



# “Tick, Tick, Tick...”

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**December 8, 2015**



# Fund Offerings



## Total Return Bond Fund

Retail and Institutional Class		
No Load Mutual Fund		
	Retail N-share	Inst. I-share
Ticker	<u>DLTNX</u>	<u>DBLTX</u>
Min Investment	\$2,000	\$100,000
Min IRA Investment	\$500	\$5,000
Gross Expense Ratio	0.72%	0.47%

The Funds’ investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory prospectus and summary prospectus (if available) contains this and other important information about the Funds, and it may be obtained by calling 1 (877) 354-6311/ 1 (877) DLINE11, or visiting [www.doublelinefunds.com](http://www.doublelinefunds.com). Read it carefully before investing.

*Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in Asset-Backed and Mortgage-Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.*

*The Fund may use certain types of investment derivatives. Derivatives involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. Derivatives may involve certain costs and risk such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. The Fund may also invest in securities related to real estate, which may decline in value as a result of factors affecting the real estate industry.*

*The DoubleLine Total Return Bond Fund intends to invest more than 50% of its net assets in mortgage-backed securities of any maturity or type. The Fund therefore, potentially is more likely to react to any volatility or changes in the mortgage-backed securities marketplace. These risks are greater for investments in emerging markets.*

Opinions expressed are subject to change at any time, are not forecasts and should not be considered investment advice.

DoubleLine Funds are distributed by Quasar Distributors, LLC.

While the Funds are no-load, management fees and other expenses still apply. Please refer to the prospectus for further details.

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

# Performance

## DoubleLine Total Return Bond Fund – Quarter Ending September 30, 2015

Quarter End September 30, 2015	3Q 2015	Year-to-Date 2015	1-Year	3-Year Annualized	5-Year Annualized	Since Inception Annualized (4-6-10 to 9-30-15)
I-share	1.68%	2.81%	4.23%	3.42%	5.91%	8.05%
N-share	1.71%	2.62%	4.07%	3.20%	5.66%	7.80%
Barclays U.S. Aggregate Index	1.23%	1.13%	2.94%	1.71%	3.10%	4.03%

As of September 30, 2015	I-Share	N-Share	Barclays U.S. Aggregate Index
1-Yr Std Deviation <sup>1</sup>	2.00%	2.07%	3.06%
Gross Expense Ratio	0.47%	0.72%	

1. Standard deviation is a measure of the variation or dispersion of a set of data from its mean or expected/budgeted value. A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data is spread out over a large range of values. A measure of an investment's volatility.

**Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 213-633-8200 or by visiting [www.doublelinefunds.com](http://www.doublelinefunds.com).**

Barclays US Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest in an index.

**Past Performance does not guarantee future results. Index performance is not illustrative of fund performance.**

# Upcoming Webcast Announcements

## Just Markets – January 12, 2016

Jeffrey Gundlach will discuss

### **His Market Outlook for 2016**

Go to [www.doubleline.com](http://www.doubleline.com), Home page under “Events”

2016 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## Shiller Enhanced CAPE® Fund– February 9, 2016

Jeffrey Sherman will discuss

### **Shiller Enhanced CAPE® Fund**

Go to [www.doublelinefunds.com](http://www.doublelinefunds.com), Home page under “Events”

2016 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## **2016 Webcast Schedule – Available on [www.doublelinefunds.com](http://www.doublelinefunds.com)**

### **To Receive Presentation Slides:**

You can email [fundinfo@doubleline.com](mailto:fundinfo@doubleline.com)



# “Tick, Tick, Tick...”

**Live Webcast hosted by:**

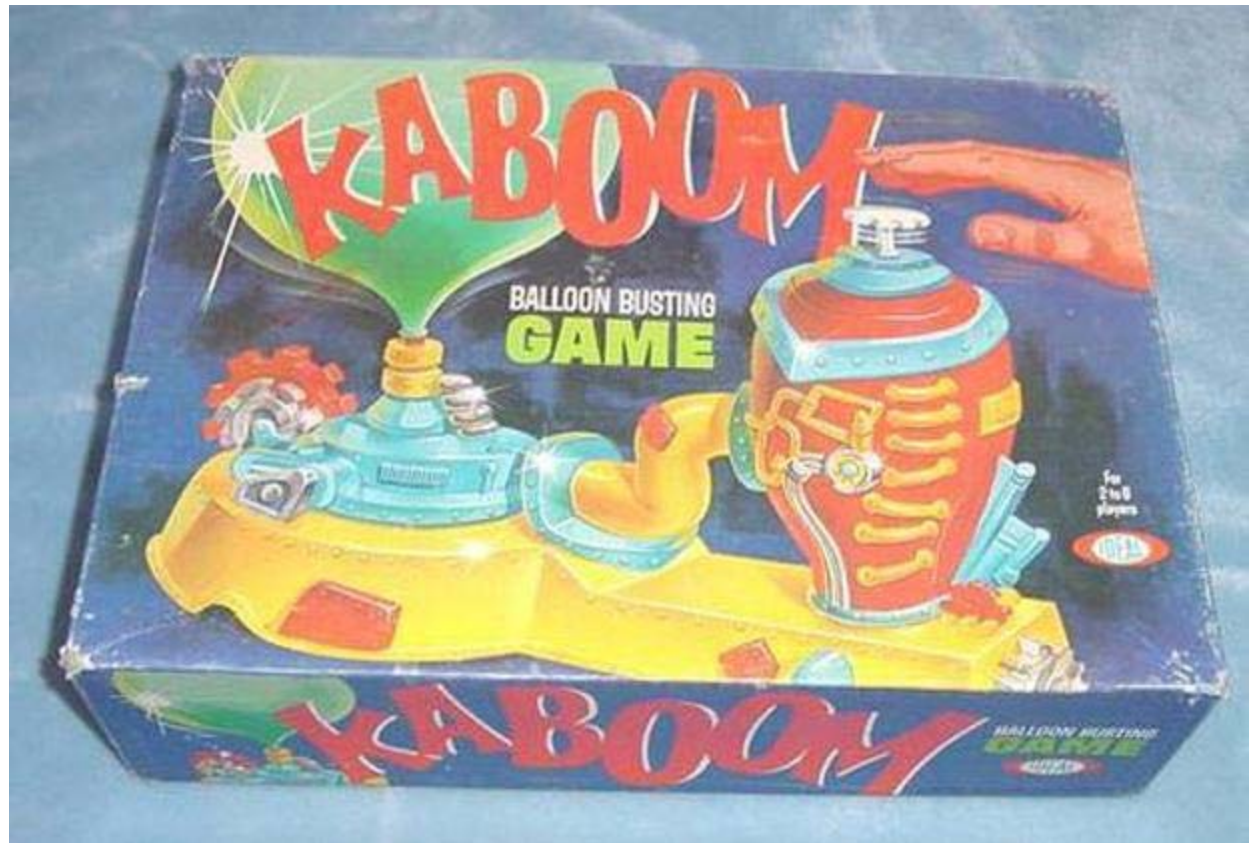
**Jeffrey Gundlach**

Chief Executive Officer

**December 8, 2015**

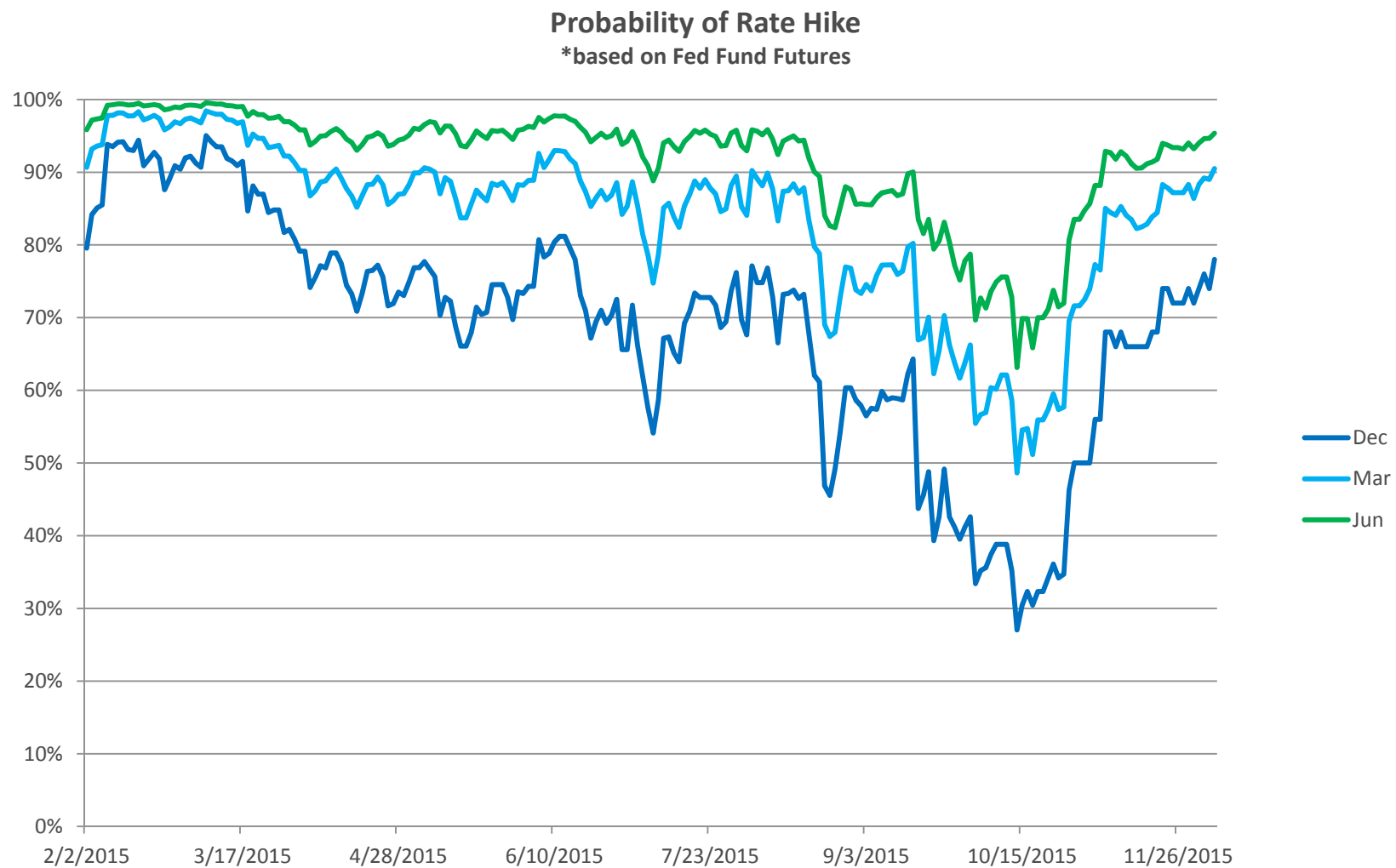


# TAB I – The Fed



# Probability of Rate Hike

February 2, 2015 through December 7, 2015



Source: DoubleLine, Bloomberg  
You cannot invest directly in an index.



# 3-Month LIBOR

December 31, 2009 through December 7, 2015



Source: Bloomberg

LIBOR = London Interbank Offered Rate represents the ICE Benchmark Administration Fixing for US Dollar. The fixing is conducted each day at 11 am and released at 11:45 am. You cannot invest directly in an index.



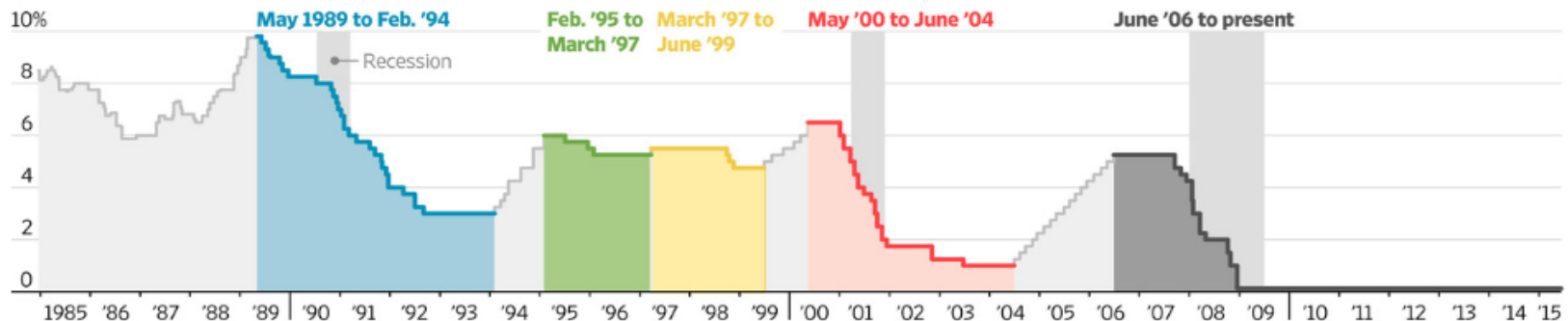
# Past Fed Hike Comparisons

As of June 17, 2015

## Points of Interest

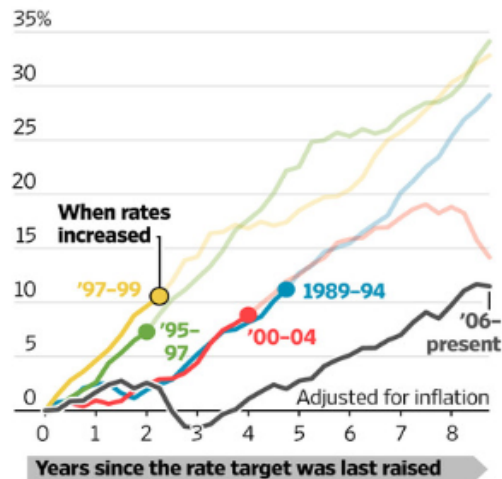
How the Fed's streak of about nine years without an interest-rate rise stacks up against past periods of falling or steady rate targets.

**Fed's interest-rate target**, with highlights indicating the longest periods without a rate rise since 1980

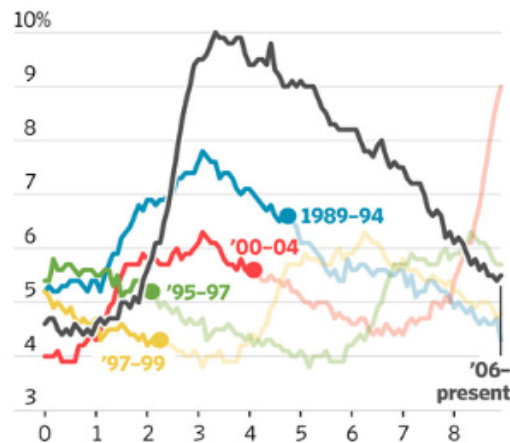


**How key indicators changed while rates were flat or falling**, with dots showing when rates finally rose; seasonally adjusted data

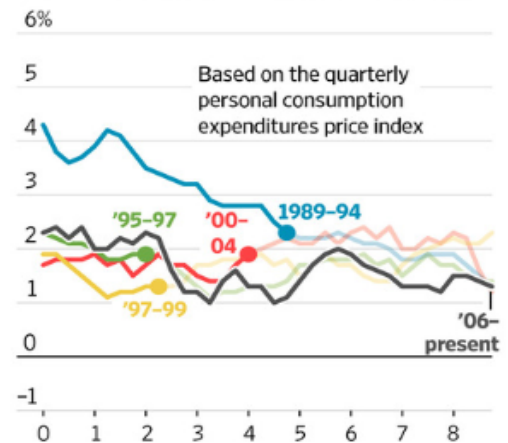
**GDP, change since previous rate rise**



**Unemployment rate**



**PCE Inflation, excluding food and energy**



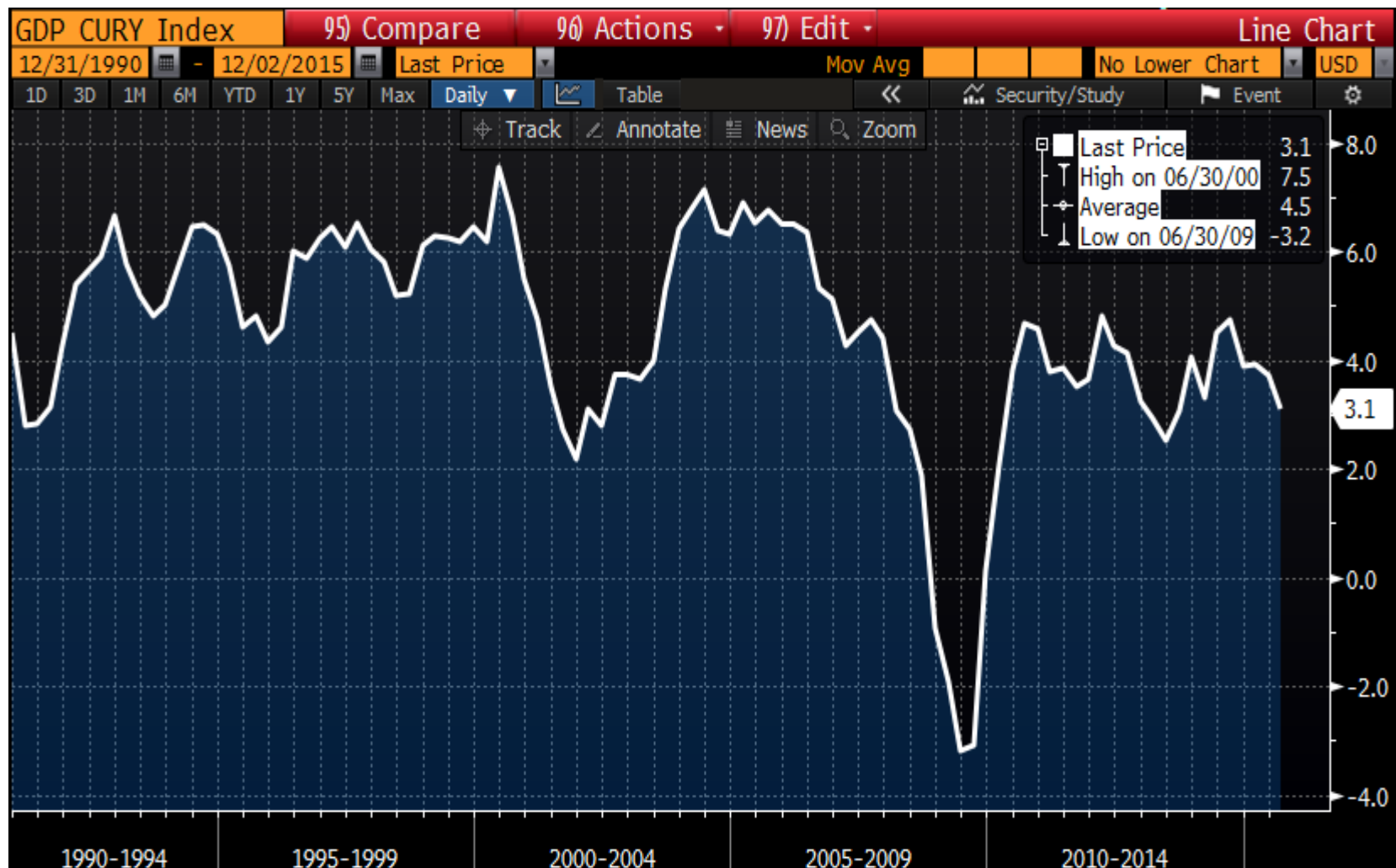
Sources: Federal Reserve (rate target); Commerce Department (GDP, PCE); Labor Department (unemployment)

Andrew Van Dam/THE WALL STREET JOURNAL.

Source: Wall Street Journal "Fed Flags Slow Pace for Rate Hikes"

GDP = Gross Domestic Product is the amount of goods and services produced within a given country. PCE = Personal Consumption Expenditures.. You cannot invest directly in an index.

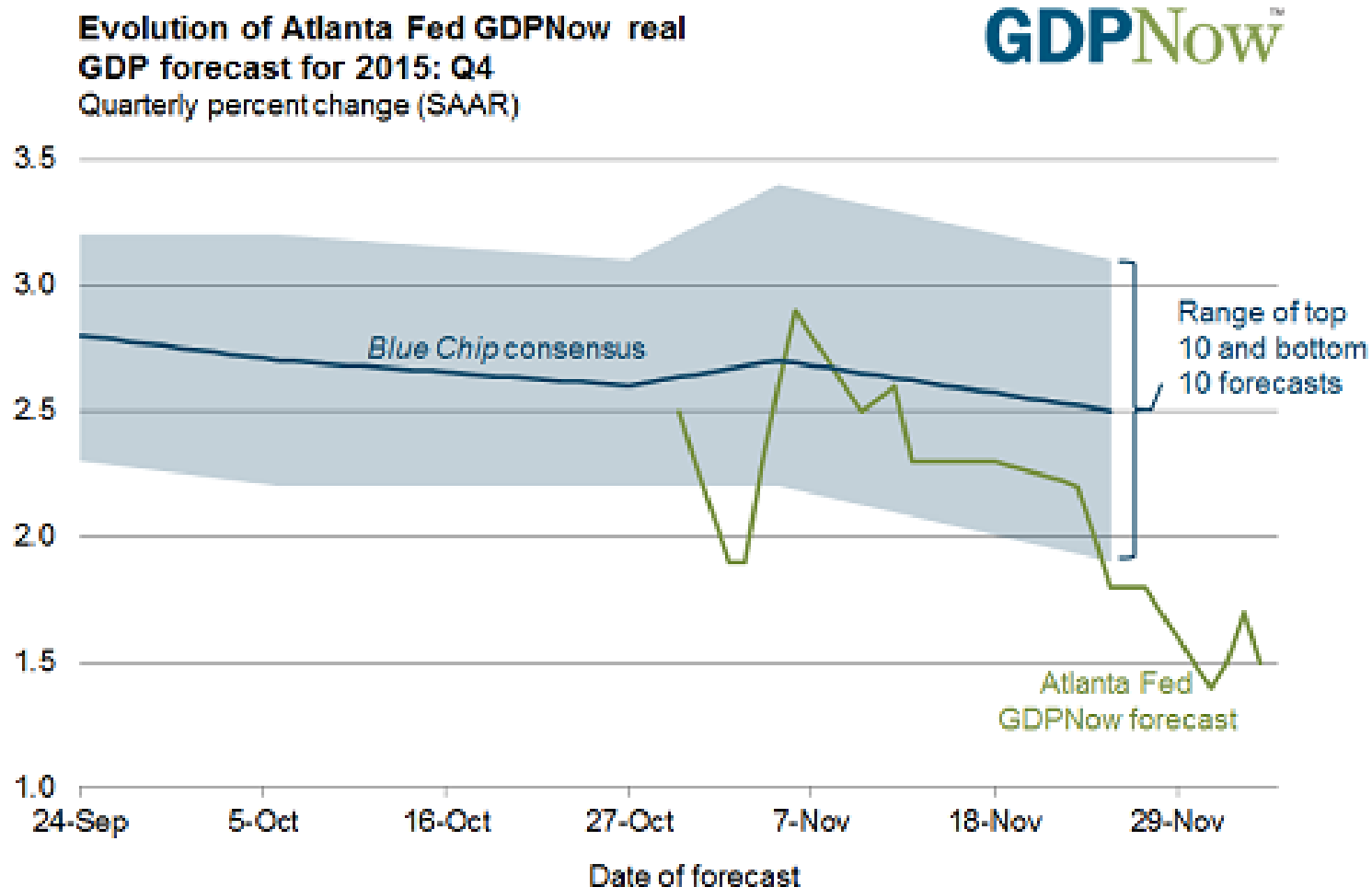
# U.S. Nominal GDP YoY December 31, 1990 to December 2, 2015



Source: DoubleLine, Bloomberg, Reported Quarterly as of September 30, 2015

GDP CURY Index = U.S. GDP in Nominal Dollars year-over-year, seasonally adjusted. GDP = the amount of goods and service produced within a given country/ territory. Yoy = year-over-year. You cannot invest directly in an index.

# GDP Now Revised Down



Sources: *Blue Chip Economic Indicators* and *Blue Chip Financial Forecasts*

Source: Atlanta Federal Reserve as of December 4, 2015

GDP = Gross Domestic Product is the amount of goods and services produced within a given country. Blue-chip consensus = Is a monthly survey and associated publication by the Blue Chip Publications division of Aspen Publishers collecting macroeconomic indicator of the health of the U.S. economy. SAAR = Seasonally Adjusted Annual Rate. You cannot invest directly in an index.

# Atlanta Fed GDP Forecast vs. Actual GDP

September 3, 2013 to September 3, 2015



Source: Bloomberg

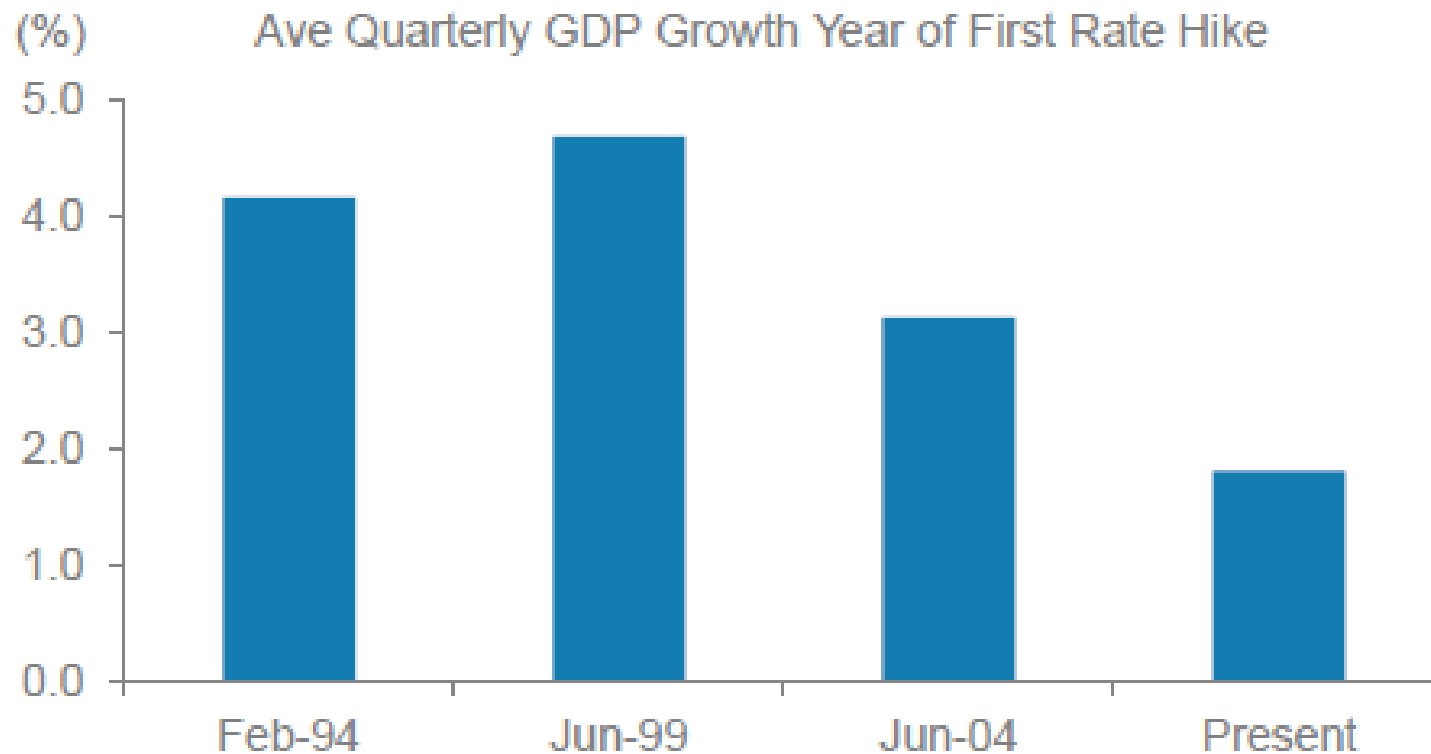
GDGCAFJP = Atlanta Fed GFPNow Forecasts that provides an estimate of overall economic activity in an economy. GDP CQOQ Index = Atlanta Fed GDPNow Forecasts. GDP US Chained 2009 Dollars QoQ. GDP = Gross Domestic Product is the amount of goods and services produced within a given country. You cannot invest directly in an index.

# Past Fed Hike Comparisons

As of September 30, 2015

Exhibit 4

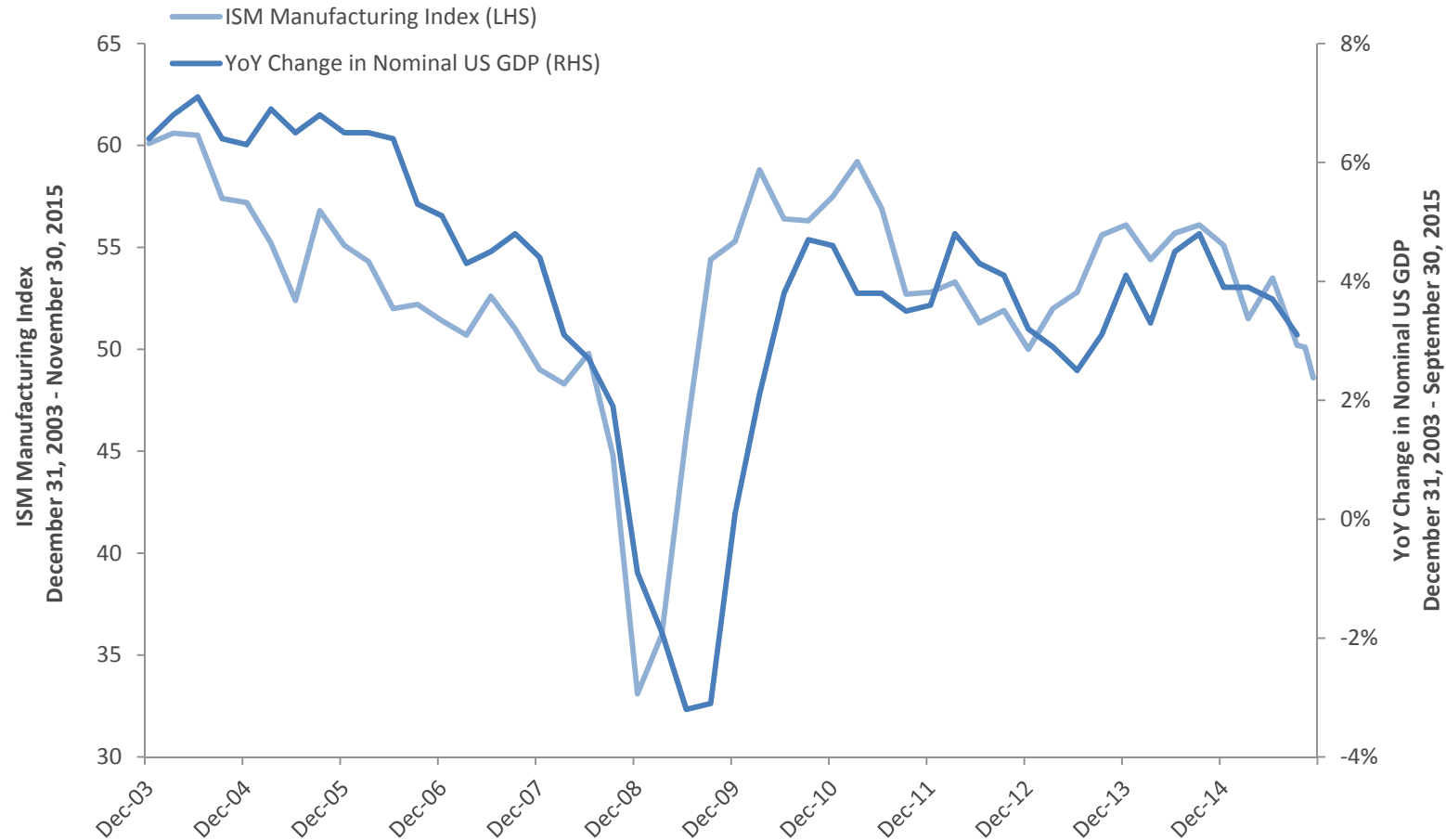
## ...But GDP Growth Much Weaker Than When the Fed First Hiked in the Past



Source: Morgan Stanley Research, Bloomberg

GDP = Gross Domestic Product is the amount of goods and services produced within a given country. You cannot invest directly in an index.

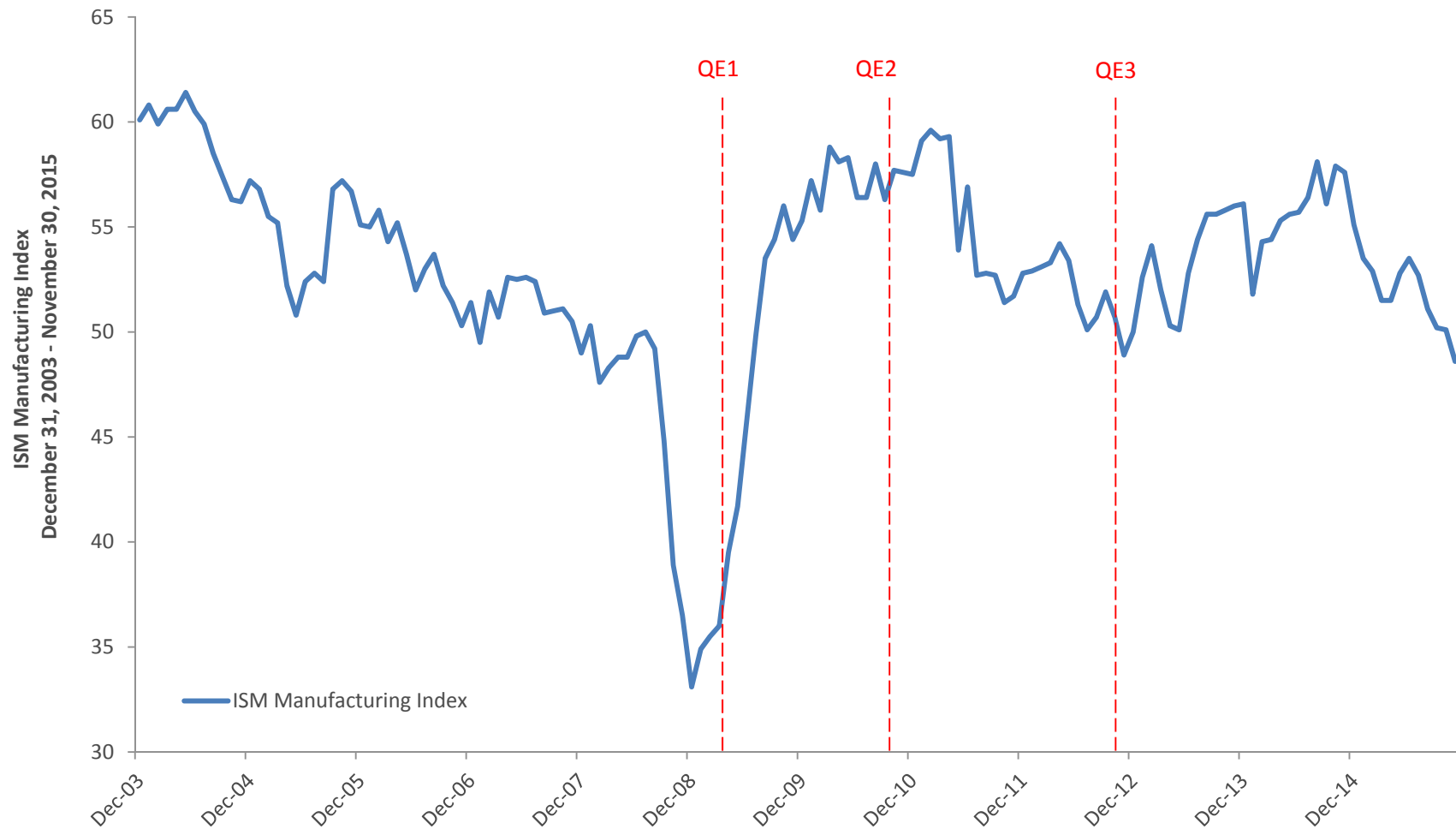
# ISM Manufacturing vs. Nominal GDP



Source: Bloomberg, DoubleLine

ISM Manufacturing index is based on surveys of more than 300 manufacturing firms by the institute of Supply Management. QE = quantitative easing. GDP = Gross Domestic Product is the amount of goods and services produced within a given country. LHS = left hand side, RHS = right hand side. YoY = year-over-year. You cannot invest directly in an index.

# ISM Manufacturing vs. Quantitative Easing

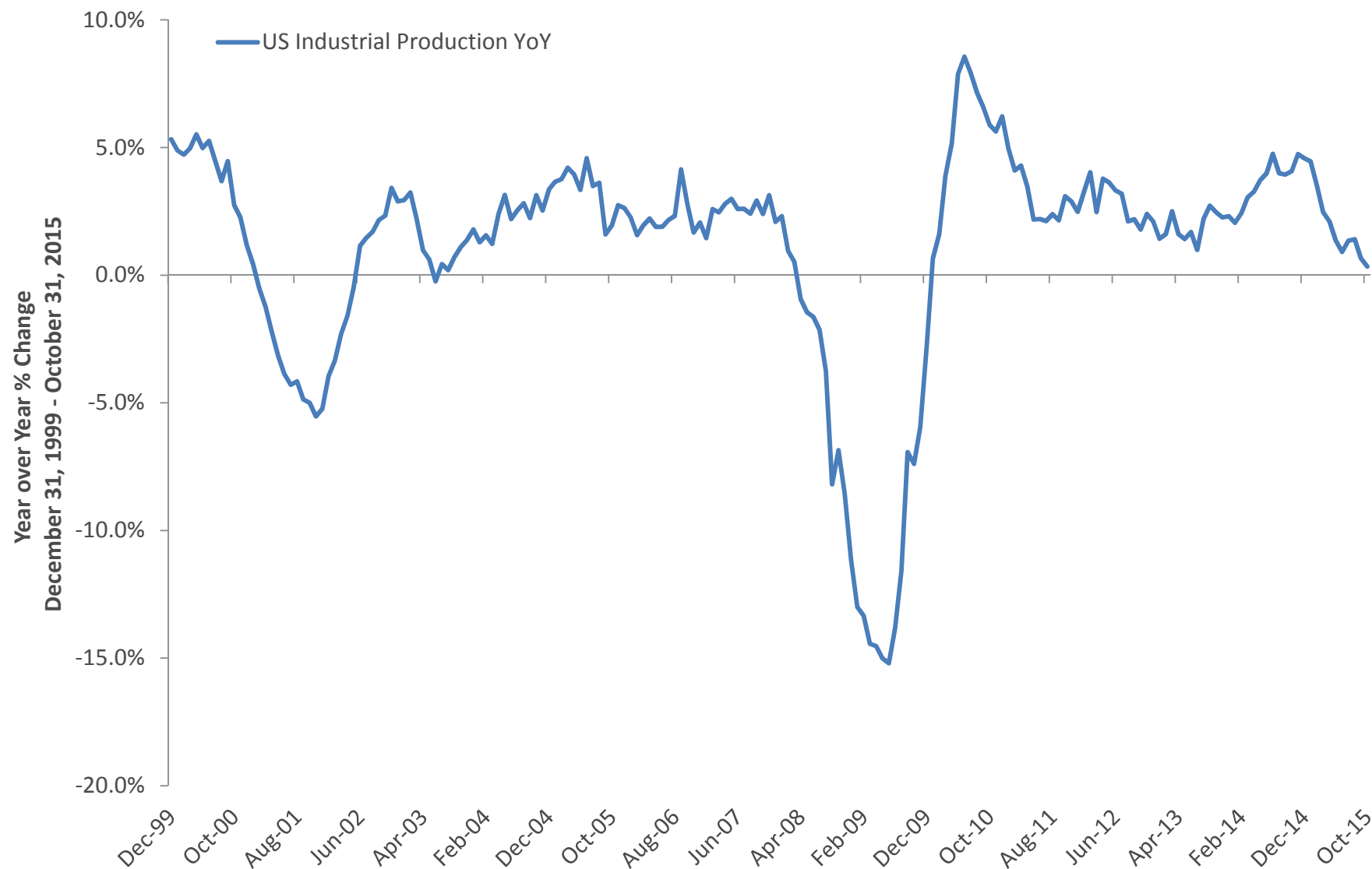


Source: Bloomberg, DoubleLine

ISM Manufacturing index is based on surveys of more than 300 manufacturing firms by the institute of Supply Management. QE = quantitative easing. You cannot invest directly in an index.

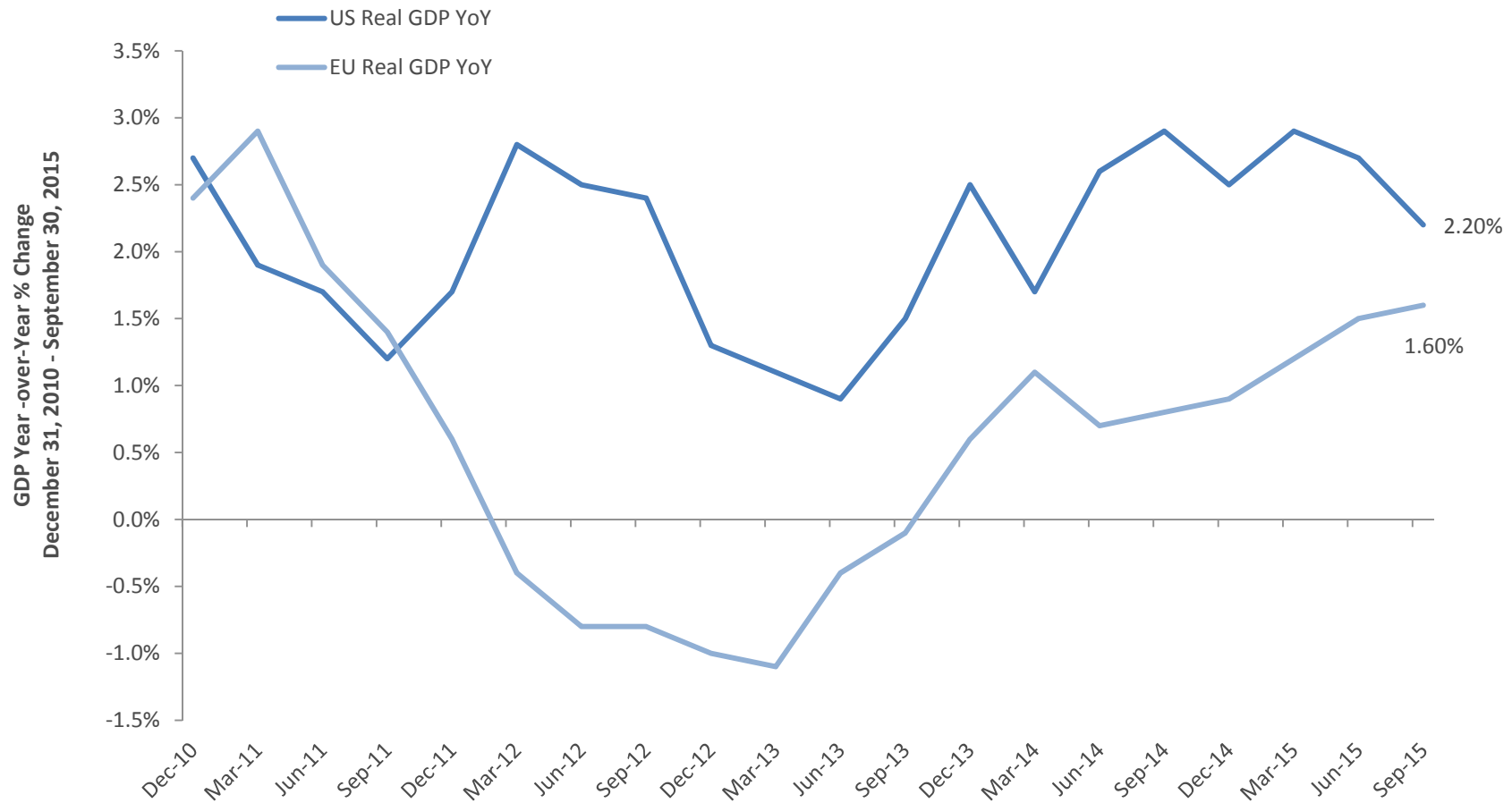


# U.S. Industrial Production (YoY)



Source: DoubleLine, Bloomberg  
YoY = year-over-year. You cannot invest directly in an index.

# The Difference Between Hiking and QE Infinity 60 bps of GDP?

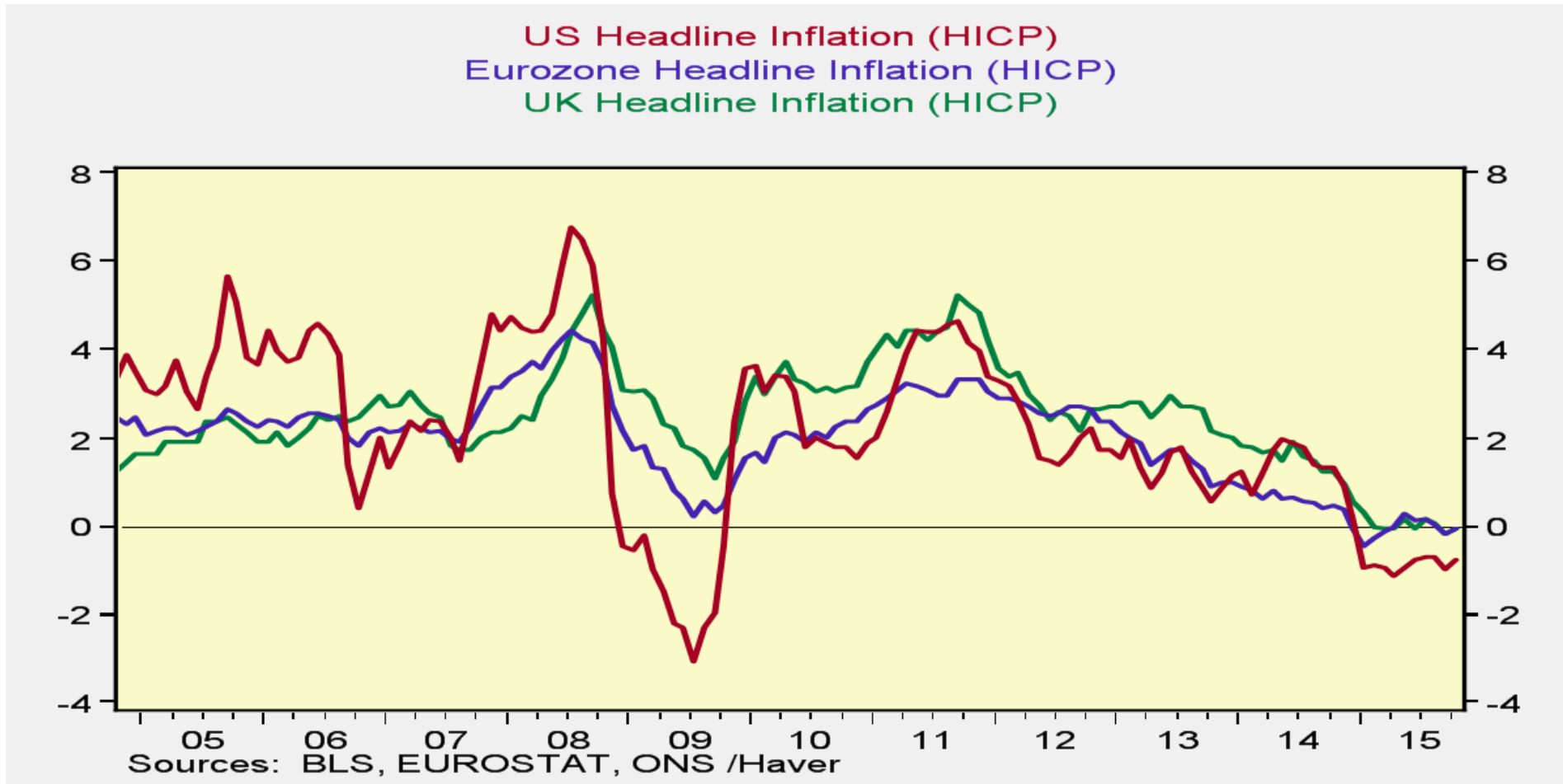


Source: Bloomberg, DoubleLine

QE = Quantitative Easing. bps = basis points. GDP = gross domestic product or the number of goods and services produced within a given country. YoY = year-over-year. EU = Eurozone which is comprised of 27 countries across Europe. You cannot invest directly in an index.

# Global Inflations Using Eurozone Method

January 1, 2005 through September 30, 2015

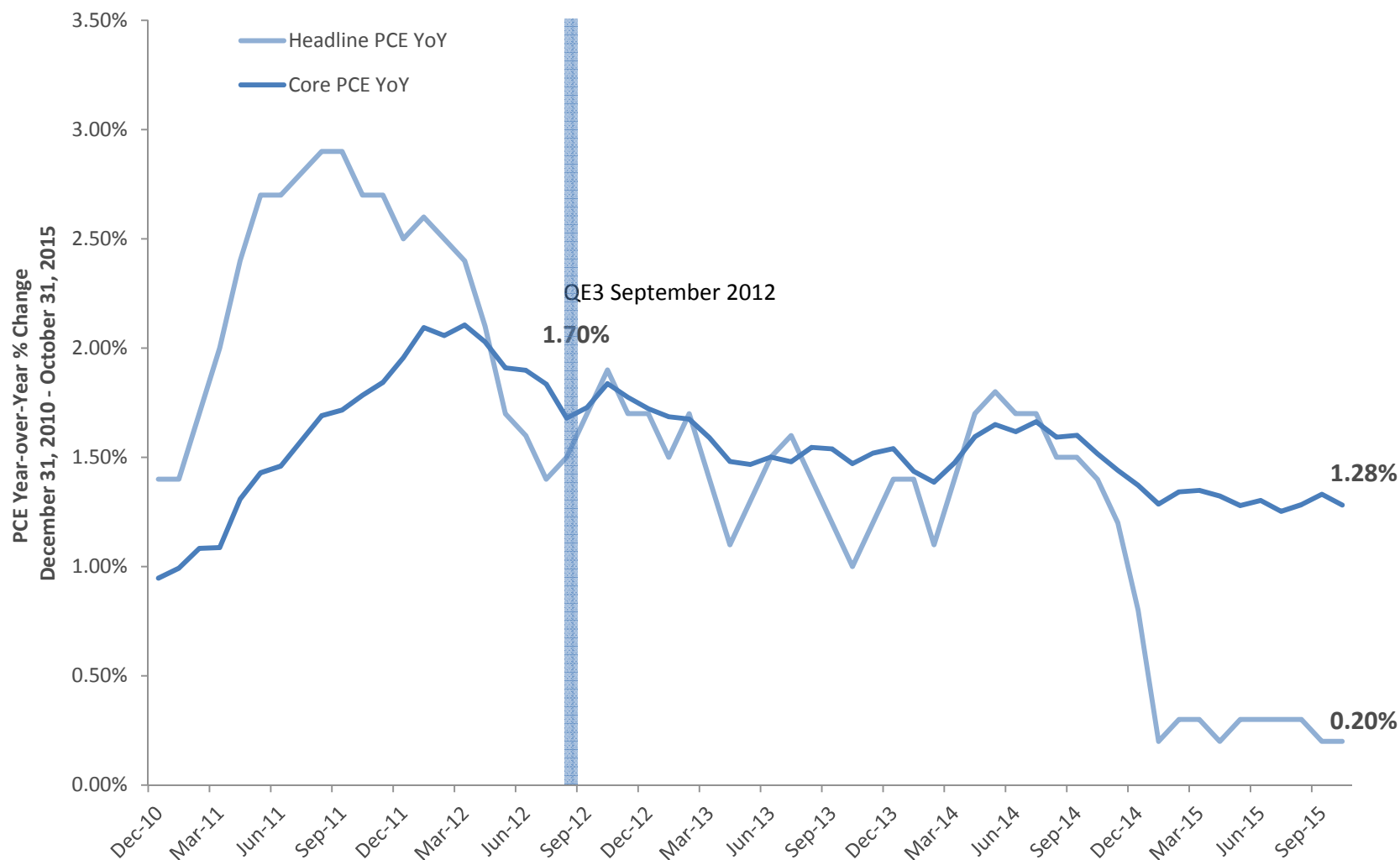


Source: Bianco Research

CPI = Consumer Price index measures the weighted average prices of the basket of consumer goods and services. HICP = Common measure of inflation across the Eurozone. YoY = year-over-year.

Eurozone method does not include shelter. You cannot invest directly in an index

# Why Hike Now? PCE

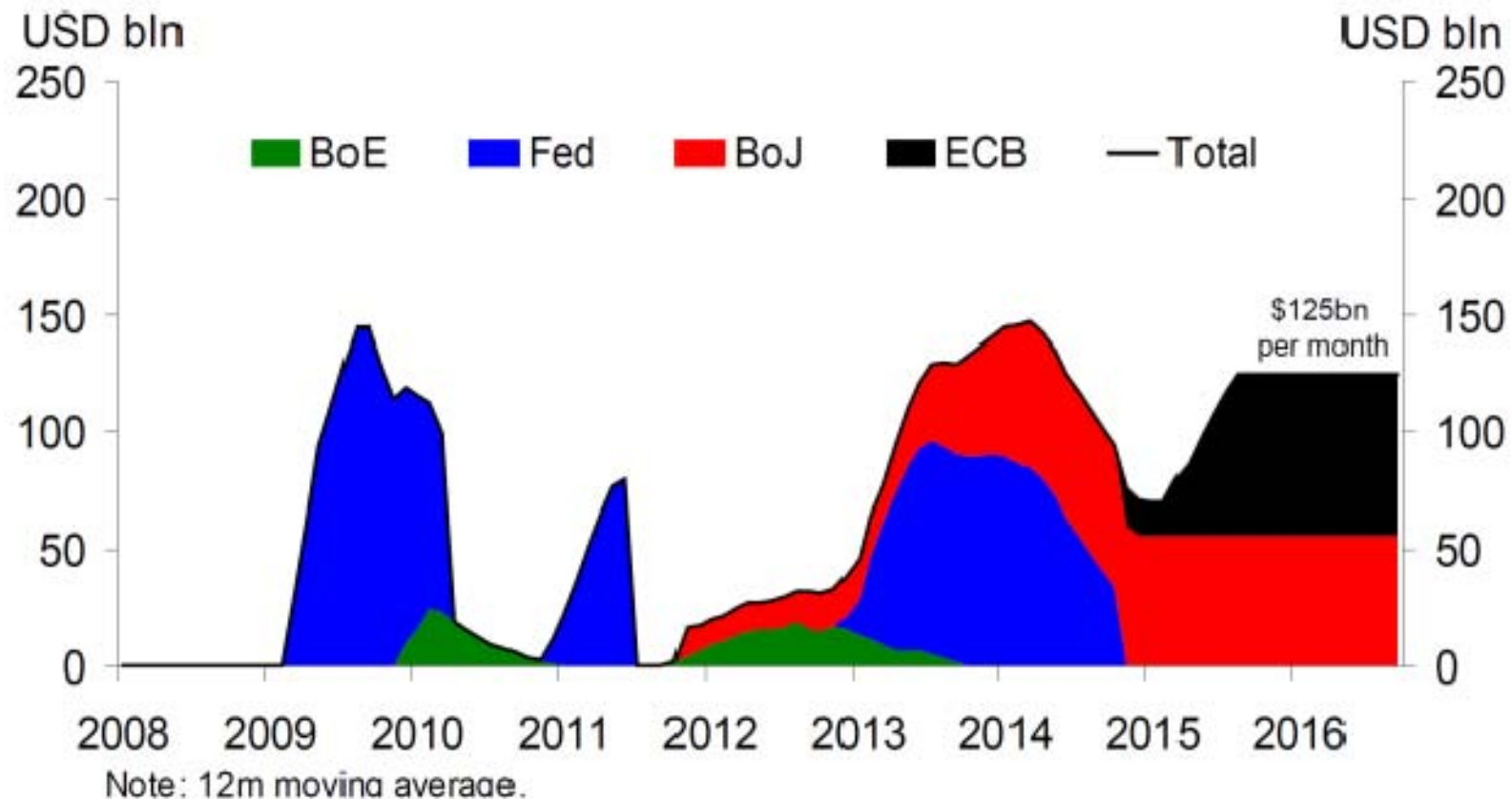


Source: DoubleLine, Bianco, Bloomberg

PCE = personal consumption expenditures. Core PCE measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy. Headline PCE includes food and energy. QE = Quantitative Easing. YoY = year-over-year. You cannot invest directly in an index. .

# Global QE December 31, 2008 through Projected Year-End 2016

## Monthly Fed, ECB, and BoJ asset purchases



Source : BoE, DB Global Markets Research

Deutsche Bank Research

Torsten Slok, torsten.slok@db.com +1 212 250-2155

November 2015

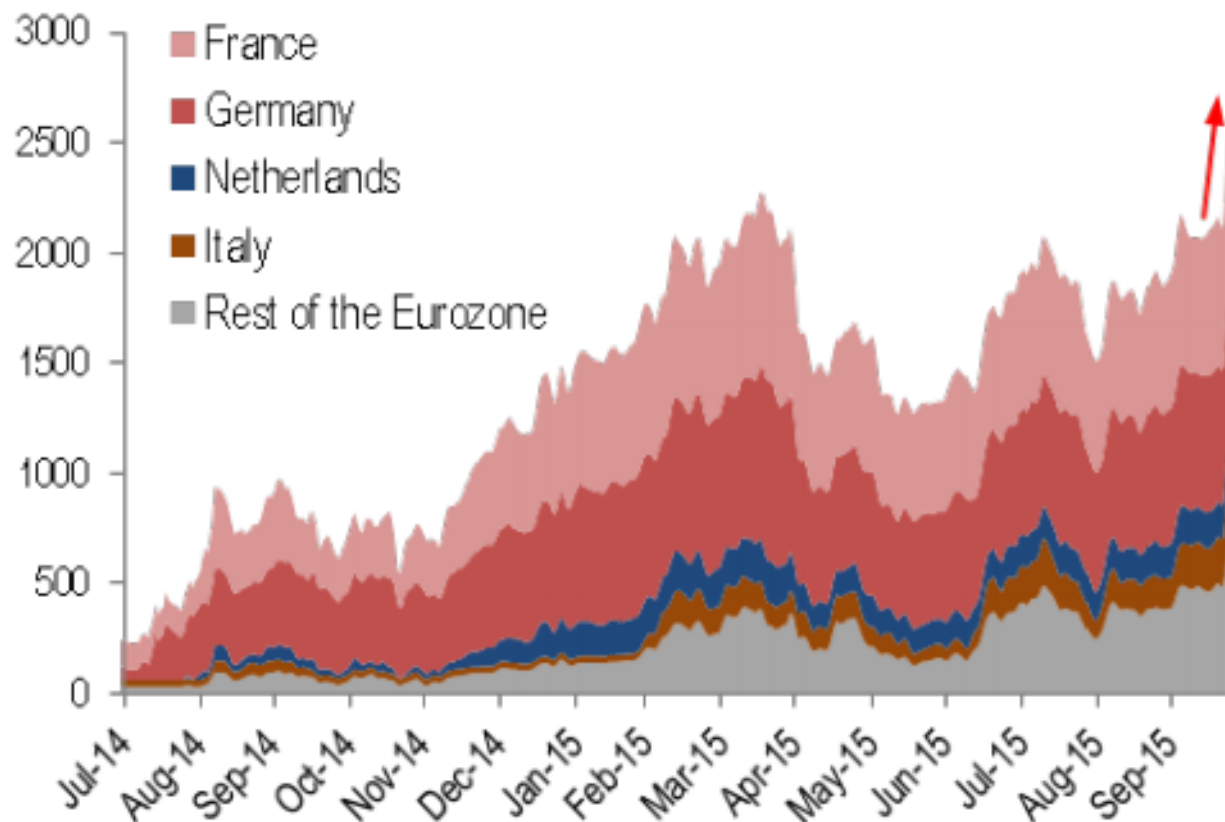
Source: Deutsche Bank Research November 2015 Report

USD = U.S. Dollar, Fed = Federal Reserve, ECB = European Central Bank, BoJ = Bank of Japan, bln = billion, QE = Quantitative Easing.

# New Highs in Negative-Yielding Assets in Eurozone

July 1, 2014 through October 31, 2015

**Chart 13: New highs in negative-yielding assets in the Eurozone after the ECB's dovishness last week (€bn)**



Source: BofA Merrill Lynch Global Research, Bloomberg.

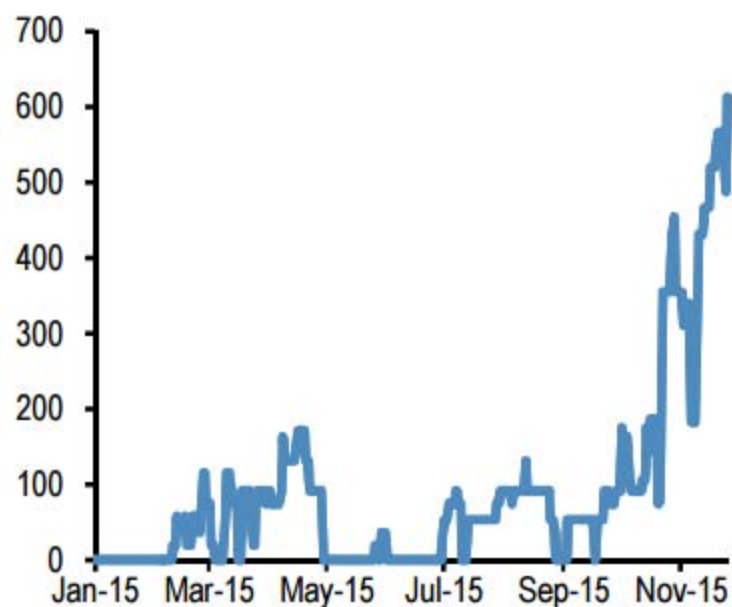
ECB = European Central Bank. Eurozone is the European Union consisting of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. €bn = Euro billion. Exchange rate as of December 7, 2015 is \$1 U.S. dollar = 0.92 Euro. You cannot invest directly in an index.

# Negative Rates in Eurozone and Bond Fund Flows

January 31, 2015 through November 30, 2015

**Figure 1: Euro area govt. bond with maturity >2 yr and yield <-0.2%**

In €bn. Analysis is based on JPM GBI Broad Index.

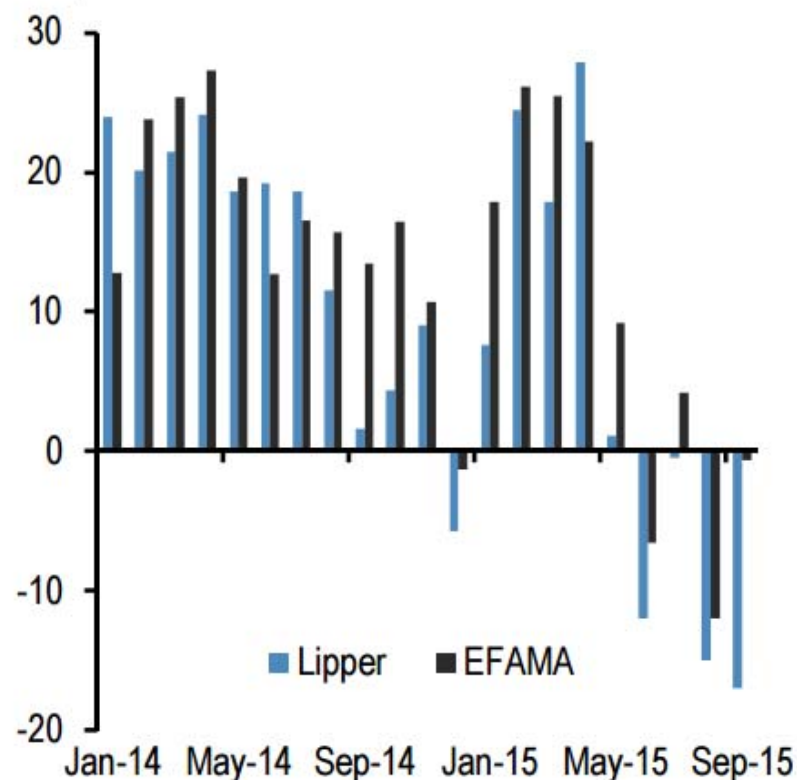


Source: J.P. Morgan

January 31, 2014 through September 30, 2015

**Figure 3: European bond fund flows**

€bn per month.



Source: Bloomberg, J.P. Morgan.

€bn = Euro billion . Exchange rate as of December 7, 2015 is \$1 U.S. dollar = 0.92 Euro. €600 = \$651.15 bn U.S.

Lipper= Thompson Reuters Lipper Index tracks the financial performance of European bond flows. EFAMA = European Fund and Asset Management Association. JPM GBI Broad Index = Tracks fixed rate issuances from high-income countries spanning North America, Europe and Asia. You cannot invest directly in an index.



# Sweden/Riksbank Flip Flop

January 4, 2008 through November 30, 2015



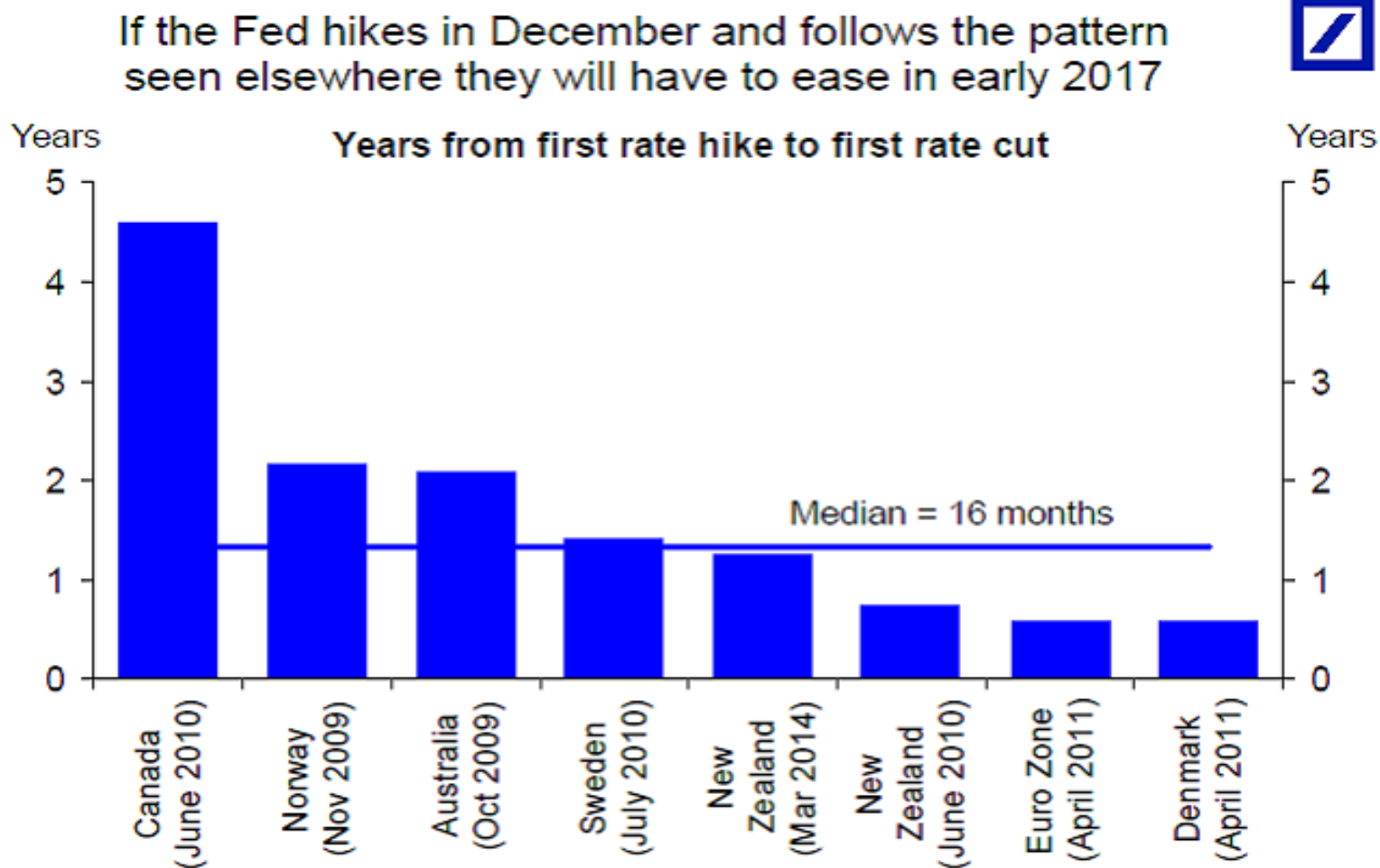
Source: Bloomberg Financial Services

SWBSATOT Index = Sweden Central Bank Balance Sheet Total Assets tracks the aggregate assets and liabilities of banks within an economy. SWRRATEI Index = Sweden's Repo Rate at Sveriges Riksbank.

An investment cannot be made directly in an index.

# Global Rate Hikes

As of November 30, 2015



Source: Bloomberg Finance LP, DB Global Markets Research

Deutsche Bank Research

Torsten Slok, [torsten.slok@db.com](mailto:torsten.slok@db.com) +1 212 250-2155

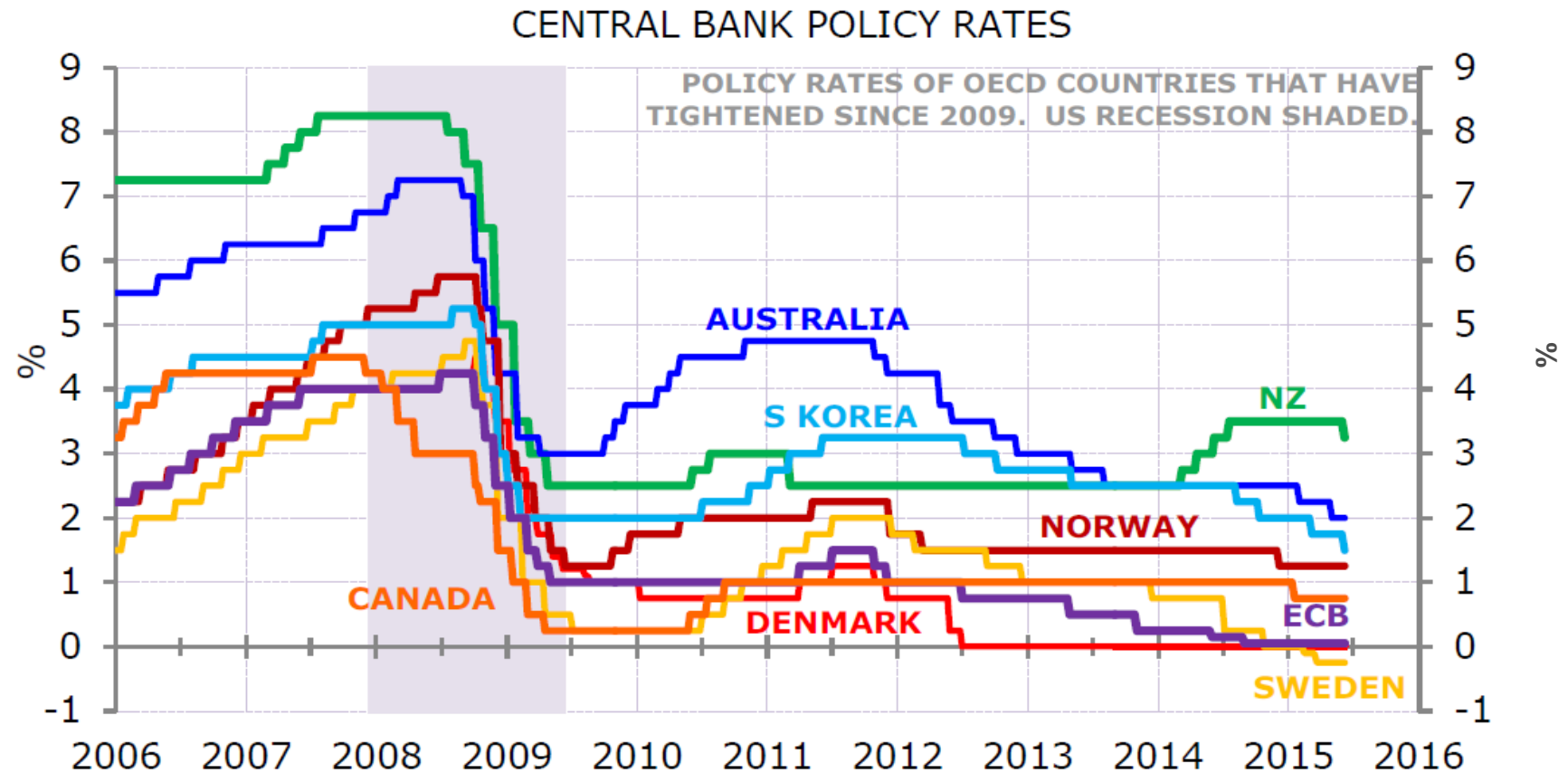
November 2015

Median = A value or quantity lying at the midpoint of a frequency distribution of observed values or quantities. You cannot invest directly in an index

# Central Bank Policy Rates

January 1, 2006 through May 31, 2015

## Full Retreat



Source: Bloomberg, NBER; Minack Advisors

Source: Minack  
NZ = New Zealand  
You cannot invest directly in an index.

# GS Financial Conditions Index

November 28, 2005 to November 30, 2015

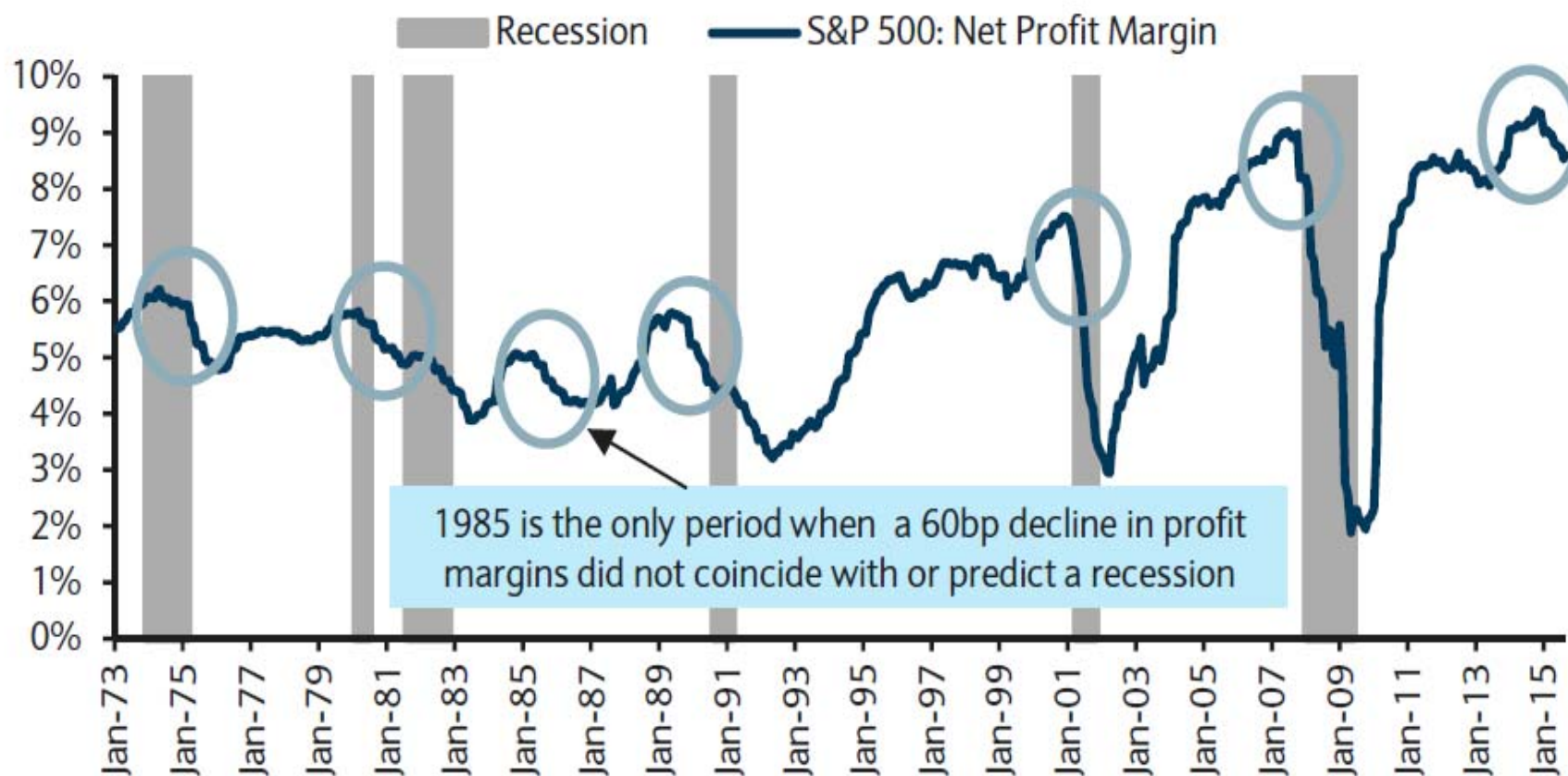


Source: DoubleLine, Bloomberg

GS = Goldman Sachs Financial Conditions Index tracks changes in interest rates, credit spreads, equity prices, and the value of the dollar in order to measure the overall economic strength or weakness of the U.S. economy. You cannot invest directly in an index.

# S&P 500 Net Profit Margin

January 1, 1973 through March 31, 2015



Source: Thomson Reuters, Barclays Research

Source: S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Bp = basis point. You cannot invest directly in an index.

# Why Hike Now? – Junk Bonds

December 8, 2010 to December 7, 2015

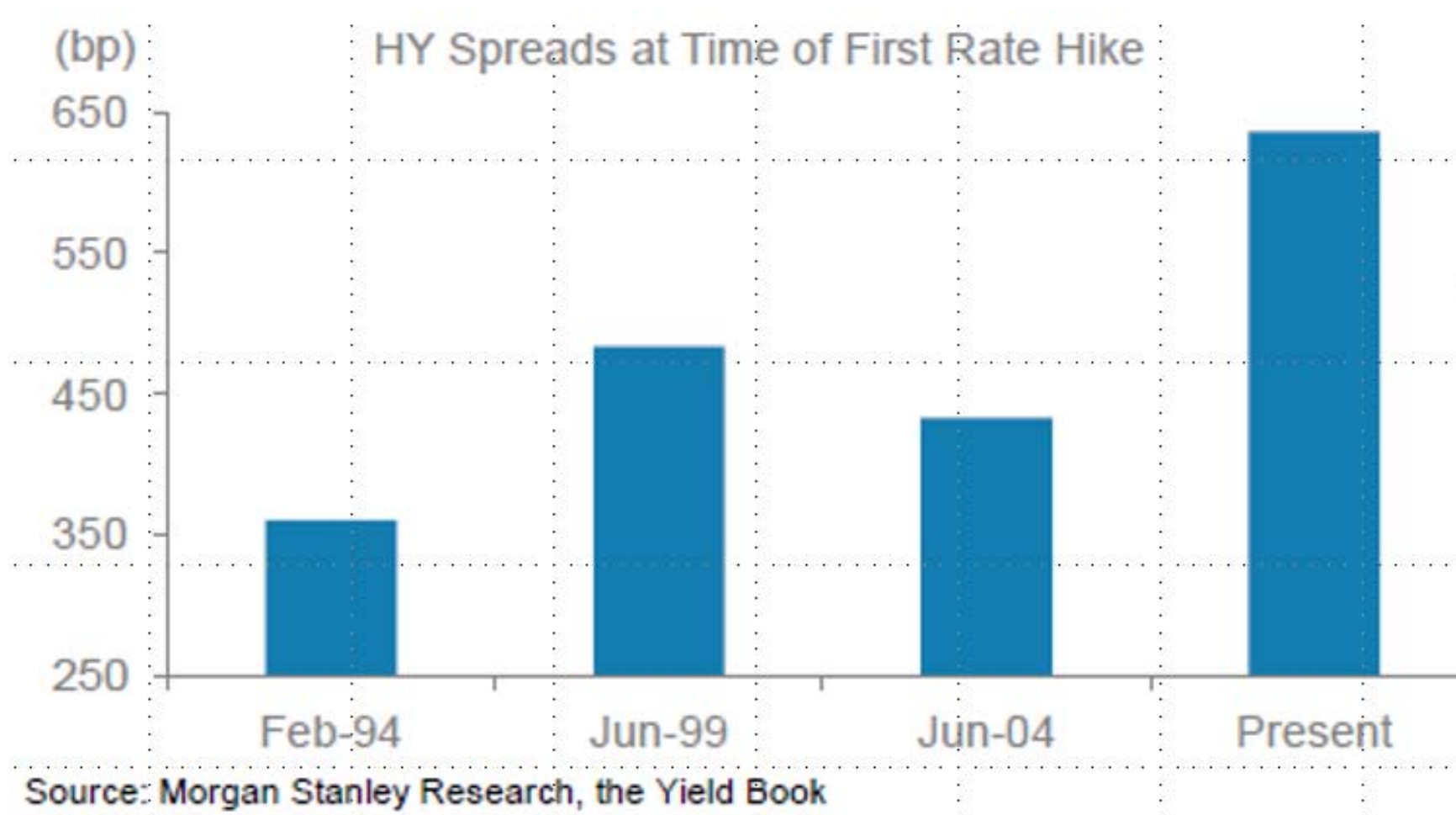


Source: DoubleLine, Bloomberg

JNK = SPDR Barclays High Yield Bond ETF in an exchange-traded incorporated in the U.S. It seeks investment results that correspond to the price and yield of the Barclays High Yield Very Liquid Bond Index. Please see the appendix for prospectus link, description, expenses, etc. for JNK. DoubleLine Total Return Bond Fund owns 0% JNK as of September 8, 2015. You cannot invest directly in an index.

# High Yield Spreads Wider than Prior First Rate Hike in Past Cycles

February 1994, June 1999, June 2004 and Today



Spreads = the Spread between High Yield and Treasury yields.

HY Spreads refers to Citigroup US High Yield Market Index which is U.S. dollar-denominated index that measures the performance of high yield debt issued by corporations domiciled in the U.S. and Canada. You cannot invest directly in an index.



# Leveraged Loans Average Price

December 3, 2014 through December 3, 2015



Source: Bloomberg

SPBDALB Index = S&P/LSTA Leveraged Loan Index Price is the market value-weighted index that measures performance of U.S. Leveraged Loan market. SPBDLLB index = S&P/ LSTA US Leverage Loan 100 Index Price is designed to reflect the performance of the largest facilities in the leveraged loan market. You cannot invest directly in an index.

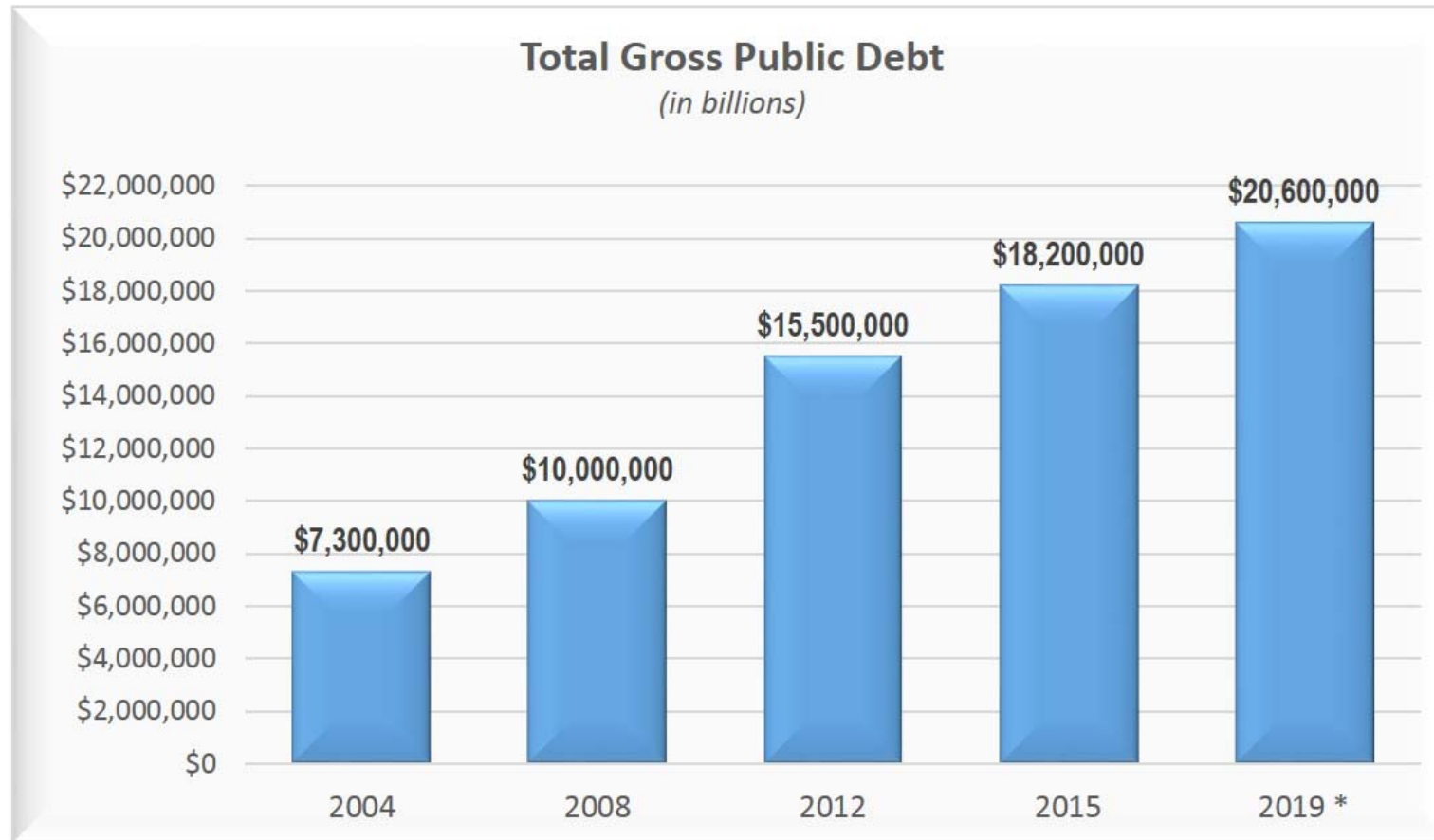
# TAB II

## Debt Burden



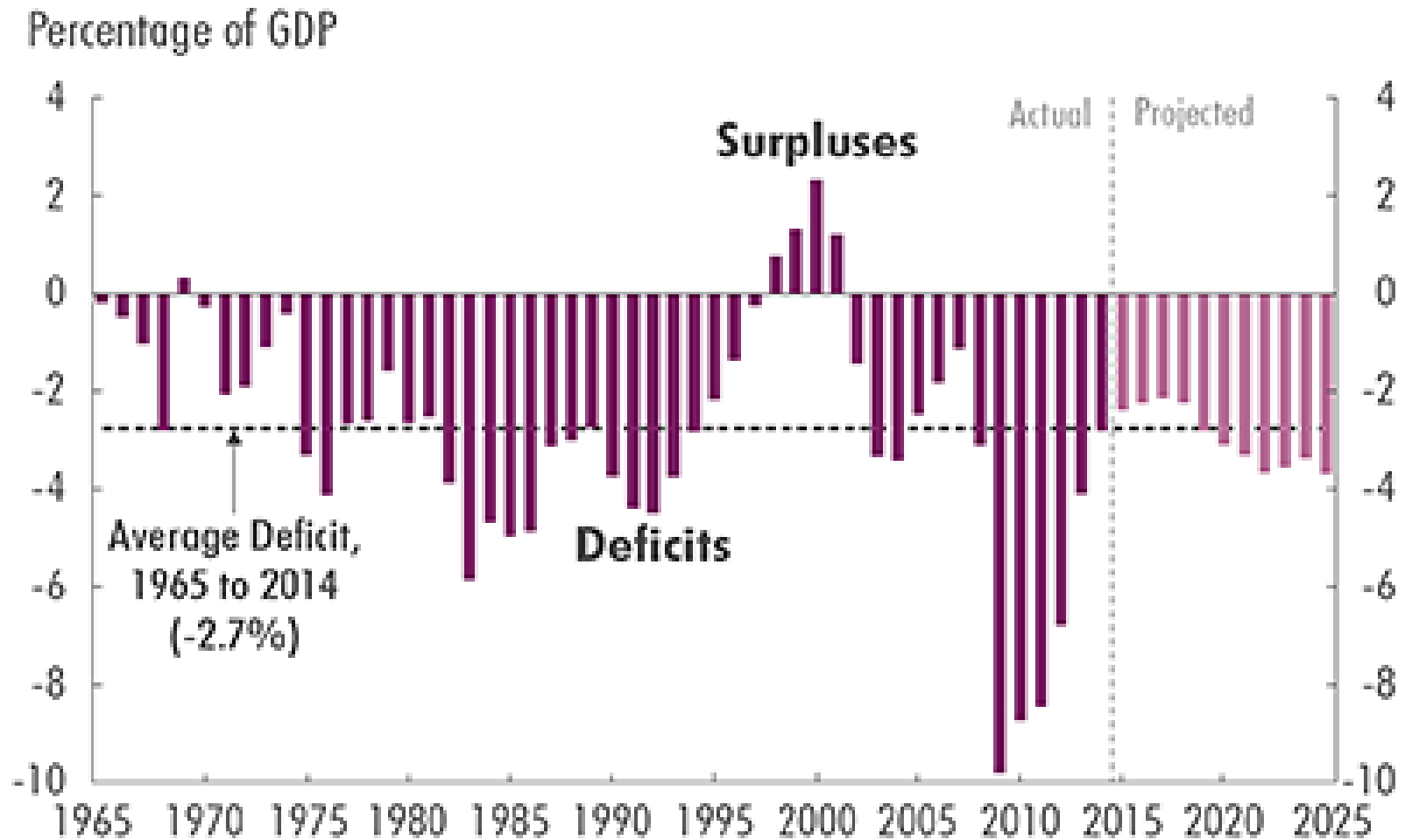
# U.S. National Debt

December 31, 2004 through 2019 Projections



Source: Forbes "National Debt Tops \$18 Trillion: Guess How Much You Owe?", April 24, 2015

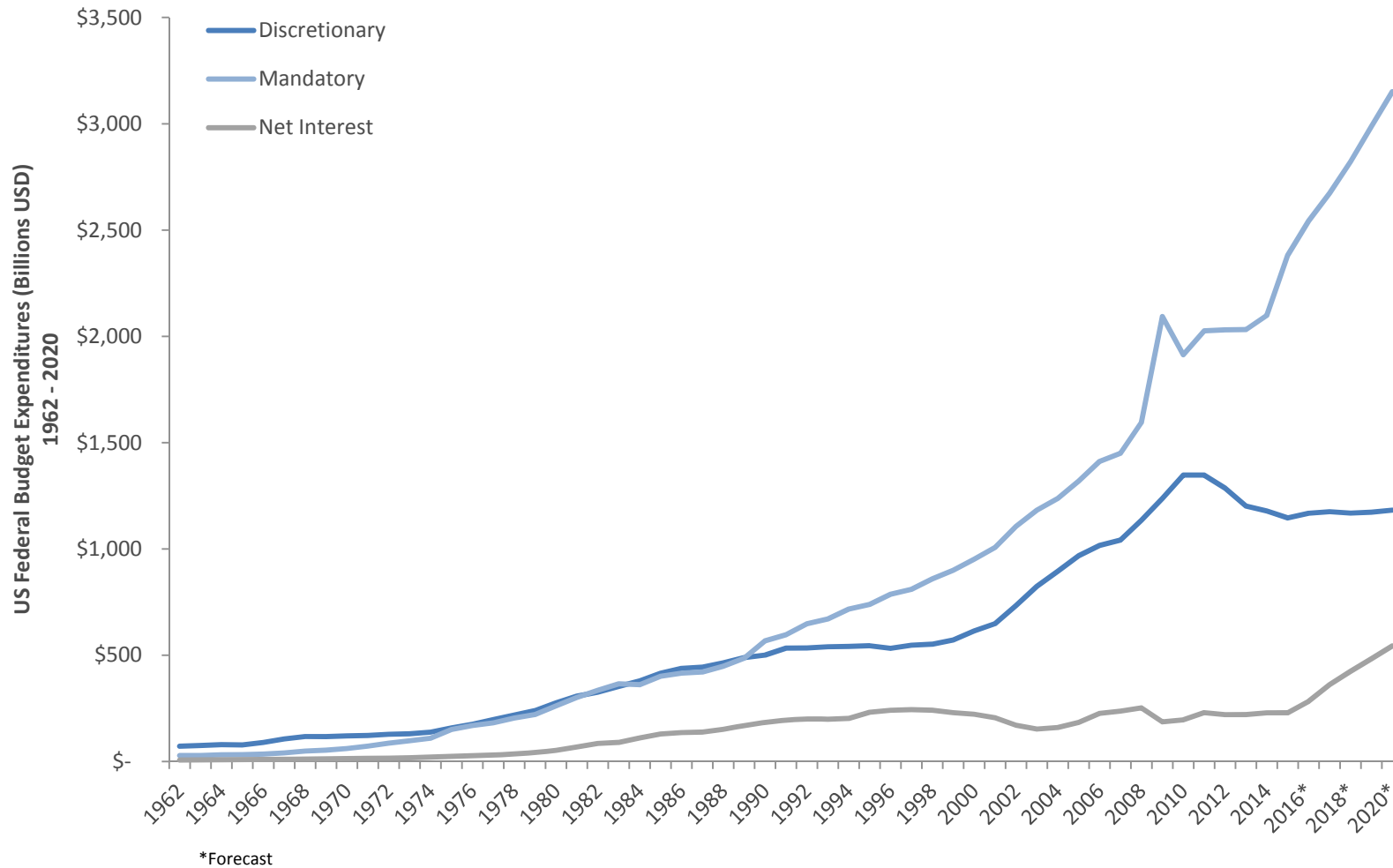
# Total Deficits or Surpluses Projection through 2025



Source: Congressional Budget Office "An Update to the Budget and Economic Outlook: 2015 to 2025", August 25, 2015

# U.S. Federal Budget Expenditures

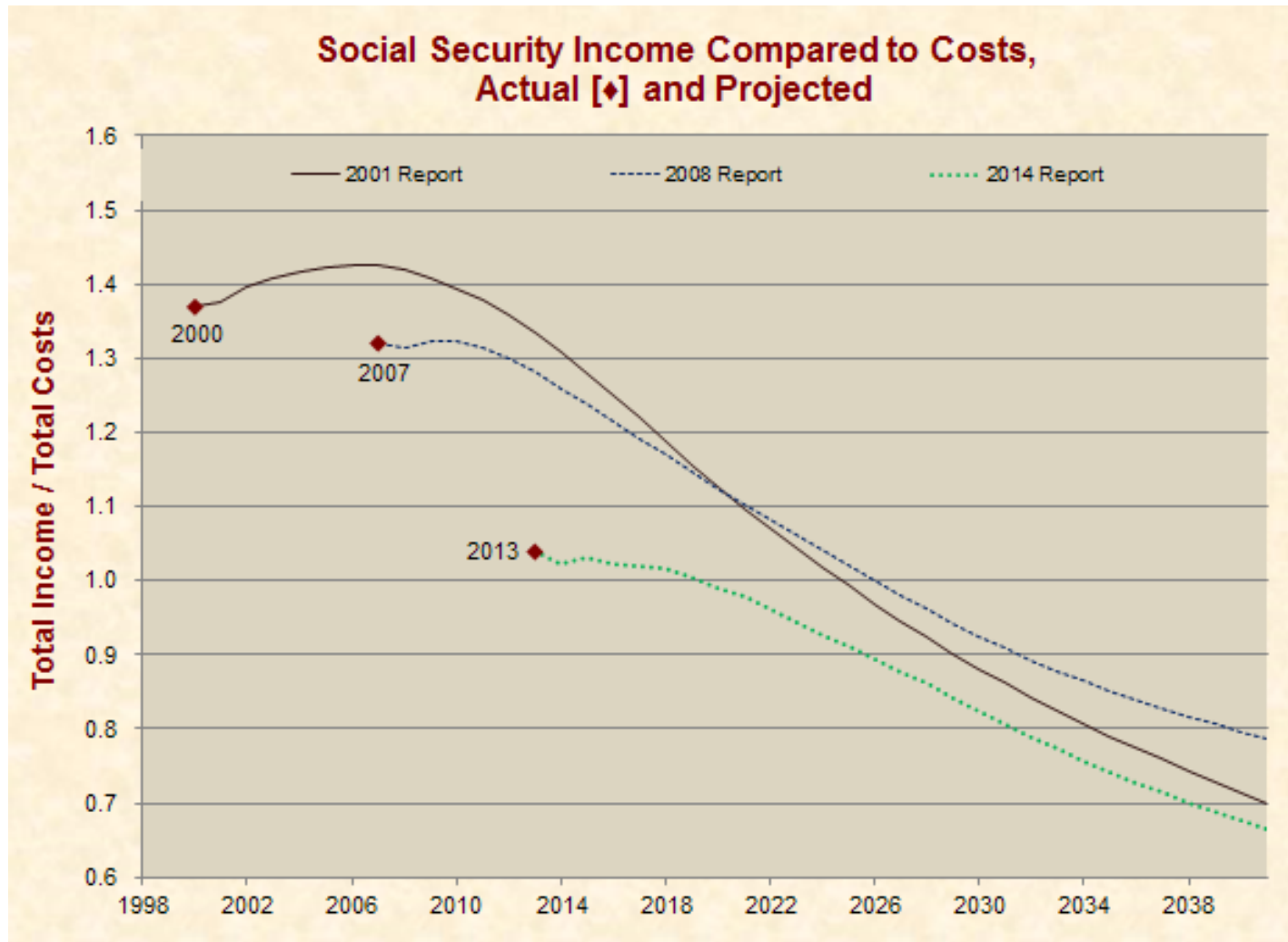
January 1, 1962 projected through 2020



Source: Bloomberg, DoubleLine

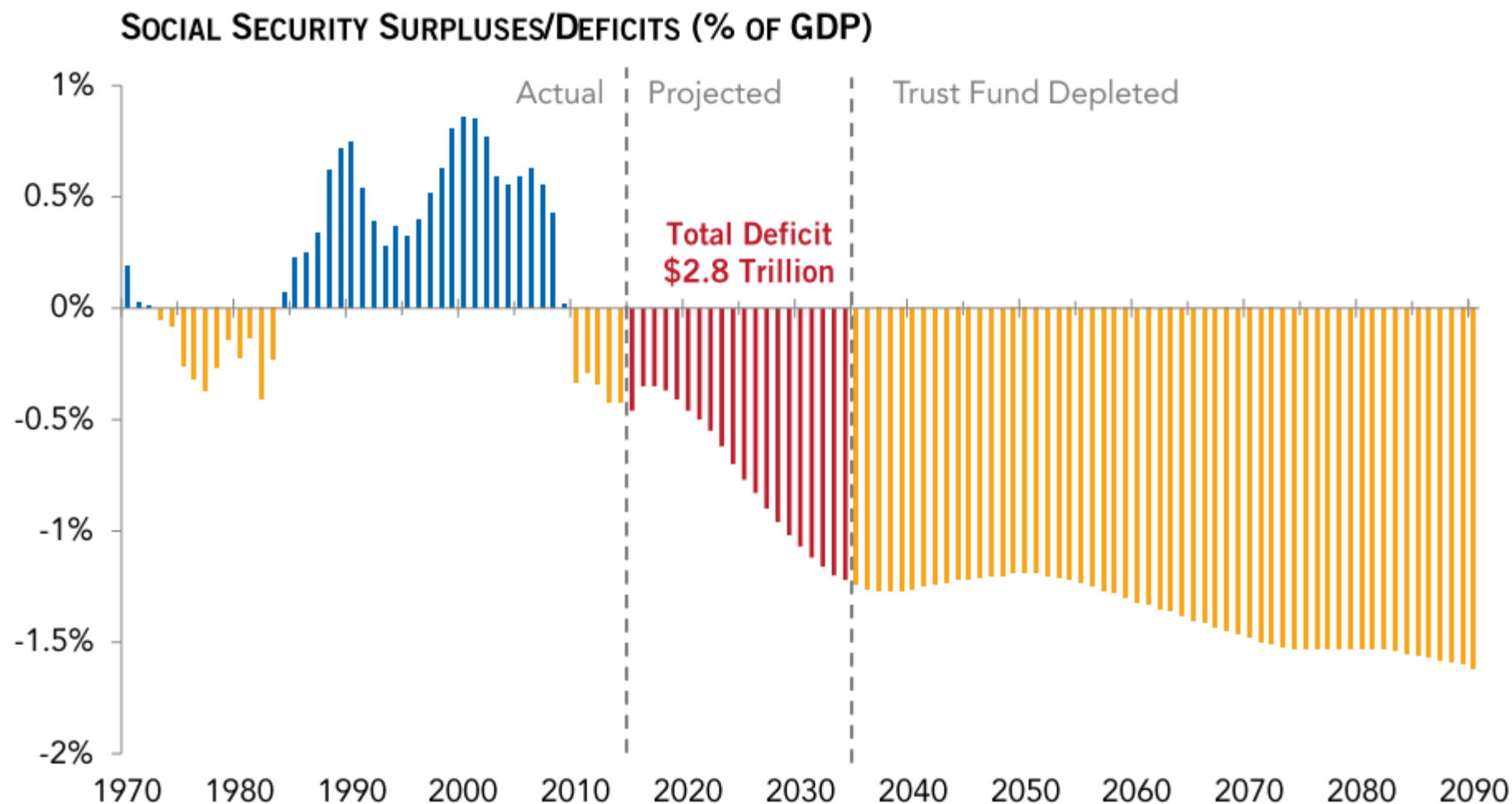
# Social Security Stability Revised Down

December 31, 1998 through Projected Estimates 2038



Source: Just Facts, United States Social Security Administration  
Original Estimates and report completed January 27, 2011 and Revised April 15, 2015.

# Social Security Will Run a Cumulative Cash Deficit of \$2.8 trillion Between Now and 2034



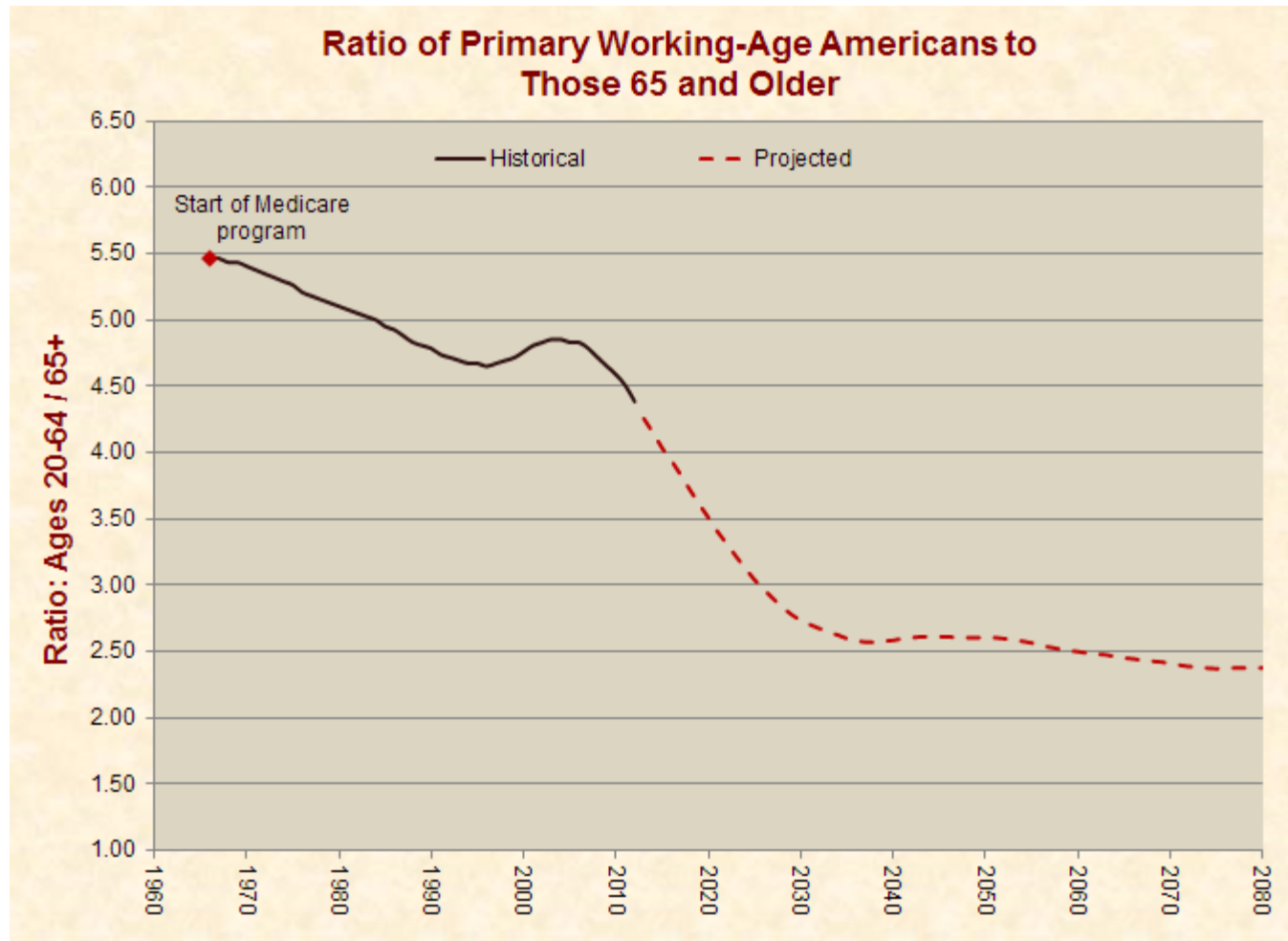
SOURCE: Social Security Administration, *The 2015 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, July 2015. Compiled by PGPF.

NOTE: Surplus/deficit numbers exclude interest income. The total deficit of \$2.8 trillion is the present value of the cash deficits between 2015 and 2034.



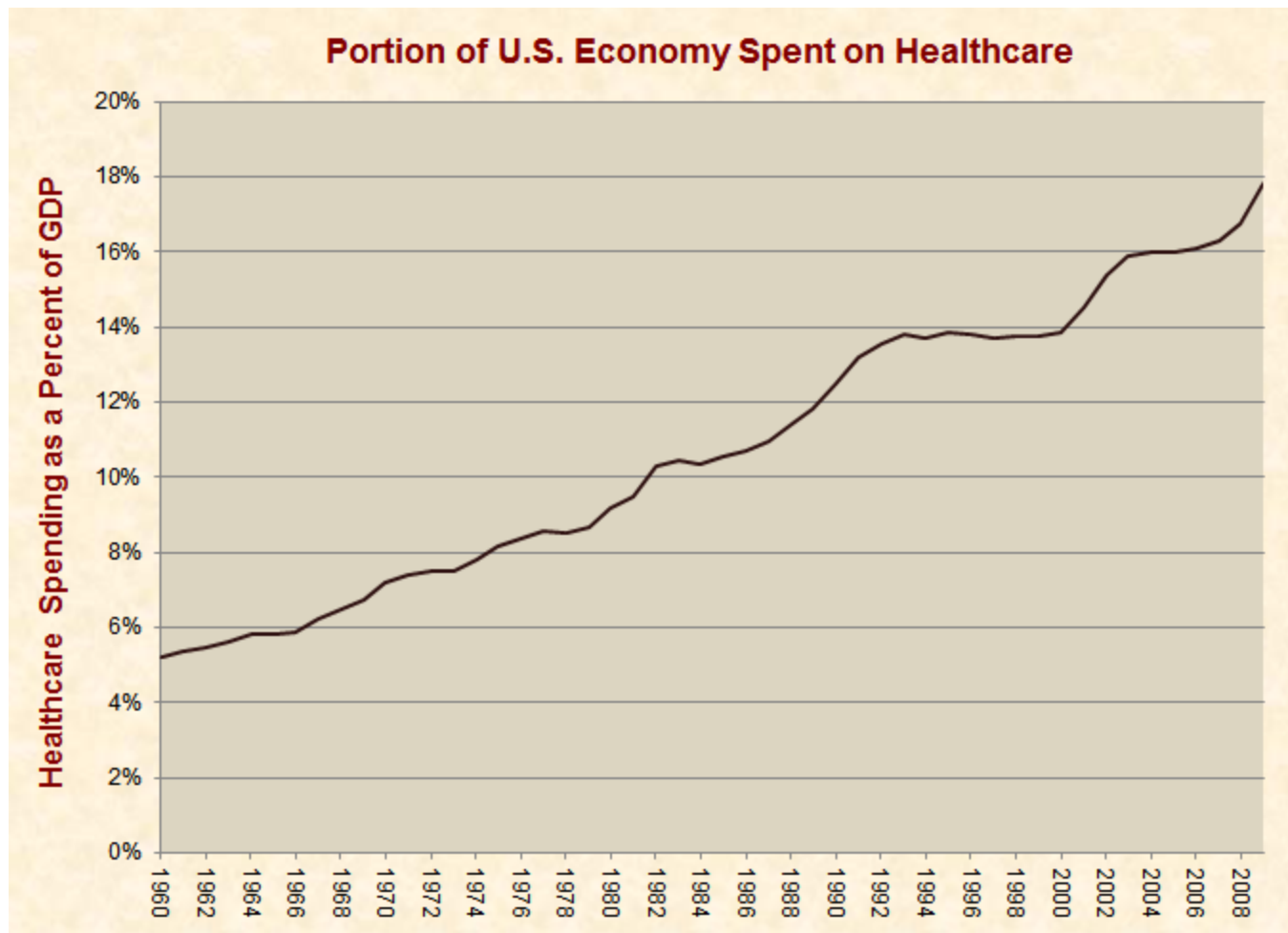
# Medicare Dependency Ratio

December 31, 1960 through Projected 2080



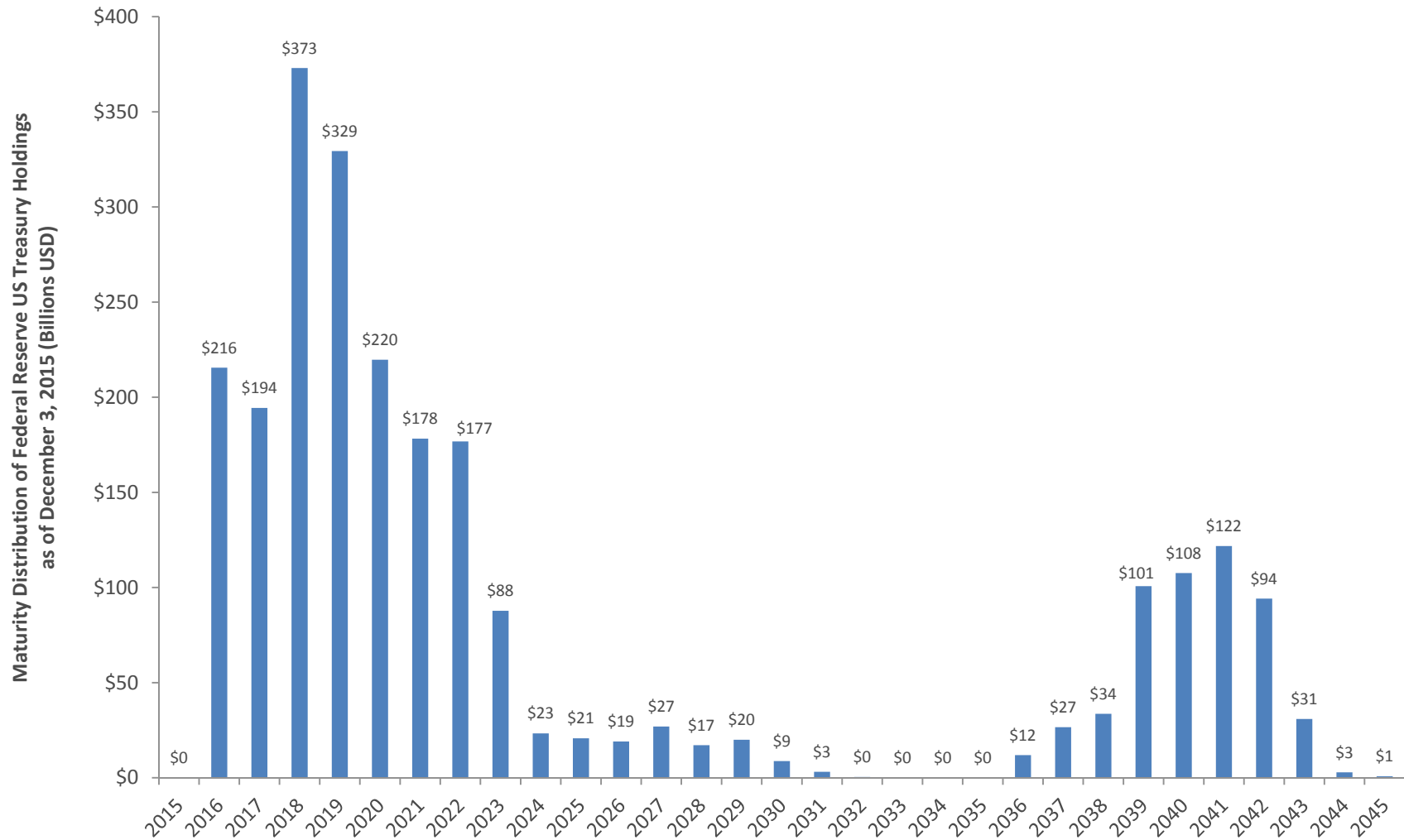
Source: United States Social Security Administration  
Estimates and report completed year-end 2013.

# U.S. Spending on Healthcare



Source: U.S. Department of Health & Human Services, Centers for Medicare and Medicaid Services  
GDP = Gross Domestic Product which measures the amounts of goods and services produced within a given country.

# Maturity of Fed U.S. Treasury Holdings



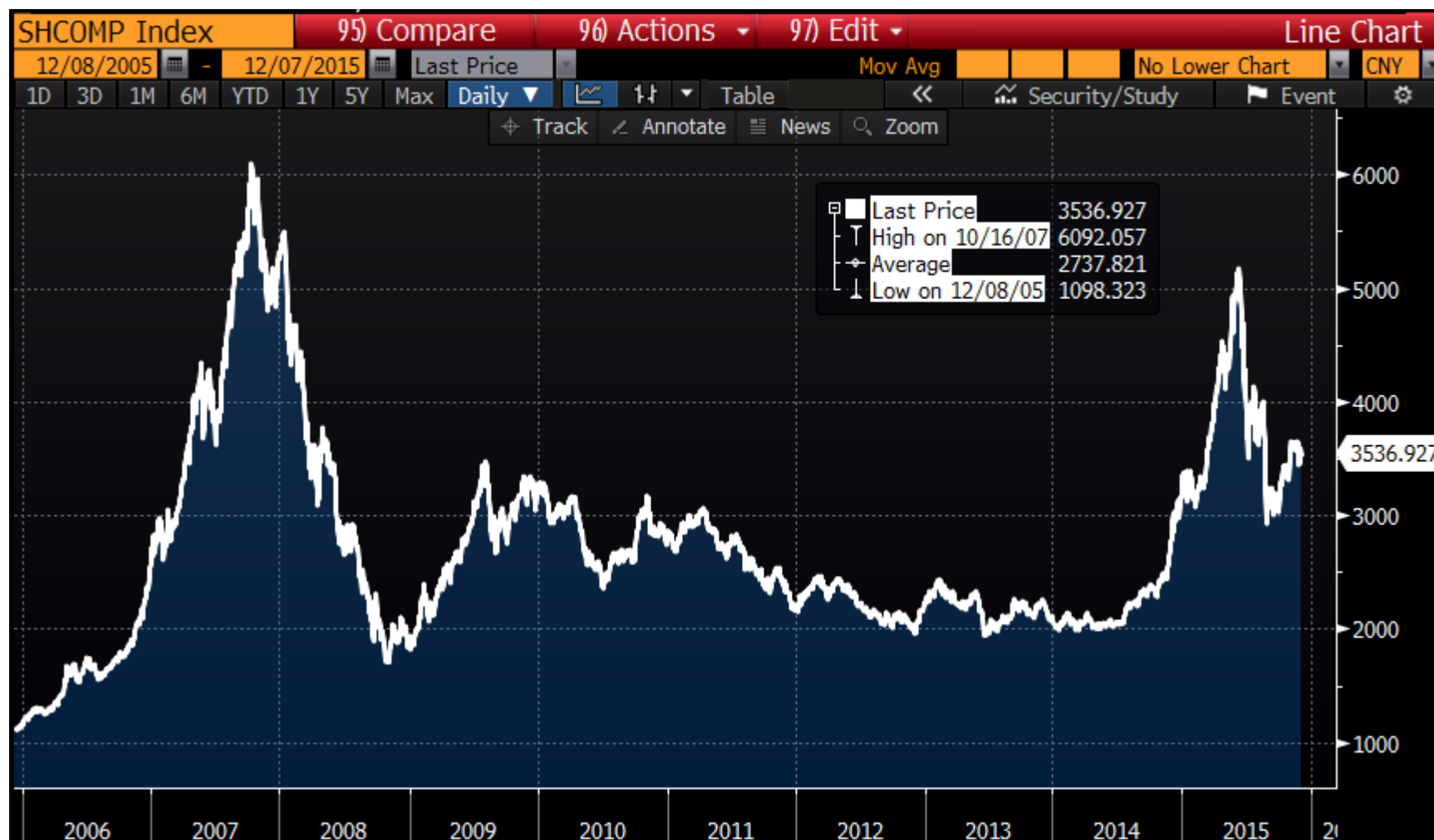
Source: NY Federal Reserve, DoubleLine

# TAB III – Global Economy



# Shanghai Composite

December 8, 2005 through December 7, 2015



Source: Bloomberg

SHCOMP = Shanghai composite index is a capitalized-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. You cannot invest directly in an index.

# China's Business Activity

October 31, 2011 through October 31, 2015

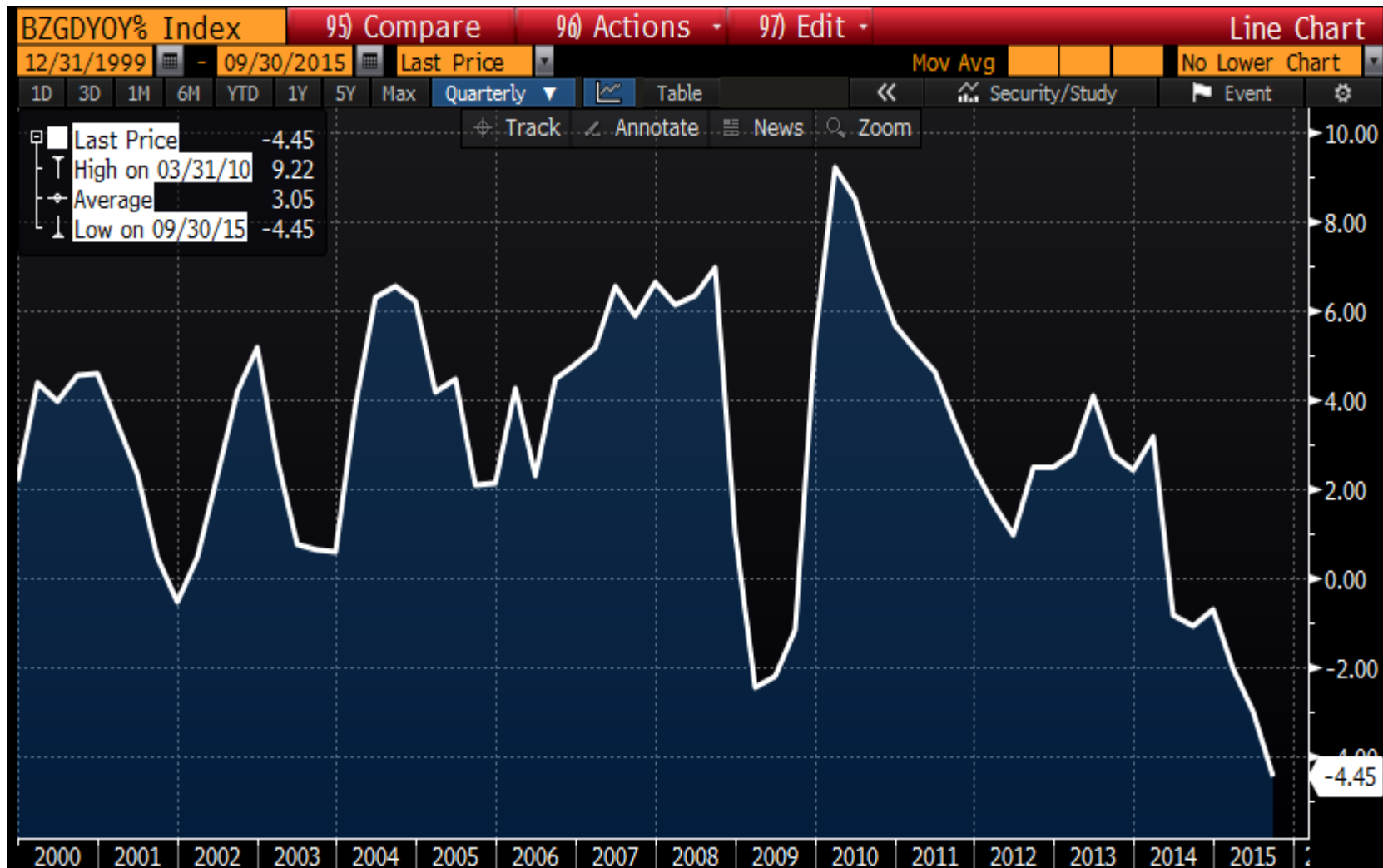


Source: Bloomberg

CNPRETLY Index = China Industrial Enterprises Total Profits year-over-year provided by the National Bureau of Statistics in China. It tracks the business activities of firms, providing a summary of their financial condition. Can include income statements, balance sheets, statements of cash flows/retained earnings, etc. You cannot invest directly in an index.

# Brazil GDP

December 31, 1999 through September 30, 2015



Source: Bloomberg

BZGDYOY Index = Brazil Gross Domestic Product (GDP) measures the final market value of all goods and services produced within a country. You cannot invest directly in an index.

# Why Hike Now? – Emerging Market Equities

December 8, 2005 through December 4, 2015



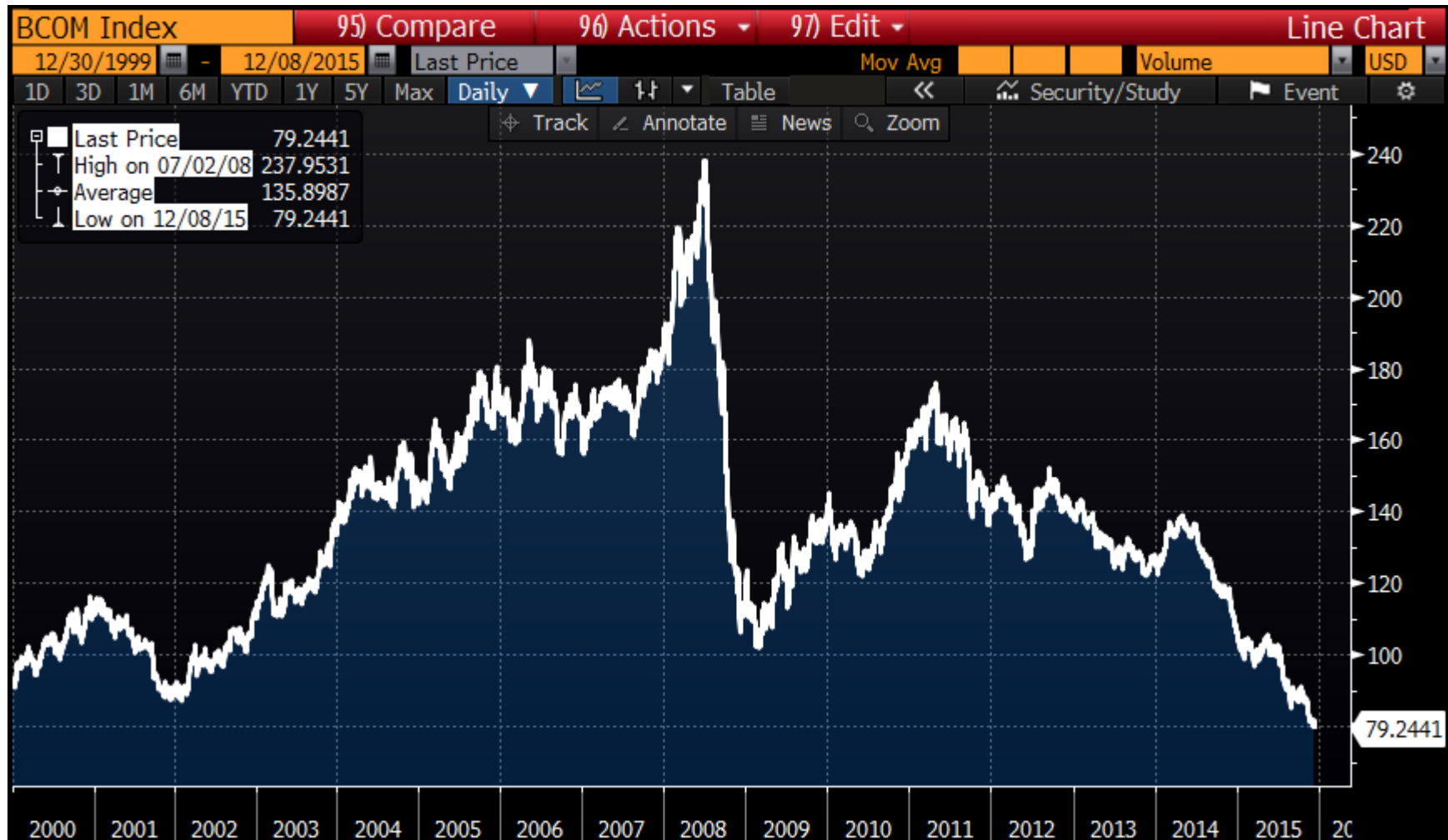
Source: DoubleLine, Bloomberg

EM Equities (MXEF Index)= The MSCI Emerging Markets Index is a free-float weighted equity index. You cannot invest directly in an index.



## Why Hike Now? – Commodity Prices

December 31, 1999 to December 8, 2015



Source: Bloomberg

BCOM Index= Bloomberg Commodity Index is calculated on an excess return basis and reflects commodity futures price movements with monthly rebalancing. You cannot invest directly in an index..

# Why Hike Now? - U.S. Dollar Index Spot

December 31, 2007 through December 7, 2015



Source: Bloomberg Financial Services

DXY = DXY is the US Dollar Index (USDIX) indicates the general value of the US dollar. Average exchange rates between the US dollar and six major world currencies.

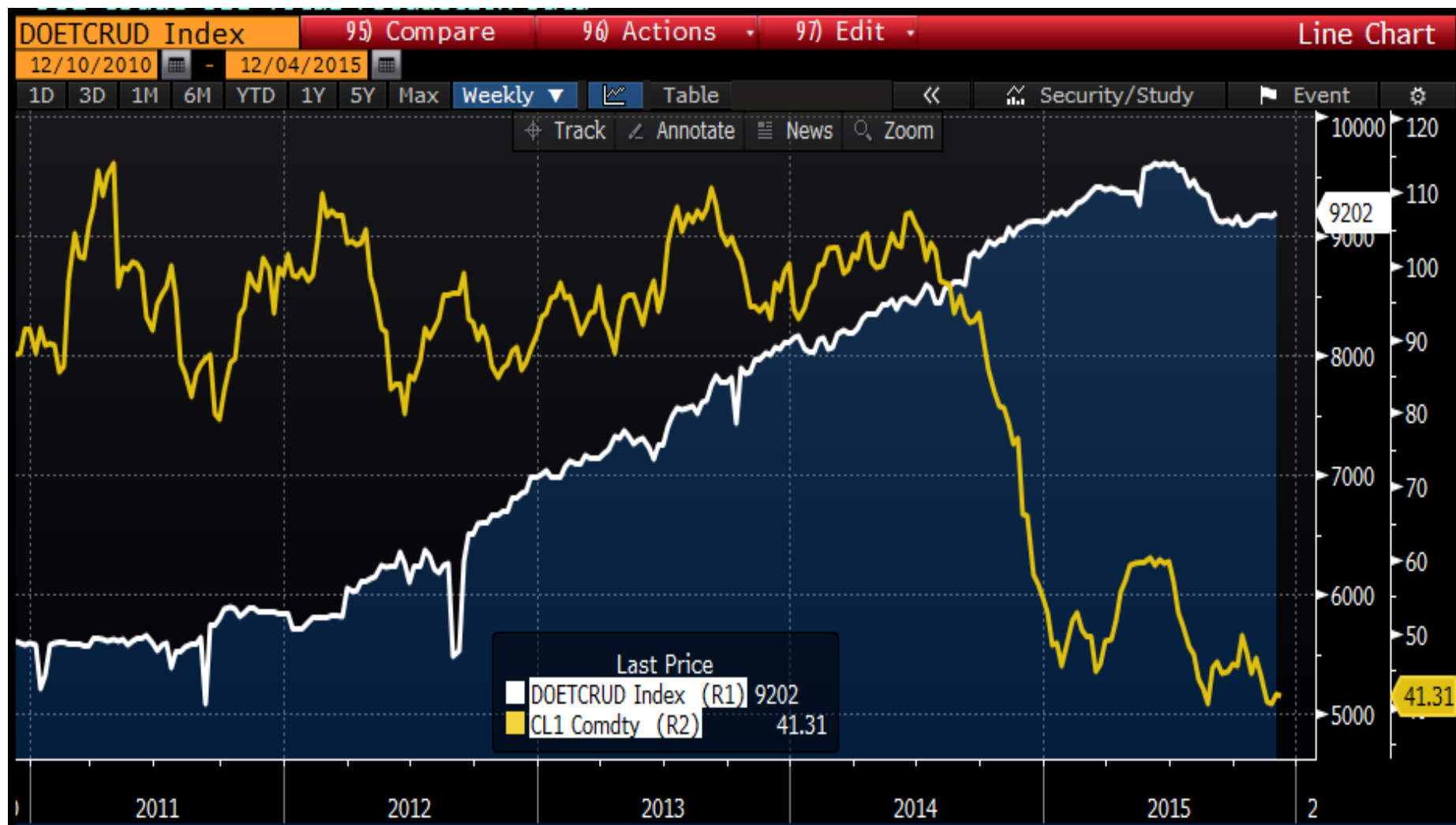
An investment cannot be made directly in an index.

# TAB V Energy



# U.S. Crude Oil Production vs. Crude Oil Prices

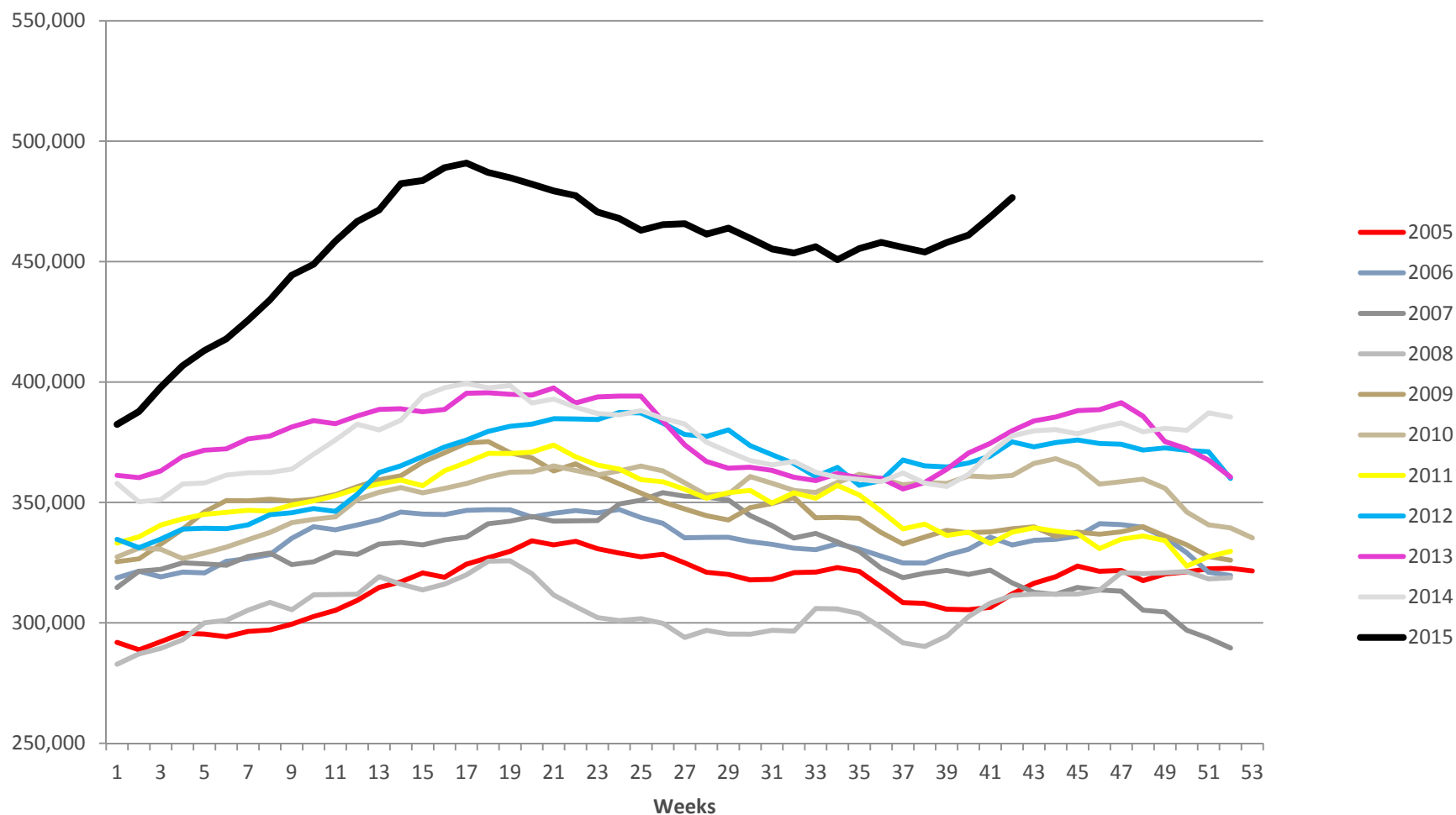
December 10, 2010 through December 4, 2015



Source: DoubleLine, Bloomberg

DOETCRUD Index = DCE Crude Oil Total Production data tracks weekly barrels of petroleum status released by the Energy Information Administration. CL1 Comdty = generic crude oil futures current contract. You cannot invest directly in an index.

# U.S. Crude Oil Inventories by Year



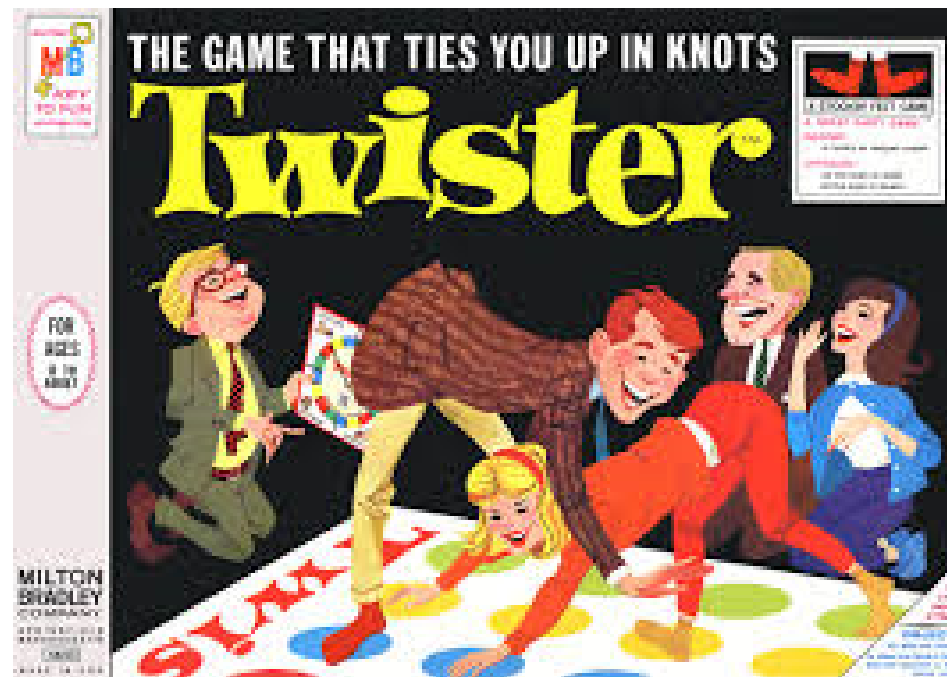
Source: Bloomberg . 2015 is through October 31, 2015

DOESCRUD = DOE Crude oil total inventory data is updated every Wednesday. Information is provided by the Energy Information Administration as part of their weekly petroleum status report.

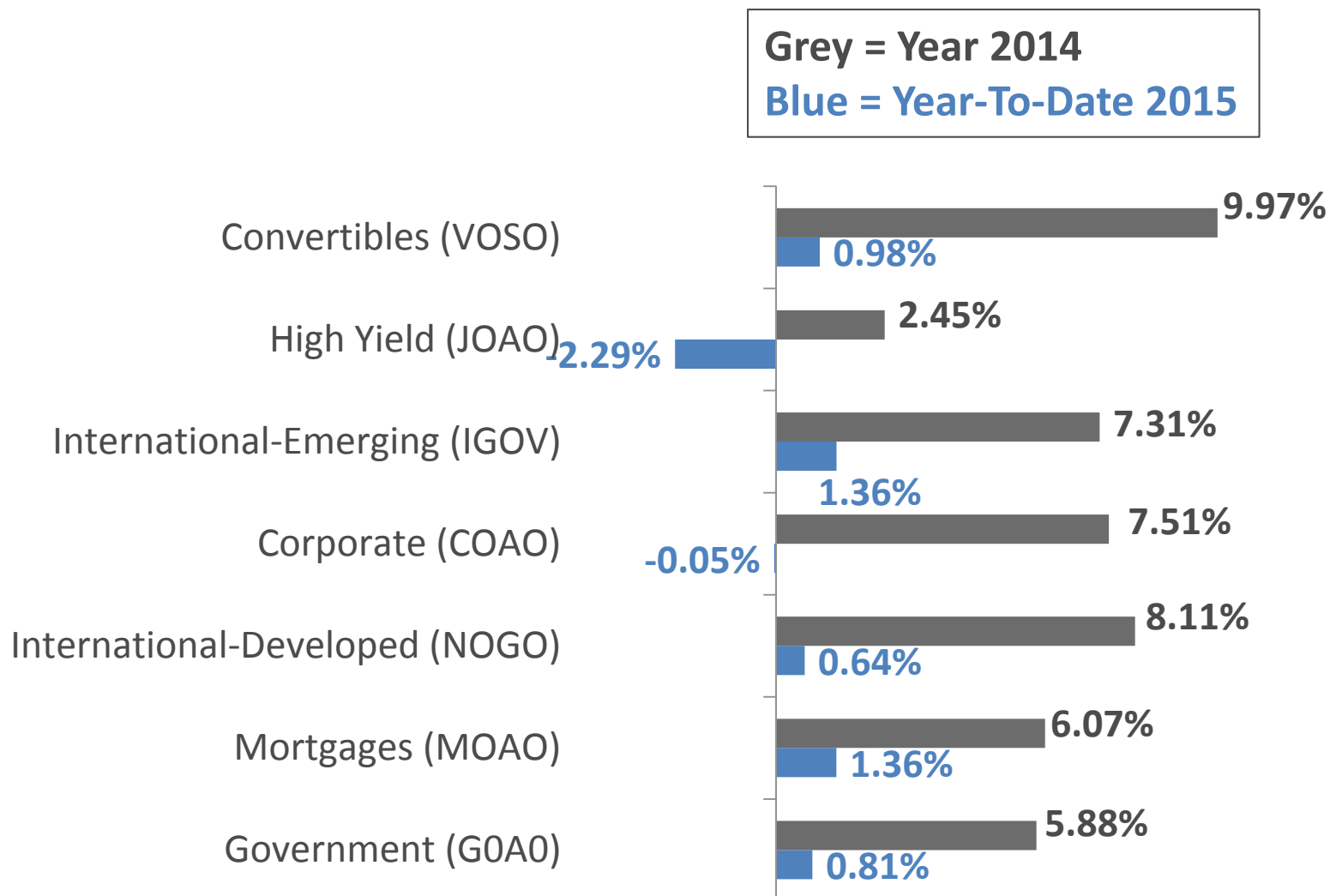
You cannot invest directly in an index.

# TAB VI

## Bloodless Verdict of the Market

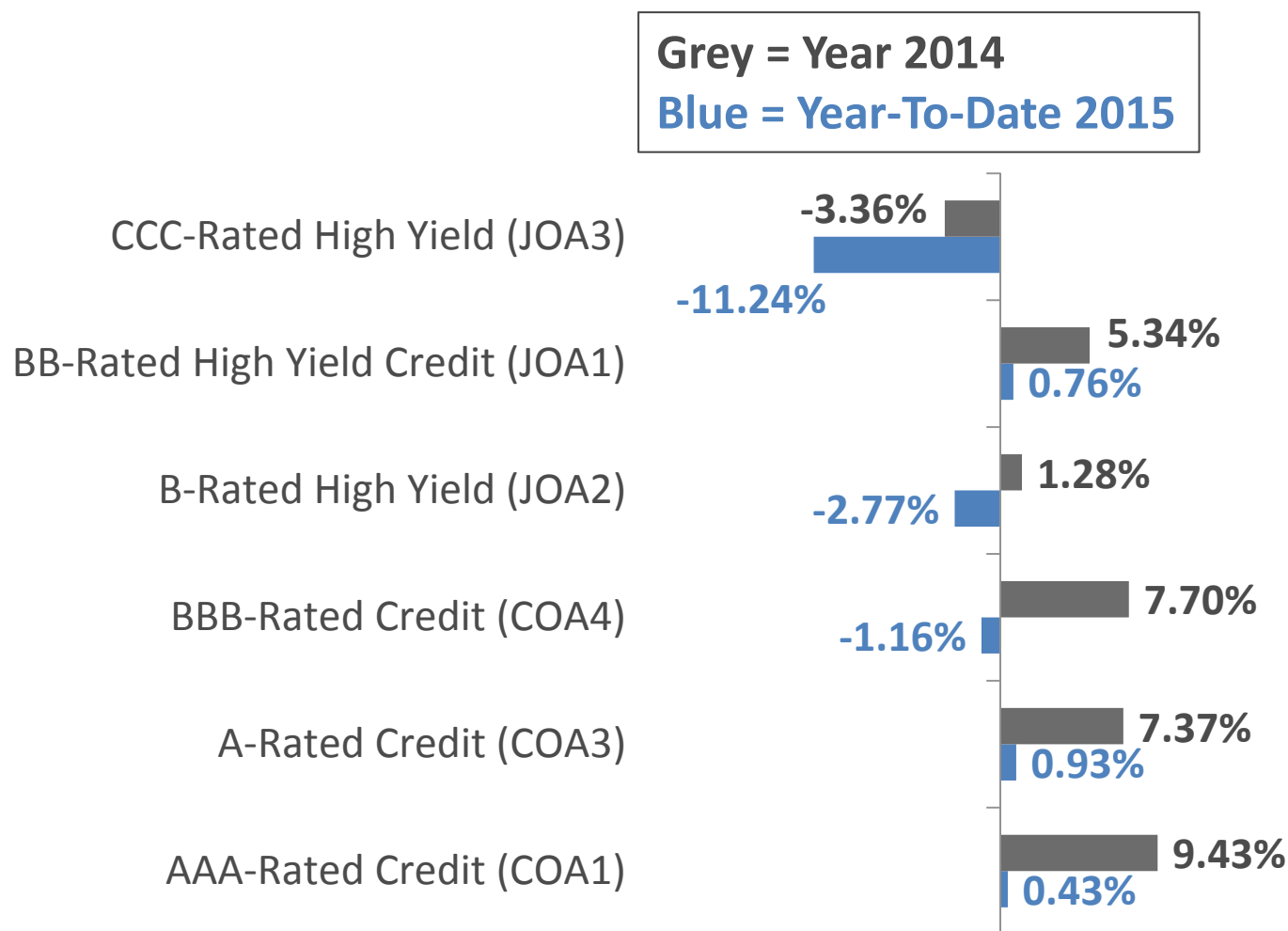


# BofA/Merrill Fixed Income Index Returns



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2014 and December 4, 2015 for the respective years indicated.  
Please see the Appendix for index definitions. An investment cannot be made directly in an index.

# BofA/Merrill Fixed Income Index Returns



**Investment Grade** = Indices rated AAA to BBB- (shown above) are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be stable and dependable.

**Below Investment Grade** = Also known as "junk bond" (shown above) is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar.

Credit distribution from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moodys, and Fitch).

Source: BofA/Merrill Lynch Indices as of December 31, 2014 and December 4, 2015 and for their respective years indicated.

Please see appendix for Index definitions

An investment cannot be made directly in an index.



# U.S. 2-Year Treasury

December 7, 2010 through December 7, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT02 = US 2 Year Treasury Bond. You cannot invest directly in an index. You cannot invest directly in an index.

# U.S. 5-Year Treasury

December 8, 2010 through December 7, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT5 = US 5 Year Treasury Bond. You cannot invest directly in an index. You cannot invest directly in an index.

# U.S. 10-Year Treasury

December 8, 2010 through December 7, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT10 = US 10 Year Treasury Bond. You cannot invest directly in an index.

# U.S. 30-Year Treasury

December 8, 2010 through December 7, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT30 = US 30 Year Treasury Bond. You cannot invest directly in an index.

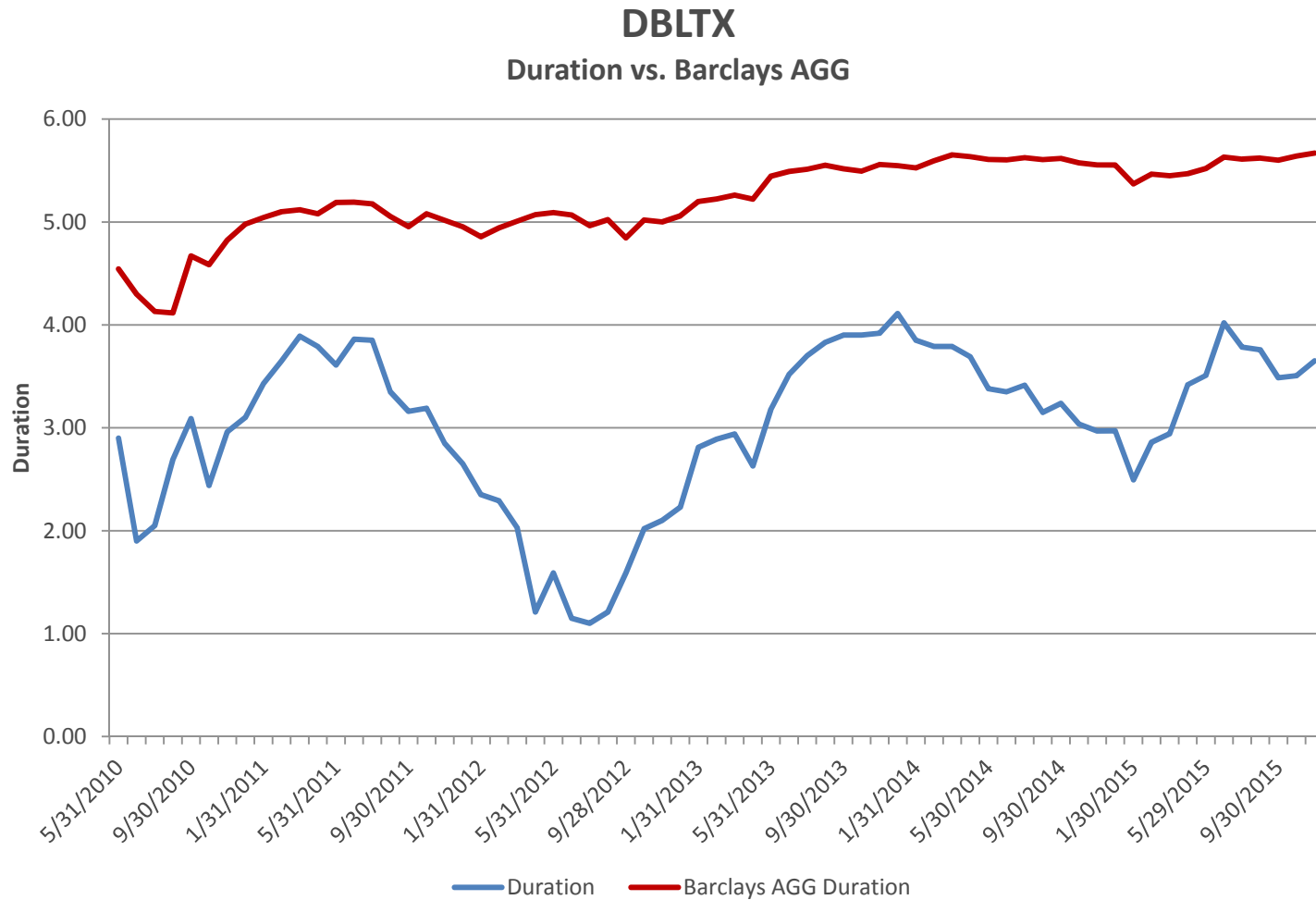
# TAB VII

## DoubleLine Total Return Bond Fund



# Duration: DBLTX vs. Barclays U.S. Aggregate Index

April 1, 2010 through November 30, 2015

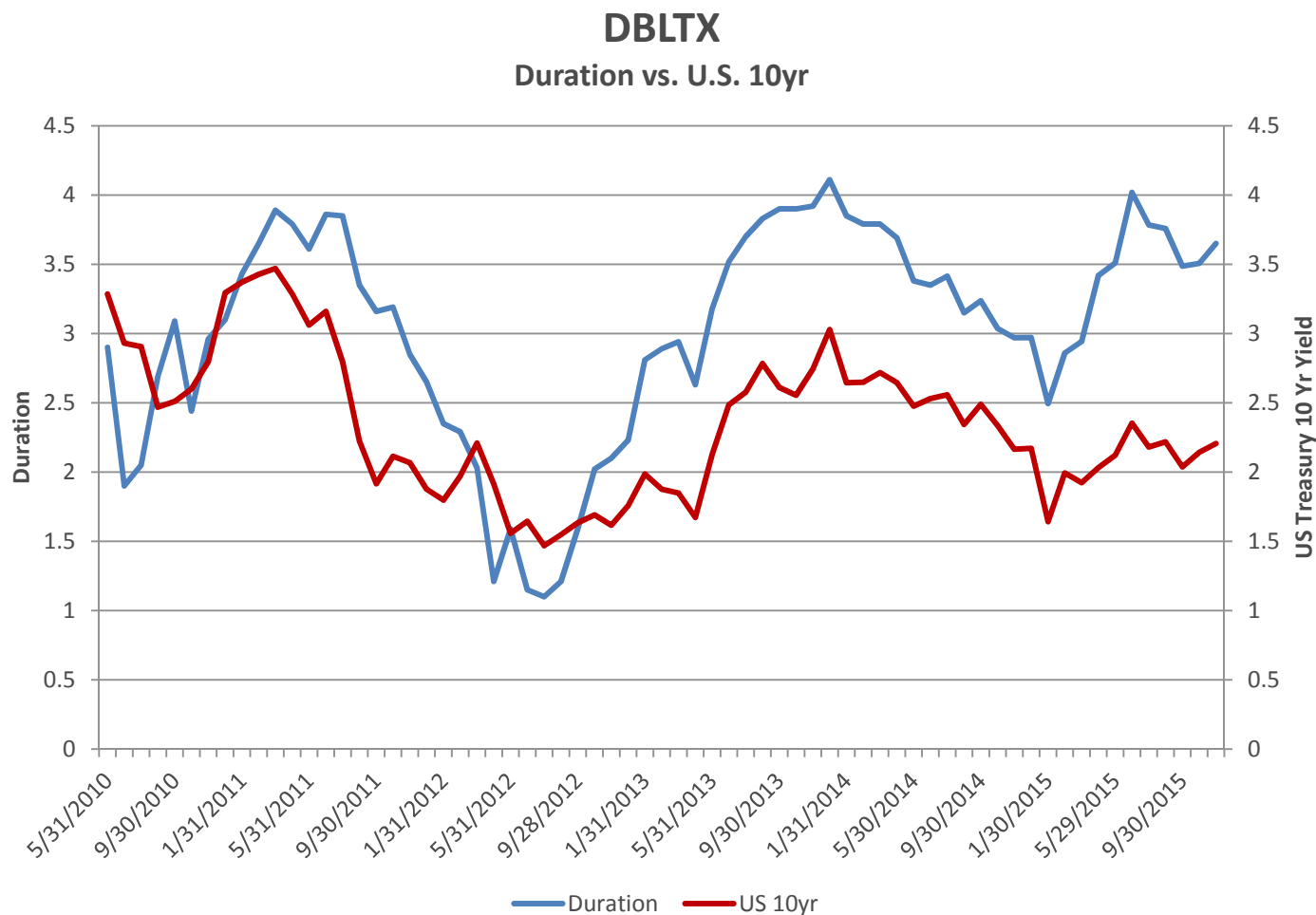


Source: DoubleLine, Barclays

Barclays AGG Duration = Barclays US Aggregate Index duration. Duration is a measure of sensitivity of the price of a fixed income investment to a change in interest rates. It's expressed in years

# DBLTX Duration vs. 10 Year U.S. Treasury Yield

May 31, 2010 through November 30, 2015



Source: DoubleLine, Bloomberg

Duration is a measure of sensitivity of the price of a fixed income investment to a change in interest rates. It's expressed in years.

# Total Return Bond Fund Portfolio Statistics



	Total Return Bond Fund	Barclays Capital U.S. Aggregate Index
Average Price	\$98.50	\$103.69
Duration	3.65	5.67
Average Life	5.37	7.94

Portfolio statistics as of November 30, 2015 based on market weighted averages. Subject to change without notice.

**Average price** = A measure of the weighted average price paid for the securities calculated by taking the prices and dividing by the number of securities and does not include cash. Average price should not be confused with net asset value.

**Average Duration** = Duration is used as a risk measure. It measures the price volatility of a security given a change in interest rate movements.

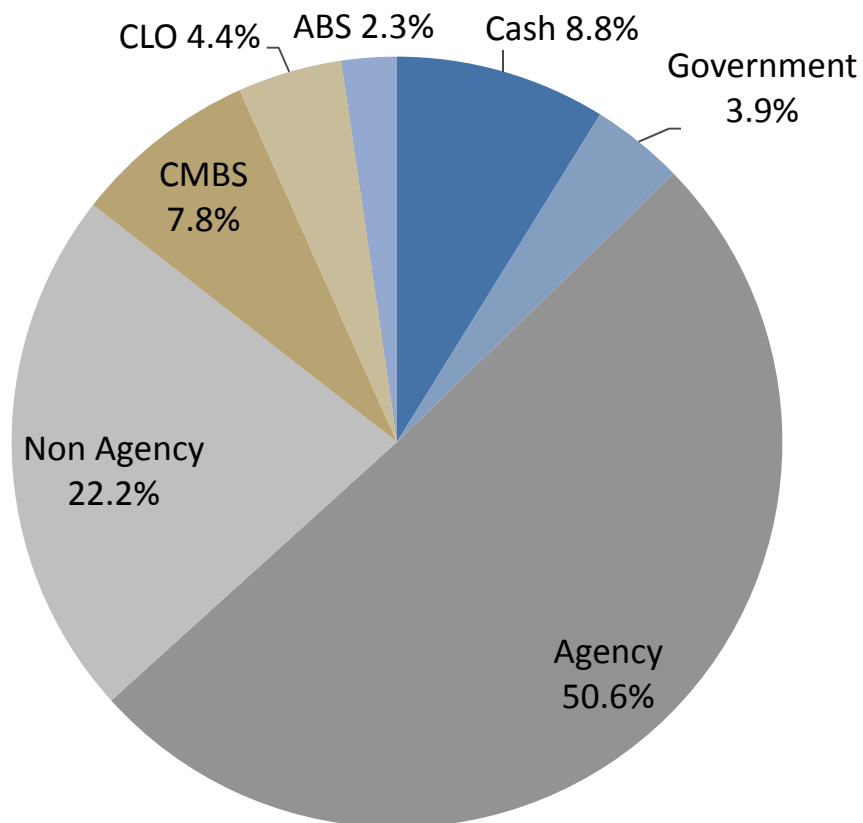
**Average Life** = The average number of years that each dollar of unpaid principal due on the mortgage remains outstanding. Average life is computed as the weighted average time to the receipt of all future cash flows, using as the weights the dollar amounts of the principal paydowns.

Source: DoubleLine Capital LP

You cannot invest directly in an index. Please see index definition in the appendix.



## Total Return Bond Fund Portfolio Composition – By Security Type



Portfolio composition as of November 30, 2015. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

**Government** – U.S. treasury securities.

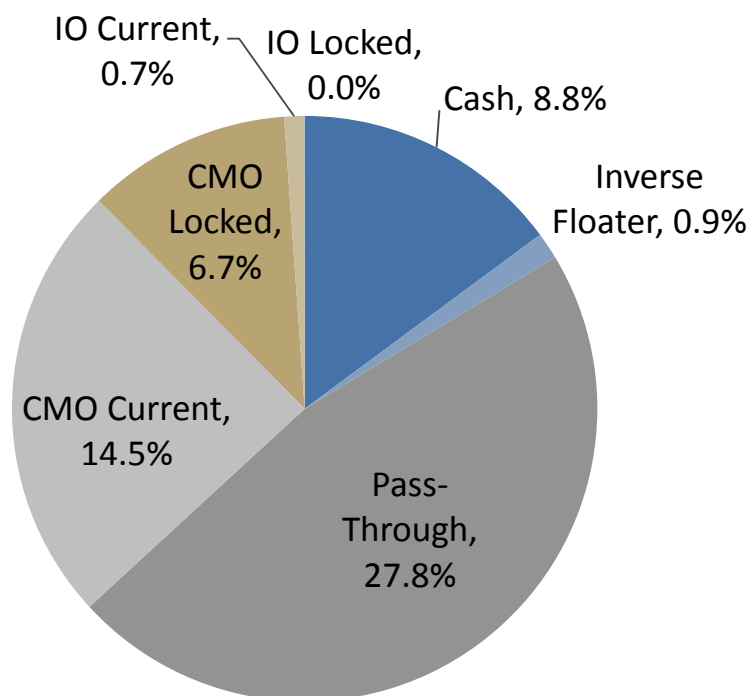
**Agency** = Mortgage securities whose principal and interest guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC).

**Non-Agency** = Residential Mortgages Bond Securities are a type of bond backed by residential mortgages. Non-Agency means they were issued by a private issuer.

**CMBS** = Commercial Mortgage-Backed Securities. Securitized loans made on commercial rather than residential property.

**CLO** = Collateralized Mortgage Obligations

# Total Return Bond Fund Portfolio Composition – By Agency Collateralize Mortgage Obligation (CMO) Security Type



Agency CMO Composition	
Cash	8.8%
Inverse Floater	0.9%
Pass-Through	27.8%
CMO Current	14.5%
CMO Locked	6.7%
IO Current	0.7%
IO Locked	0.0%
<b>Subtotal</b>	<b>59.39%</b>

Portfolio composition as of November 30, 2015. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

**Pass-Through** = Mortgage pass-through securities whose principal and interest guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC) or non-agency private issue with no government guarantee.

**CMO Current** = Collateralized Mortgage Obligation (CMO) is a financial debt vehicle/special purpose entity called a "pool". Investors buy bonds issued by the entity and receive payments according to a defined set of rules. The mortgages themselves are the collateral, the bonds are the tranches (also called classes), and the set of rules that dictates how money is received from the collateral will be distributed is called the structure. The legal entity, collateral and structure are collectively referred to as the deal.

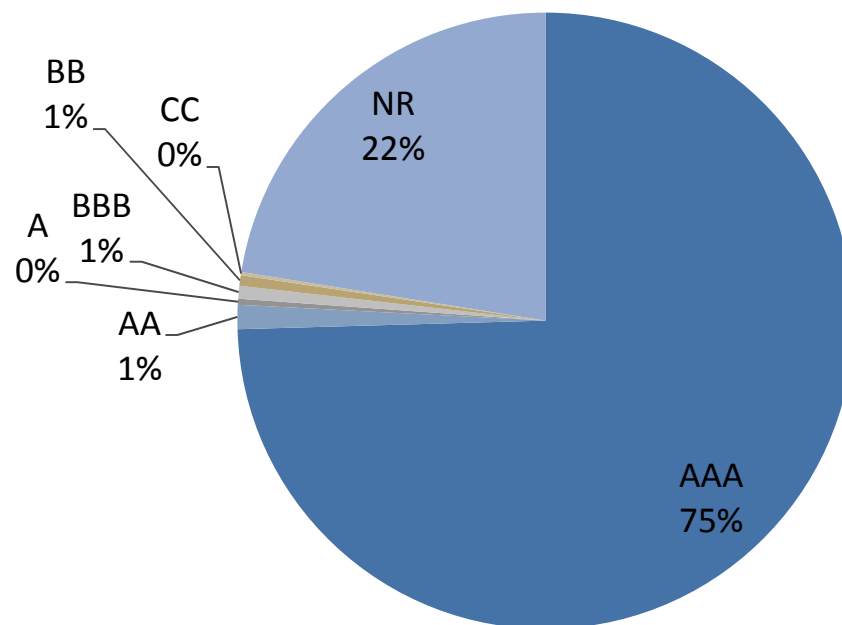
**IO** = Interest Only mortgage pools in which the borrower's monthly payment is only toward the interest on the loan. A non-amortized loan.

**Inverse Floater** = A mortgage pool that has a yield that is inversely related to interest rates.

**IO Current pay** = Loans that are currently receiving principal payments.

**Locked Out/ CMO Locked Out** = Loans that for a set period of time will not receive principal payments.

# Total Return Bond Fund Portfolio – Non-Agency Residential Mortgage-Backed Securities (RMBS) Breakdown By Original Rating



Portfolio composition and credit ratings as of security origination. Portfolio composition is subject to change without notice. There are some non-rated securities in the Fund as shown in the graph above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

**Investment Grade** = Securities rated AAA to BBB- are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be extremely stable and dependable.

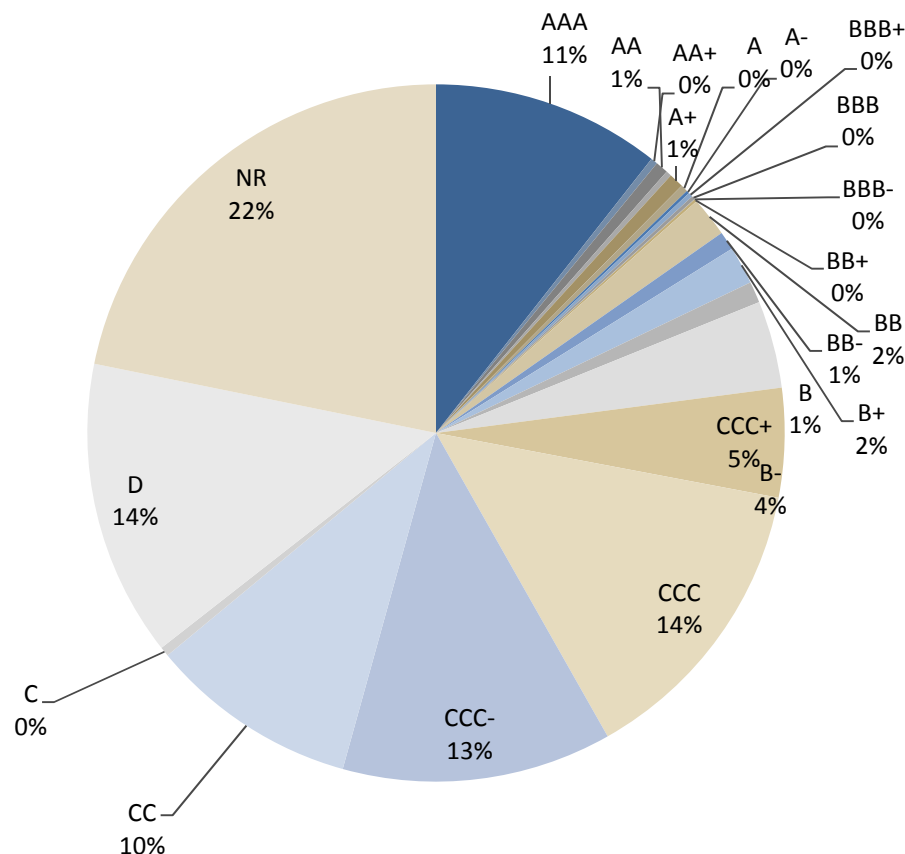
**Below Investment Grade** = Also known as "junk bond" is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar.

**NR** = Not Rated. Securities that are not rated by the three rating agencies.

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

Source: DoubleLine Capital LP as of November 30, 2015

# Total Return Bond Fund Portfolio – Non-Agency Residential Mortgage-Backed Securities (RMBS) Breakdown By Current Rating



Portfolio composition and credit ratings as of security origination. Portfolio composition is subject to change without notice. There are some non-rated securities in the Fund as shown in the graph above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

**Investment Grade** = Securities rated AAA to BBB- are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be extremely stable and dependable.

**Below Investment Grade** = Also known as "junk bond" is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar.

**NR** = Not Rated. Securities that are not rated by the three rating agencies.

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

Source: DoubleLine Capital LP as of November 30, 2015



# “Tick, Tick, Tick...”

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**December 8, 2015**



# SPDR Barclays High Yield Bond ETF(JNK)



## Investment Objective & Summary

The investment objective of the SPDR Barclays High Yield Bond ETF seeks to provide investment results that, before fees and expenses, corresponds generally to the price and yield performance of the Barclays High Yield Very Liquid Index. The ETF invests in U.S. high yield bonds.

The Barclays High Yield Very Liquid Index is designed to measure the performance of publicly issued U.S. dollar denominated high yield corporate bonds with above-average liquidity. High yield securities are generally rated below investment grade and are commonly referred to as "junk bonds." The Index includes publicly issued U.S. dollar denominated, non-investment grade, fixed-rate, taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality, are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's Investors Service, Inc., Fitch Inc., or Standard & Poor's, Inc. Respectively, and have \$500 million or more of outstanding face value

**Important Risk Information** - In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only. Please see the prospectus for more details.

Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.

Investing in high yield fixed income securities, otherwise known as "junk bonds" is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price change due to potential changes in the credit quality of the issuer. The Fund invests by sampling the Index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics which may cause the fund to experience tracking errors relative to performance of the Index.

Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

**Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or talk to your financial advisor. Read it carefully before investing.**

JNK is distributed by State Street Global Markets, LLC

# Definitions

**Barclays Capital US Aggregate Index** - The Barclays Capital US Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Barclays Capital US Treasury Index** - This index is the US Treasury component of the US Government index. Public obligations of the US Treasury with a remaining maturity of one year or more.

**Barclays Capital US Treasury 10 Year Index** - This index is the 10 year component of the US Government index.

**Barclays Capital US Treasury 30 Year Index** - This index is the 30 year component of the US Government index.

**Barclays Capital US High Yield Index** - The Barclays Capital US High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issuer from countries designated as emerging markets (e.g. Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind (PIK, as of October 1, 2009) are also included.

**BofA Merrill Lynch US Government Index (GOAO)** - The Merrill Lynch US Government Index tracks the performance of US government (i.e. securities in the Treasury and Agency indices.)

**BofA Merrill Lynch US 15+ Year Treasury Index "Long Treasuries" (G802)**- This index is a subset of the BofA Merrill Lynch US Treasury Index including all securities with a remaining term of final maturity greater than 15 years..

**BofA Merrill Lynch US Corporate Index (COAO) "Investment Grade"**- The Merrill Lynch Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

**BofA Merrill Lynch US All Convertibles Index (VOSO)** - The Merrill Lynch All Convertible Index is a rule driven index. which includes all bonds and preferred stocks of U.S.-registered companies, which have \$50 million or more in aggregate market value and are convertibles in U.S. dollar-denominated common stocks, ADRs or cash equivalents. Please note an investor cannot invest directly in an index.

**CRB Commodity Index (CRY)**- An unweighted geometric average of some important commodities. It averages prices across 17 commodities and across time. The index tracks energy, grains, industrials, livestock, precious metals, and agricultural.

**S&P 500 (SPX)**- S&P 500 is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States.

**Standard Deviation** – Sigma = standard deviation. It shows how much variation there is from the "average" (mean, or expected/budgeted value). A low standard deviation indicated that the data point tend to be very close to the mean, whereas high standard deviation indicated that the date is spread out over a large range of values.

**Dow Jones – UBS DJ Commodity Index** - The Dow Jones UBS – Commodity index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

**"Copper"**= Copper Spot Price (HGI) Copper is the world's third most used metal behind iron and aluminum primarily used in highly cyclical industries including construction and industrial machinery manufacturing. Spot price quoted in USD/lb.

**"Gold"**= Gold Spot Price (Golds) The Gold Spot price is quoted as US Dollar per Troy Ounce.

**Crude Oil**= Crude oil varies greatly in appearance depending on its composition. West Texas intermediate (WTI) = Texas light sweet crude is used as a benchmark in oil pricing. It's "light" because of the low density and sweet because of low sulfur. Brent crude = Is a major trading classification of sweet light crude. Brent is the oil maker also known as Brent Blend.

**Volatility Index (VIX)** -The VIX shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge".

**Spread** – Spread is the percentage point difference between yields of various classes of bonds compared to treasury bonds.

# Index Descriptions

## **BofA Merrill Lynch US Dollar Emerging Markets Sovereign Plus Index (IGOV)**

This index tracks the performance of US dollar denominated emerging market and cross-over sovereign debt publicly issued in the eurobond or US domestic market. Qualifying countries must have a BB1 or lower foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P, and Fitch).

## **BofA Merrill Lynch U.S. High Yield Cash Pay Index (JOA0) "Below Investment Grade"-**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Firth foreign currency long term sovereign debt ratings). Must have one year remaining to final maturity and a minimum outstanding amount of \$100MM.

## **BofA Merrill Lynch International Government Index (NOGO)**

The Merrill Lynch International Index tracks the performance of Australia, Canadian, French, German, Japan, Dutch, Swiss and UK investment grade sovereign debt publicly issued and denominated in the issuer's own domestic market and currency. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding.

## **BofA Merrill Lynch Mortgage-Backed Securities Index (MOA0)**

This index tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250MM per production year within each generic coupon.

## **BofA Merrill Lynch U.S. Municipal Securities Index (UOA0)**

This index tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories, and their political subdivisions, in the US domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and an investment grade rating (based on Moody's, S&P and Fitch). Minimum size vary based on the initial term to final maturity at time of issuance.

**Barclays Capital Global Emerging Markets Index** - The Barclays Capital Global Emerging Markets Index represents the union of the USD-denominated US Emerging Markets index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. As with other fixed income benchmarks provided by Barclays Capital, the index is rules-based, which allows for an unbiased view of the marketplace and easy replicability.

**JP Morgan Investment Grade Corporate Index** - JP Morgan Investment Grade Corporate Index includes performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

**Draw Down** - The peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

**NAV** – A mutual fund's price per share or exchange-traded fund's (ETF) per-share value. In both cases, the per-share dollar amount of the fund is calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding.

**CMO** – A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus

**TIPS**– Treasury Inflation Protection. A treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed.

**CPI**– Consumer Price Index. A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

**Cash Flow** – Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.



# Index Descriptions

**BofA/Merrill Lynch High Yield Cash Pay CCC –rated Index (JOA3)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on CCC rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay BB–rated Index (JOA1)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on BB rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay B–rated Index (JOA2)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on B rated High Yield credit only.

**BofA/Merrill Lynch Credit Index BBB-rated Index (COA4)** – .A component of the BofA/Merrill Lynch Credit Index concentrating on the lower rated BBB investment grade credits.

**BofA/Merrill Lynch Credit Index A–rated Index (COA3)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the A rated investment grade credits.

**BofA/Merrill Lynch Credit Index AAA –rated Index (COA1)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the highest rated AAA investment grade credits.

**BofA Merrill Lynch US Treasury Index (GOQ0)** -The Merrill Lynch US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.

**BofA Merrill Lynch US 10-15 Year Treasury Index “Long Treasury”**-The Merrill Lynch US 10-15 Treasury Index tracks the performance of US dollar denominated 10-15 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQ0).

**BofA Merrill Lynch Municipal Index**-The Merrill Lynch Municipal

**BofA Merrill Lynch Current 10 year UST Index** — This index is the 10 year component of the US Government index.

**BofA Merrill Lynch Current 30 year UST Index** — This index is the 30 year component of the US Government index.

**JPMorgan Corporate EMBI Broad Diversified Index (JBCDCOMP)** – This index tracks the performance of investment grade corporate debt publically issued across a range of emerging market countries.

**Shanghai Index** - The Shanghai Stock Exchange Composite is a capitalization-weighted index tracking daily price performance of all A and B-shares listed on the Shanghai Stock Exchange. This index was developed December 19, 1990 with a base value of 100.

**S&P/Case-Shiller Composite Home Price Index** - The Case-Shiller Home Price Indices, one comprised of price changes within all 20 metropolitan markets, and another comprised of price changes within the following subset of 10 metropolitan markets: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. In addition to those 10 markets, the 20-Home Price index reflects price changes for Atlanta, Charlotte, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle and Tampa.

**NASDAQ**- A computerized system that facilitates trading and provides price quotations on more than 5,000 of the more actively traded over the counter stocks. Created in 1971, the Nasdaq was the world's first electronic stock market.

**Transports**- The Industrials Sector includes companies whose businesses are dominated by one of the following activities: The manufacture and distribution of capital goods, including aerospace & defense, construction, engineering & building products, electrical equipment and industrial machinery

**Utilities**- A public utility is a business that furnishes an everyday necessity to the public at large. Public utilities provide water, electricity, natural gas, telephone service, and other essentials. Utilities may be publicly or privately owned, but most are operated as private businesses.

**Basis Point**- A basis point is a unit that is equal to 1/100<sup>th</sup> of 1%, and is used to denote the change in a financial instrument.

**REIT**- Real Estate Trust. A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages

**Duration** – Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

# Index Descriptions

**BofA/Merrill Lynch Inflation Linked Index (G0Q1)** – The BofA Merrill Lynch US Inflation-Linked Treasury Index tracks the performance of US dollar denominated inflation linked sovereign debt publicly issued by the US government in its domestic market.

**Citigroup TIPS (SBUSILSI)** – It measures the returns of the inflation-linked bonds with fixed-rate coupon payments that are linked to an inflation index. The price of each issue in the USLSI is adjusted by using an index ratio. The index ratio is determined by dividing the current inflation index level by the inflation index level at the time of issue of the security. The inflation index is published on a monthly basis, and the intra-month index ratio is calculated using linear interpolation.

**Barclays Capital CMBS Index** – tracks the performance of US dollar-denominated securitized commercial mortgage-backed securities.

**Russell 2000** – measures the performance of the small-cap segment of the US equity universe. Russell 2000 is a subset of the Russell 3000 index representing approximately 10% of the total market capitalization of that index.

**S&P GSCI** – is a composite index of commodity sector return representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

**S&P GSCI Agriculture** – is a composite index of agriculture commodity futures unleveraged, long-only investment.

**Barclays Capital US 30 Year TIPS Index** – Barclays Capital 30-year TIPS on-the-run index quoted in US Dollars traded intraday

**Citigroup Economic Surprise Index** – The Citigroup Economic Surprise Indices are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets.

**DAX** - This index is the German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange.

**CAC 40** – This index the most widely-used indicator of the Paris market, reflects the performance of the 40 largest equities listed in France, measured by free-float market capitalization and liquidity.

**FTSE 100** – Is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

**Mexico IPC** – The Mexican IPC index is a capitalization weighted index of the leading stocks traded on the Mexican Stock Exchange.

**Hang Seng** – The Hang Seng China Enterprises Index is a freefloat capitalization-weighted index comprised of H-shares listed on the Hong Kong Stock Exchange and included in the Hang Seng Mainland Composite Index.

**KOSPI** - This index is a capitalized-weighted index of all common shares on the Korean Stock Exchanges.

**Nikkei 225** – The Nikkei-225 Stock average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

**Australia AORD** – S&P/ASX All Ordinaries represents 500 largest companies in the Australian equities market. Index constitutes are drawn from eligible companies listed on the Australian Stock Exchange.

**Brazil Bovespa Index (IBOV)** -The Bovespa Index is a gross return index weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange. The Bovespa Index has been divided 10 times by a factor of 10 since January 1, 1985.

**Shanghai Index (SHCOMP)** -The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. The index was developed on December 19,1990 with a base value of 100.

**BSE India Sensitive Index (Sensex)** -The Sensex is a cap-weighted index. The selection of the index members has been made on the basis of liquidity, depth and floating-stock-adjustment depth and industry representation.

**S&P LSTA Lev Loan Index (Bank Loans)**- Created by the Leveraged Commentary & Data (LCD) team at S&P Capital IQ, the review provides an overview and outlook of the leveraged loan market as well as an expansive review of the S&P Leveraged Loan Index and sub-indexes. The review consists of index general characteristics, results, risk-return profile, default/distress statistics, and repayment analysis. It is not possible to invest directly in an index.

**Citigroup 3 Month T-Bill (SBMMTB3)** – 3 Month US T-Bill in US dollars.

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# “Tick, Tick, Tick...”

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**December 8, 2015**

