

# TCW Global Real Estate Fund

Third Quarter 2025 Commentary

## Performance

The TCW Global Real Estate Fund, I Share Class, (the “Fund”) generated a return of +2.37% (net of fees) during the quarter, underperforming the S&P Global REIT Index gain of +4.50%. Our overweight exposure to Diversified Real Estate Activities contributed positively while the overweight in Telecom Tower REITs detracted from relative performance.

## Investment Environment

The three major indices (S&P 500, Dow Jones, and Nasdaq) each closed the quarter near all-time record highs in spite of economic growth concerns, a softening labor market, elevated inflation, and tariff implementation. All sectors of the S&P 500 appreciated in the quarter except for Consumer Staples, although year-to-date through the end of September, all are in positive territory. The performance is quite impressive following the broad selloff we saw following Trump’s “Liberation Day” in early April.

Through the quarter tariff-related concerns dominated headlines especially in August when President Trump signed an Executive Order raising the rate against Canadian goods to 35% from 25 and the announcement of a 90-day pause on tariff implementation with Mexico after making agreements with many trade partners including Japan, U.K., Vietnam, Indonesia, and the Philippines. As we rolled into the end of the summer, tariff headlines have all but been forgotten, save for lone headlines of notable developments or forward-looking mentions of potential inflation.

Both growth and inflation for the second quarter came in higher than expected suggesting a resilient U.S. economy and consumer that has thus far weathered the impact from higher tariffs. After a mild contraction in 1Q, the latest 2Q GDP read came in at 3.8% led by strong consumer spending and a noticeable decline in imports due in no small part to the implementation and/or increase in tariffs.

As anticipated, the Fed delivered a 25-basis point rate cut and signaled potential for two more cuts by year-end sending major

indices, including the S&P 500, NASDAQ, and Russell 2000, to new all-time highs. Meanwhile, the re-emergence of tariff threats and the reality of a government shutdown, served as reminders of headline risk, even if investors treated them more as background noise than as drivers of fundamentals.

As it relates to the fund, Real Estate stocks were the second weakest group in the S&P 500 in the quarter, although managed to generate a positive return. The sector was mostly flat through the period until late in September when investors grew more confident in their expectations for further rate cuts. Against this backdrop, global REIT indices were strong in the quarter. The RMZ (MSCI U.S. REIT Index) was up 4.8% for the month (4.7% YTD). In Japan, the TSE REIT Index was up 9.4% for the month (20.7% YTD), lagging the Nikkei 225, which was up 11.7% for the month (14.6% YTD). Globally, the S&P Global REIT Index gained 4.5% (9.5% YTD) vs. a gain of 7.8% (18.6% YTD) for the S&P Global 1200.

## Sector Weightings

During Q3-25, the top performing sectors in the S&P Global REIT Index was Homebuilding (+20.79%), followed by Health Care REITS (+13.46%). The worst performing sectors were Single-Family Residential REITs (-4.03%) and Multi-Family Residential REITs (-3.67%). Our portfolio was most overweight in Telecom Tower REITs and Real Estate Services, and most underweight in Retail REITs and Health Care REITs. From a sector allocation standpoint, our Fund benefitted most from its overweight in Diversified Real Estate Activities and overweight in Hotels Resorts & Cruise Lines. The Fund’s overweight in Telecom Tower REITs and overweight in Industrial REITs detracted the most from performance.

## Security Selection\*

Our best performing securities for the quarter were Travel + Leisure Co. (TNL; 2.85%\*\*; Hotels Resorts & Cruise Lines) and Merlin Properties SOCIMI, S.A. (MRL; 4.10%\*\*; Diversified Reits).

\* 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 September 30, 2025.

*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.*

TNL is a membership and leisure travel company, with two reporting segments: (1) Vacation Ownership (i.e. timeshare), and (2) Travel and Membership (T&M). Vacation Ownership is the company's core time share business with over 800,000 owners and more 245 vacation club locations. The Travel and Membership segment includes RCI, a timeshare network with 3.5m members. The segment also includes affiliated resorts and B2B travel benefits and solutions. The value proposition of the timeshare industry relative to hotels has strengthened considerably in recent years. Since the pandemic, hotel room rates are up by one-third while timeshare prices are up only mid-single digits. This has helped bolster close rates. Timeshares rely on the securitization market to sell their receivables from owner financing. The demand for these products has improved over the past year, allowing TNL to generate higher spreads.

Merlin Properties is the largest real estate stock on the Spanish exchange, focusing on office, retail, logistics, and data centers. The company is allocating a significant proportion of its growth spending in the development of data centers in Spain, where there is a significant supply shortage, allowing for high yields on development. Additionally, the company maintains one of the best office portfolios in Spain, with a 95% occupancy rate and has one of the healthiest balance sheets in the European REIT landscape.

Our two worst performing securities were SBA Communications Corp. Class A (SBAC; 4.79%\*\*; Telecom Tower Reits) and American Tower Corporation (AMT; 6.32%\*\*; Telecom Tower Reits).

SBA Communications (SBAC) operates a predominantly U.S. network of macro cell towers, though with solid exposure in select international markets such as South America, Central America, Canada, and South Africa. Secular drivers such as increased data traffic domestically, increased wireless penetration internationally, and the upcoming tailwind from 5G (only ~50% of the of the coverage phase has been deployed, with high-value densification phase to follow) should result in promising organic growth prospects for the foreseeable future. Management anticipates 6% to 7% growth rates for SBAC, which should translate into 70%+ EBITDA margins through via a high operating leverage model.

AMT is one of the world's largest providers of telecom towers used by wireless communication companies. Telecom towers are mission critical to the carriers, protected by high barriers to entry given constraints from permitting and the physics of spectrum, and require very little capex to support incremental organic growth. Long term, demand for towers will grow in conjunction with increased mobile data consumption. The global 5G deployment cycle and ensuing spend on AMT's assets has a decade-long runway ahead of it as mobile data continues to grow at 20%-30% annually on current usage patterns, with an additional upside case offered by the development of next-generation applications (GenAI on mobile devices, AR/VR, IoT, etc.)

## Representative Buys & Sells\*

### BUYS (Ticker; Weight; Sector)

**Iron Mountain, Inc. (IRM; 2.71%\*\*; Other Specialized Reits)** – Iron Mountain (IRM) is the global leader in the records management

industry, and has found an inflection in growth rate behind new growth ventures that include data centers, tech hardware recycling, international paper storage markets, and digital solutions (digitizing paper records, structuring the data, pulling AI insights from data). We believe that the company is well-positioned to benefit from recovery of the company's datacenter segment, the durability of the Records Management Business, and the company's leading market share in the very fragmented Asset Lifecycle Management industry.

**Kimco Realty Corporation (KIM; 2.13%\*\*; Retail Reits)** – We opted to reallocate funds out of Simon Property Group and into Kimco to reduce exposure to weakening discretionary consumer spend. Kimco operates grocery-anchored shopping centers that allow for a more defensive retail portfolio relative to Simon Property Group's mall portfolio.

### SELLS (Ticker; Sector)†

**VICI Properties Inc (VICI; Other Specialized Reits)** – We sold our position in VICI to consolidate our gaming holdings into GLPI, which we believe has greater visibility in near-term catalysts.

**PotlatchDeltic Corporation (PCH; Timber Reit)** – We sold due to a continued weakening in housing starts data and ensuing impacts on building product materials, such as lumber.

**Simon Property Group, Inc. (SPG; Retail Reits)** – As previously mentioned, we sold Simon Property and increased retail exposure via Kimco's more defensive portfolio.

## Market Outlook

Looking forward, we expect the equity market to remain data dependent, with investor attention increasingly focused on whether earnings growth in 2026 can sustain current valuation levels. At roughly 23x forward earnings, multiples remain elevated by historical standards and leave little margin for disappointment. To justify these valuations, profit growth and free cash flow delivery will need to do more of the heavy lifting, particularly in a slower growth environment. There are many constructive dynamics supporting the equity market, including generally healthy corporate balance sheets, ample liquidity, and powerful secular growth drivers such as artificial intelligence, digital infrastructure, and the energy transition. At the same time, we are mindful of risks, including policy uncertainty, tariff disputes, and the potential for fiscal disruptions, all of which could unsettle sentiment at the margin. Against this backdrop, our focus remains on companies with durable business models, recurring free cash flow, and disciplined capital allocation, as well as those positioned to benefit from the earnings growth prospects associated with long-duration secular themes and their relation to Real Estate stocks. In our view, these characteristics offer the best potential for compounding value in an environment where earnings delivery, rather than further multiple expansion, is likely to be the key driver of equity returns.

Against this backdrop, we continue to remain constructive on the real estate sector. We view the current supply/demand equation in certain key subsectors supportive of near- and medium-term pricing power. Sentiment towards the sector continues to improve

\* 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 September 30, 2025.

† Not held by the Fund as of September 30, 2025.

as expectations for more rate cuts in the U.S. and beyond have strengthened. Furthermore, the valuation disparity between REITs and broader equities has only gotten more pronounced. While we do not anticipate a return to the past when REITs were trading at a premium relative to the S&P anytime soon, we believe that the overall fundamentals of the real estate space (e.g. lower leverage, greater market share within their respective industries...) have materially improved beyond what is currently discounted by market participants, setting the stage for a period of relative outperformance.

We value your support and thank you for your trust.

**Iman H. Brivanlou, PhD**

Portfolio Manager  
Managing Director  
Equities

**Nehal Patel**

Lead Analyst  
Senior Vice President  
Equities

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

## Performance

As of September 30, 2025

Inception Date	September	YTD	3Q	1 Year	Annualized				
					3 Year	5 Year	10 Year	Since Inception <sup>1</sup>	
(%)									
TGREX (I Share)	11/28/2014	-1.18	8.83	2.37	-3.95	9.52	6.05	6.06	5.13
TGRYX (N Share)	11/28/2014	-1.12	8.75	2.36	-4.04	9.43	5.93	5.96	5.04
S&P Global REIT Index		0.88	9.48	4.50	-0.14	10.79	7.70	5.50	4.72-I&N
Expense Ratio <sup>‡</sup>									
(%)	Gross	Net <sup>††</sup>							
TGREX (I Share)	1.42	0.90							
TGRYX (N Share)	1.85	1.00							

Source: TCW, FactSet, State Street B&T

<sup>1</sup> The annualized since inception return for the index reflects the inception date of the TCW Class I and Class N Share Funds, respectively. For period 11/28/2014-9/30/2025.

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

<sup>††</sup> 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 0.90% of average daily net assets with respect to I Share and 1.00% 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](http://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.

## 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. Fund share prices and returns will fluctuate with market conditions, currencies, and the economic and political climates where the investments are made. Emerging markets securities carry special risks, such as less developed or less efficient trading markets, a lack of company information, and differing auditing and legal standards. The securities markets of emerging markets countries can be extremely volatile. The Fund's investments denominated in foreign currencies will decline in value if the foreign currency declines in value relative to the U.S. dollar. Because the Fund concentrates its investments in the real estate industry, it may be susceptible to the impact of market, economic, regulatory, and other factors affecting the real estate industry and/or the local or regional real estate markets, which may cause the value of the Fund to fluctuate more widely than it would in a fund that invested more broadly across varying industries and sectors. REITs invested in mortgages or loans may also be indirectly subject to various risks associated with those investments, including, but not limited to, interest rate risk, credit risk and defaulted securities risk. The value of the Fund's investments in REITs will decline based on a decline in the value of real estate and general real estate market and local economic conditions. REITs are pooled investment vehicles that typically invest directly in real estate, in mortgages and/or loans collateralized by real estate. REITs are also subject to highly technical and complex provisions under federal tax law. 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

S&P Global REIT Index: Serves as a comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets. The index is not available for direct investment; therefore its performance does not reflect a reduction for fees or expenses incurred in managing a portfolio. The securities in the index may be substantially different from those in the Fund.

## GLOSSARY OF TERMS

**5G** – The fifth generation of cellular technology, providing faster speeds, lower latency, and greater capacity than previous networks. **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. **Capital Expenditure (CapEx)** – Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment. It is often used to undertake new projects or investments by the firm. **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. **Densification** – The act of carriers deploying new equipment on towers that they currently do not have a presence on, as opposed to an amendment phase in which they replace equipment on towers that they currently do exist on. **Dow Jones Industrial Average (DJIA)** – Dow Jones, or simply the Dow, is a stock market index of 30 prominent companies listed on stock exchanges in the United States. **Duration** – A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)** – A measure of a company's overall financial performance used as an alternative to simple earnings or net income in some circumstances. **Expense Ratio** – A measure of what it costs an investment company to operate a mutual fund. **Free Cash Flow (FCF)** – FCF represents the cash that a company is able to generate after spending the money required to maintain or expand its asset base. **GDP (Gross Domestic Product)** – The market value of all final goods and services produced within a country in a given period of time. **Global REIT** – Real Estate Investment Trusts offering investors access to portfolios of income producing real estate across the globe. **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. **High Yield** – A bond that is rated below investment grade. **Inflation** – A condition of a rise in the general level of prices of goods and services in an economy over a period of time. **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. **Liquidity** – The ability to convert an asset to cash quickly. **Leverage** – The use of borrowed money to increase investing power. A firm with significantly more debt than equity is considered to be highly leveraged. **MSCI U.S. REIT Index** – A free float market capitalization weighted index that is comprised of Equity REITs securities that belong to the MSCI U.S. Investable Market 2500 Index. **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. **NASDAQ** – Nasdaq is a global electronic marketplace for buying and selling securities, as well as the benchmark index for U.S. technology stocks. Nasdaq was created by the National Association of Securities Dealers (NASD) to enable investors to trade securities on a computerized, speedy and transparent system, and commenced operations on February 8, 1971. The term "Nasdaq" is also used to refer to the Nasdaq Composite, an index of more than 3,000 stocks listed on the Nasdaq exchange that includes the world's foremost technology and biotech giants such as Apple, Google, Microsoft, Oracle, Amazon, Intel and Amgen. **Nikkei 225 Index** – a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. **Outperform** – Outperform is when an investment is expected to perform better than the return generated by a particular index or the overall market. Since the performance of many investments is compared to a benchmark index, outperform refers to generating a higher return than a particular benchmark over time. Outperform also refers to an analyst's rating on a security, and outperform is a better rating than neutral and worse than a strong buy recommendation. **Overweight** – A condition where the portfolio exposure to a given asset class (or risk measure) exceeds that of the benchmark index. **Premium** – (1) it's the total cost to buy an option, which gives the holder the right but not the obligation to buy or sell the underlying financial instrument at a specified strike price; (2) it's the difference between the higher price paid for a fixed-income security and the security's



face amount at issue, which reflects changes in interest rates or risk profile since the issuance date; and (3) the specified amount of payment required periodically by an insurer to provide coverage under a given insurance plan for a defined period of time. **Receivables** – Refers to money owed to a company for goods or services already provided but not yet paid for. **Physics of spectrum** – the properties of wireless spectrum limit the distance in which spectrum can move data and the speed at which they can move data. **REIT (Real Estate Investment Trusts)** – Any corporation, trust or association that acts as an investment agent specializing in real estate and real estate mortgages under Internal Revenue Code section 856. **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. **S&P Global 1200** – A free-float weighted stock market index of global equities from Standard & Poor's. The index covers 31 countries and approximately 70 percent of global stock market capitalization. **S&P Global REIT Index** – Serves as a comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets. **Securitization** – The process through which an issuer creates a financial instrument by combining other financial assets and then marketing different tiers of the repackaged instruments to investors. **Stimulus** – Something that causes a reaction; an incentive. **Tariff** – A tax imposed on imported goods and services. **Timeshare Network** – A system that allows timeshare owners to exchange their week or points for a vacation at a different resort. **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. **TSE REIT Index** – A capitalization-weighted index based on all REITs (Real Estate Investment Trust) listed on Tokyo Stock Exchange. **Underperform** – When an investment is underperforming, it is not keeping pace with other securities or indices. **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. **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