to have custody over an account, the custodian will send the client investor periodic account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in your account as of the end of the statement period and any transactions in the account during the statement period. You should review these statements carefully. Additionally, you should contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis. As noted in Item 13, above, we may provide you, separately, with reports or account statements providing information about the account. You should compare these carefully to the account statements you receive from your custodian. If you should discover any discrepancy between the account statements, please contact us immediately.

Private Funds. Because we or an affiliate serves as general partner or managing member of certain private Funds, we are deemed to have “custody” of the private funds within the meaning of Rule 206(4)-2 under the Advisers Act. For most of these funds, we provide each investor in the fund with audited financial statements that comply with U.S. generally accepted accounting practices (“**GAAP Audits**”) within 120 days following the

Fund's fiscal year end. For some private Funds, we follow the procedure outlined for Accounts, above, and do not provide GAAP Audits.

ITEM 16: INVESTMENT DISCRETION

We enter into written agreements for each Account and Fund that we manage that state our discretion to manage the Account or Fund. We typically have discretionary authority for the investments of these Accounts and Funds, subject to specific investment guidelines and restrictions of those agreements. We enter into these agreements after legal, risk and compliance review on our behalf.

ITEM 17: VOTING CLIENT SECURITIES

We will accept proxy voting authority from our clients, and follow our Proxy Voting Policy, which is summarized below. If we have accepted proxy voting authority from the client, we do not provide the client the option to direct a proxy vote with respect to a particular solicitation. We do, however, agree with some clients to use their general proxy voting guidelines when voting proxies on their behalf.

Some of our clients do not give us the authority to vote proxies on their behalf, choosing to vote proxies themselves. Those clients will likely receive proxy solicitations from a custodian and transfer agent, and not through us. Those clients occasionally contact us with questions about a particular solicitation. Our Senior Proxy Specialist will discuss our guidelines with respect to the solicitation with the client.

SUMMARY OF PROXY VOTING POLICY

The following is a summary of our Proxy Voting Policy. We will provide a copy of our Proxy Voting Policy to any client or prospective client upon request. Our contact information appears on the first page of this Brochure.

If we have responsibility for voting proxies in connection with our investment advisory duties, or has the responsibility to specify to an agent how to vote the client's proxies, we exercise such voting responsibilities through the corporate proxy voting process. We believe that the right to vote proxies is a significant asset of its clients' holdings. In order to provide a basis for making decisions in the voting of proxies for its clients, we have established a proxy voting committee (the "**Proxy Committee**") and adopted proxy voting guidelines (the "**Guidelines**") and procedures. The Proxy Committee generally meets quarterly (or at such other frequency as determined by the Proxy Committee), and its duties include establishing proxy voting guidelines and procedures, overseeing the internal proxy voting process, and reviewing proxy voting issues. The members of the Proxy Committee include our personnel from the investment, compliance, legal and marketing departments. We also use outside proxy voting services (each an "**Outside Service**") to help manage the proxy voting process. The Outside Service facilitates our voting according to the Guidelines (or according to guidelines submitted by our clients) and helps maintain our proxy voting records. Our proxy voting and record keeping is

dependent on the timely provision of proxy ballots by custodians, clients and other third parties. Under circumstances described below involving potential conflicts of interest, we may also request the Outside Service to help decide certain proxy votes. In certain limited circumstances, particularly in the area of structured finance, we may enter into voting agreements or other contractual obligations that govern the voting of shares. In the event of a conflict between any contractual requirements and the Guidelines, we will vote in accordance with its contractual obligations.

Philosophy. The Guidelines provide a basis for our decisions in the voting of proxies for clients. When voting proxies, our utmost concern is that all decisions be made solely in the interests of the client and with the goal of maximizing the value of the client's investments. With this goal in mind, the Guidelines cover various categories of voting decisions and generally specify whether we will vote for or against a particular type of proposal. Our underlying philosophy, however, is that our portfolio managers, who are primarily responsible for evaluating the individual holdings of our clients, are best able to determine how best to further client interests and goals. The portfolio managers may, in their discretion, take into account the recommendations of our management, the Proxy Committee, and the Outside Service.

Overrides and Conflict Resolution. Individual portfolio managers, in the exercise of their best judgment and discretion, may from time to time override the Guidelines and vote proxies in a manner that they believe will enhance the economic value of clients' assets, keeping in mind the best interests of the beneficial owners. The Guidelines provide procedures for documenting and, as required, approving such overrides. It is unlikely that serious conflicts of interest will arise in the context of our proxy voting, because we do not engage in investment banking or the managing or advising of public companies. In the event a potential conflict does arise, the primary means by which we avoid a conflict of interest in the voting of proxies for its clients is by casting votes solely in the interests of its clients and in the interests of maximizing the value of their portfolio holdings. In this regard, if a potential conflict of interest arises, but the proxy vote to be decided is predetermined under the Guidelines to be cast either in favor or against, then we will follow the Guidelines and vote accordingly. On the other hand, if a potential conflict of interest arises and there is no predetermined vote, or the Guidelines themselves refer such vote to the portfolio manager for decision, or the portfolio manager would like to override a predetermined vote, then the Guidelines provide procedures for determining whether a material conflict of interest exists and, if so, resolving such conflict.

Proxy Voting Information and Recordkeeping. Upon request, we provide proxy voting records to its clients. These records state how votes were cast on behalf of client accounts, whether a particular matter was proposed by the company or a shareholder, and whether or not we voted in line with management recommendations. We are prepared to explain to clients the rationale for votes cast on behalf of client accounts. To obtain proxy voting records, a client should contact our Proxy Specialist.

We or an Outside Service will keep records of the following items: (i) the Guidelines and any other proxy voting procedures; (ii) proxy statements received regarding client securities (unless such statements are available on the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system); (iii) records of votes cast on behalf of clients (if maintained by an Outside Service, that Outside Service will provide copies of those records promptly upon request); (iv) records of written requests for proxy voting information and our response (whether a client's request was oral or in writing); and (v) any documents we prepared that were material to making a decision how to vote, or that memorialized the basis for the decision. Additionally, we or an Outside Service will maintain any documentation related to an identified material conflict of interest.

We or an Outside Service will maintain these records in an easily accessible place for at least five years from the end of the fiscal year during which the last entry was made on such record. For the first two years, we or an Outside Service will store such records at its principal office.

International Proxy Voting. While we utilize the Guidelines for both international and domestic portfolios and clients, there are some significant differences between voting U.S. company proxies and voting non-U.S. company proxies. For U.S. companies, it is relatively easy to vote proxies, as the proxies are automatically received and may be voted by mail or electronically. In most cases, the officers of a U.S. company soliciting a proxy act as proxies for the company's shareholders.

For proxies of non-U.S. companies, however, it is typically both difficult and costly to vote proxies. The major difficulties and costs may include: (i) appointing a proxy; (ii) knowing when a meeting is taking place; (iii) obtaining relevant information about proxies, voting procedures for foreign shareholders, and restrictions on trading securities that are subject to proxy votes; (iv) arranging for a proxy to vote; and (v) evaluating the cost of voting.

Furthermore, the operational hurdles to voting proxies vary by country. As a result, we consider whether or not to vote an international proxy based on the particular facts and circumstances. However, when we believes that an issue to be voted is likely to affect the economic value of the portfolio securities, that its vote may influence the ultimate outcome of the contest, and that the benefits of voting the proxy exceed the expected costs, we will make every reasonable effort to vote such proxies.

CLASS ACTION NOTICES AND PROOFS OF CLAIM

From time to time, securities that our clients have owned are the subject of class action lawsuits. Generally, holders of securities within a given class period are entitled to participate in the recovery or settlement in a class action lawsuit by filing a proof of claim. All class members normally are bound by a court-approved settlement or judgment in a class action unless they have filed with the court or claims administrator a timely notice choosing to opt-out of the settlement.

We view the decision to file of a proof of claim in class actions as a corporate action that normally is to be performed by the custodian for our client. In addition, the decision to elect to opt out of a settlement is an individual decision to be made by our client.

Normally, custodians will receive notices of rights to participate in, or opt out of class action settlements. We sometimes receive such notices and have adopted procedures to assist our clients in the performance of class action processing functions. Our actions and responsibilities with respect to class action matters will depend on the role we have with respect to the client.

ITEM 18: FINANCIAL INFORMATION

Not applicable.

ATTACHMENT 1 MATERIAL CHANGES

We have made the following material changes to this Brochure since our last annual update of it on March 31, 2011.

ITEM 4: ADVISORY BUSINESS

We have updated our assets under management to December 31, 2011. At that time, we had \$41,983,713,689 in discretionary assets under management and \$238,539,236 in non-discretionary assets under management.

ITEM 5: FEES AND COMPENSATION

- **Separate Accounts.** We have added a disclosure about our Unconstrained strategy and amended the fee schedule for our Strategic Income strategy. Both provide for an annual management of 60 basis points on the first \$50 of the account and 50 basis points thereafter.
- **Metropolitan West Mutual Fund.** We have added disclosures about the management fees of the Metropolitan West Unconstrained Bond Fund.

ITEM 11: TYPES OF CLIENTS

We have added information about the minimum account size by class of investment in the Metropolitan West Unconstrained Bond Fund.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

- We have revised our explanations of our methods and sources for analysis of our fixed income strategies to provide more detail about our approach, process and sources for analysis and investment.
- We have added disclosures about the risk of market disruption and geopolitical events for all investment strategies, and the risk of prepayment of underlying mortgage loans to strategies that invest in mortgage-backed securities.

ITEM 13: REVIEW OF ACCOUNTS

We have revised our description of our process for review of accounts to indicate that our Portfolio Analytics Committee is taking over the oversight process previously handled by our Investment Product Review Committees (“IPRC”) for our marketable securities strategies.