

TCW Relative Value Mid Cap Fund

Fourth Quarter 2025 Commentary

Investment Environment

Equities rose 2.65% (S&P 500 Total Return – USD) in the fourth quarter, finishing the year on an eight-month run of positive returns. It was a strong end to the year which saw equities rise 17.9%, including an -18.8% peak-to-trough fall of -18.8% between February and April on either side of Trump's sweeping tariff declaration on "Liberation Day". On a more granular level, stocks presented a small gains of 0.2% and 0.1% in the final two months of the year.

On one hand, the "AI trade" has remained red-hot since the days following Trump's tariff announcements. Whispers of an "AI bubble" have permeated through the market although fears of a bubble are often mitigated by either supply/demand imbalances or continued earnings growth by hyperscalers. In short, there have been warning signs akin to that of the Dot-Com bubble, but the underlying companies seem to continue defying odds with advancements in the technology, strong financials, and reasonable valuations.

On the other hand, the macro picture remains disjointed. Third quarter GDP came in well above expectations at 4.3% year-over-year, signaling that the U.S. economy is flourishing. At the same time, consumers and the labor market weakened, although never quite as badly as feared. To make the picture even murkier, the longest government shutdown in history occurred in the quarter, leading to the delay and cancellation of some data, and the use of estimates for others. The fed ultimately cut rates by 25 bps at each of its two meetings in the quarter, and then November CPI data came in way below expectations at 2.7% YoY (versus 3.1% expected).

Sector Weightings¹

Within the Index, Health Care and Information Technology stocks had the strongest returns for the quarter, followed by Communication Services. Real Estate, Consumer Discretionary, and Utilities lagged during the quarter.

On a relative basis, the portfolio benefitted most from its stock selection of Industrials and Consumer Staples. The portfolio benefited from being underweight Consumer Staples. The portfolio saw its weakest relative performance from its overweight Utilities stocks, and its slight overweight of Consumer Discretionary.

Security Selection*¹

Portfolio stock selection was slightly positive (+373 bps) in the quarter. The best performing stocks in the quarter were Dollar Tree (DLTR; 4.08%**), Teva Pharmaceutical (TEVA; 2.17%**), and C.H. Robinson (CHRW; 3.41%**). Dollar Tree's shares surged through the quarter as margin expansion benefited from lower freight costs and favorable product mix. The company reported strong third quarter earnings with the company's multi-price point strategy continuing to resonate with customers, supporting both sales and profitability despite headwinds from tariffs. Teva saw strong growth in the quarter as continued its strategic pivot toward branded pharmaceuticals, emphasizing CNS and immunology as core therapeutic pillars. Additionally, deleveraging efforts are expected to lower financing expenses by 2027, supporting long-term profitability. C.H. Robinson has been one of the best performers in its peer group through 2025. C.H. Robinson has embraced lean-management techniques and technology-driven productivity tools, specifically AI and LLM which has helped it stand out from its peer set.

Advance Auto Parts[†], Jacobs Solutions (J; 2.08%**), and Lennar (LEN; 0.96%** were the weakest performers in the quarter. While Advance Auto Parts had a positive 4Q earnings beat, the company has seen softening demand, particularly in DIY. In addition, growing concerns around a weaker consumer and consistent competitive pressure in the sector points to continued headwinds and we have closed the

Past performance does not guarantee future results.

¹ Source: Attribution versus FactSet Russell 1000 Value/S&P GICS sectors.

* It should not be assumed that an investment in the securities listed was or will be profitable.

**Portfolio securities are stated as a percentage of the Fund's total net assets including cash and cash equivalents as of December 31, 2025.

† Not held by the Fund as of December 31, 2025.

position during this period. Lennar shares fell late in the quarter after the company offered weaker-than-expected guidance across orders, deliveries, and margins in the company's fiscal first quarter. Management noted that the housing market remains challenging, despite interest rates continuing to come down.

Representative Buys & Sells*

BUYS (Ticker; Weight; Sector)

ON Semiconductor (ON; 2.99%; Information Technology)**

MSCI ESG² Overall Score: A

ON Semiconductor is a \$23 billion market cap supplier of intelligent power and sensing solutions to the automotive, industrial, aerospace and defense, medical, and communication market. Over the last three months these markets experienced strong headwinds driven by macro and geopolitical trends complicated by excess inventory accumulated during the supply chain disruption triggered by the pandemic. Despite the strong headwinds, ON remained profitable and cash flow positive, as management focused on cost reduction and focusing of its product offering. There are indications that ON markets are stabilizing and the excess inventory is mostly depleted, and that current shipment is close to actual market demand after a period of under shipment. We expect improvement in ON financials as it benefits from the cost improvement steps implemented and the refocusing of its product offering. At initiation during the fourth quarter of 2025, shares of ON met two of the five valuation characteristics (price to cash flow, price to book).

Centene (CNC; 2.63%; Healthcare)**

MSCI ESG Score: Overall AA

Centene is a leading healthcare service provider. The company is the largest Medicaid Managed Care Organization in the country and operates through the Managed Care and Specialty Services segment. At initiation, the company had a \$9 billion market capitalization and met three of the five valuation factors: price-to-sales, price-to-earnings, and price-to-book. The catalysts were new markets/new products and restructuring. Currently, Centene is the largest nationwide Medicaid provider with a special focus on servicing the lower income segments of the population (below 400% federal poverty level) by providing health plan coverage to individuals through various government subsidized programs, including Medicaid and Medicare. The Specialty Services segment offers healthcare services and products to state programs, correctional facilities, healthcare organizations, and employer groups.

Fox Corporation (FOXA; 2.18%; Communication Services)**

MSCI ESG Score: Overall BBB

Fox Corporation creates and distributes content through its various media outlets under the banner of Fox and Tubi which is its digital media platform. At initiation, during the fourth quarter of 2025, the company had a \$34 billion market cap and met four of the five valuation characteristics (price to cash flow, price to sales, price to book, price to earnings). FOXA has committed audience base and is flourishing in the current political environment. Tubi Fox's digital platform is also experiencing strong momentum as it offers sports and a large library of content supported by advertising which is

popular with a large audience that views it as free streaming. Most recently Tubi started to work with creators from YouTube expanding its diverse offering. Fox is controlled by the Murdoch family through Class B shares, most recently the family resolved control issues eliminating uncertainty related to the family control, Lachlan Murdoch Executive Chair and CEO of the company.

SELLS (Ticker; Sector)†

Flex Limited (FLEX; Information Technology)

MSCI ESG Overall Score: A

Flex, based in Singapore (for tax purposes but domiciled in the U.S. with functional headquarters in Silicon Valley), is a leading provider of electronics manufacturing services (EMS) and outsourced design and engineering. The company operates in two segments: Flex Agility Solutions (Communication, Enterprise, Cloud, Lifestyle and Consumer Devices) and Flex Reliability Solutions (Automotive, Industrial and Health Solutions). FLEX is benefiting from the build out of AI data infrastructure. Flex maintains a leading-edge global network of manufacturing sites that offers customers the ability to relocate final assembly from high-tariff geographies in a timely and cost-efficient manner enabling customers to reduce or avoid tariffs. Despite the success of the FLEX data center business, end market uncertainty around its automotive and industrial end markets led us to eliminate the position.

Seagate Technology (STX; Information Technology)

MSCI ESG Overall Score: AA

Seagate Technology, incorporated in Dublin, Ireland and with operational headquarters in Fremont, CA, is engaged in the development, production, and distribution of data storage products and electronic data storage solutions. Its products include hard disk drives, solid state hybrid drives, solid state drives, peripheral component interconnect express cards, and serial advanced technology attachment controllers, storage subsystems, and computing solutions. STX is experiencing robust demand driven by hyperscalers aggressive adoption of AI.

Wabtec Corporation (WAB; Industrials)

MSCI ESG Overall Score: BBB

The investment in Wabtec was eliminated over a reasonable concern that its core freight business will come under pressure from any incremental Class 1 railroad consolidation scenario. Wabtec management deserves credit for infusing and nurturing a lean operating culture that has helped through cycle margins and cash flow. Its lean operating playbook extended into disciplined M&A where Wabtec buys products, improves operating performance, and cross-sells these products into its freight and transit customer base. However, given that more than half of Wabtec's revenues are derived from customer-concentrated freight end markets, it is reasonable to believe that numerous high margin and high-ticket products could be pressured over the medium term if incremental rail consolidation due to one or two transcontinental railroads improve transcontinental network fluidity and stronger customer procurement leverage over Wabtec. Given these reasonable medium-term concerns, the position was eliminated.

² MSCI ESG Score as of December 31, 2025 and subject to change. Please see additional MSCI ESG disclosures at the end of this document.

* It should not be assumed that an investment in the securities listed was or will be profitable.

**Portfolio securities are stated as a percentage of the Fund's total net assets including cash and cash equivalents as of December 31, 2025.

† Not held by the Fund as of December 31, 2025.

Market Outlook

Looking forward, we expect the equity market to remain highly sensitive to policy signals and earnings delivery as valuations hover near historically elevated levels. At roughly 22x forward earnings, the margin for error is thin, and investor conviction will hinge on whether corporate America can deliver the ~15% EPS growth implied for 2026 in consensus estimates. Secular themes—artificial intelligence, digital infrastructure, and the energy transition—continue to provide durable support, but near-term risks include a weak labor market and still-fragile consumer sentiment. These worries are likely to be offset to a considerable degree by the stimulative impact of OBBB and the associated expected boost in tax refunds. Against this backdrop, our focus remains on resilient, cash-generative businesses with disciplined capital allocation—companies positioned to compound value where earnings delivery, not additional multiple expansion, does more of the lifting.

We value your support and thank you for your trust.

Iman H. Brivanlou, PhD

Portfolio Manager
Managing Director
Equities

Matthew J. Spahn

Managing Director
Equities

Mona E. Eraiba

Senior Vice President
Equities

Please see additional disclosures on the following page(s).

Characteristics

As of December 31, 2025

Top Ten Securities*	Ending Weight (%)
Jones Lang Lasalle Inc	4.20
Dollar Tree Inc	4.08
Popular Inc	3.96
Arcosa Inc	3.49
CH Robinson Worldwide Inc	3.41
Equitable Holdings Inc	2.99
ON Semiconductor Corp	2.99
Entergy Corp	2.96
Dupont De Nemours Inc	2.90
Nisource Inc	2.80

Sector Weights	Ending Weight (%)
Financials	16.98
Industrials	15.34
Real Estate	10.89
Information Technology	9.74
Health Care	8.91
Utilities	7.99
Materials	6.55
Energy	6.50
Consumer Discretionary	6.19
Consumer Staples	6.04
Communication Services	3.82
Cash	1.04

Performance

As of December 31, 2025

Inception Date	December	YTD	4Q	1 Year	Annualized				
					3 Year	5 Year	10 Year	Since Inception ¹	
(%)									
TGVOX (I Share)	11/1/1996 ²	1.24	15.61	4.54	15.61	16.31	12.87	11.16	10.30
TGVNX (N Share)	10/31/2000	1.24	15.53	4.53	15.53	16.22	12.76	11.04	8.53
Russell Midcap [®] Value Index		0.06	11.05	1.42	11.05	12.27	9.83	9.78	10.14-I; 9.63-N
	Expense Ratio [‡]								
(%)	Gross	Net ^{††}							
TGVOX (I Share)	0.99	0.85							
TGVNX (N Share)	1.39	0.95							

Source: TCW, FactSet, State Street B&T

Portfolio characteristics and securities are subject to change at any time. It should not be assumed that an investment in the securities listed was or will be profitable.

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

1 The annualized since inception return for the index reflects the inception date of the TCW I Share (11/1/1996-12/31/2025) and N Share (10/31/2000-12/31/2025) Funds, respectively.

2 Since inception returns include the performance of the predecessor limited partnership for periods before the Fund's registration became effective. The predecessor limited partnership was not registered under the Investment Company Act of 1940 ("1940 Act") and, therefore, was not subject to certain investment restrictions imposed by the 1940 Act. If the limited partnership was registered under the 1940 Act, its performance may have been adversely affected.

‡ Annual fund operating expenses as stated in the Prospectus dated February 28, 2025, excluding interest and acquired fund fees and expenses, if any.

††Effective February 28, 2025, the Advisor has agreed to waive fees and/or reimburse expenses to limit the Fund's total annual operating expenses (excluding interest, brokerage, extraordinary expenses and acquired fund fees and expenses, if any) to 0.85% of average daily net assets with respect to I Share and 0.95% of average daily net assets with respect to N Share. This contractual fee waiver/expense reimbursement will remain in place through March 1, 2026 and before that date, the investment advisor may not terminate this arrangement without approval of the Board of Directors.

The performance data presented represents past performance and is no guarantee of future results. Returns assume all income items are reinvested. Current performance may be lower or higher than the performance data presented. Performance data current to the most recent month end is available on the Fund's website at tcw.com. Investment returns and principal value will fluctuate with market conditions. The value of an investment in the Fund, when redeemed, may be worth more or less than its original purchase cost.

Important Disclosure

You should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. A Fund's Prospectus and Summary Prospectus contain this and other information about the Fund. To receive a Prospectus, please call 800-241-4671 or you may download the Prospectus from the Fund's website at tcw.com. Please read it carefully.

This material reflects the current opinions of the author but not necessarily those of TCW and such opinions are subject to change without notice. TCW, its officers, directors, employees or clients may have positions in securities or investments mentioned in this publication, which positions may change at any time, without notice. This material may include estimates, projections and other "forward-looking" statements. Actual events may differ substantially from those presented. TCW assumes no duty to update any such statements. All projections and estimates are based on current asset prices and are subject to change.

MSCI ESG RATINGS

An MSCI ESG Rating is designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. MSCI's ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). Leader: A company leading its industry in managing the most significant ESG risks and opportunities; Average: A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers; Laggard: A company lagging its industry based on its high exposure and failure to manage significant ESG risks. ESG risks and opportunities can vary by industry and company. The MSCI ESG Ratings model identifies the ESG risks (called Key Issues), that are most material to a GICS[®] sub-industry or sector.

To learn more, please visit www.msci.com/esg-investing. Certain information © MSCI ESG Research, LLC. Reproduced by permission.

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

INVESTMENT RISKS

Equity investments entail equity risk and price volatility risk. The value of stocks and other equity securities will change based on changes in a company's financial condition and in overall market and economic conditions.

All investing involves risk including the potential loss of principal. Market volatility may significantly impact the value of your investments. Recent tariff announcements may add to this volatility, creating additional economic uncertainty and potentially affecting the value of certain investments. Tariffs can impact various sectors differently, leading to changes in market dynamics and investment performance.

Please see the Fund's Prospectus for more information on these and other risks.

INDEX DISCLOSURE

Russell Midcap[®] Value Index – A market capitalization-weighted index of medium-capitalization, value-oriented stocks of U.S. companies.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group. FTSE Russell is a trading name of certain of the LSE Group companies. Russell[®] is a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

GLOSSARY OF TERMS

AI (Artificial Intelligence) – The theory and development of computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages. **BPS (Basis Points)** – A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. **Consumer Staples** – Referring to essential products such as foods, beverages, and hygiene items required in daily life. These goods are non-cyclical, meaning they remain in demand regardless of economic fluctuations. **Corporate** – Of or relating to a bond issued by a corporation as opposed to a bond issued by the U.S. Treasury, a non-U.S. government or a municipality. **Expense Ratio** – A measure of what it costs an investment company to operate a mutual fund. **Growth** – A diversified portfolio of stocks that has capital appreciation as its primary goal, with little or no dividend payouts. Portfolio companies would mainly consist of companies with above-average growth in earnings that reinvest their earnings into expansion, acquisitions, and/or research and development. **Interest Rate** – The proportion of a loan that is charged as interest to the borrower, typically expressed as an annual percentage of the loan outstanding. **Leverage** – The use of borrowed money to increase investing power. A firm with significantly more debt than equity is considered to be highly leveraged. **Liberation Day** – On April 2, 2025, President Donald Trump introduced the term "Liberation Day" to describe the rollout of a broad package of tariffs. **Mergers And Acquisitions (M&A)** – A general term used to refer to the consolidation of companies. A merger is a combination of two companies to form a new company, while an acquisition is the purchase of one company by another in which no new company is formed. **Mutual Funds** – An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money-market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. **Overweight** – A condition where the portfolio exposure to a given asset class (or risk measure) exceeds that of the benchmark index. **Russell 1000[®] Growth Index** – Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher expected growth values. **Russell 2000[®] Index** – Measures the performance of the small-cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. **S&P 500 Index (SPX)** – A capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. **Tariff** – A tax imposed on imported goods and services. **Total Return** – The rate of return on a security, including income from dividends and interest, as well as appreciation or depreciation in the price of the security, over a given time period of time. **Underweight** – A condition where a portfolio does not hold a sufficient amount of a particular security when compared to the security's weight in the underlying benchmark portfolio. **Valuation** – The process of determining the current worth of an asset or company. There are many techniques that can be used to determine value, some are subjective and others are objective. **Value** – A fund that primarily holds stocks that are deemed to be undervalued in price and that are likely to pay dividends. **Volatility** – A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. **Yield** – The income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. **YTD** – Year-to-date.

The TCW Funds are distributed by TCW Funds Distributors LLC