



## ITEM 1: COVER PAGE

TCW SPECIAL SITUATIONS, LLC  
(“We” or “Us”)

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

March 27, 2020

TCW Special Situations, LLC  
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This Brochure provides information about the qualifications and business practices of TCW Special Situations, LLC. If you have any questions about the contents of this Brochure, please contact us at [advpartII@tcw.com](mailto:advpartII@tcw.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about TCW Special Situations, 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.



## ITEM 2: MATERIAL CHANGES

See Attachment I of this Brochure for a summary of the material changes that we have made to this Brochure since our last annual Amendment filed March 28, 2019.

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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 have been since January, 2013. We are a Delaware limited liability company.

We are wholly-owned by The TCW Group, Inc., a Nevada corporation (“TCW Group”). 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 acquired a 24.75% minority stake in TCW Group from Carlyle. As a result of the transaction, TCW management and employees have increased their ownership in the firm to approximately 44.07% and Carlyle maintains a 31.18% interest in TCW Group.

**THE SERVICES WE OFFER.** We offer discretionary investment management services regarding securities and other financial instruments to closed-end private commingled investment funds advised and/or managed by us and/or our affiliates (“**Funds**”).

We invest these assets primarily in privately originated loans to middle market borrowers. We may agree with one or more funds we manage on investment guidelines that restrict the securities we invest in on their behalf.

Investors in the Funds include private or government investment funds and institutions, including pension funds, high net worth individuals, family offices and others. These are generally sophisticated investors and often have internal and external consultants and advisers to assist them with determinations of their individual needs, such as allocations among types of investments, and do not seek those determinations from us.

**ASSETS UNDER MANAGEMENT.** As of December 31, 2019, we had \$64,244,635 in discretionary assets under management and \$0 in non-discretionary assets under management. The TCW Group of Companies, including affiliated entities, had approximately \$217.5 billion in assets under management as of that date.

## ITEM 5: FEES AND COMPENSATION

We charge our Funds an investment management fee, which is charged quarterly in advance. We also charge our Funds a performance-based fee that takes the form of an allocation of the Fund’s income determined based upon the cumulative performance of the Fund. The specific manner in which fees are charged is established in the organizational documents of each Fund. The fees we charge for our Funds are not negotiable and we have not entered into side letters or other arrangements providing preferential fee terms to any Fund investor. With respect to Funds, we send an invoice to the Fund’s administrator, if applicable, or deduct the fee directly from the Fund’s assets.

Our advisory agreements with clients specify the circumstances under which any fees paid in advance will be refunded to the extent that the agreement is terminated. Generally,

since most fees are charged quarterly in advance, refunds may only be available to the extent that a client is permitted to terminate the advisory agreement on less than 90 days notice.

The terms of each Fund are described in its private placement memorandum (“PPM”), organization documents, such as a limited partnership agreement, and other related documents (“**Offering Material**”) which are delivered to potential investors prior to the time they invest. Withdrawals by investors in a Fund are governed by the terms set forth in the Offering Materials of the Fund.

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 the Fund. While this Brochure may include information about the Fund, it does not represent a complete discussion of the features, risks or conflicts associated with the Fund. 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 the Fund’s Governing Documents, you should rely on the information in the Governing Documents.

#### **OTHER EXPENSE IN CONNECTION WITH FUNDS.**

Each Fund will typically be responsible for its organizational and ongoing expenses, including, without limitation: legal, accounting, auditing, tax preparation, and related charges, and filing and other regulatory fees; fees for maintenance of books and records; custody fees; insurance expense; administrators’ fees and expenses; expenses associated with the offering of interests and shares; operational expenses of the Fund, including but not limited to, photocopying, postage, telephone and facsimile expenses; and extraordinary (including indemnification) expenses, if any, involving the Fund. In addition, each Fund is responsible for all of transaction costs and investment related expenses (e.g., research) incurred, directly or indirectly, in connection with its trading activities, including, without limitation: execution and clearing charges; custodial charges; dealer markups; consulting fees; and legal charges directly related to investment activities. See Item 12 of this Brochure, describing our *Brokerage Practices*, for more information regarding the factors that we consider in selecting broker-dealers for transactions on behalf of the Funds and determining the reasonableness of their compensation. If a Fund engages in borrowing or other leverage, there may be interest expense and fees.

Each Fund’s Offering Materials describe these fees and expenses in greater detail.

**COMPENSATION OF OUR EMPLOYEE MARKETING REPRESENTATIVES.**

Our employees who act as our marketing representatives are not normally paid a sales commission by our Funds for marketing those Funds to our clients. If they were to be paid a sales commission by any of our Funds, we would fully disclose that in the Fund's Offering Materials provided to potential investors prior to investment.

We may, however, compensate our marketing representatives from the management fees we earn from their clients who invest in our Funds. This practice presents a conflict of interest and gives our marketing representatives an incentive to recommend our Funds based on the compensation received, rather than on an investor's needs.

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

We are eligible to receive a performance based fee (or allocation), which may vary among Funds based upon each Fund's fee schedule and unique performance objectives. Each Fund's Offering Material describes the performance-based compensation in greater detail.

**Performance-based compensation creates a risk that:**

- we may have an incentive to allocate more attractive investment opportunities to Funds with higher performance-based compensation; and
- we may cause a Fund to make investments that are more speculative than we would for a Fund that had similar investment guidelines but did not have performance-based compensation. However, we may receive no performance-based compensation or reduced performance-based compensation if a Fund has losses, which can align our interest with the client and temper this risk.

To mitigate these risks, we have procedures designed and implemented to ensure that all Funds are treated equitably in the allocation of investment opportunities.

**ITEM 7: TYPES OF CLIENTS**

We provide investment management services to Funds established in the U.S. Each Fund has a minimum investment requirement for investors as set forth in the Fund's PPM, which we may waive in our discretion. Investors also are required to meet certain eligibility standards as set forth in each Fund's PPM.

We generally offer Funds only to institutional and individual investors that qualify as both (i) "qualified purchasers," as defined for purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended, and (ii) "accredited investors," as defined in Regulation D under the Securities Act of 1933, as amended.

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

The investment strategies implemented on behalf of our Funds primarily involve the origination of loans to middle market companies operating in a broad range of industries, primarily in North America. While the Funds' investment strategy will focus on adjustable rate, senior secured loans, it may also involve originating unsecured senior loans or subordinated loans, as well as the acquisition of convertible securities, equity securities, and equity-linked securities such as options and warrants.

The primary risks associated with the investment strategies utilized by our investment team and the asset types in which the Funds invest are as follows:

- **Liquidity Risk** – There is no secondary market for the heavily negotiated loans in which the Funds primarily invest, and none is expected to develop. As a result, to the extent that we must dispose of a Fund investment, we may not be able to do so in a timely manner, or it may not receive full value in such a transaction.
- **Lack of Diversification** – Although the Funds' governing documents contain restrictions on the amount which may be invested in a particular transaction, the Fund investment portfolios may not be diversified, and their portfolios may contain a relatively small number of large positions. If these portfolios are concentrated in a small number of issuers or industries, any adverse change in one or more of such issuers or industries could have a material adverse effect on the performance of the Funds.
- **Credit Risk** - Investing in loans exposes the Funds to credit risk, which is the risk that a borrower may not be able to repay its debt obligations. Such risk is magnified to the extent that loans are made to highly leveraged companies. There can be no assurance that any collateral securing a loan will be sufficient to protect the Funds in the event of a default.
- **Interest Rate Risk** – Increases in interest rates generally have an adverse effect on the value of fixed income obligations. While loans held by the Funds will generally include adjustable interest rates, which mitigate such risks, there can be no guarantee that increases in a loan's interest rate will fully correlate with increases in the market rate of interest. Furthermore, as loan interest rates adjust at stated intervals, the interest rate of a loan at any given time may not correspond to the market rate of interest.
- **Bank Loans** –Fund loans will generally be privately originated. Unlike fixed income securities, such loans will not be subject to direct, regulatory oversight by the SEC, which may pose additional risks.

There may be other, unforeseen risks associated with the investments we make for the Funds. In addition, investors in a Fund may be exposed to other risks, including certain risks associated with the fund vehicle itself, which are disclosed in the vehicle's governing documents.

All investing involves a risk of loss that clients should be prepared to bear.

## ITEM 9: DISCIPLINARY INFORMATION

We do not have any disciplinary or legal events to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

**Broker-Dealer.** TCW Funds Distributors LLC (“TFD”) is a registered broker-dealer that is affiliated with us. Some of TFD’s registered representatives and principals may receive compensation from us or one of our affiliates for selling interests in the Funds. They do not receive sales commissions from the Funds, unless specifically disclosed.

**Commodities Registrations.** 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 may be registered as associated persons of those affiliates. 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.** We are affiliated with various registered investment advisers. See Part 1 and 2 of the Form ADV of each registered investment adviser described below for additional information regarding 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)
- Sepulveda Management LLC (SEC Number: 801-108097; CRD Number 284290)
- TCW Asset Management Company LLC (SEC Number: 801-6642; CRD Number: 105742)
- TCW Investment Management Company LLC (SEC Number: 801-29075; CRD Number: 106546)
- TCW-WLA JV Venture LLC (SEC Number: 801-71746; CRD Number: 154760)

**Private Funds.** We or one of our affiliates is the general partner or managing member of the limited partnerships and limited liability companies listed below that are private commingled investment Funds we provide investment management services to.

- Regiment Capital Special Situations Fund V, LP

## 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 several restrictions and procedures designed to eliminate conflicts of interest including: (a) pre-clearance of non-exempt personal investment transactions; (b) quarterly reporting of personal investment transactions and initial and annual reporting of securities holdings; (c) a prohibition against personally acquiring securities in initial public offerings; (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; and (g) a prohibition on acquiring any shares of a third party, non-exchange traded, mutual fund we advise or sub-advise.
- **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 its "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 misuse 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 that they may become aware of.

- **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 formal 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 Rule 17e-1 under the Investment Company Act, we will obtain client consent prior to effecting transactions with related parties, either on a case-by-case basis or on a blanket basis, as required or permitted by law. Certain funds we manage specifically authorize transactions with related parties and us, or an affiliate may consent to those on behalf of those funds.

- From time to time, we may take the following actions on behalf of our clients, or recommend to our clients that they take such actions:
  - buy or sell securities in which persons related to us have a financial interest;
  - effect transactions through related persons, including broker-dealers acting as principal or as agent for non-clients;
  - buy or sell securities to or from related persons who are broker-dealers;
  - buy or sell securities in which we, parties related to us or our other client's accounts are at the same time effecting a sale or purchase; and
  - effect transactions with brokers that have clearing relationships with related persons who are broker-dealers.

In any transaction with a related party, the related party may receive compensation. Furthermore, we may act as investment adviser for related persons and may act as investment adviser for pension vehicles of related persons. We may be restricted under certain circumstances from entering into principal and agency and other transactions with affiliates. 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 may, from time to time, recommend to or purchase or sell on behalf of clients, securities or other investment products ("**Investment Products**") in which we, our affiliates or other related persons have a financial interest as the investment manager, general partner or trustee or as a co-investor in such Investment Products.

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

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

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

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

**Board of Director Memberships.** Our officers or employees may from time to time be members of the boards of directors of publicly 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

While we engage primarily in private transactions not involving a broker-dealer, in the event we do use a broker-dealer, we exercise discretion in the selection of broker-dealers for client transactions. We have implemented a best execution policy that outlines the factors we generally consider in selecting broker-dealers for client transactions and in seeking to obtain best execution on behalf of our clients in public equity and debt securities and other marketable securities. In considering a particular transaction with a broker-dealer, we consider both quantitative factors (such as price, and, where applicable, commission rate) as well as qualitative factors, including but not limited to, in any particular order of priority, the broker-dealer’s:

- Ability to maintain the confidentiality of our trading intentions;
- Timeliness and certainty of execution;
- Willingness to commit capital;
- Ability to place trades in difficult market environments;
- Ability to access a variety of market venues;
- Expertise as it relates to specific securities;
- Financial condition and credit quality (i.e. counterparty risk); and
- Business reputation.

We do not participate in any soft dollar arrangements whereby we receive research or other products or services in exchange for placing client transactions with a particular broker/dealer. We may, however, receive research reports from broker-dealers that we conduct business with. In selecting broker-dealers for client transactions, we also do not consider whether or not we receive client referrals from a broker-dealer or third party. We also do not recommend, request, or require that clients direct us to execute transactions through a particular broker-dealer.

In an attempt to obtain best execution for all of our clients, and where we have the ability to do so (for example, a client may place a restriction on our use of a particular broker-dealer), we typically aggregate transactions with a broker-dealer across multiple client accounts.

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

The investments contained in the Funds are reviewed regularly by members of the Direct Lending strategy investment team. Among the review sessions that take place is a regularly scheduled weekly meeting where team members review all outstanding investments. Review session may occur more frequently. In addition, all investments are reviewed in quarterly valuation meetings, which may include members of the investment committee for the Direct Lending strategy, portfolio management personnel from the strategy and members of our legal, compliance, and corporate finance teams and/or other personnel as appropriate.

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.

Separately from our review of Funds, we pursue an enterprise-wide risk management process by which we assess, control, and monitor risks from all sources. We employ a combination of decentralized and centralized risk controls, which we consider the most effective approach to risk management. The fundamental risk analysis is decentralized, so that dedicated personnel are primarily responsible for addressing risks within their area of expertise. For example, a designated IT manager and his team are responsible for cybersecurity risk, which is further reviewed by our Cybersecurity Committee. Our Business Risk Analytics Group focuses on operational and other business risks, including the interface between operations, IT and the investment teams. The Finance Department monitors financial and accounting risk. Our General Counsel and Chief Compliance Officer monitor legal and regulatory risk. Our centralized risk management includes our review of enterprise-wide risks. We have identified over 200 business risks, which we monitor by reviewing the probability and severity of the risk, steps that can be taken to mitigate, the implementation and effectiveness of the mitigation. We update our internal index of risks annually. Systematic oversight of the centralized risk management program is the responsibility of our Enterprise Risk Management Committee, consisting of department heads throughout the firm, which 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**

We do not receive any economic benefits from non-clients in connection with the provision of investment advice to clients. We do not compensate any person for making client referrals.

## **ITEM 15: CUSTODY**

**Private Funds.** Because we or an affiliate serves as general partner or managing member of certain private funds, we are deemed to have “custody” of the private funds within the meaning of Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”). We will maintain the assets of all Funds with qualified custodians, within the meaning of the Custody Rule. For each Fund for which we are deemed to have custody, we will provide each investor in the Fund with audited financial statements that comply with U.S. generally accepted accounting practices within the time period required under the Custody Rule.

## **ITEM 16: INVESTMENT DISCRETION**

We have investment discretion over all of the Funds we manage, which are established with a defined set of investment objectives, rules and limitations set forth in each vehicle’s governing documents. Fund investors cannot unilaterally impose any additional limitations beyond those contained in the Fund’s governing documents.

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

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

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

## **SUMMARY OF PROXY VOTING POLICY**

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

If we have responsibility for voting proxies in connection with our investment advisory duties, or have the responsibility to specify to an agent how to vote the client's proxies, we exercise such voting responsibilities through the corporate proxy voting process. We believe that the right to vote proxies is a significant asset of our clients' holdings. In order to provide a basis for making decisions in the voting of proxies for our clients, we have established a proxy voting committee (the "**Proxy Committee**") and adopted proxy voting guidelines (the "**Guidelines**") and procedures.

Where we have retained the services of a sub-adviser to provide day-to-day portfolio management for the portfolio, we may delegate proxy voting authority to the sub-adviser; provided that the sub-adviser either (i) follows our Guidelines; or (ii) has demonstrated that its proxy voting policies and procedures are consistent with our Guidelines or otherwise implemented 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 Policy and Procedures as deemed necessary or appropriate by us. Consistent with its fiduciary obligations, we will be responsible for periodically verifying the sub-adviser's implementation of its proxy voting policy with respect to the portfolio we manage.

The Proxy Committee generally meets quarterly (or at such other frequency as determined by the Proxy Committee), and its duties include establishing proxy voting guidelines and procedures, overseeing the internal proxy voting process, and reviewing proxy voting issues. The members of the Proxy Committee include our personnel from the investment, compliance, legal and marketing departments. We also use an outside proxy voting service (an "**Outside Service**") to help manage the proxy voting process. The Outside Service facilitates our voting according to the Guidelines (or according to guidelines submitted by our clients) and helps maintain our proxy voting records. In the event of a conflict between contractual requirements and the Guidelines, we will vote in accordance with the contractual obligations. Our proxy voting and record keeping is dependent on the timely provision of proxy ballots by custodians, clients and other third parties. Under specific circumstances described below involving potential conflicts of interest, we may also request the Outside Service 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 interest. In the event that we inadvertently receive any proxy material on behalf of a client that has retained proxy voting responsibility, and where it is reasonably feasible by us to determine the identity of the client, we will promptly forward such materials to the client.

As a matter of firm policy, we do not disclose to unaffiliated third parties how we expect to vote on upcoming proxies and do not disclose the way we voted proxies without a legitimate need to know such information.

**Philosophy.** When voting proxies, our utmost concern is that all decisions be made solely in the interests of the client and with the goal of maximizing the value of the client's investments. Generally, proposals will be voted in accordance with the Guidelines and any applicable guidelines provided by our clients. Our underlying



philosophy, however, is that our portfolio managers, who are primarily responsible for evaluating the individual holdings of our clients, are best able to determine how best to further client interests and goals. The portfolio managers may, in their discretion, take into account the recommendations of our management, the Proxy Committee, and the Outside Service.

**Overrides and Conflict Resolution.** Individual portfolio managers, in the exercise of their best judgment and discretion, may from time to time override the Guidelines and vote proxies in a manner that they believe will enhance the economic value of clients' assets, keeping in mind the best interests of the beneficial owners. The Guidelines provide procedures for documenting and, as required, approving such overrides. In the event a potential conflict of interest arises in the context of voting proxies for our clients, the primary means by which we will avoid a conflict is by casting such votes solely according to the Guidelines and any applicable guidelines provided by our clients. If a potential conflict of interest arises, and the proxy vote to be decided is predetermined under the Guidelines, then we will follow the Guidelines and vote accordingly. On the other hand, if a potential conflict of interest arises and there is no predetermined vote, or the Guidelines (or any applicable TCW client guidelines) themselves refer such vote to the portfolio manager for decision, or the portfolio manager would like to override a predetermined vote, then the Guidelines provide procedures for determining whether a material conflict of interest exists and, if so, resolving such conflict.

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

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

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

**International Proxy Voting.** While we utilize the Guidelines for both international and domestic portfolios and clients, there are some significant differences between voting U.S. company proxies and voting non-U.S. company proxies. For U.S. companies, it is

relatively easy to vote proxies, as the proxies are automatically received and may be voted by mail or electronically. For proxies of non-U.S. companies, although it is typically both difficult and costly to vote proxies, we make every reasonable effort to vote such proxies.

## **CLASS ACTION NOTICES AND PROOFS OF CLAIM**

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

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

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

## **ITEM 18: FINANCIAL INFORMATION**

Not Applicable.





## **ATTACHMENT 1**

### **MATERIAL CHANGES**

We have made the following material changes to this Brochure since our annual Amendment filed March 28, 2019.

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

**Assets Under Management.** We have updated our assets under management to December 31, 2019. At that time, we had \$64,244,635 in discretionary assets under management and \$0 in non-discretionary assets under management.

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

**Consulting and Structuring Fees.** We have removed the disclosure regarding funds paying us or an affiliate up-front structuring fees as it is not applicable.