

**ITEM 1: COVER PAGE**

SEPULVEDA MANAGEMENT LLC  
(“**We**” or “**Us**”)

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

March 28, 2024

Sepulveda Management LLC  
515 South Flower Street  
Los Angeles, CA 90071  
[www.tcw.com](http://www.tcw.com)

This brochure provides information about the qualifications and business practices of Sepulveda Management LLC. If you have any questions about the contents of this brochure, please contact us at [advpart2@tcw.com](mailto:advpart2@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 Sepulveda Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://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.

For a hard-copy of any of these materials please send your inquiry to [advpart2@tcw.com](mailto:advpart2@tcw.com).



## **ITEM 2: MATERIAL CHANGES**

See Attachment 1 of this Brochure for a summary of the material changes that we have made to this Brochure since our annual Amendment filed March 29, 2023.

## **ITEM 3: TABLE OF CONTENTS**

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#### 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 were established in May 26, 2016. We are a Delaware limited liability company.

We are owned by The TCW Group, Inc. (the “**TCW Group**” and together with its affiliated companies, “**TCW**”), WAM Capital LLC (“**WAM**”), an affiliate of Wedbush Capital (“**Wedbush**”), certain members of our investment team (the “**Investment Team**”) and certain other minority owners (collectively, the “**Ownership Group**”). Initially, we are managed by a board of managers comprised of representatives from each of TCW and the Investment Team.

In February 2013, TCW management and private investment funds affiliated with alternative asset manager The Carlyle Group (together with such affiliated funds, “**Carlyle**”) acquired TCW Group. On December 27, 2017, Nippon Life Insurance Company (“**Nippon**”) acquired a minority stake in TCW Group. At present, TCW Group is co-owned by TCW management and employees, Carlyle, and Nippon.

**THE SERVICES WE OFFER.** We provide investment advice and management services to Funds, as defined below, and separate accounts (each, an “**Account**”) that invest all or a significant portion of their assets in publicly-traded companies. We manage investments of the Funds, as defined below, in accordance with the investment objectives and strategies set forth in the Funds’ offering documents. Such investments are tailored to the Funds’ particular needs but are not tailored to the individual needs of any Fund investor (limited partner). We manage Accounts in conformity with a client’s chosen strategy and clients have a limited ability to tailor such strategies or restrict certain securities.

We provide investment advisory services to the following investment vehicles:

- **TCW Sepulveda Long/Short Equity Fund I LP, TCW Sepulveda Long/Short Equity Master Fund, Ltd., and TCW Sepulveda Focused Value Fund, LP** (collectively, the “**Funds**”), whose investment objectives are to deliver attractive risk-adjusted returns while protecting capital in various market conditions. We seek to achieve the Funds’ investment objective by making value-oriented investments through an opportunistic, fundamentally-driven, long/short equity strategy, primarily in the equity securities of small capitalization companies. We employ a focused, bottom-up research intensive and fundamental value-based approach to building a portfolio of high conviction investment opportunities. We seek to preserve capital and mitigate risk through limited diversification, hedging activities, and adherence to a value-oriented investment philosophy.

We will generally offer the Funds only to certain qualified institutional and individual investors. The terms of each Fund are described in its private placement memorandum and limited partnership agreement or similar agreement (“**Offering Material**”), which are delivered to each potential investor prior to the time they invest. Although the Funds are not managed with the specific objectives and risk tolerances of investors in mind, we may agree with certain Account



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, 2023, we had \$327,235,309 in discretionary assets under management and \$0 in non-discretionary assets under management. The TCW Group of Companies, including affiliated entities, had approximately \$210 billion in assets under management as of that date.

**IMPORTANT NOTICE.** This Brochure may be provided to a prospective investor (“**Investor**”) in one of our Funds, together with the Fund’s Offering Material and other related documents (“**Governing Documents**”), in connection with Investor’s consideration of an investment in a Fund. While this Brochure may include information about the Funds, it does not represent a complete discussion of the features, risks or conflicts associated with the Funds. More complete information about each of our Funds is included in its 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 the Governing Documents. If there is any conflict between the information in this Brochure and similar information in a Fund’s Governing Documents, you should rely on the information in the Governing Documents.

## **ITEM 5: FEES AND COMPENSATION**

The fees and compensation we receive from clients are generally computed as a percentage of market value of the assets under management in the relevant Account or Fund. These fees are billed, rather than deducted from the assets we manage for Accounts but are typically deducted from the assets we manage for Funds. Our clients typically pay our management fees monthly in arrears, although some Accounts and Funds pay us quarterly. Accounts are generally subject to a minimum account size.

**SEPARATE ACCOUNTS.** The expected management fee charged to an Account is 1.5% on a per annum basis. In some instances, the fee may be negotiated.

**FUNDS.** Each of these two funds, TCW Sepulveda Long/Short Equity Fund I LP and TCW Sepulveda Long/Short Equity Master Fund, Ltd. will pay us a monthly management fee which is typically equal to 0.125% (1.5% per annum) of the month-end net asset value of the Fund, prior to reduction for any performance allocations or for the management fee determined for such period. The TCW Sepulveda Focused Value Fund, LP will pay us a monthly management fee which is typically equal to 0.0625% (0.75% per annum) of the month-end net asset value of the Fund, prior to reduction for any performance allocations or for the management fee determined for such period. The management fee will be payable in arrears as of the last business day of the calendar month for which it is determined and will be prorated for any period that is less than a month.



Our affiliate, in its capacity as general partner of the Funds, will be allocated from each investor in a Fund an annual performance allocation typically equal to 20% of the net profits achieved by such investor during a fiscal year (including both realized and unrealized gains and net of the management fee with respect to such period) for TCW Sepulveda Long/Short Equity Fund I LP and TCW Sepulveda Long/Short Equity Master Fund, Ltd. For the TCW Sepulveda Focused Value Fund, LP that allocation is typically equal to 15%. Performance allocations are assessed in arrears on an annual basis and are only applied to the portion of profits that exceed the cumulative losses previously allocated to or incurred by Fund investors (i.e., a “high water mark”).

We may waive, reduce, or modify the determination of the management fee or performance allocation with respect to any investor for any period of time, or agree to apply a different management fee or performance allocation for such investor, including Fund investors affiliated with us. We comply with Rule 205-3 under the Advisers Act to the extent required by applicable law. The receipt of performance allocations by our affiliate may create an incentive for us to make more risky and speculative investments than we would otherwise make. See Item 6, Performance-Based Fees and Side-By-Side Management.

**EXPENSES.** 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 instruments. See Item 12, Brokerage Practices, of this Brochure. If the strategy for the Account involves derivatives, the Account may be required to make payments related to the derivatives contracts to counterparties.

The Funds will typically incur similar fees as 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 and other fund operating expenses. If a Fund permits borrowing or other leverage, there may be interest expense and fees for access to such lines of credit. The Fund Offering Documents describe these fees and expenses in greater detail.

Expenses are allocated among our Funds and products, including its strategies, and such expenses may be allocated differently depending on the type of product or strategy. Within the specific product or strategy, the allocation of expenses is based on the nature of the expenses and the reasonableness of the allocation. Generally, fund organizational and administrative expenses are usually charged to the respective Fund or account to which they relate in accordance with the offering and governing documents of the respective Fund or accounts. Certain shared administrative expenses may be charged to Funds and products based on an allocation methodology that seeks to fairly and reasonably allocate such administrative expenses among the relevant Funds and products. In these cases, the allocation methodology generally may be based on their respective proportionate share of assets under management, management fee revenues, and other relevant factors, including the applicable offering and governing documents, taken into consideration.



## **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 may, 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.

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

We (or our affiliates) receive performance-based compensation from some of the Accounts and Funds that we manage. The performance-based compensation is generally based on the Account or Fund achieving new net gains over a previously-established "high water mark."

Our portfolio managers (including the Investment Team) share in performance compensation. In each case such compensation is specifically authorized by the Account or Fund documents and disclosed in any Fund Offering Material. For other Accounts and Funds we manage that make the same or similar investments, we receive investment advisory fees based only on a percentage of assets or a fixed fee. Performance fees create a risk that:

- we have an incentive to allocate more attractive investment opportunities to Accounts or Funds with performance fees; and
- we cause the Account or Fund that has performance fees 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 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 may have different investment advisory fees from each other because their management and/or performance fees are either discounted or waived. This can create the risk that we 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 pro rata and 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, an eligible account's proximity to our desired target allocation, exposure



or weight compared to other eligible accounts, investment horizon and directed brokerage instructions, if applicable. 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**

We provide investment advice to investment funds, such as the Funds. Those investors in the Funds include individuals, high net worth individuals, trusts, pooled investment vehicles, pension and profit-sharing plans, charitable organizations, and corporations.

The minimum initial investment for a limited partner in the Funds is \$500,000 for individuals and \$1,000,000 for institutions. Investments of lesser amounts in the Funds may be accepted in the discretion of the Funds' general partners.

We also provide investment advisory services to Accounts. Account clients may include institutions, corporations, pension funds, charitable organizations, investment funds and high net worth individuals and families. Accounts are generally subject to a minimum account size. In some instances, the minimum account size may be negotiated.

## **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 investment professional regarding the appropriateness of an investment in any of these strategies for their overall investment program.

## **OUR STRATEGIES.**

Each Fund's investment objective is to achieve capital appreciation while preserving capital and mitigating risk. We seek to achieve the Funds' investment objectives by making value-oriented investments through an opportunistic, fundamentally-driven, long/short equity strategy, primarily in the equity securities of small capitalization companies. We employ a focused, bottom-up research intensive and fundamental value-based approach to building a portfolio of high conviction investment opportunities. We seek to preserve capital and mitigate risk through limited diversification, hedging activities, and adherence to a "value" oriented investment philosophy.

We intend to apply our highly-selective investment strategy to underfollowed small capitalization companies as we believe that this universe provides a large number of public companies that lack institutional research coverage, which can result in greater pricing inefficiencies. We will seek to invest in companies that are at an "inflection point" which can often precede significant changes in a company's stock price. Examples of inflection points are: (1) industries going under a transition or shift; (2) a turn-around in operations; (3) financial events, such as debt or equity restructurings or other events that result in complexity or uncertainty; (4) management or





ownership changes, including spin-offs, mergers and acquisitions; (5) temporary shifts in stock prices caused by an overreaction to a short term event; and (6) anticipated improvement in investor recognition of the stock. Events around inflection points often cause inefficiencies where the market price is significantly below or above a company's intrinsic value. We intend to employ proprietary methods to source and research investment opportunities in order to develop a differentiated view from other market participants. We seek to combine the Investment Team's experience with access to the Ownership Group's resources and network to identify companies that are at inflection points where a company's intrinsic value is not reflected in the market price of the company's securities.

Due to their small size and relatively limited attention from capital market participants, small capitalization companies often lack access to sophisticated and patient financing sources and find it necessary to rely on alternative financing. These alternative sources of financing, provided exclusively by specialized institutional investors such as the Funds and other capital providers, potentially offer higher returns than traditional equity investments. Such alternative sources of financing investments include convertible securities, private investments in public equity (PIPEs) and block-trades. While these financing transactions are not central to our investment strategy, we plan to utilize the experience and relationships of the Investment Team to identify attractive investments, including investments in securities issued in such alternative financing transactions on a selective basis.

The Investment Team has significant investment experience and believes that it has developed an effective strategy to identify and capitalize on investment opportunities in the equity securities of small capitalization companies. We intend to employ an investment strategy incorporating the expertise and experience developed by the Investment Team while managing the Fund's predecessor since 2007 and assets in this strategy since 2003. We believe that the network and established brand of TCW may permit the Funds to access investment opportunities not available to other investors.

We may make fixed income investments in high yield, mortgage backed, asset backed and/or convertible securities in order to take advantage of investment opportunities when we believe market conditions are favorable to such investments. In addition, we may invest in fixed income government securities. We are focused on targeting equity level returns; therefore, we do not expect fixed income investments to be a majority of any portfolio over a long period.

There is no guarantee as to the absolute or relative performance of any investments identified by us. The past performance of the Fund and the Investment Team is not indicative of the investment results that the Fund may achieve.

The investment strategies summarized above represent our current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which we may take positions on behalf of our clients, the types of positions that we may take, the concentration of our investments or the amount of leverage that we may use. We may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality, and indefinite nature. Depending on conditions and trends in securities and





commodities markets and the economy generally, we may pursue any objectives or use any techniques that we consider appropriate and in clients' interest.

We expect that any Account will pursue investment strategies that are substantially similar to the Funds, subject to client-specific investment objectives, guidelines, and restrictions.

## **RISKS OF OUR STRATEGIES.**

The principal risks of our strategies are:

- Client accounts may not achieve their investment objectives. A strategy may not be successful, and investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline and may short stocks that beat earnings expectations and rise.
- Some of an account's positions have limited liquidity, in which case we may not be able to sell such positions.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- We sell securities short, which could result in a theoretically unlimited increase in the market price of a particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. In addition, purchasing securities to close out a short position can itself cause the price of the relevant securities to rise further, thereby increasing the Funds' loss. Furthermore, the Funds may be forced to prematurely close out a short position if the counterparty demands the return of the shorted securities, potentially resulting in a loss and unhedged exposure to a long, unmatched trade.
- We may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- We may buy and sell put and call options or warrants on securities and securities indices. The purchase of an option or warrant runs the risk of losing the entire investment and causing significant losses in a relatively short period of time.
- We may invest in equity-related convertible securities (including bonds, debentures, notes, and preferred stock) that may be converted into or exchanged for common stock. If a convertible security held by the Funds is called for redemption by the issuer, the Funds will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

- Counterparties such as brokers, dealers, futures commission merchants, custodians, and administrators with which we do business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker, or an exchange clearing house becomes bankrupt.
- We may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include: changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and limited information, higher transaction costs, non-U.S. government restrictions, less government supervision, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.
- Changes in economic, social, and regulatory conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- market disruption, geopolitical, and physical/natural risk can be caused by economic, financial or political events and factors, including but not limited to, international wars or conflicts (including Russia's military invasion of Ukraine, and any global consequences), geopolitical developments (including trading and tariff arrangements, sanctions and cybersecurity attacks), instability in regions such as Asia, Eastern Europe and the Middle East, terrorism, natural disasters (including earthquakes and significant hydrometeorological hazards) and other unanticipated events. The extent and duration of such events and resulting market disruptions cannot be predicted but could be substantial and could magnify the impact of other risks to investors. These and other similar events could adversely affect the U.S. and foreign financial markets and lead to increased market volatility, reduced liquidity in the securities markets, significant negative impacts on issuers and the markets for certain securities and commodities and/or government intervention. They may also cause short- or long-term economic uncertainties in the United States and worldwide. As a result, whether or not an investor invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the investments in an account may be negatively impacted. Further, due to closures of certain markets and restrictions on trading certain securities, the value of certain securities held could be significantly impacted, which could lead to those securities being valued at zero.
- An account's investments may not be diversified. Therefore, concentration in a particular position, market, industry, or sector in which the Funds have invested could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.
- An account may be concentrated in securities of companies with micro- to small-sized market capitalizations that involve substantially higher risks than do investments in securities of larger companies or companies in other sectors. For example, stock prices of small-capitalization companies are more volatile and vulnerable to insolvency as well as business and economic developments than larger capitalized companies are. Also, thin trading in such small-

capitalization securities may render them illiquid, which would make it difficult for the Funds to buy and sell such securities.

- The performance of the Funds depends heavily on the management, skill, and acumen of the Investment Team in analyzing, selecting, and managing the Funds' investments.
- There is a risk that investment strategies and operations are increasingly reliant on technology and digital platforms and may expose us and clients to cybersecurity risks. Cyber threats such as ransomware, phishing, hacking could compromise the confidentiality, integrity, and availability of sensitive information. To address these risks, we have a designated Cybersecurity team directly responsible for cybersecurity risk, and which is overseen and accountable to our Cybersecurity Committee.
- There is the risk that pandemics and other public health emergencies, including outbreaks of infectious diseases such as the current outbreak of the novel coronavirus ("COVID-19"), can result, and in the case of COVID-19 is resulting, in market volatility and disruption, and materially and adversely impact economic conditions in ways that cannot be predicted, all of which could result in substantial investment losses. Containment efforts and related restrictive actions by governments and businesses have significantly diminished and disrupted global economic activity across many industries. Less developed countries and their health systems may be more vulnerable to these impacts. The ultimate impact of COVID-19 or other health emergencies on global economic conditions and businesses is impossible to predict accurately. Ongoing and potential additional material adverse economic effects of indeterminate duration and severity are possible. The resulting adverse impact on the value of an investment in the Fund could be significant and prolonged.
- There is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the present value of assets and distributions may decline. Inflation creates uncertainty over the future real value (after inflation) of an investment. Inflation rates may change frequently and drastically as a result of various factors, including unexpected shifts in the domestic or global economy, and investments may not keep pace with inflation, which may result in losses to investors.
- There is a risk a Fund's ESG and/or sustainable strategy may select or exclude securities of certain issuers for non-financial reasons, and that the Fund's performance will differ from accounts that do not utilize an ESG or sustainable investing strategy. For example, the application of this strategy could affect a Fund's exposure to certain sectors or types of investments, which could negatively impact the account's performance. ESG investing is qualitative and subjective by nature, and there is no guarantee that the criteria used by us, or any judgement exercised by us will reflect the opinions of any particular investor. Accounts with sustainable investment strategies are generally suited for long-term rather than short-term investors.

There are no universally agreed upon objective criteria for assessing ESG factors for investments. Rather, these criteria tend to have many subjective characteristics, can be difficult to analyze, and frequently involve a balancing of numerous factors. ESG and sustainable factors can vary over different periods and evolve over time. They may also be difficult to apply consistently across different types of investments. For these reasons, ESG and sustainable standards may be aspirational and tend to be stated broadly and applied flexibly.



In addition, investors and other bodies may disagree as to whether a certain investment satisfies ESG and sustainability standards given the absence of mandated or generally accepted criteria.

## **METHODS AND SOURCES OF OUR ANALYSIS.**

We follow a disciplined investment process which consists of five steps: discovery, research, relationship building, investment, and on-going monitoring. Risk management is central and applied at each step of our investment process.

*Discovery:* Our investment ideas are generated from a wide variety of sources, including primary research, industry and investment community contacts, review of SEC filings, trade and financial publications, trade shows, investment conferences and quantitative screens. When evaluating potential investments, we use a strict investment discipline based on what we believe to be a time proven and exhaustive “bottom-up” investigative research process.

*Research:* After identifying investment candidates, we perform a detailed analysis of each company including a detailed evaluation of management, ownership, strategy, technology, and financial performance. In particular, historical financial performance is analyzed within the context of the broader economic environment and market conditions. We will also seek to utilize our transaction experience and network of contacts to enhance clarity and understanding of the investment opportunity, including engaging in active dialog with management where appropriate, advisers, customers, and competitors.

*Relationship Building:* Through site visits where appropriate, participation on conference calls, one-on-one meetings, and other means, we maintain on-going communication with our portfolio companies. We get to know these companies and their management teams over time, which often leads to better insight into similar industries and further investment opportunities.

*Investment:* We intend to make disciplined open market purchases to patiently build positions. As a result of the management team’s background and experience in complex financial transactions, we expect to be able to take advantage of multiple ways of acquiring ownership interests in companies, including via privately negotiated transactions for block shares.

*On-going Monitoring:* Post investment, we will strive to maintain close monitoring of our investment companies and continue our relationship building and research activities. We intend to evaluate milestones of each investment, while continuing to reassess its level of conviction and adherence to a viable investment thesis.

*Risk Management:* Managing risk is central to our investment strategy which emphasizes valuation and preservation of capital as well as return on investment. We will seek to manage risk, at both the portfolio level and individual security level, through rigorous research and analysis. The manager will closely monitor position concentrations as well as sector and geographic concentrations. Generally, we will seek to sell an investment when the market price exceeds its estimated fair value, business fundamentals change, our investment thesis is no longer valid, or if more attractive investment alternatives develop that provide better portfolio balance and risk management.



## ITEM 9: DISCIPLINARY INFORMATION

Not Applicable.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### TCW AFFILIATION.

In addition to partially owning and controlling us, TCW has entered into a services agreement with the Funds and has employed the members of the Investment Team for purposes of providing services to and managing the day-to-day investment activities of the Funds and Accounts. TCW and its affiliates are engaged in a broad spectrum of activities, including providing financial advisory services and brokerage services, making principal investments, and sponsoring and offering public and private investment funds. In the ordinary course of its business, TCW may engage in activities in which its interests or the interests of its clients may conflict with or be adverse to the interests of the Funds and Accounts. TCW and its affiliates (including us) are not precluded from conducting activities unrelated to the Funds and Accounts. However, TCW believes that these other activities will not materially interfere with our responsibilities to the Funds and Accounts.

Our relationship with TCW and its affiliates is broad and creates certain potential conflicts of interest, including the ones described below.

**Broker-Dealer.** TCW Funds Distributors LLC (“TFD”) is a registered broker-dealer that is affiliated with us. Some of TCW’s 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 including the Funds. They do not receive sales commissions from those investment vehicles, unless specifically disclosed.

**Commodities Registration.** TCW Asset Management Company LLC (“TAMCO”), TCW Investment Management Company LLC (“TIMCO”), and Metropolitan West Asset Management, LLC (“MetWest”) are registered investment advisers that are affiliated with us. TAMCO and TIMCO are registered as commodity pool operators (“CPOs”). Both TAMCO and MetWest are registered as commodity trading advisers (“CTAs”). Some of our officers are, in turn, registered as “associated persons” of those affiliates that are registered as a CPO or CTA. These associated persons may receive compensation from those affiliates for selling interests in funds or for accounts those affiliates manage. They do not receive sales commissions or other compensation from those funds or accounts, unless specifically disclosed.

**Investment Advisers.** The various other affiliated TCW entities listed below are also registered as investment advisers with the SEC. See the Brochure of each of these related investment advisers for additional information about their investment management services.

- Buchanan Street Partners, L.P. (SEC Number: 801-78627; CRD Number: 169052)



- Metropolitan West Asset Management, LLC (SEC Number: 801-53332; CRD Number: 104571)
- TCW Asset Management Company LLC (SEC Number: 801-6642; CRD Number: 105742)
- TCW Investment Management Company LLC (SEC Number: 801-29075; CRD Number: 106546)

**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, each of which is a private commingled investment Fund to which we provide investment management services.

- TCW Sepulveda Long/Short Equity Fund I LP
- TCW Sepulveda Long/Short Equity Master Fund, Ltd.
- TCW Sepulveda Focused Value Fund, LP

## **INVESTMENTS BY AFFILIATED INVESTORS.**

The members of the Ownership Group, their affiliates and some of their personnel may invest in the Funds and/or in the underlying securities of the Funds. These related persons may not be charged any management fee or performance-based compensation with respect to their investment. We disclose this potential conflict to Fund investors.

## **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.** We maintain 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 restrictions and procedures designed to eliminate conflicts of interest including: (a) pre-clearance of non-exempt personal investment transactions; (b) quarterly reporting of personal investment transactions and initial and annual reporting of securities holdings; (c) a prohibition against personally acquiring securities in initial public offerings, initial coin offerings and single stock ETFs; (d) a five day “black out period” prior or subsequent to a client transaction during which investment personnel are prohibited from making certain transactions in securities which are being purchased or sold by a client of the firm; (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 that we are trading for our clients at the time a pre-clearance request is made; (g) a prohibition on acquiring any shares of a third party, non-exchange traded, mutual fund we advise or sub-advise, and (h) prohibition on short-selling any ETF that is TCW advised, sub-advised, or otherwise managed by TCW.

- **Insider Trading Rules.** A policy statement on insider trading that provides generally that none of our officers, directors, or employees (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 our personnel could obtain that information, and describes our procedures regarding securities maintained on our "Restricted Securities List" and for establishing ethical walls. It also identifies parties to contact for questions in connection with the requirements of the policy statement.
- **Gifts & Entertainment: Anti-Corruption Policy.** A policy statement requiring compliance with our gifts and entertainment rules and applicable anti-corruption laws and rules, including the Foreign Corrupt Practices Act. The policy also prohibits any of our employees from making any gift, payment or other inducement for the benefit of any person, including a foreign or domestic official, with the intent that the recipient misuses their position to aid our firm in obtaining, retaining or directing business. The policy explains the process by which our personnel may provide or accept gifts and entertainment. It also describes the approval process to engage third-party representatives to act on behalf of our firm. The statement identifies possible anti-corruption compliance "red flags" and requires our personnel and third-party representatives to report to our firm any potential violation of this policy of which they may become aware.
- **Restrictions on Employee Outside Activities.** A policy governing an employee's activities outside of their employment with us, including outside employment, service in any capacity for any non-affiliated company or institution, fiduciary appointments, and serving in any ongoing capacity for any non-investment related organization that is exclusively charitable, fraternal, religious, or civic and is recognized as tax exempt. The policy provides guidance on the approval and reporting of such outside business activities.
- **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 our premises and for using our 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 our practice that employees report illegal activity or activities not in compliance with our written policies and procedures, including the Code.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

**Transactions Involving Related Persons.** There are broker-dealers and other financial intermediaries and institutions that are controlled by or under common control with TCW. With respect to those 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 Section 17(e) of the Investment Company Act, and related rules, 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 us, or an affiliate consents to those on behalf of those funds.
- From time to time, we 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 are restricted under certain circumstances from entering into principal and agency and other transactions with affiliates. We have adopted procedures to identify affiliated brokers, and such procedures are designed generally to prevent the purchase for certain clients of securities issued by certain 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 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 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 are retained entirely by our affiliates or us.

**Transactions by Different Accounts, Funds and Strategies.** We, from time to time, 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.

In the above circumstances, investment opportunities in the same security may be pursued or held by both investment strategies so long as either (i) the investment issuer is a marketable security, or (ii) in the event of a non-marketable security an independent decision-making process is followed.

**Securities We Purchase, Hold or Sell.** We, from time to time, recommend, buy, or sell securities of issuers in which we or related persons also purchase, hold, or sell securities. These securities are 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 from time to time serve as members of the boards of directors of publicly or privately held companies which may be permitted investments of various investment strategies we offer. In these cases, we take steps, such as establishing appropriate "ethical 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 selecting broker-dealers to execute securities transactions. Generally, this means seeking to achieve the best overall terms for a transaction available under the circumstances by employing an efficient trading process and does not necessarily result in the lowest available price or commission for any particular transaction. Best execution is not easily quantifiable, or definable, because it encompasses many potential factors such as: (i) price; (ii) commission; (iii) speed of execution; (iv) confidentiality/transparency; (v) market depth; (vi) market volatility; (vii) capital commitment;



(viii) relationship with broker (including: responsiveness, accuracy, reputation, timeliness, credit strength); (ix) services offered by the broker; (x) access to company information; and (xi) recent order flow. Some or all of these factors may play a role in determining what constitutes best execution. We do not necessarily measure best execution by the circumstances surrounding a single transaction and may seek best execution over time across multiple transactions. 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 addition to the general factors that may impact best execution for any security, best execution for fixed income securities is complicated by the unique profile of each individual CUSIP. Accordingly, the approach to best execution for fixed income securities typically depends on an assessment of a number of factors that may include broker activity in the security and comparable securities, market conditions for comparable securities, the overall liquidity of the security, taking into consideration potential variance of that liquidity in the future, the security's sector, type, structure, tenor/maturity, priority, amortization, coupon, covenants, collateral if any, trading restrictions if any, issue size, and other characteristics, and the issuer's creditworthiness and stability. Fixed income securities may be traded as individual securities or as portfolios. For less liquid fixed income securities, traders may also need to consider potential market or price impact, particularly if the order size is significant relative to the market or a limited number of brokers are making markets in the security.

**EQUITIES.** Transactions in equities are not always executed at the lowest available commission, and we may effect transactions which cause the client to pay a commission in excess of a commission that another broker-dealer would have charged. We do that if we determine that such commission is reasonable in relation to the value of the brokerage and research services we or any client accounts receive.

- **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, an eligible account's proximity to our desired target allocation, exposure or weight compared to other eligible accounts, investment horizon and directed brokerage instructions, if applicable. Therefore, there are various reasons why we may decide not to include trades for certain strategies or accounts by us and our affiliates in a block trade for a given day or period. We may also execute securities transactions alongside or interspersed between block orders when we expect 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. Certain strategies we and our affiliates manage may employ different trading strategies, such as market on close or "MOC" orders, and different traders in the same securities as other strategies we and our affiliates manage, which means they would not otherwise participate in a block trade and may use other

broker-dealers and obtain different prices. 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, relative liquidity of the position, 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.

- **Order Sequencing.** Regardless of the liquidity level of a security proposed to be traded, all equity accounts (including fully directed and non-directed equity accounts and wrap accounts), except those that have chosen to Opt Out as described below, will generally be queued in a random process over the course of the full order, which for any particular account may be either closer to the beginning or the end of the order (“Random Sequencing Methodology”). Institutional orders (including those from institutional clients who have provided institutional grade algorithmic trading equipment and tools) and non-institutional orders will be treated as concurrent orders that may be executed at any point in any given sequence. In the event that a portfolio management team determines it is in the best interest of accounts within a particular strategy to trade employing a tiered sequencing methodology other than Random Sequencing Methodology, the portfolio management team may request an “Opt Out” from the Random Sequencing Methodology. Reasons for the Opt Out might include, for example, trading in equity securities with smaller market capitalization, or concerns that trades may generally be less liquid. Subject to our internal review, our equity trading desk will give effect to the Opt Out by employing a Tiered Sequencing Methodology designed to determine the trading order of these equity accounts. The Tiered Sequencing Methodology takes into account the liquidity of the security being purchased or sold, the size of the order, and the potential market impact. The Tiered Sequencing Methodology is designed to produce overall better net execution for certain types of trades, but not to ensure (nor to expect) that all clients will receive the same execution terms with respect to orders placed pursuant to this methodology.

In the event that more than one strategy intends to trade in a particular security at the same time, and at least one of the strategies trades in the Random Sequencing Methodology, or in the event of another potential conflict relating to the Tiered Sequencing Methodology, all trades will use the Random Sequencing Methodology. Additionally, we may trade in a manner not dictated by the sequencing methodology if we determine, at our discretion, that to do so will improve the overall quality of execution, considering all of the potential factors for best execution enumerated above.

- **Allocation of Public Offerings.** We generally share allocations of equity securities in a pro rata fashion based upon assets under management of those accounts eligible to participate in the initial public offering. We may, however, determine not to allocate shares to Accounts or Funds below a certain minimum threshold. Portfolio managers are also

required to designate whether their interest in an equity new issue allocation is to establish a long-term position or is for trading purposes, and priority is given to allocations for long-term positions. Our CIO of Equities may determine that the New Issue should be allocated to the Accounts managed by the portfolio manager or team that has been researching the New Issue most extensively. In all other cases, the share allocation among “Position” Equity Accounts and, separately, among “Trade” Equity Accounts will be pro rata based on the AUM of each Equity Account within the two respective groups; provided, however, that the Head of U.S. Equity Trading may determine not to allocate shares to Equity Accounts below a certain de minimis threshold. In that event, such Equity Accounts will not receive any allocations from the New Issue. In addition, fully directed equity accounts will not be allocated shares in initial public offerings.

- **Client Directed Brokerage.** Clients may expressly direct us to place, or set expectations that we place, some or all of the transactions for their accounts with one or more broker-dealers they specify. Clients may do so for several reasons, including offsetting consulting and other fees or participating in a bundled services program. In such circumstances, we may not be able to negotiate commissions, obtain volume discounts or select a broker based on the most favorable price and execution for the transaction. Because of that, such accounts may pay higher commissions than those that do not direct brokerage and may not get best execution. Depending upon the amount of directed brokerage, 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. Clients may also prohibit us from placing transactions for their accounts with certain broker-dealers. This may prevent us from selecting a restricted broker-dealer even though such broker-dealer may offer a more favorable price and execution for the transaction. Clients should understand that for any amount directed by the Client, it may not be feasible to meet all of the above factors of best execution, as we may be limited in our ability to negotiate/obtain some or all of these factors. In addition, the client may lose the possible advantage that non-designating and unrestricted clients may derive from block trades, utilizing alternative trading venues, or alternative trading techniques for the purchase or sale of a particular security. We require all requests for directed brokerage to be in writing and originate from the client. Generally, we limit directed brokerage to 20% of total commissions for any Account (except wrap and similar Accounts) but Clients may request directed brokerage in excess of 20%. Any such request must be reviewed and approved by both our Equity Trade Review Committee and our Legal Department and may be subject to additional conditions if approved.
- **Client Commissions Used for Research.** When appropriate under its discretionary authority and consistent with its duty to seek best execution, we, from time to time, direct brokerage transactions for accounts to broker-dealers who provide brokerage and research services. In some cases, research is provided directly by an executing broker-dealer (“*direct*

*research providers*") and in other cases, research may be provided by third party research providers such as a non-executing third party broker-dealer or other third-party research service ("*third party research providers*"). Research services furnished by direct research providers or third-party research providers generally may be used for any or all of our clients, as well as clients of affiliated entities, and in some instances may be used for specialty research that benefits only certain of our clients. In addition, research services generally may be used in connection with accounts other than those whose commissions were used to pay for such research services. This may occur for various reasons, including the restrictions or prohibitions applicable to certain clients on the payment of commissions for soft dollars by their accounts, such as those imposed in the European Union by the "Markets in Financial Instruments Directive" and related requirements.

We use an internal allocation procedure to identify those direct research providers who provide us with research services and endeavor to place sufficient transactions with them to ensure the continued receipt of research services we believe are useful. Our procedures also seek to compensate third party research providers that provide us with research by directing executing broker-dealers to cause payments to be made to third party research providers, through cash payments from the executing broker, commission sharing arrangements between the executing broker and a research provider broker or through the use of stepout transactions. A "stepout transaction" is a securities trade executed by the executing broker-dealer but settled by the non-executing research broker-dealer permitting the non-executing research broker-dealer to share in the commission. The determination of the broker-dealers to whom commissions are directed generally is made using a system involving the portfolio manager and/or the research analysts and is periodically reviewed by the Trading Committee. The portfolio manager coordinates the evaluation of broker-dealer research services in most instances, taking into account the views of TCW's portfolio managers and analysts.

Research services include items such as reports on industries and companies, economic analyses, review of business conditions and portfolio strategy, and various trading and quotation services. They also include advice from broker-dealers as to the value of securities, availability of securities, availability of buyers, and availability of sellers. In addition, they include recommendations as to purchase and sale of individual securities and timing of transactions.

We maintain records of all services that are provided under client commission arrangements or directly for third-party research. The records include descriptions of research services and products, the costs of these services, and the brokers with whom we have these arrangements. We may receive products or services from broker-dealers that are used for both research services and other purposes, such as corporate administration or marketing ("*mixed-use products or services*"). We make a good faith effort to determine the relative proportions of mixed-use products or services that may be attributable to research services. The portion attributable to research services may be paid through the allocation of brokerage commissions, and we pay the non-research service portion in cash.



Upon request, we may provide clients with commission reports that show commissions paid to brokers with whom the client's account has traded in a given period. In addition, upon request, we may provide clients with reports that disclose the extent to which commissions paid on a client's account have been used to pay for research services.

We use client brokerage commissions to obtain research or other products or services and receive a benefit because we do not have to pay for the research, products, or services. We have a conflict of interest in that regard because of our incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products and services, rather than on our clients' interest in trading at the most favorable prices.

- **Commission Rates.** The head of our Equity Trading Department, with the approval of senior management, determines the guidelines for commission rates paid to broker-dealers for equities (other than for directed brokerage orders, discussed above). Those guidelines can vary based on the types of equities traded (domestic, foreign, capitalization), method of trading (full-service brokerage, program trades, electronic communication network or ECN, dark pools, and others), as well as other factors. Both fixed income securities and equity securities may also be purchased from underwriters at prices that include underwriting fees. Because commission rates are fixed in some international markets, we may be unable to negotiate commissions to any meaningful degree in such markets.

**FIXED INCOME.** We take into account such factors as price (including the applicable dealer spread), size of order, and difficulty of execution when executing fixed income trades. Transactions are not always executed at the best available price. 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.

Fixed income securities are generally purchased from the issuer or purchased from/sold through a market maker acting as a principal. Pricing is on a net basis, reflecting a dealer spread within the quote, without an explicitly stated and charged commission. Fixed income securities may also be purchased from underwriters at prices that include underwriting fees. Because of this pricing structure, research, and products and other 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, an eligible account's proximity to our desired target allocation, exposure or weight compared to other eligible accounts, investment horizon and directed brokerage instructions, if applicable. Therefore, there are various reasons why we may decide not to include trades for certain strategies or accounts by us and our affiliates in a block trade for a given day or period. We may also execute



securities transactions alongside or interspersed between block orders when we expect 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. Certain strategies we and our affiliates manage may employ different trading strategies and different traders in the same securities as other strategies we manage, which means they would not otherwise participate in a block trade and may use other broker-dealers and obtain different prices. 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, relative liquidity of the position, 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, other allocation processes that we consider appropriate, including 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.

**CROSS-TRADES.** We may seek to adjust or rebalance Account and Fund portfolios by effecting transactions between or among those portfolios, which are commonly referred to as “cross-trades,” (for example, by causing an Account to sell securities to one or more other Accounts). We will effect a cross-trade for an Account or Fund only if we believe that the transaction would be in the best interests of all participating clients, and the cross-trade would not be prohibited by the Account or Fund agreements, firm policy or applicable law. As of September 8, 2022, effecting cross trades in fixed income securities on behalf of a Mutual Fund is expressly prohibited. Nevertheless, for cross-trades involving equity securities or cross-trades of fixed income securities between Accounts and Funds, in effecting these cross-trades, we seek to improve the overall quality of the



transaction for participating Accounts and Funds compared to what we believe could be achieved through a transaction with the market. Improvements could include reduced transaction costs, lower market impact or improved execution certainty and quality. All such cross-trades will be consistent with the investment objectives and policies of each Account or Fund involved in the trades in addition to our firm policies. However, cross-trades present an inherent potential conflict of interest because we or an affiliate represent the interests of both the selling party and the buying party in the same transaction. As a result, Account portfolios for whom we execute cross-trades bear the risk that one participating client in the cross-trade is treated more favorably by us than another participating client, particularly in cases where the participating client pays us a higher management or performance-based fee. Additionally, there is a risk that the price of a security or other instrument bought or sold through the cross-trade is not as favorable as it might have been had the trade been executed in the open market or that a participating client receives a security that is difficult to dispose of in a market transaction. This could happen, for example, if market quotations used to determine the cross-trade price do not reflect the price that would be obtained in an actual market transaction. To address these and other concerns with cross-trades, we require that cross-trades to be effected at the independent current market price.

For securities that trade on an exchange, the independent current market price is the last reported sales price on the principal exchange on which the security trades or, if no sales were reported on that day, the average of the highest current independent bid and lowest current independent offer for such security. For securities and other investments that do not trade on an exchange (excluding municipal securities), the independent current market price is determined by taking the average of the highest bid and the lowest offer obtained from three brokers. Municipal securities are priced at the price specified by the independent pricing vendor. In addition, fixed income securities for which there are no bid and ask prices available or where those prices are not considered to be reliable, are priced for cross trades using the price specified by the independent pricing vendor.

If a Mutual Fund is one of the participants, then the price and other terms would comply with additional requirements under Rule 17a-7 adopted under the Investment Company Act of 1940, as amended. The Accounts or Funds involved in cross-trades will not pay any brokerage commissions or mark-ups in connection with the trades but may reimburse their custodian or broker-dealer for any customary costs and/or transfer fees. Effective September 8, 2022, no fixed-income securities, with the exception of municipal securities (or any other securities for which we can obtain readily available price quotations), are permitted in a cross-trade between Mutual Funds, or between a between a Mutual Fund and any other Account or Fund.

We prohibit broker-dealer interposed cross trades (i.e., the selling of a security to a broker-dealer followed by the repurchase of the security from the same broker-dealer for another client account).

We can effect securities transactions for a client with another party, which are commonly referred to as “agency cross-trades,” in accordance with Section 206(3) under the Advisers Act and Rule 206(3)-2. We receive compensation from the other party to execute the agency cross-trade. We have duties and obligations to both our client and the other party and a conflicting division of loyalty exists on our part in such transactions. At the time a client enters into an investment advisory agreement with us, the client will be asked whether it authorizes us to effect agency cross-trades on its behalf. If the client does authorize us to enter into agency cross-trades, the client may



terminate such authorization at any time. In certain limited circumstances, we may sell securities to or purchase securities from our clients' Account as principal, which are commonly referred to as "principal trades." We will only engage in principal trades with client consent and if permitted by and in accordance with the applicable laws and the rules and regulations promulgated by the SEC.

**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.

### **ITEM 13: REVIEW OF ACCOUNTS**

Our Accounts and Funds are divided among investment professionals according to the investment strategy of the portfolio. Portfolios are typically monitored and reviewed by the investment personnel who handle the strategy on an ongoing basis. The details of the monitoring vary based on the nature of the investment strategy. The Investment Risk & Quantitative Research Group, created in July, 2023, provides independent investment risk management oversight across multiple asset classes. This group supports cross-asset market risk management, performance decomposition and attribution, security and portfolio analytics, derivatives risk management, and quantitative research to enhance investment risk management across multiple asset classes. It also provides the critical role of independent risk oversight across multiple asset classes to help better understand, identify, and mitigate risks for the benefit of our clients and to support our growth globally.

Separately, our investment operations and investment compliance functions perform account monitoring and review. Such review may include daily, monthly, or quarterly reviews of transactions and guidelines. In addition, our client services, investment compliance, compliance and legal groups periodically review client guidelines, discuss modifications to guidelines, and agree on guideline interpretation.

Our Portfolio Analytics Committee, a combined team including senior members of our portfolio analytics group, investment, legal, and compliance personnel, review quarterly and as needed, on an exception basis, the performance and risk analytics for each marketable security investment strategy. This Committee focuses on changes or shifts to investment style and anomalous results, as well as quantitative metrics, including performance, historical trends, and risk profiles. If necessary, the team holds additional formal or informal meetings with individual investment professionals to further review their respective strategy in order to gain a deeper understanding of the fundamental drivers of the performance metrics. Our Portfolio Analytics Committee also convenes for the purpose of approving changes to investment composites, benchmarks, portfolio management teams, and substantive changes which may have an impact on investment composites and maintaining compliance with GIPS Standards.

Separately, the Equity Trading and Allocation Committee provides a formal periodic forum for the review of the equity trading activities on behalf of client accounts. This Committee meets quarterly and more frequently as needed. Relevant topics may include broker concentrations; broker commissions; new approved brokers and suspension of brokers; directed brokerage; trade analysis; performance dispersion; allocation of new issues; trade exceptions, broker fails, best



execution and the use of commissions for research. Committee members include certain portfolio managers, one or more representatives of the trading desks, and senior members of our operations, compliance, and legal departments. Equity trading and allocation issues are also monitored by independent consultant, Abel Noser.

In addition, investment activities for certain alternative investment strategies are reviewed quarterly and more frequently as needed. Participants in the review may include members of the investment committee for the strategy, senior portfolio management personnel from the investment strategy, members of legal and compliance teams and/or other personnel as appropriate.

In addition to our review of Accounts and Funds, we have implemented an enterprise-wide risk management process to assess, monitor, mitigate, and manage enterprise risk. We maintain an enterprise-wide risk matrix, and have identified over 250 business risks, which we monitor by reviewing and rating the probability and severity of the risk. We then identify steps that can be taken to mitigate the risks and review the implementation and effectiveness of the mitigation. We update our internal index of risks annually.

We employ a combination of decentralized and centralized risk controls. The fundamental risk analysis is decentralized, so that dedicated personnel are primarily responsible for addressing risks within their area of expertise. The key risk areas are also subject to the review of oversight committees. For example, a designated Cybersecurity team is directly responsible for cybersecurity risk, which is further reviewed by our Cybersecurity Committee. Similarly, the Portfolio Analytics Group monitors portfolio data including GIPS compliance, performance against benchmark, VaR, tracking error, and other metrics, subject to the review of the Portfolio Analytics Committee. Unresolved issues from these and our other oversight committees are escalated to the Enterprise Risk Management Committee. This committee consists of department heads throughout the firm and meets quarterly and as needed to review and address risks arising in any part of TCW's business. The key departments and groups provide reporting at least quarterly to the Enterprise Risk Management Committee. The Board of Directors of The TCW Group, Inc. has ultimate oversight over any significant business risks.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

**Referrals.** From time to time, we pay a non-affiliated third-party ("Solicitor") a fee or compensation for referral to us of a prospective client in a separate account or prospective investor in a private fund. The Solicitor is required to provide prospective clients and investors with certain information at the time of the referral. The Solicitor must clearly and prominently state that compensation was provided for the referral and identify the conflicts of interest associated with the referral relationship. In addition, the Solicitor must direct prospective clients and investors where they can find additional disclosures regarding the material terms of any compensation arrangement, including a description of the compensation provided for the referral and a description of the conflicts of interest on the part of the Solicitor. We oversee these referral arrangements to ensure that they meet the requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940.



At times we pay persons affiliated with us a fee or compensation for referring to us a prospective client in a separate account or a prospective investor in a private fund. Those persons are not required to provide the disclosures referenced above but are still subject to oversight by us. Such persons will disclose the nature of their affiliation with us at the time they solicit a prospective client or investor.

**Other Compensation.** We pay from time to time a portion of the cost of conferences, seminars, and other activities we attend that are sponsored by consultants.

## **ITEM 15: CUSTODY**

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 the account as of the end of the statement period and any transactions in the account during the statement period. Clients should review these statements carefully. Additionally, a client should contact us immediately if he or she does not receive account statements from the custodian on at least a quarterly basis. As noted in Item 13, above, we may provide a client, separately, with reports or account statements providing information about the account. A client should compare these carefully to the account statements received from the custodian. If a client should discover any discrepancy between the account statements, please contact us immediately.

We are deemed to have custody over the Funds because our affiliates serve as general partner of the Funds. To meet regulatory custody requirements, we send each investor in the Funds annual audited financial statements within 120 days of each Fund’s fiscal year-end.

## **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 and compliance review on our behalf.

## **ITEM 17: VOTING CLIENT SECURITIES**

The following is a summary of our Global Portfolio Proxy Voting Policy and procedures (the “**Policy**”). A copy of our Policy is available on our website at [tcw.com](http://tcw.com). We will also provide a copy our Policy to any client or prospective client upon request. Engagement and active ownership are integral components of our research and investment processes, as we seek to deliver on our clients’ financial objectives. We are guided by our role as fiduciaries and have implemented our active ownership practices in pursuit of strong financial performance. This Policy applies to all discretionary accounts over which we have proxy voting responsibility or an obligation to provide proxy voting guidance with respect to the holdings we advise.





## Proxy Voting Procedures

We will make every reasonable effort to execute on proxy votes on behalf of our clients prior to the applicable deadlines. However, we often rely on third parties, including custodians and clients, for the timely provision of proxy ballots. We may be unable to execute on proxy votes if we do not receive requisite materials with sufficient time to review and process them. For proxies of non-U.S. companies, although it may be both difficult and costly to vote proxies, we make every reasonable effort to vote such proxies.

**Proxy Committee.** In order to carry out its fiduciary responsibilities in the voting of proxies for our clients, we have established a proxy voting committee (the “**Proxy Committee**”). The Proxy Committee generally meets quarterly (or at such other frequency as determined by the Proxy Committee), and its duties include establishing and maintaining the Policy, overseeing the internal proxy voting process, and reviewing proxy voting proposals and issues that may not be covered by the Policy.

**Proxy Voting Services.** We also use outside proxy voting services (each an “**Outside Service**”) to help manage the proxy voting process. An Outside Service facilitates our voting according to the Policy (or, if applicable, according to guidelines submitted by our clients) by providing proxy research, an enhanced voting technology solution, and record keeping and reporting system(s). To supplement our own research and analysis in determining how best to vote a particular proxy proposal, we may utilize research, analysis or recommendations provided by the proxy voting service on a case-by-case basis. We do not as a policy follow the assessments or recommendations provided by the proxy voting service without our own determination and review. Under specified circumstances described below involving potential conflicts of interest, an Outside Service may also be requested to help decide certain proxy votes. In those instances, the Proxy Committee shall review and evaluate the voting recommendations of such Outside Service to ensure that recommendations are consistent with our clients’ best interests.

**Sub-Adviser.** If we have retained the services of a Sub-adviser to provide day-to-day portfolio management for a portfolio, we may delegate proxy voting authority to the Sub-Adviser; provided that the Sub-Adviser either (1) follows our Policy; or (2) has demonstrated that its proxy voting policies and procedures are in the best interests of our clients and appear to comply with governing regulations. We also shall be provided the opportunity to review a Sub-Adviser’s proxy voting policies and procedures as deemed necessary or appropriate by us.

**Conflicts of Interest.** In the event a potential conflict of interest arises in the context of voting proxies for our clients, we will cast our votes according to the Policy or any applicable guidelines provided by our clients. In cases where a conflict of interest exists and there is no predetermined vote, the Proxy Committee will vote the proposals in a manner consistent with established conflict of interest procedures.

**Proxy Voting Information and Recordkeeping.** Upon request, we provide proxy voting records to our clients (including, among others, the way we have voted) on our website in accordance with applicable law. In general, we will comply with voting transparency requirements applicable to asset managers provided by the applicable law. We or an Outside Service will keep records of the following items: (i) the Policy 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; and (v) any documents prepared by us 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 most recent two years, we or an Outside Service will store such records at our or its principal office.

## **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 annual Amendment filed March 29, 2023.

### **ITEM 1: COVER PAGE**

We updated the address of our primary office.

### **ITEM 4: ADVISORY BUSINESS**

**Assets Under Management.** We have updated our assets under management to December 31, 2023. At that time, we had \$327,235,309 in discretionary assets under management and \$0 in non-discretionary assets under management.

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

We updated the explanation of our allocation process to align with our disclosure of this process under Item 12.

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

**Our Strategies.** We noted that we may invest in fixed income securities if we determine the market conditions are favorable to such investments.

**Risks of Our Strategies.** We have added cybersecurity risk to our strategies.

### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We removed references to Wedbush as there are no longer any related persons.

We have removed the following investment advisors which have withdrawn their SEC registrations: TCW-WLA JV Venture LLC; and TCW Special Situations.

**SPAC.** We removed reference to this dissolved entity.

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

**Summary of Our Code of Ethics.** We noted additional prohibitions for personal investments: initial coin offerings and single stock ETFs; and short selling any ETF that is TCW advised, sub-Advised, or otherwise managed by TCW. Under Investment Products, we clarified our position on investment products for which we, our affiliates, or related persons have a financial interest.

### **ITEM 12: BROKERAGE PRACTICES**

**Block Trades.** We updated our description of block trades to include additional reasons certain strategies or accounts would not participate in a block trade.

**Cross-Trades.** We have specified that the independent pricing vendor prices fixed income securities if there are not bid and ask prices available or in the event those prices are not considered reliable.



**Commission Rates.** We have noted potential factors affecting our guidelines for commission rates paid to broker-dealers for equities.

**Women-Owned/Minority-Owned Brokers.** We removed this language as our overall duty is to seek best execution.

#### **ITEM 13: REVIEW OF ACCOUNTS**

We have detailed the Investment Risk & Quantitative Research Group and its role in client account reviews.