

# Blockhead

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**March 10, 2015**



## 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 December 31, 2014

Quarter End December 31, 2014	4Q 2014	1-Year	3-Year Annualized	Since Inception Annualized (4-6-10 to 12-31-14)
I-share	1.39%	6.73%	5.23%	8.75%
N-share	1.42%	6.47%	5.01%	8.49%
Barclays U.S. Aggregate Index	1.79%	5.97%	2.66%	4.43%

As of December 31, 2014	I-Share	N-Share
Gross SEC 30-Day Yield	4.02%	3.77%
Net SEC 30-Day Yield*	4.02%	3.77%

As of December 31, 2014	I-Share	N-Share	Barclays U.S. Aggregate Index
1-Yr Std Deviation	2.35%	2.41%	2.31%
Gross Expense Ratio	0.47%	0.72%	

**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.**

\*If a Fund invested in an affiliate Fund sponsored by the Adviser during the period covered by this report the Adviser agreed to not charge a management fee to the Fund in an amount equal to the investment advisory fees paid by the affiliated Fund in respect of the Fund's investment in the affiliated fund to avoid duplicate charge of the investment advisory fees to the investors.

# Upcoming Webcast Announcements

## [Rising Rates Webcast – March 24, 2015](#)

Funds for a rising rate environment featuring:

Andrew Hsu – **Low Duration Fund**

Luz Padilla – **Low Duration Emerging Markets Fund**

Robert Cohen – **Floating Rate Fund**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## [Asset Allocation Funds – April 7, 2015](#)

Jeffrey Gundlach will discuss

**Core Fixed Income Fund and Flexible Income Fund**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## To Receive Presentation Slides:

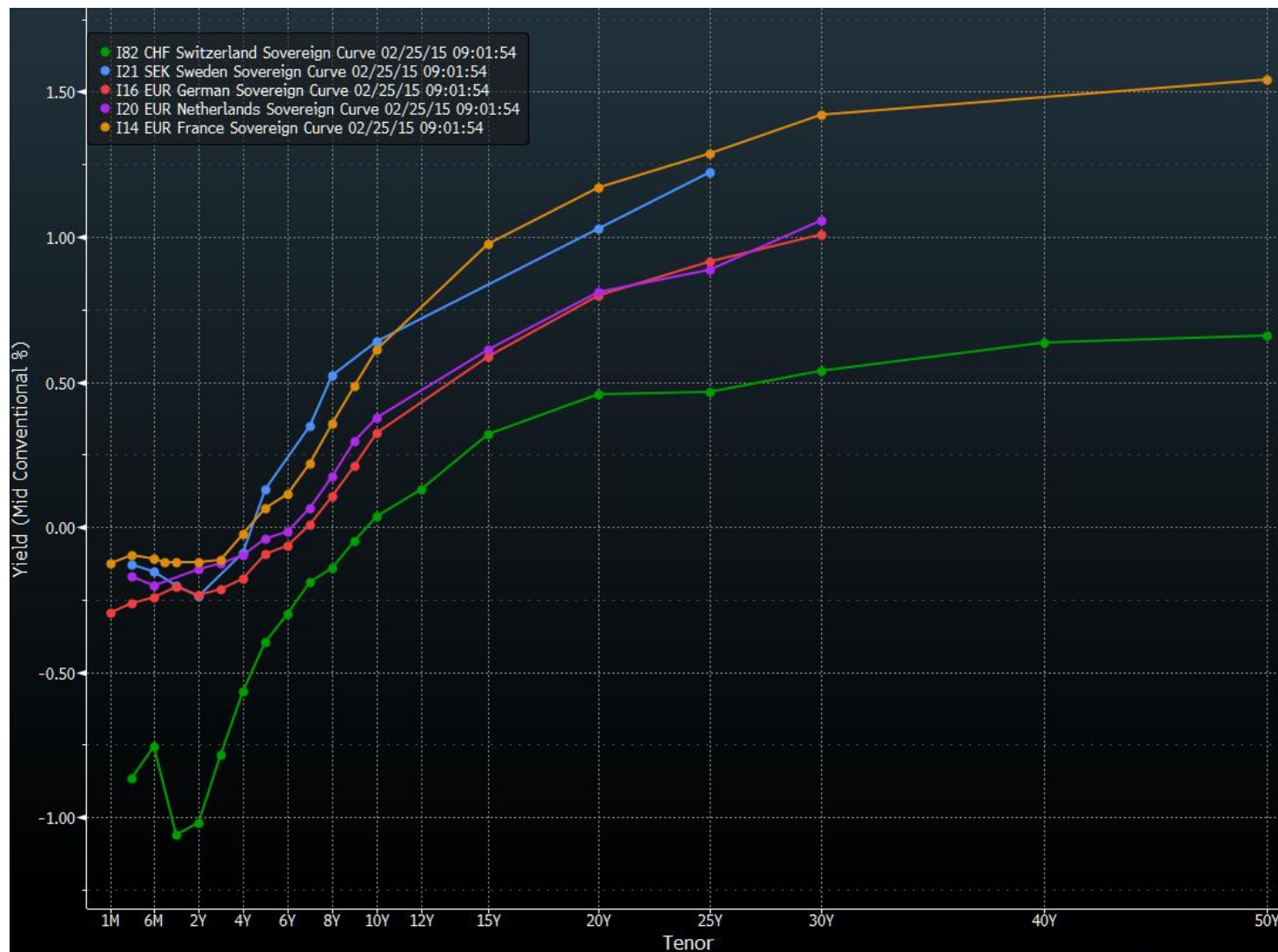
You can email [fundinfo@doubleline.com](mailto:fundinfo@doubleline.com)

# TAB I

## Central Bank Policy

# European Government Curves Negative at Front End

As of February 25, 2015



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25-Feb-2015 09:01:54

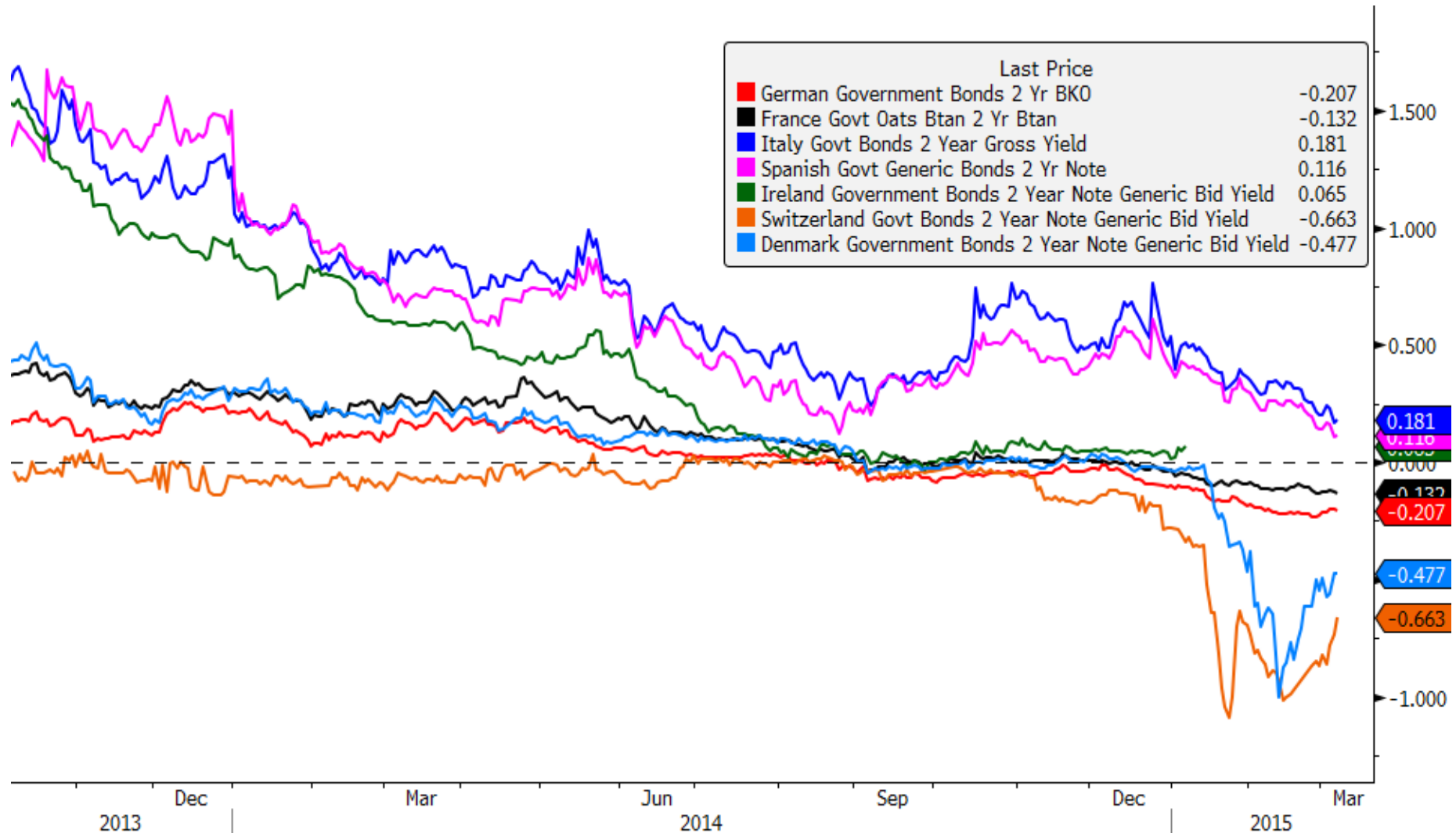
Source: Bloomberg as of February 25, 2015

CHF = Swiss yield curve, SEK = Swedish yield curve, EUR German = German yield curve, EUR Netherlands = Netherlands yield curve, EUR France = France's yield curve.

You cannot invest directly in an index.

# European 2-Year Treasury Yields

October 7, 2013 through March 6, 2015



GDBR2 Index (German Government Bonds 2 Yr BKO) European 2y Yields Daily 07OCT20

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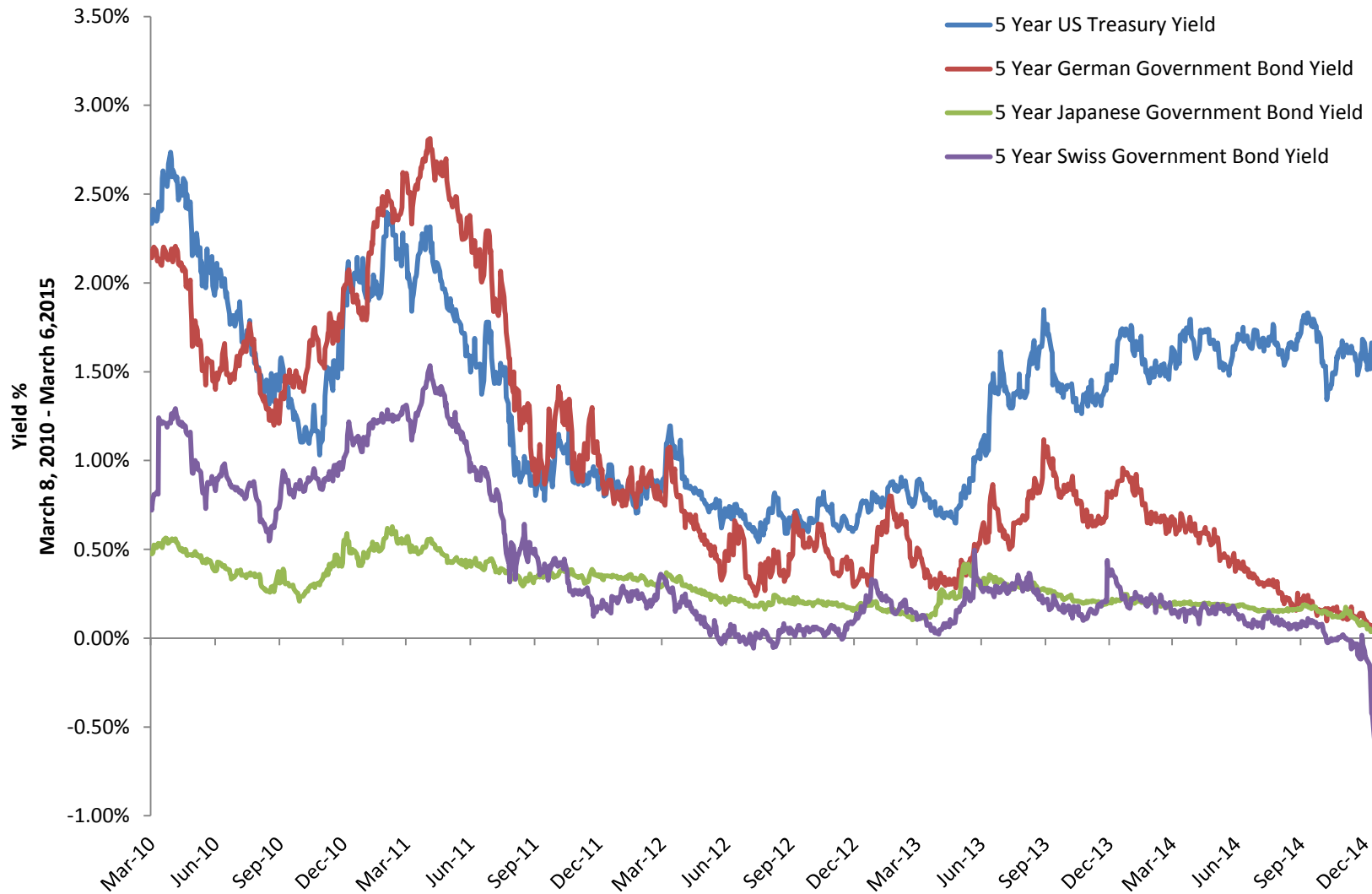
06-Mar-2015 13:01:29

Source: Bloomberg

You cannot invest directly in an index.

# Five Year Yields Go Negative

March 8, 2010 through March 6, 2015



Source: Bloomberg  
You cannot invest directly in an index.



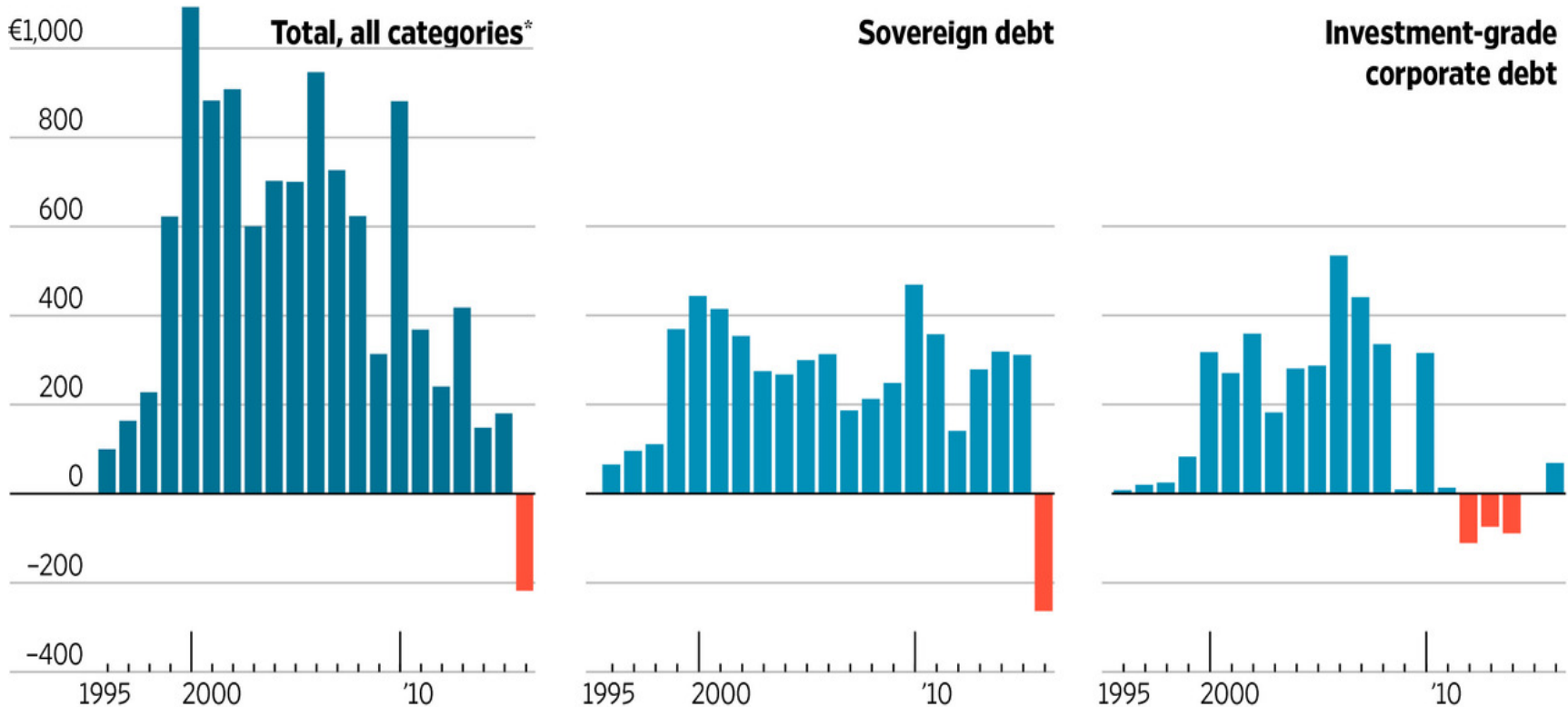
# European Central Bank Bond Repurchase Program

January 1, 1995 through January 31, 2015

## Short Supply

Highly rated debt is scarce as the European Central Bank prepares to begin its €60 billion monthly bond-purchase program.

### Net issuance, or net new borrowing minus expected ECB purchases, in billions



\*Includes debt issued by supranationals and agencies, such as the European Investment Bank, covered bonds backed by loan pools and high-yield corporate debt.

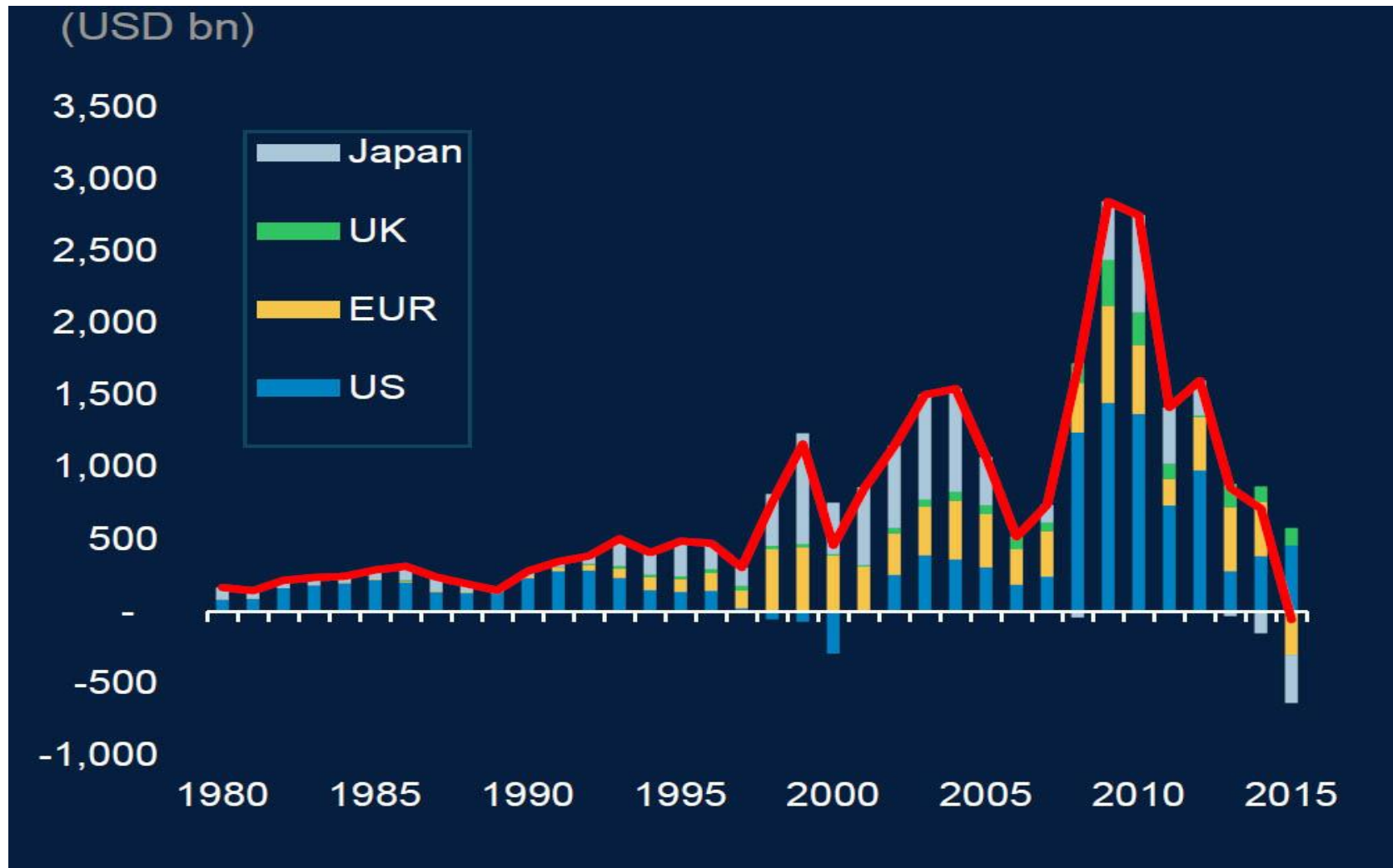
Source: Treasury Departments, Dealogic, Morgan Stanley Research, Wall Street Journal.

ECB = European Central Bank, €60 = over \$65 billion in US dollars as of March 9, 2015.

You cannot invest directly in an index.

# Sovereign Net Issuance (After Central Bank Purchases)

January 31, 1980 through January 31, 2014



UK = United Kingdom, US = United States, EUR = Europe

Source: Morgan Stanley Research, Dealogic, Haver Analytics, OECD, DMO, U.S. Bureau of Public Debt

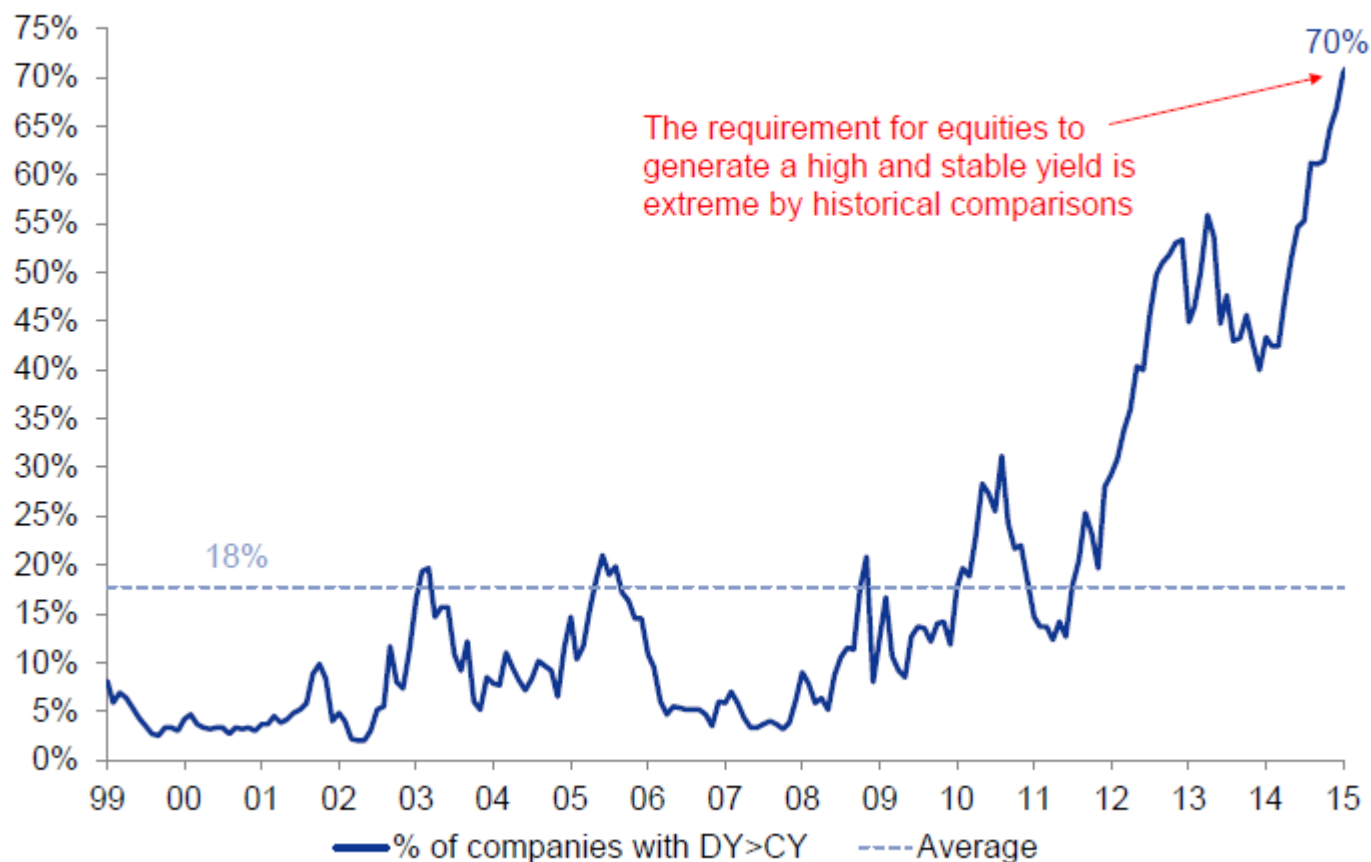
You cannot invest directly in an index.

# Share of European Companies with Dividend Yields Higher than Corporate Bond Yields

January 1, 1999 through February 27, 2015

## Demanding dividends

Share of European companies with div. yields > corp. bond yield



Source: Datastream, Goldman Sachs Global Investment Research.

DY = dividend yield, CY = Corporate bond yields.

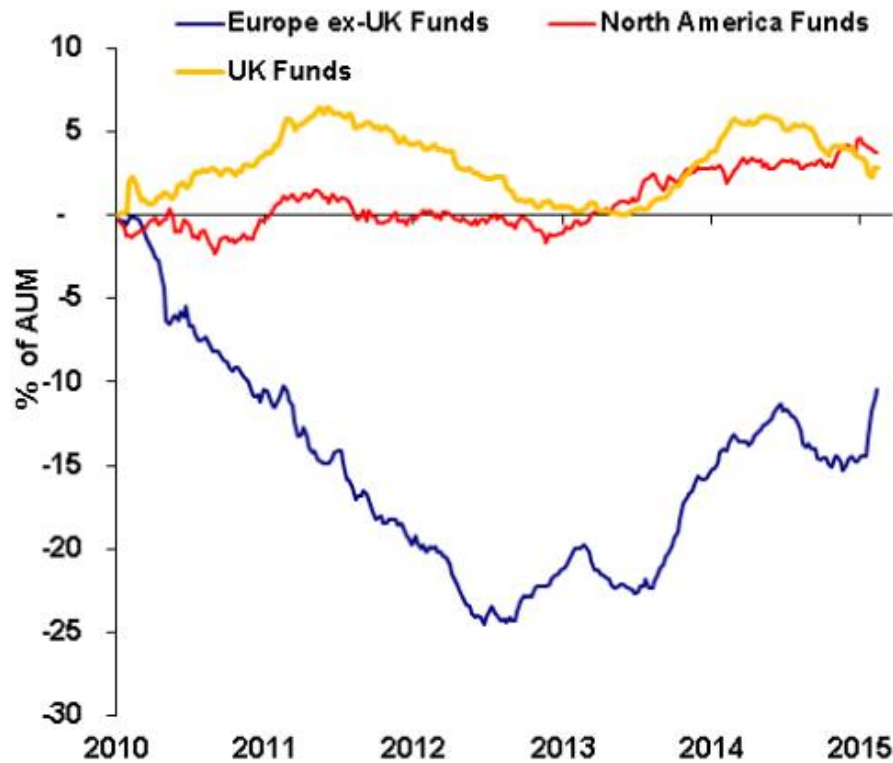
European companies = Eurostoxx 600 is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. Stoxx 600 Index represents large, mid and small capitalization companies across 18 countries of the European region.

You cannot invest directly in an index.

# Flows into European Equities Have Been Gathering Pace

**Figure 15. Longer-Term Equity Flows**

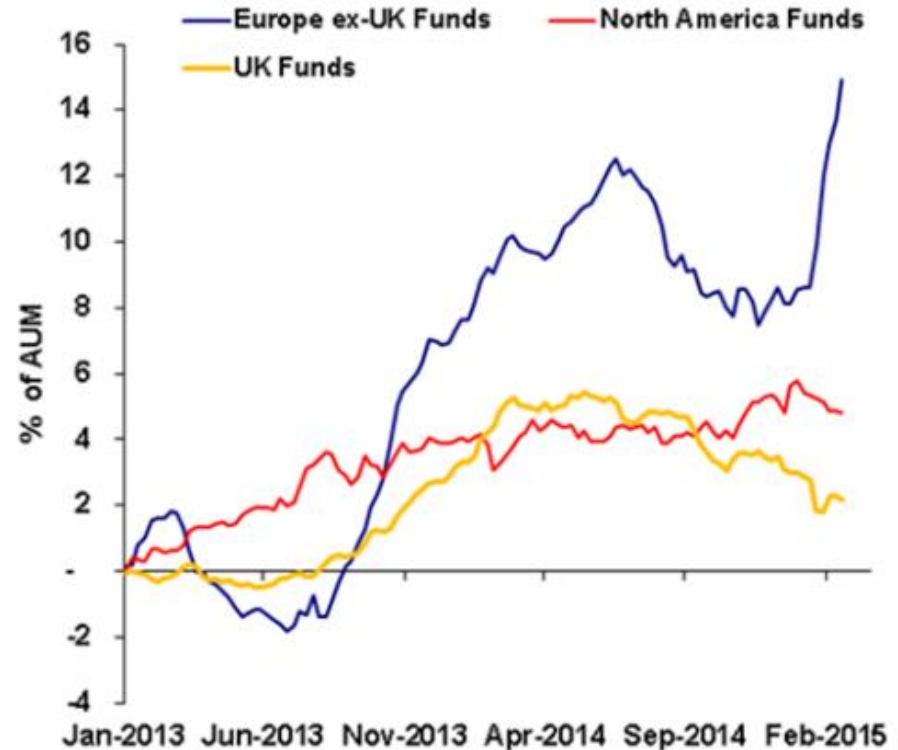
January 1, 2010 through February 27, 2015



Source: Citi Research and EPFR

**Figure 16. Short-Term Equity Flows**

January 1, 2013 through February 27, 2015



Source: Citi Research and EPFR

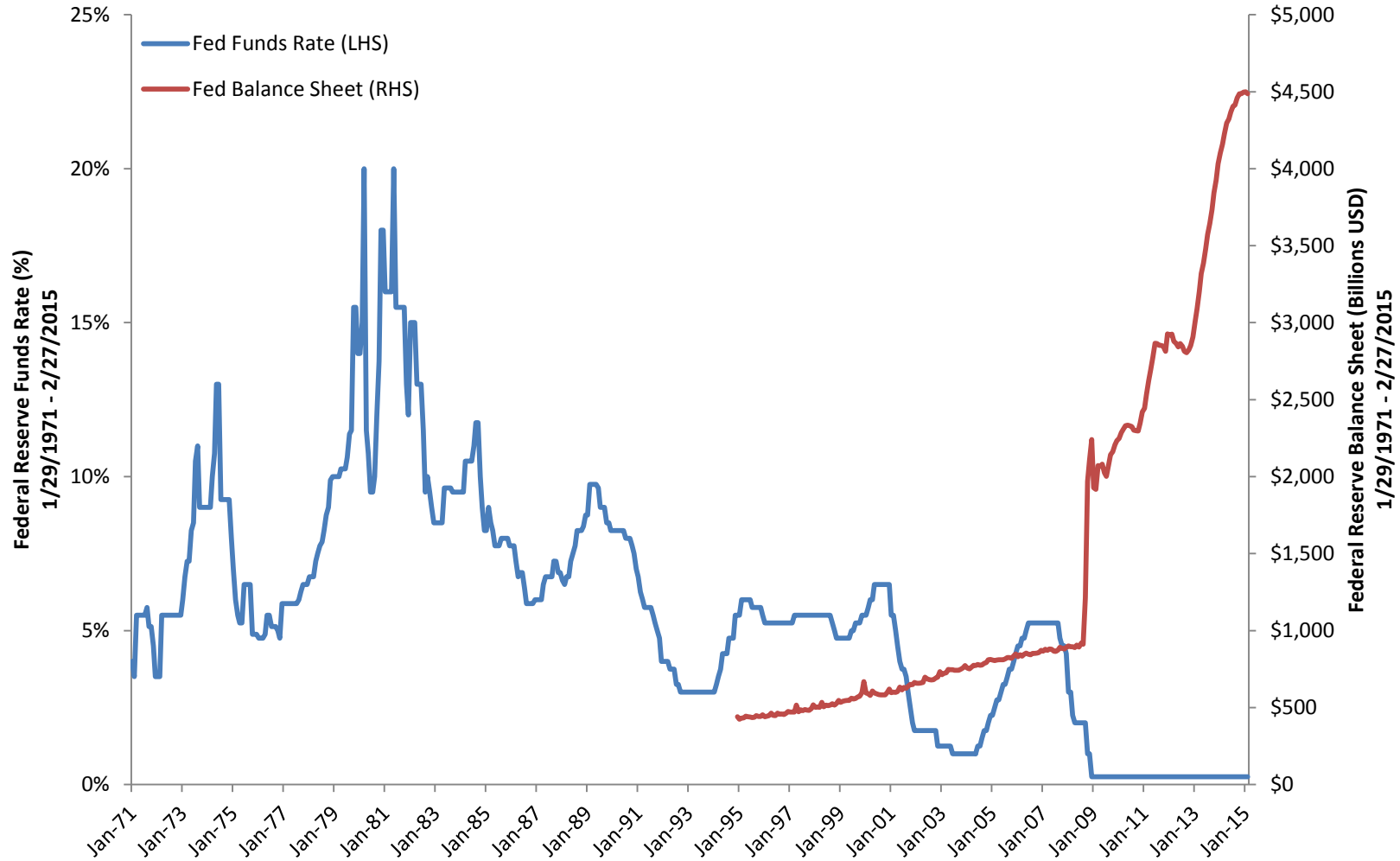
Europe ex-UK = Includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.  
 North America = Canada, U.S. and Mexico. EPFR is a research company providing fund flows and allocation data of financial institutions.  
 You cannot invest directly in an index.

# TAB II

## Federal Reserve Policy

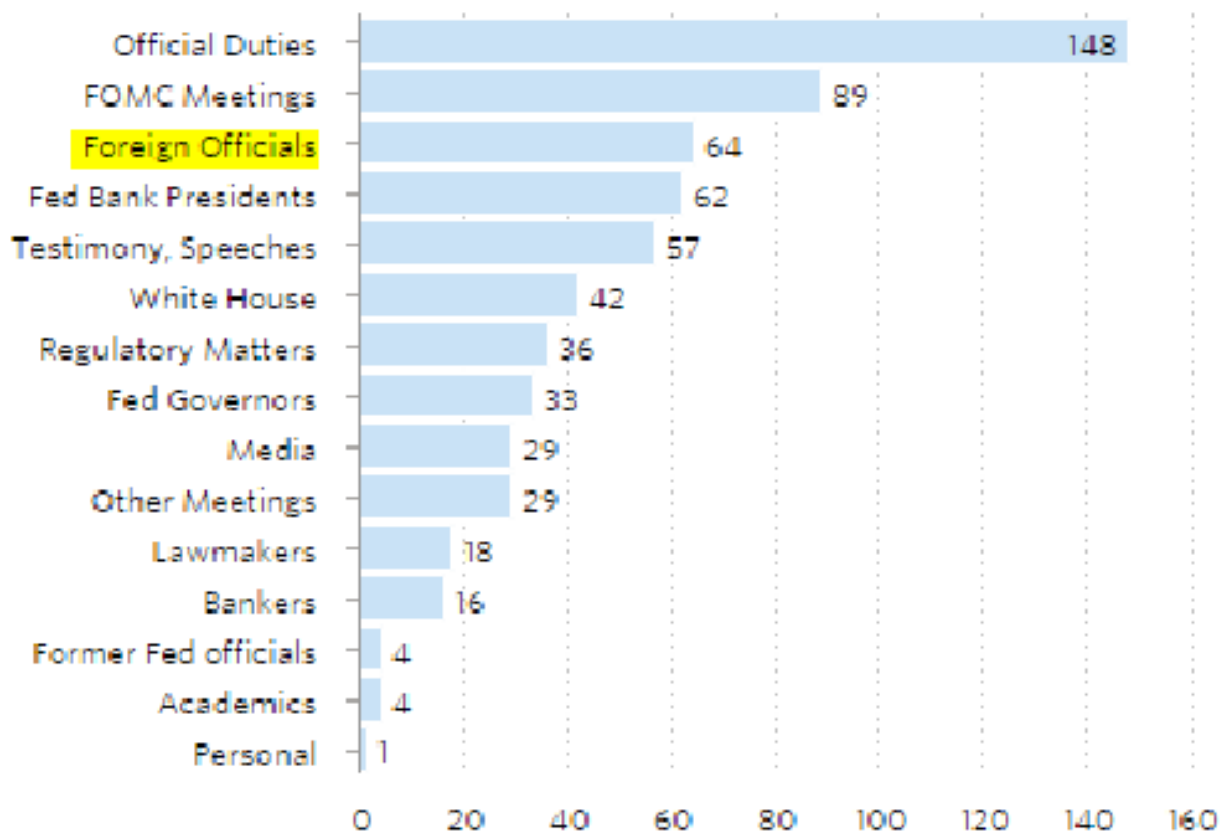
# Fed Normalization Still on Hold After Extraordinary Policy Era

January 29, 1971 through February 27, 2015



# How Does Yellen Spend Her Time?

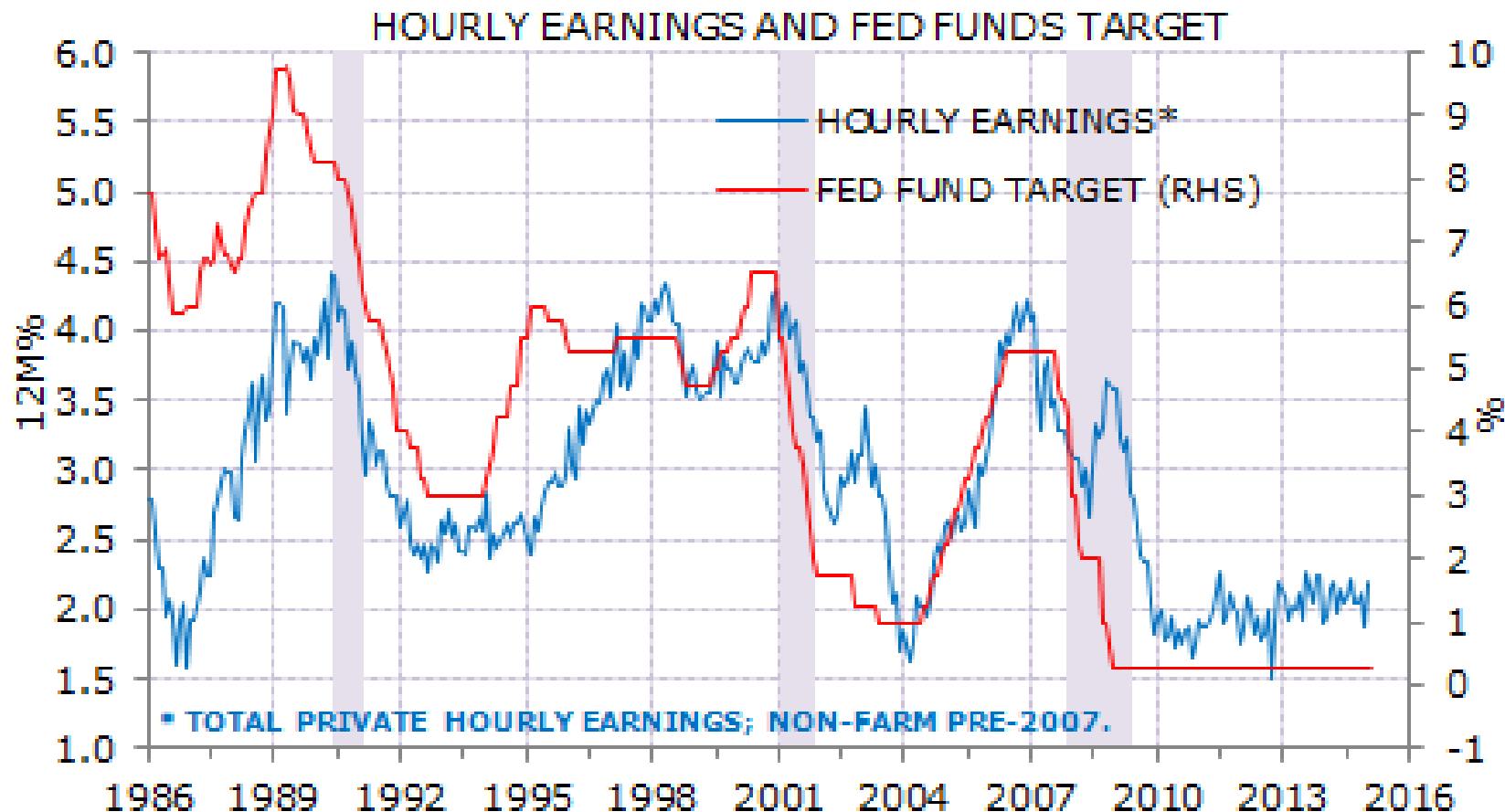
## Total hours by category (excluding staff meetings)



Source: Federal Reserve | Graphics: Matt Stiles/The Wall Street Journal

# Hourly Earnings and Fed Funds Target

January 1, 1986 through January 31, 2015

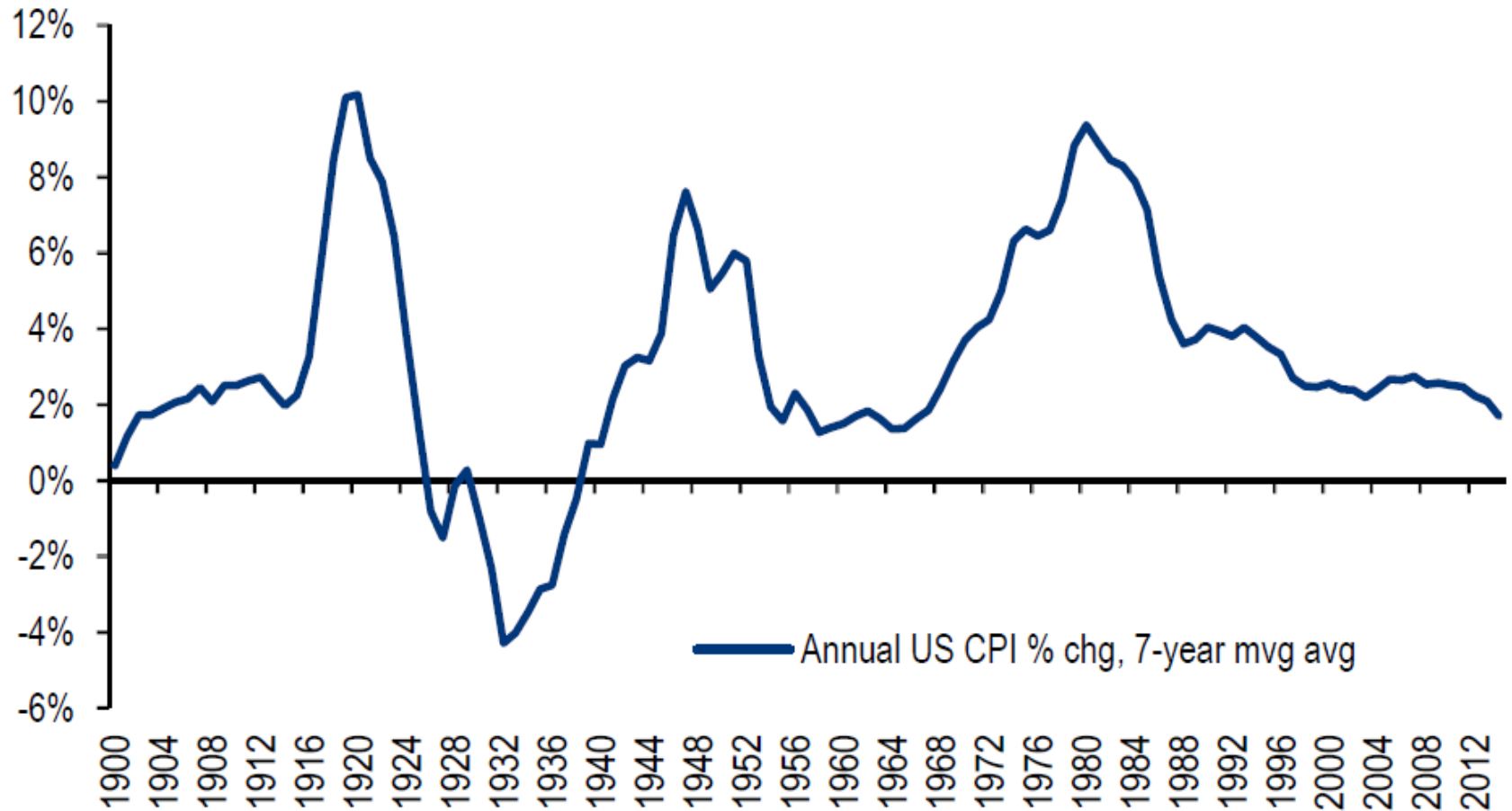


Source: Minack  
RHS = Right hand side  
You cannot invest directly in an index.



# U.S. CPI Since 1900

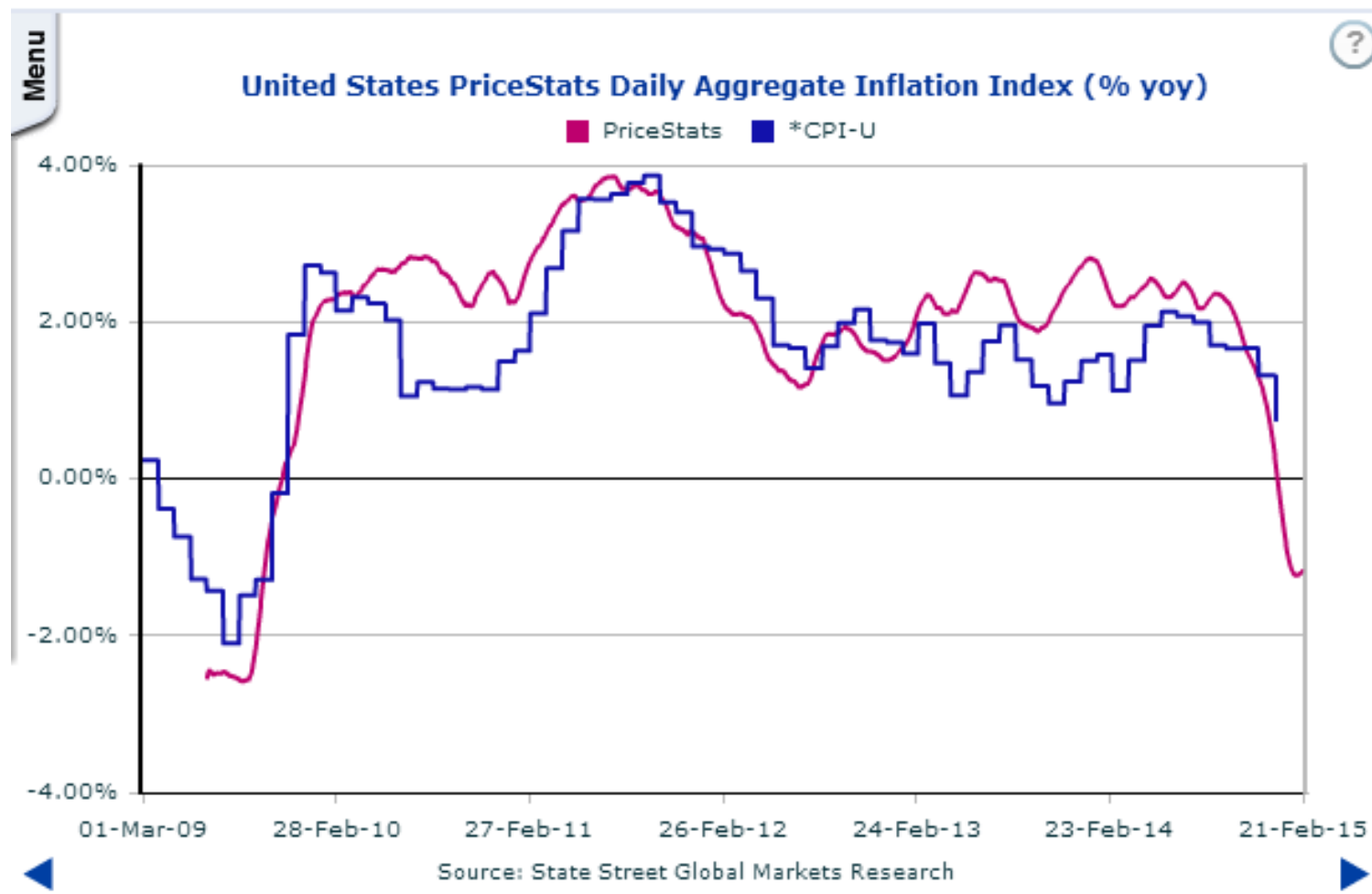
January 1, 1900 through December 31, 2014



Source: BofA Merrill Lynch Global Investment Strategy, DataStream  
CPI = Consumer Price Index. You cannot invest directly in an index.

# PriceStats Headline CPI YoY%

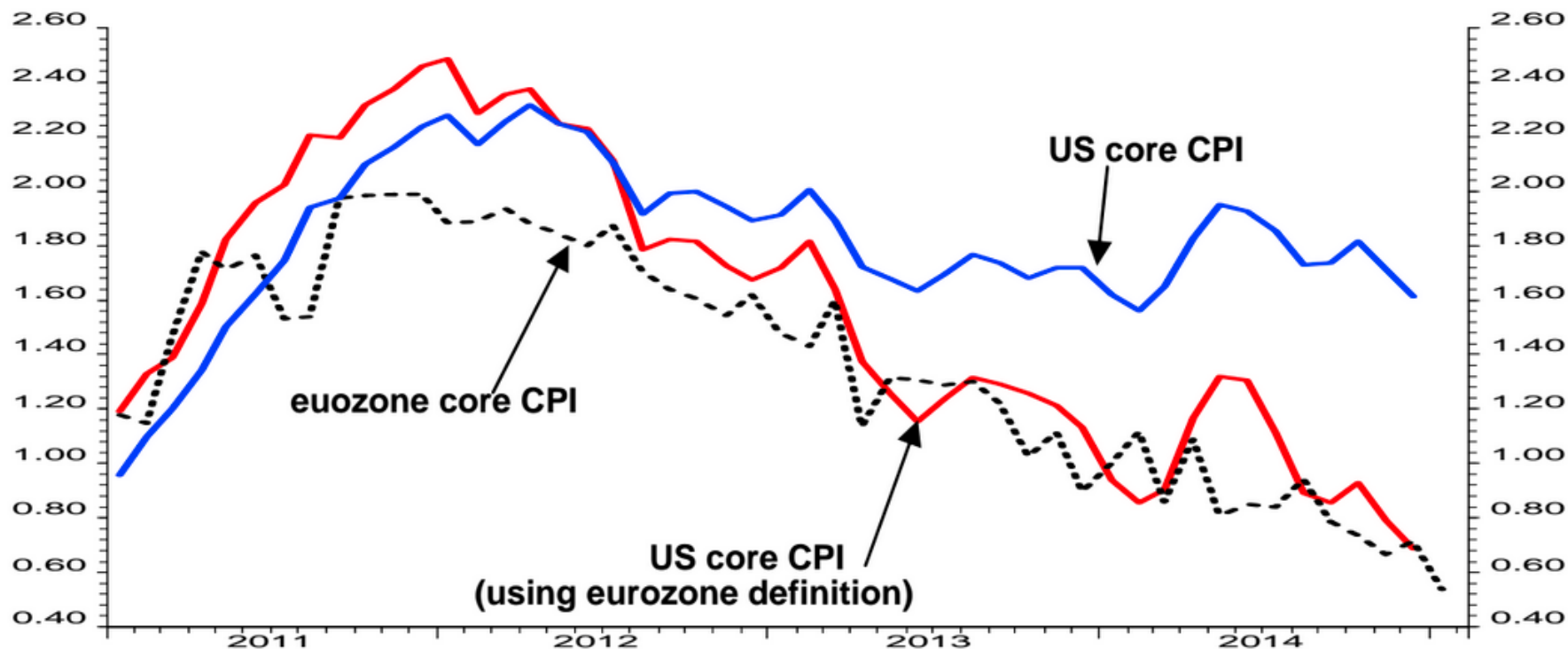
March 1, 2009 through February 21, 2015



# U.S. & Eurozone Core CPI (Year-Over-Year)

January 1, 2011 through January 31, 2015

**US core CPI has actually declined in line with the eurozone on the same definition (yoy%)**



Source: Datastream

Source: Datastream, Business Insider, February 5, 2015 <http://www.businessinsider.com/us-inflation-looks-like-europe-deflation-2015-2>

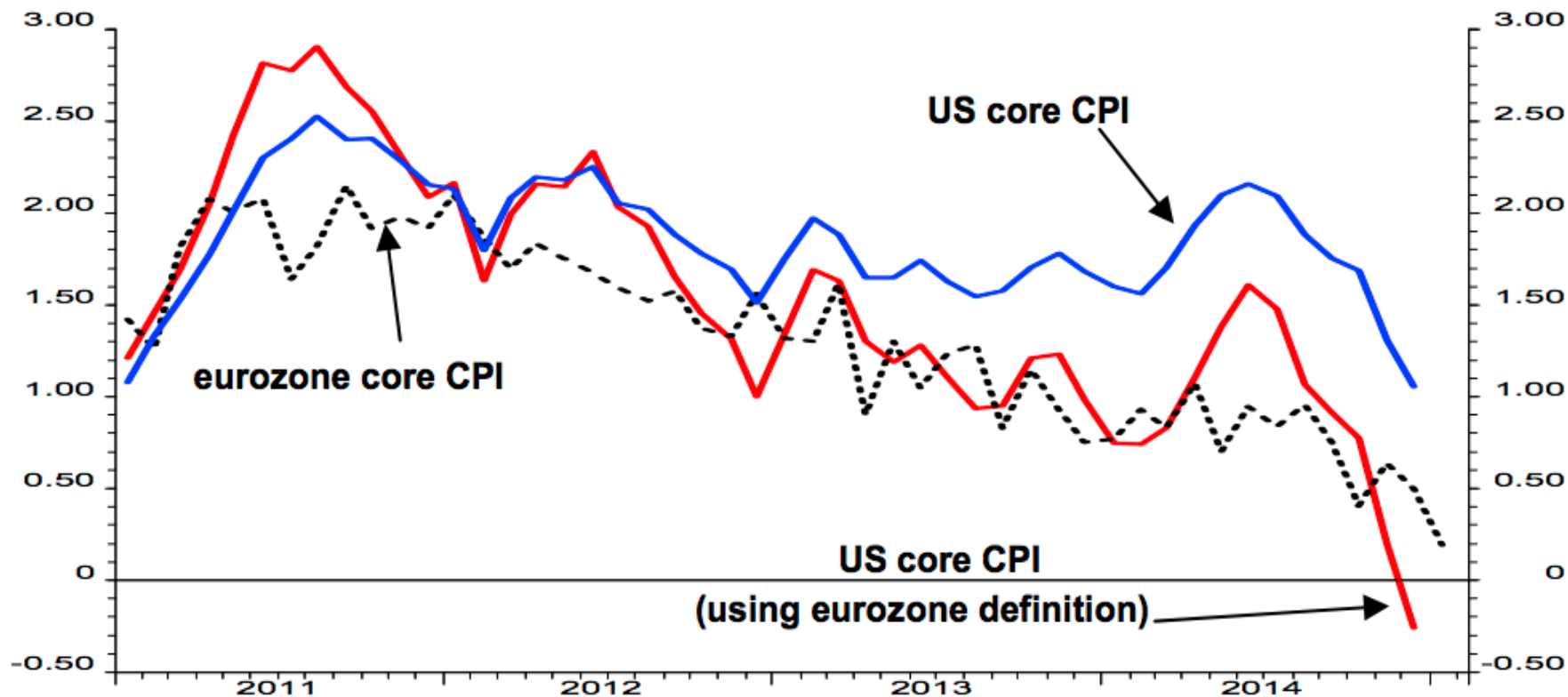
CPI = A measure that examines the weighted average of prices of a basket of consumer goods and services such as transportation, food and medical. Eurozone = The collective group of countries which use the Euro as their common currency. There are 17 countries including Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

You cannot invest directly in an index.

# U.S. & Eurozone Core CPI (6-Months Annualized Rate)

January 1, 2011 through January 31, 2015

## US core CPI inflation negative for the first time ever (on eurozone definition and 6m% ann rate)



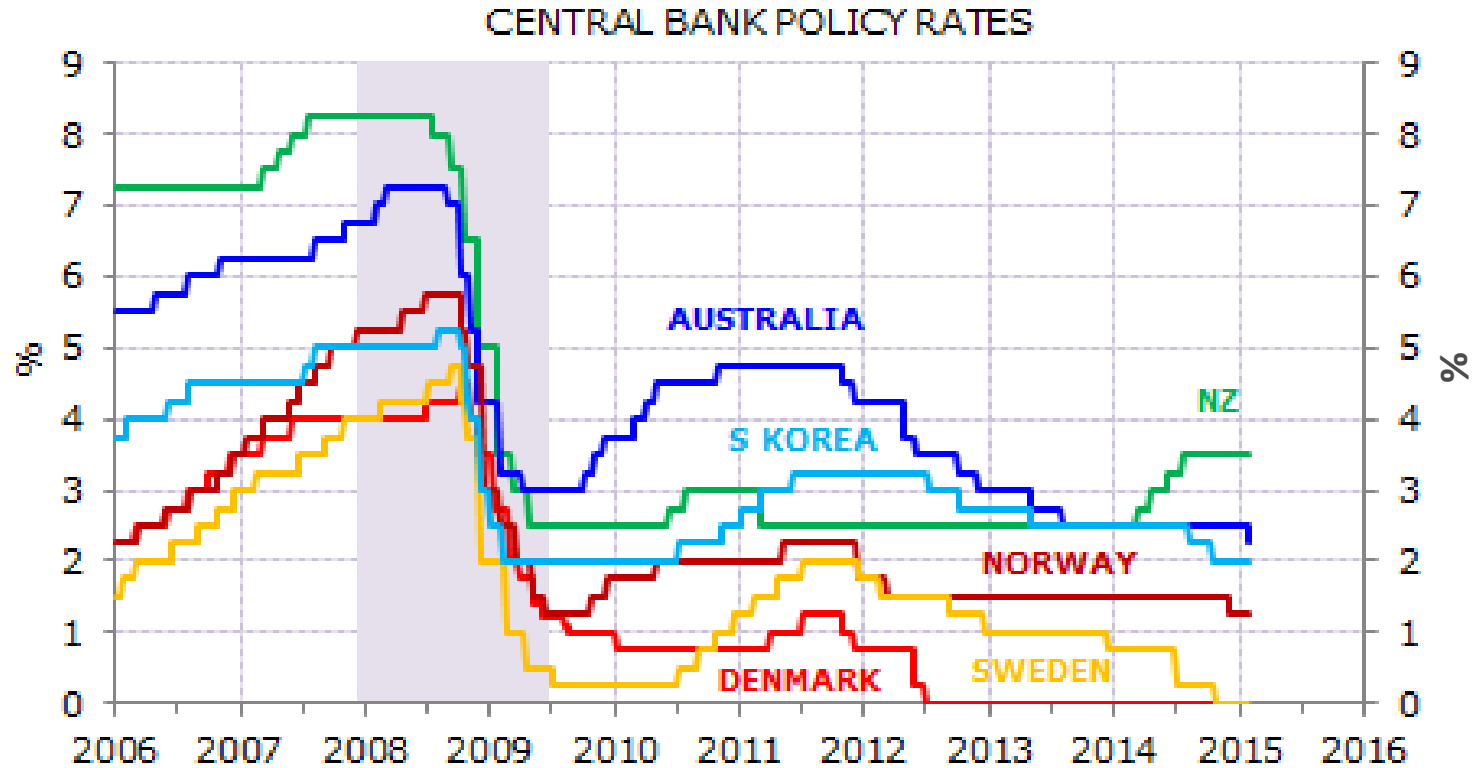
Source: Datastream

Source: Datastream, Business Insider, February 5, 2015 <http://www.businessinsider.com/us-inflation-looks-like-europe-deflation-2015-2>

CPI = A measure that examines the weighted average of prices of a basket of consumer goods and services such as transportation, food and medical. Eurozone = The collective group of countries which use the Euro as their common currency. There are 17 countries including Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

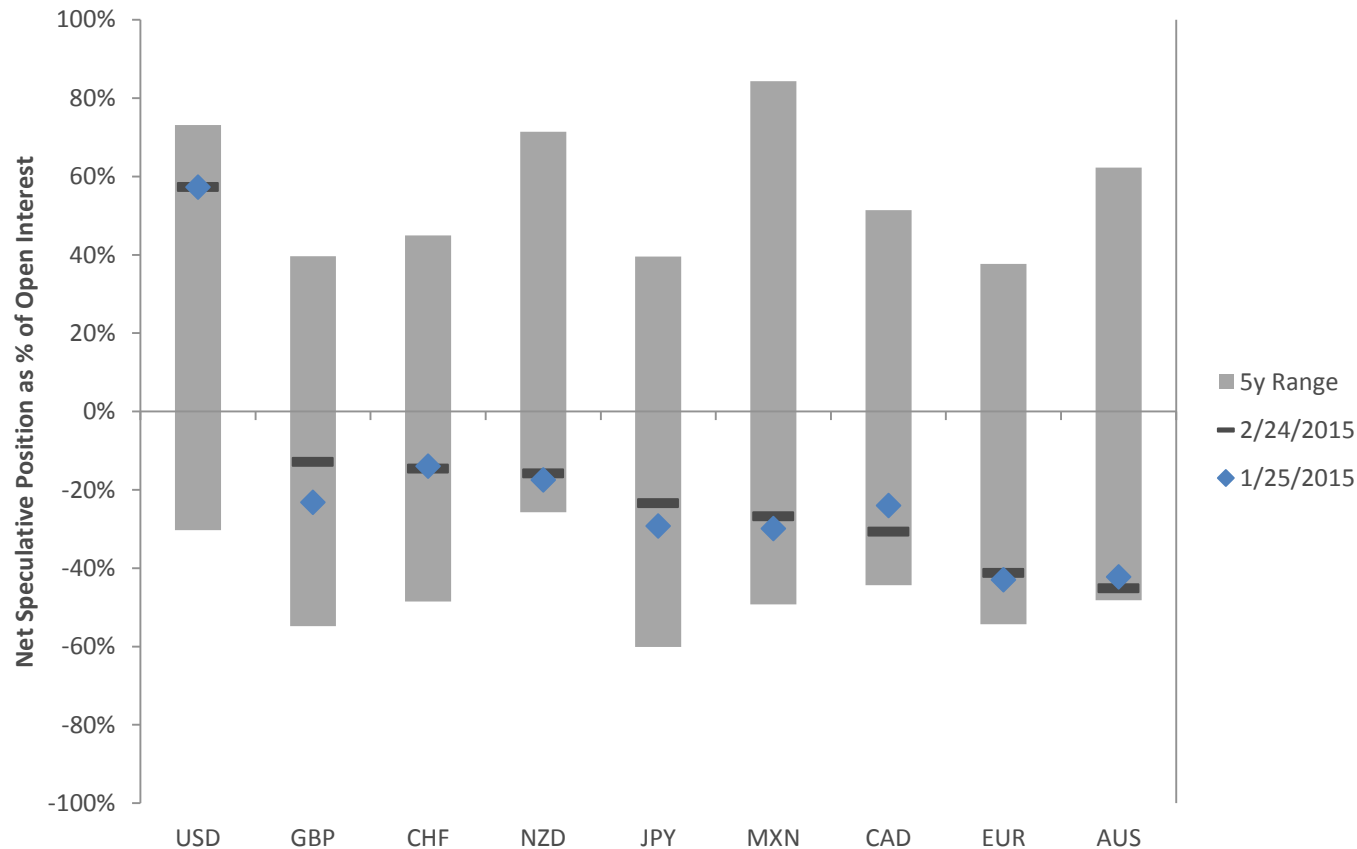
You cannot invest directly in an index.

# Central Bank Policy Rates



# Foreign Exchange: CFTC Net Speculative Positioning

## FX Net Speculative Positioning (as % of open interest)



Source: Bloomberg, DoubleLine

CFTC = Commodity Futures Trading Commission. FX = Foreign Exchange

USD = US Dollar, GBP = Great Britain Pound, CHF = Swiss Franc, NZD = New Zealand Dollar, JPY = Japanese Yen, MXN = Mexican Peso, CAD = Canadian Dollar, EUR = Euro, AUS = Australian Dollar

You cannot invest directly in an index.

# U.S. Dollar Index Spot

December 31, 2007 through March 9, 2015

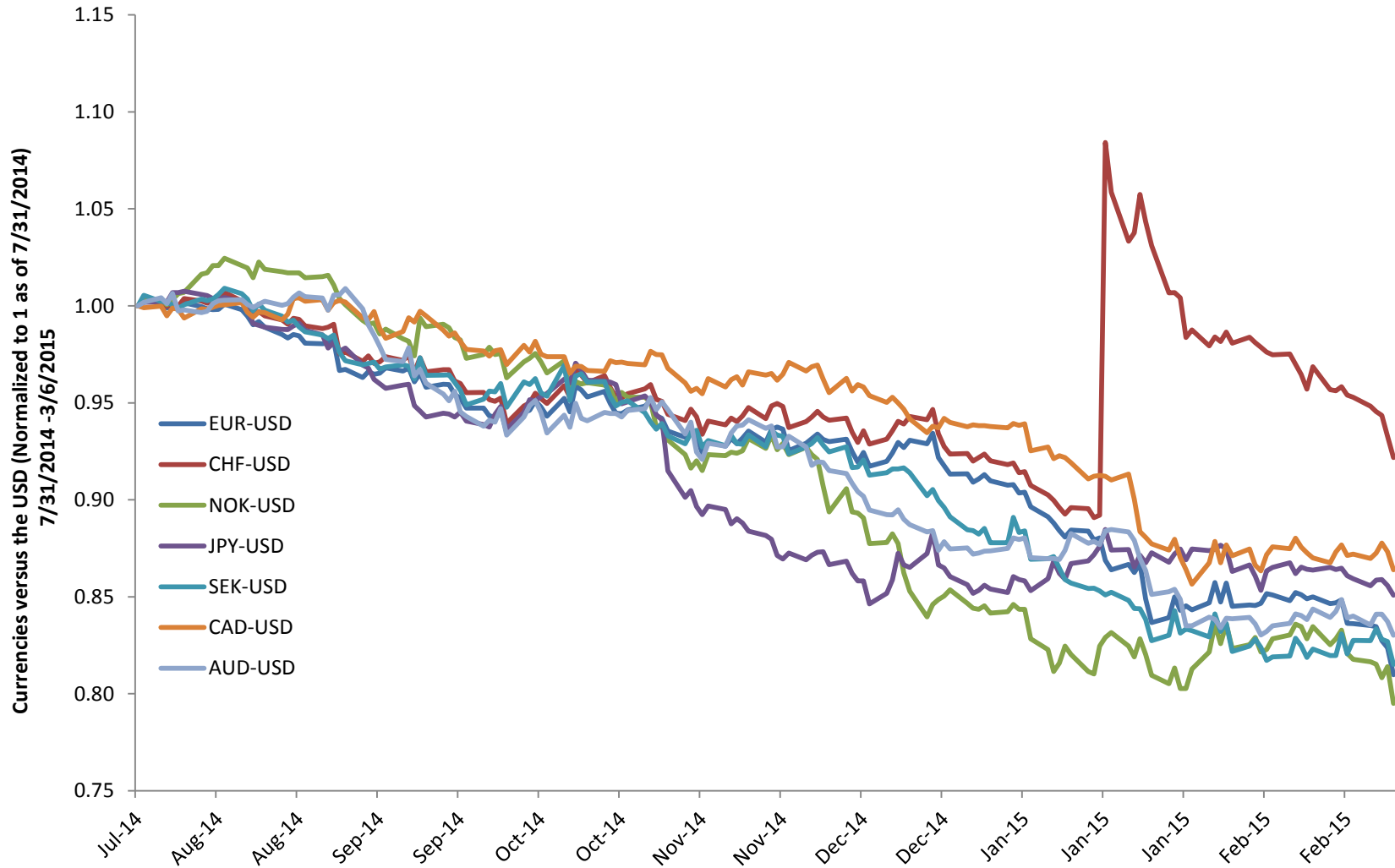


Source: Bloomberg Financial Services, DoubleLine Capital LP

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. Past performance is no guarantee of future results.

# A Rising Dollar Sunk Other Currencies

July 31, 2014 through March 6, 2015

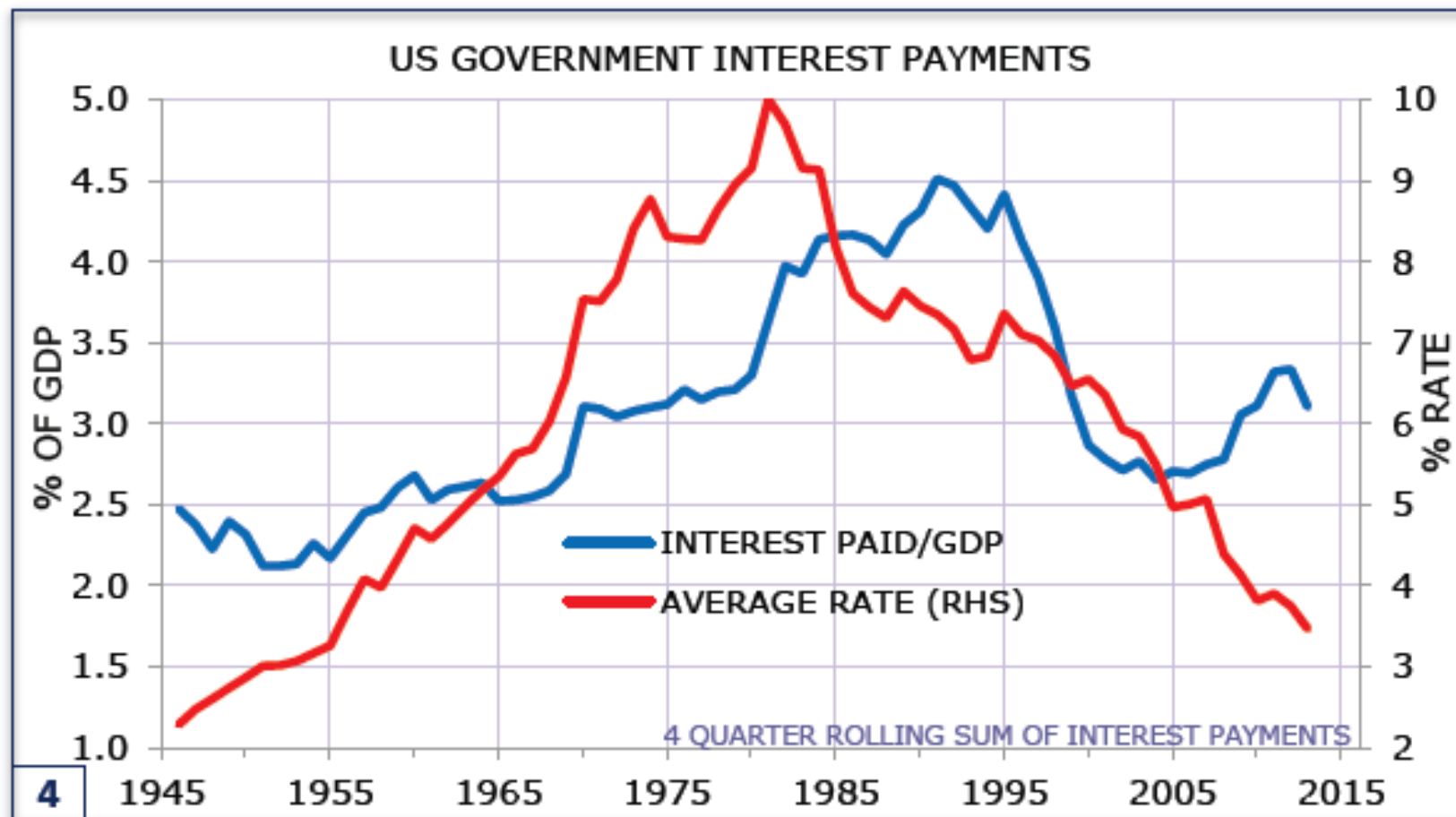


EUR = Euro spot price currency in US Dollars. CHF = Swiss Franc spot price in US Dollars. NOK = Norwegian Krone spot price currency in US Dollars. JPY = Japanese Yen spot price currency in US Dollars, SEK = Swedish Krone spot price currency in US Dollars, CAD = Canadian Dollar spot price currency in US Dollars, AUD = Australian Dollar spot price currency in US Dollars. You cannot invest directly in an index.



# U.S. Interest Rate Expense About 3% of GDP vs. A High of 4.5% in the 1980's

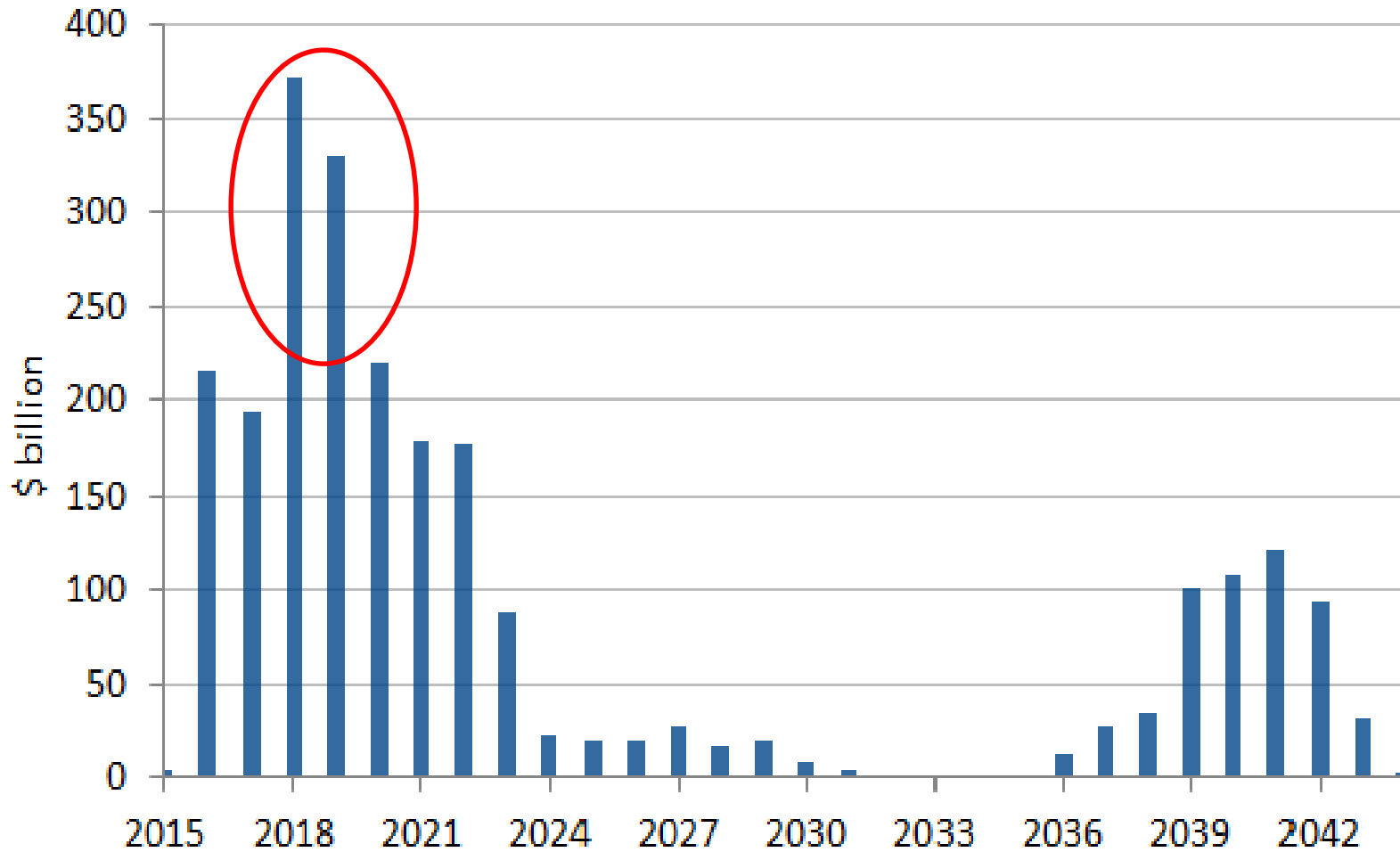
January 1, 1945 through December 31, 2014



Source: Minack Advisors  
GDP = Gross Domestic Product. You cannot invest directly in an index. RHS = Right Hand Side.

# Maturities of Fed-Held Treasuries

## Minimal for '15, Peak '18-'19

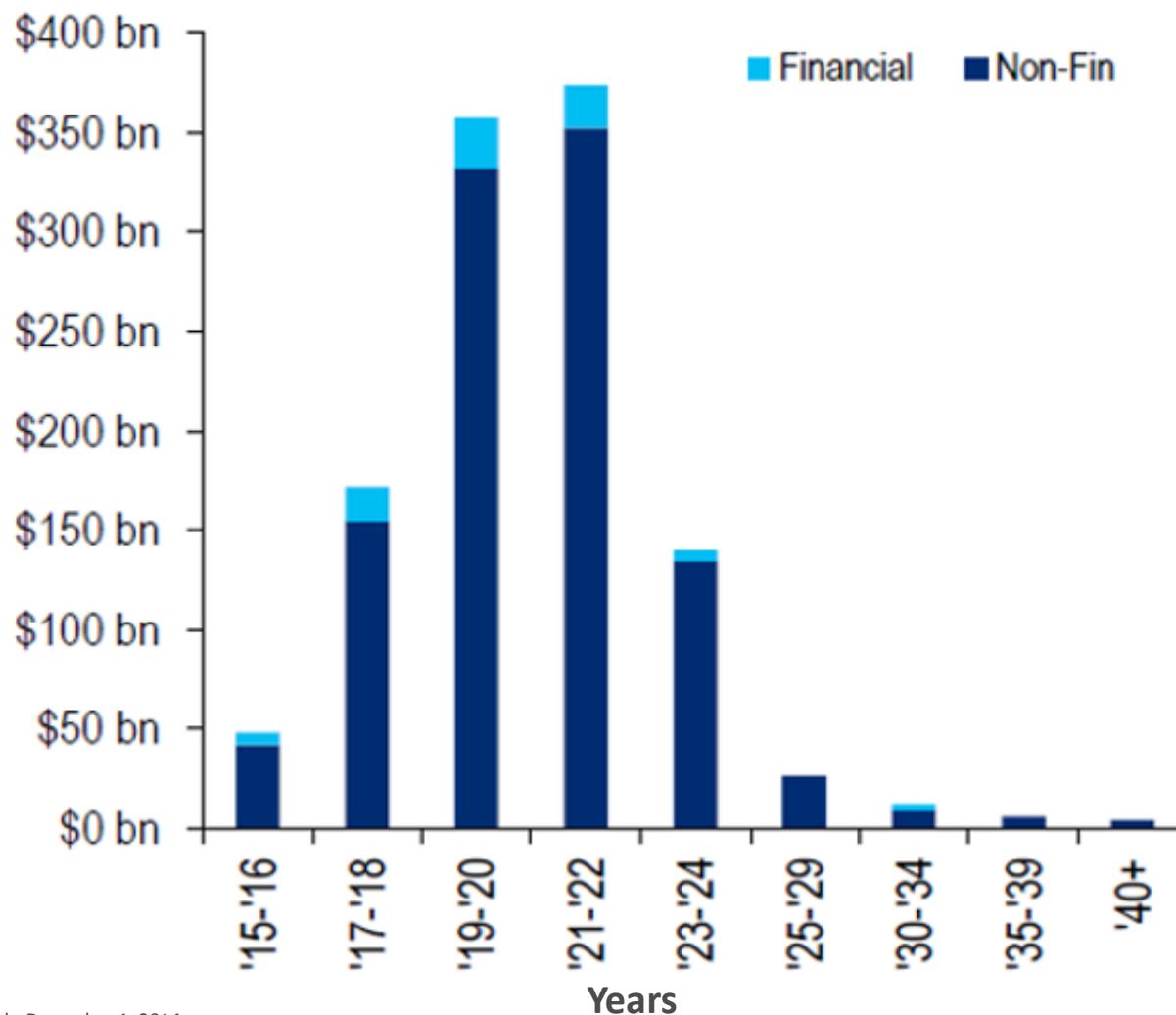


Source: Bloomberg, Federal Reserve  
Bond maturities of the Federal Reserve's balance sheet starting January 1, 2015 through December 31, 2042. You cannot invest directly in an index.

# When Could Default Fears Become an Issue?

As of December 1, 2014

## HY maturity profile

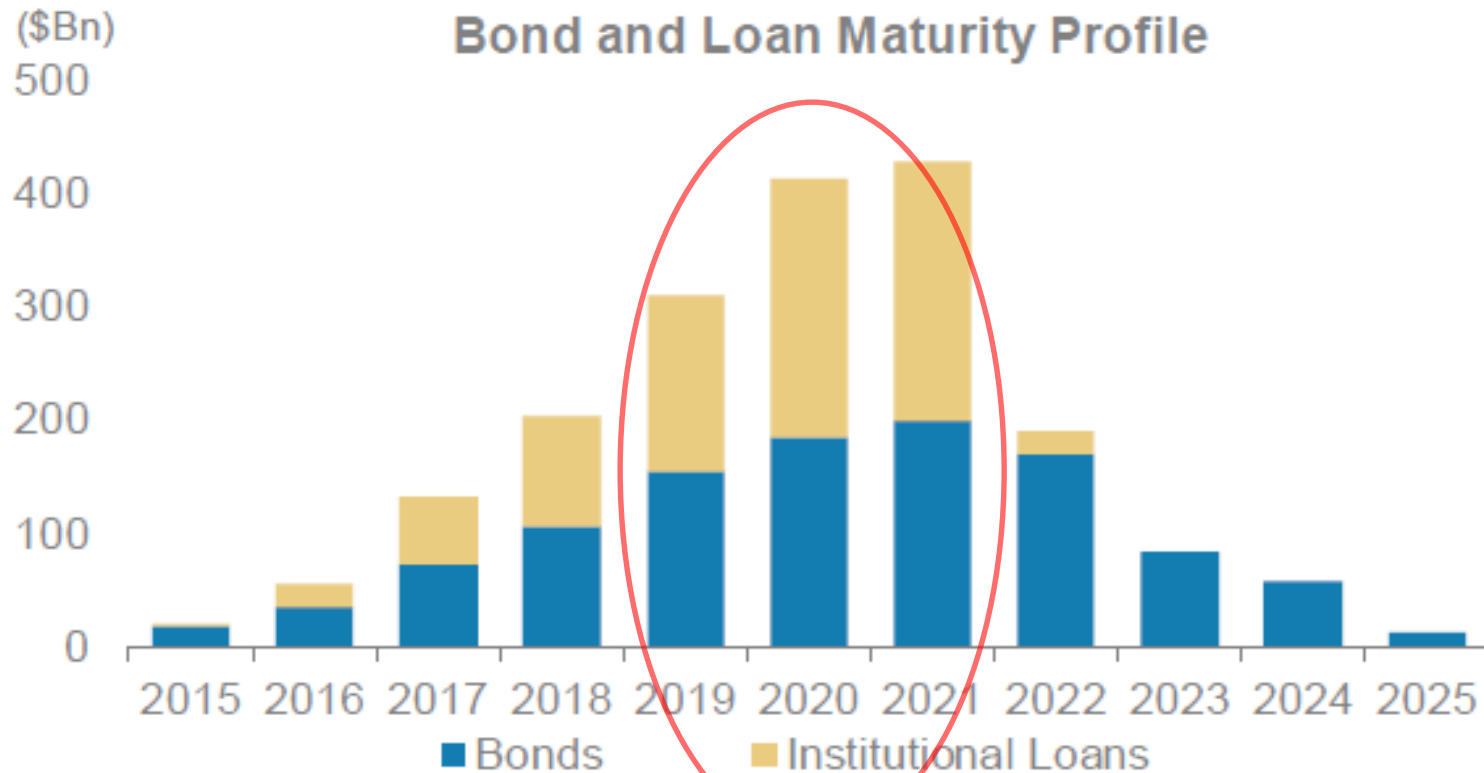


Source: Citigroup Research, December 1, 2014  
HY = High Yield. You cannot invest directly in an index.

# U.S. Credit: Maturity Wall of Bonds and Loans

January 1, 2015 projected through 2025

## Leveraged Loans - Maturities



# Global Maturities for Government Debt



33

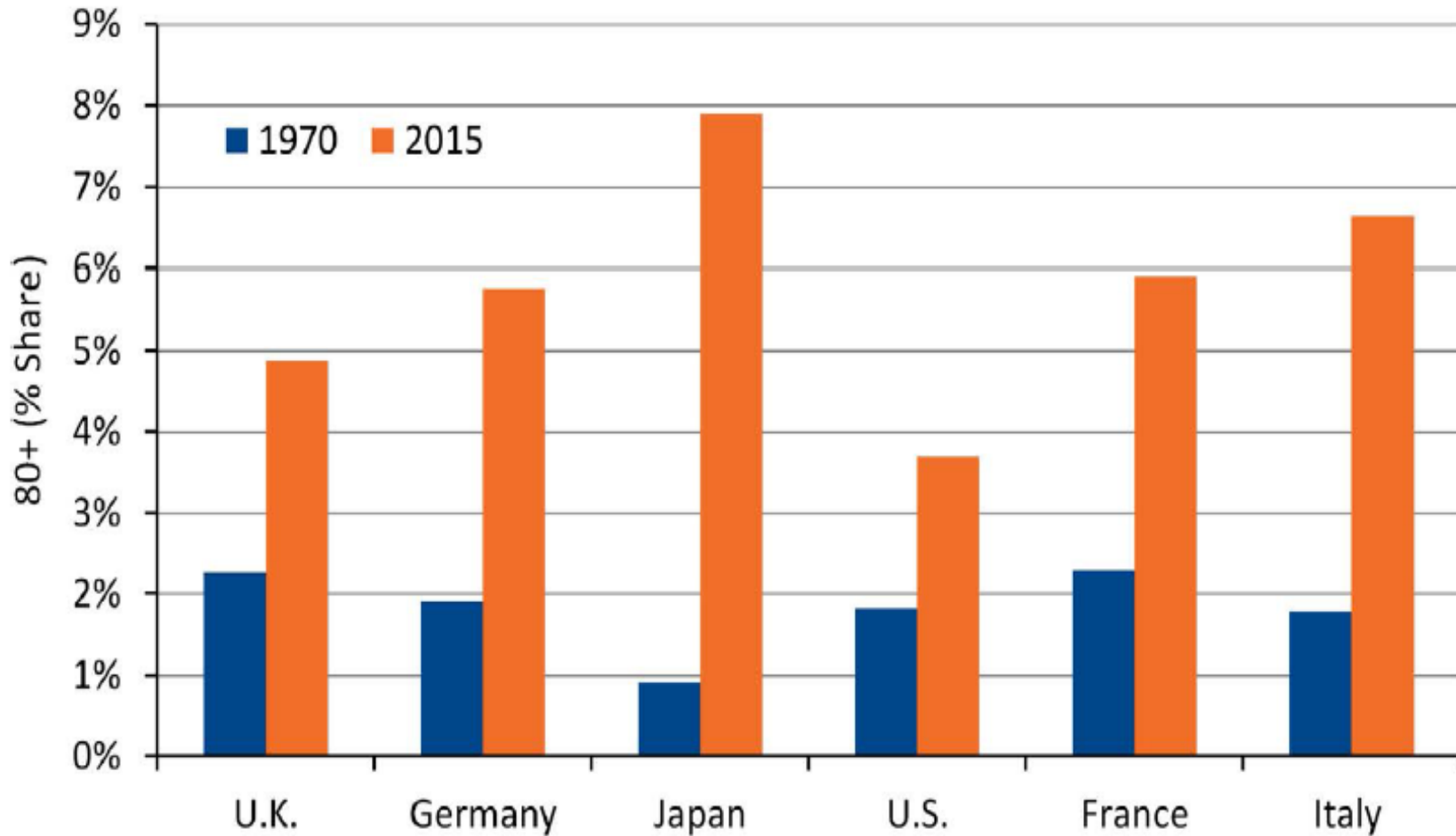
Source: Minack Advisors as of

GDP = Gross Domestic Product. You cannot invest directly in an index. RHS = Right Hand Side. NOR = Norway, SWE = Sweden, USA = United States of America, SPN = Spain, NZ = New Zealand, CAN = Canada, KOR = Korea, AUS = Australia, ITA = Italy, GER = Germany, JAP = Japan, FRA = France, NET = the Netherlands, SWI = Switzerland, UK = United Kingdom, GRE = Greece

# TAB III

## Demographics

## 80s Boom: Japan, Italy See Highest Growth in Elderly



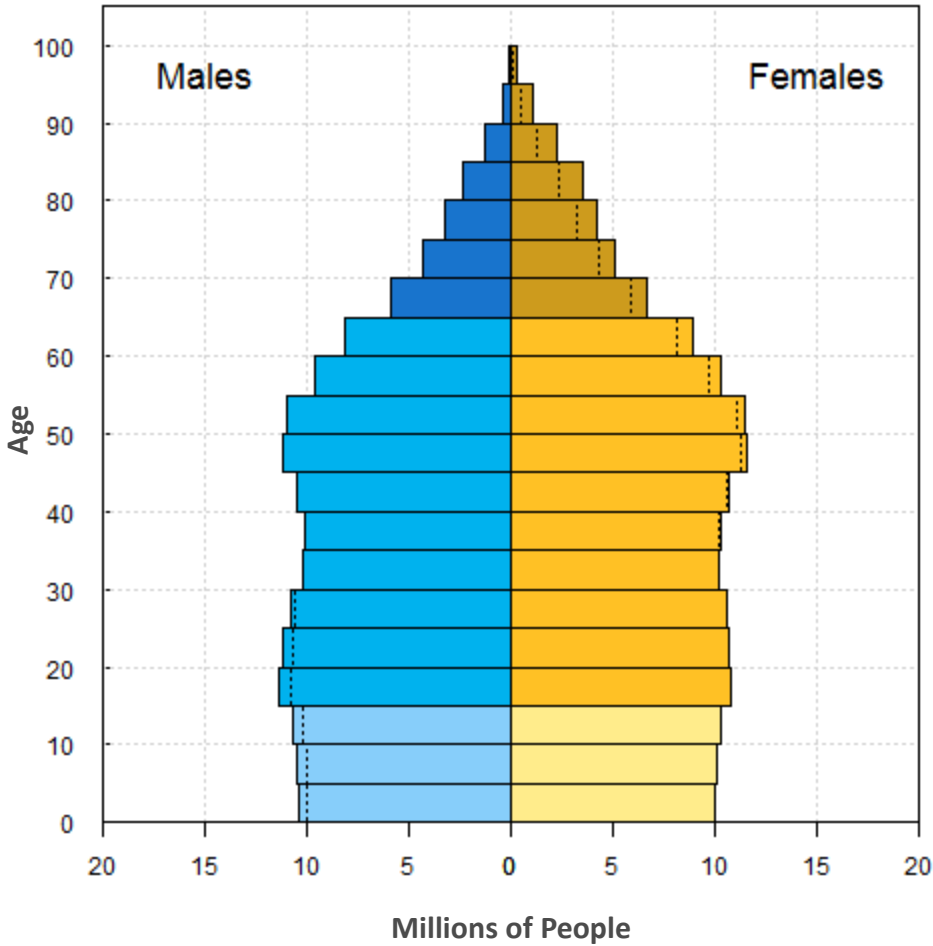
Source: Bloomberg, Credit Suisse – February 4, 2015 Economic Research “Why has recent macro-policy not been that effective? A demographic view”. Chart as of January 31, 1970 and January 31, 2015.

You cannot invest directly in an index.

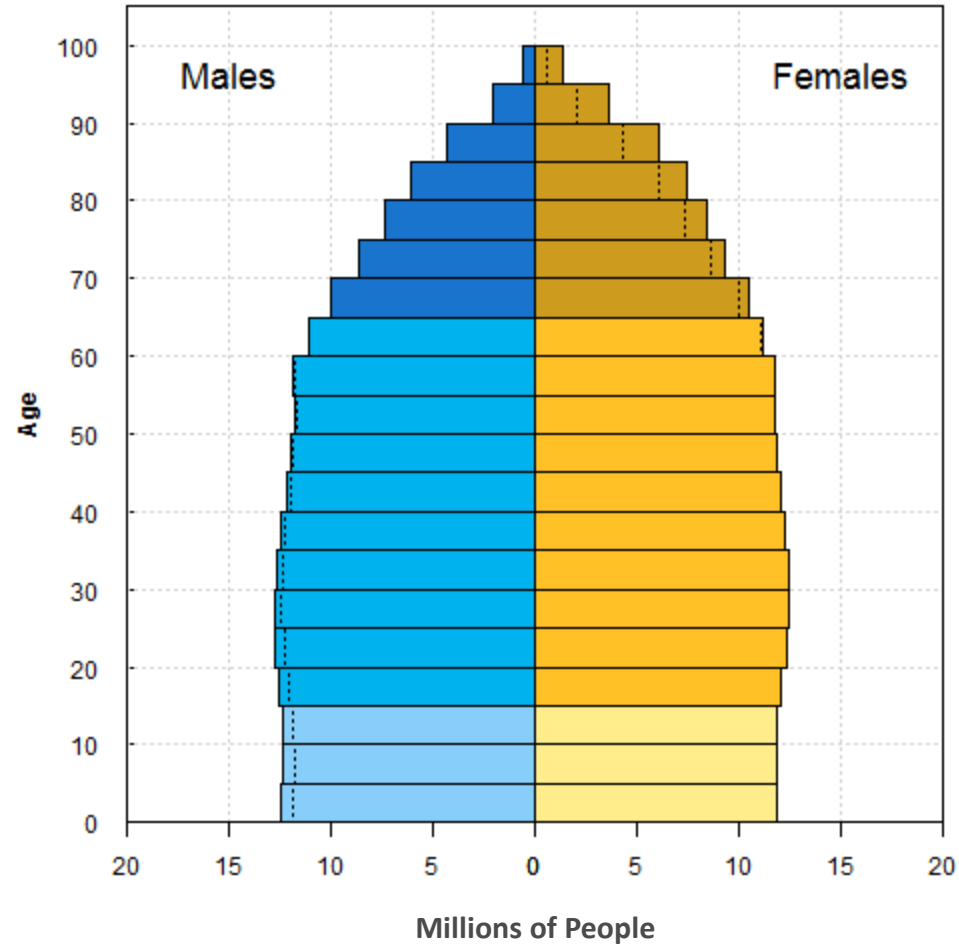
# Demographic Shifts in United States

As of December 31, 2010 – Projection for 2050

2010



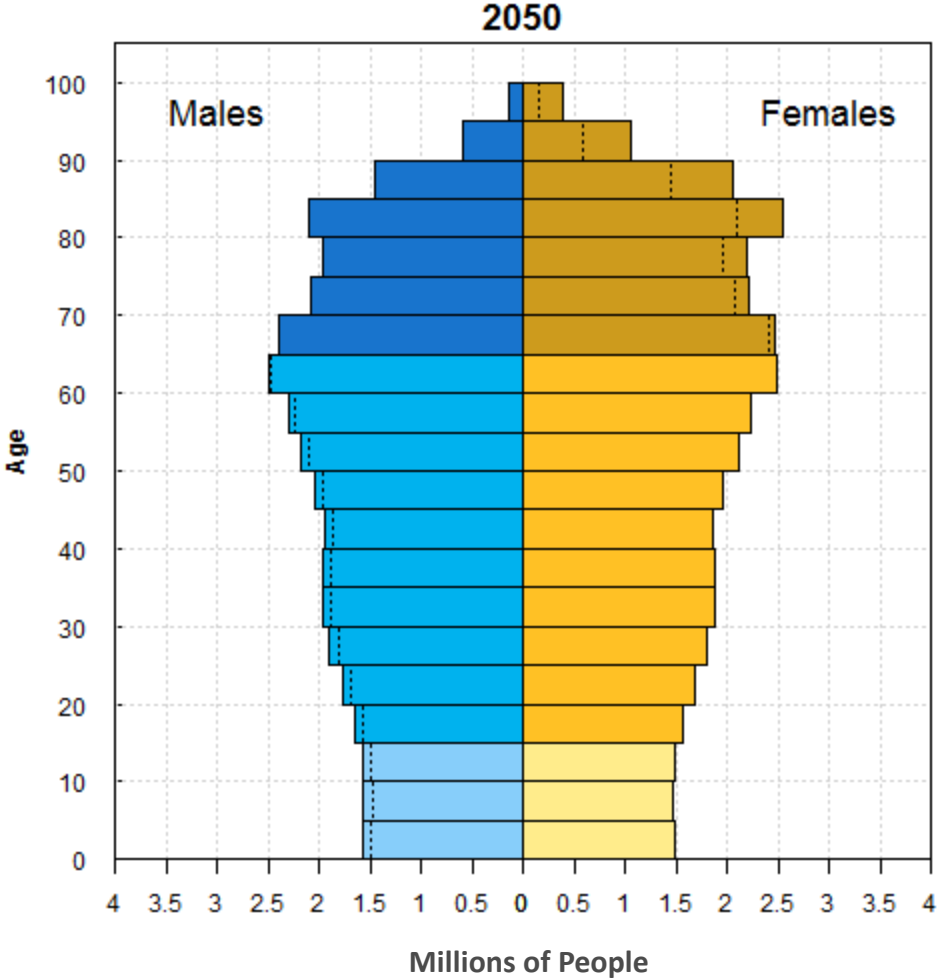
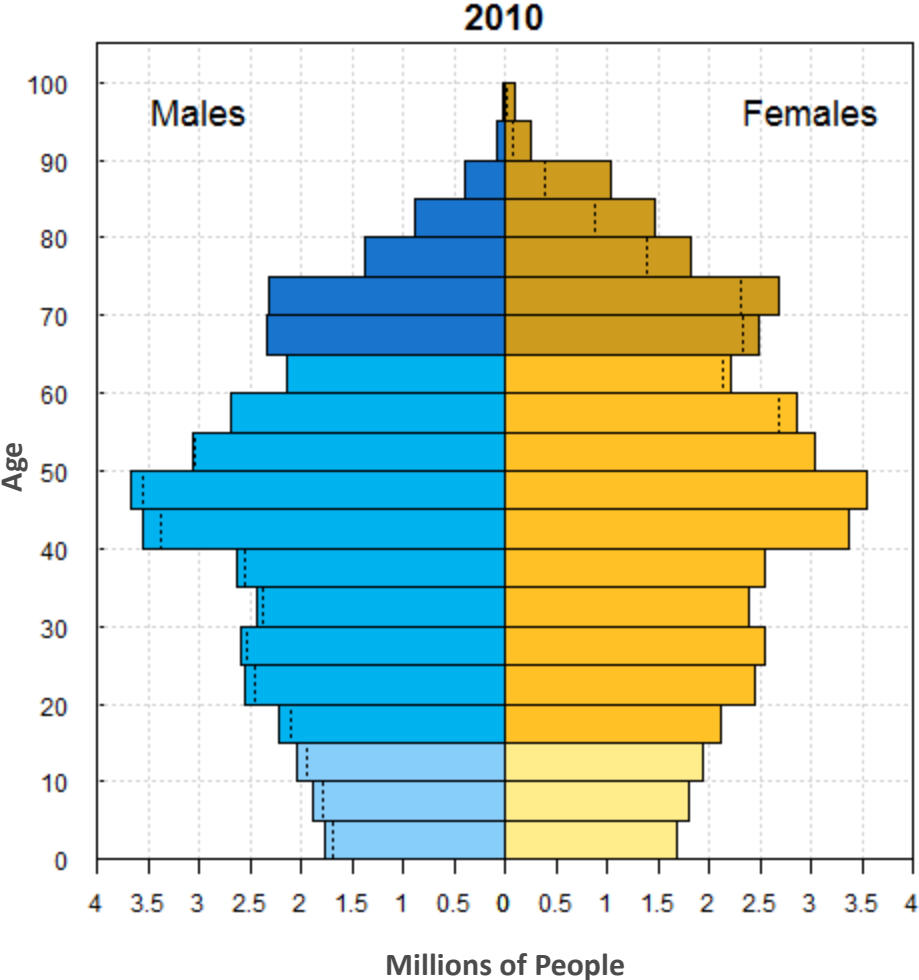
2050





# Demographic Shifts in Germany

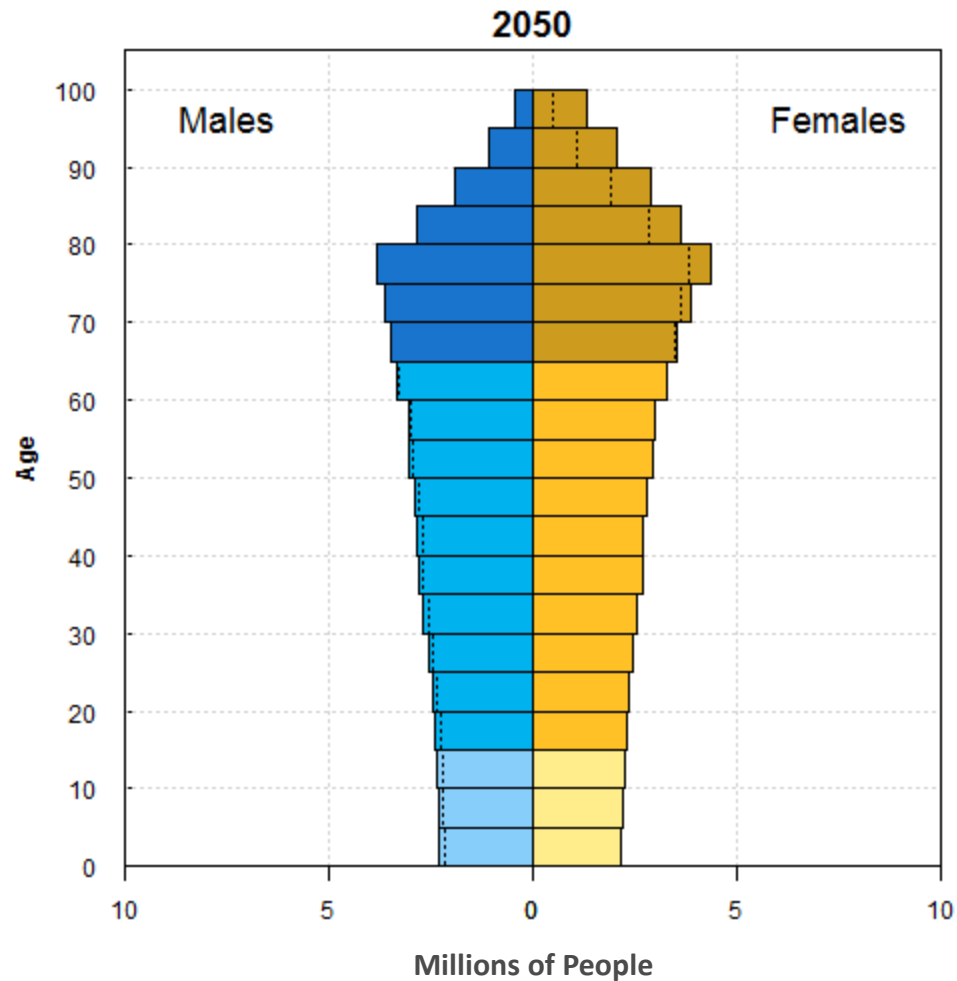
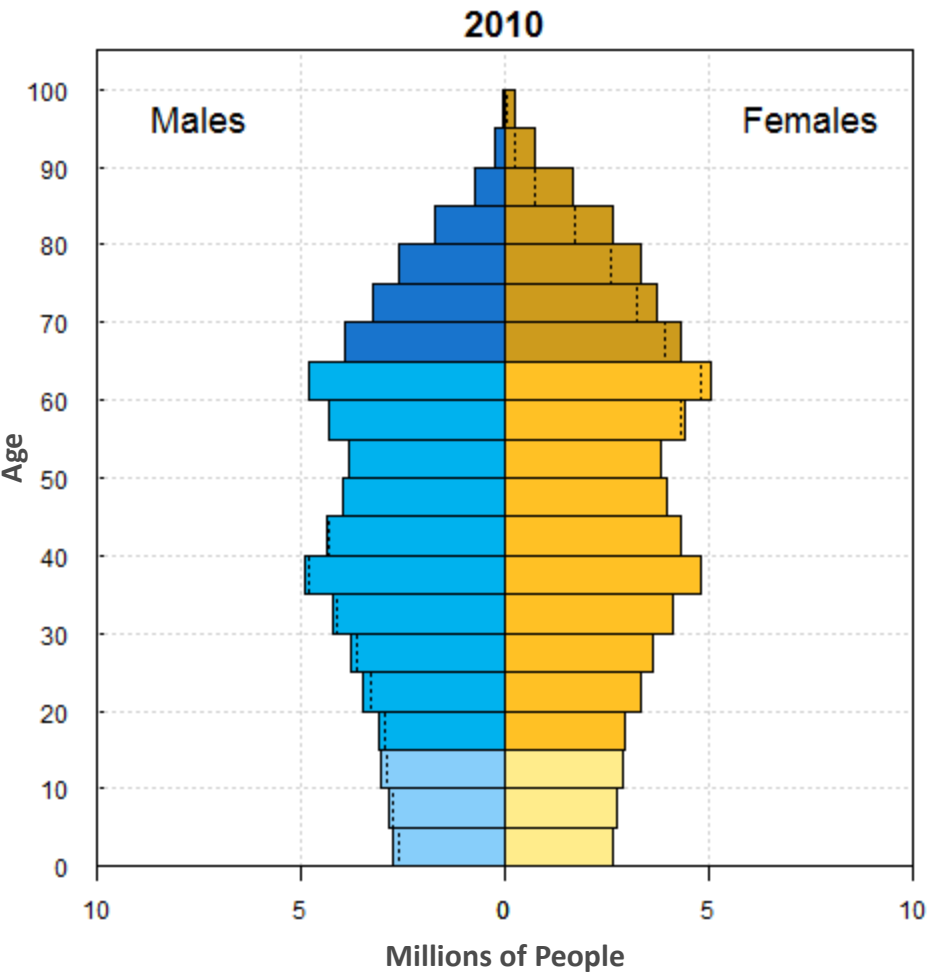
As of December 31, 2010 – Projection for 2050



Source: United Nations

# Demographic Shifts in Japan

As of December 31, 2010 – Projections for 2050

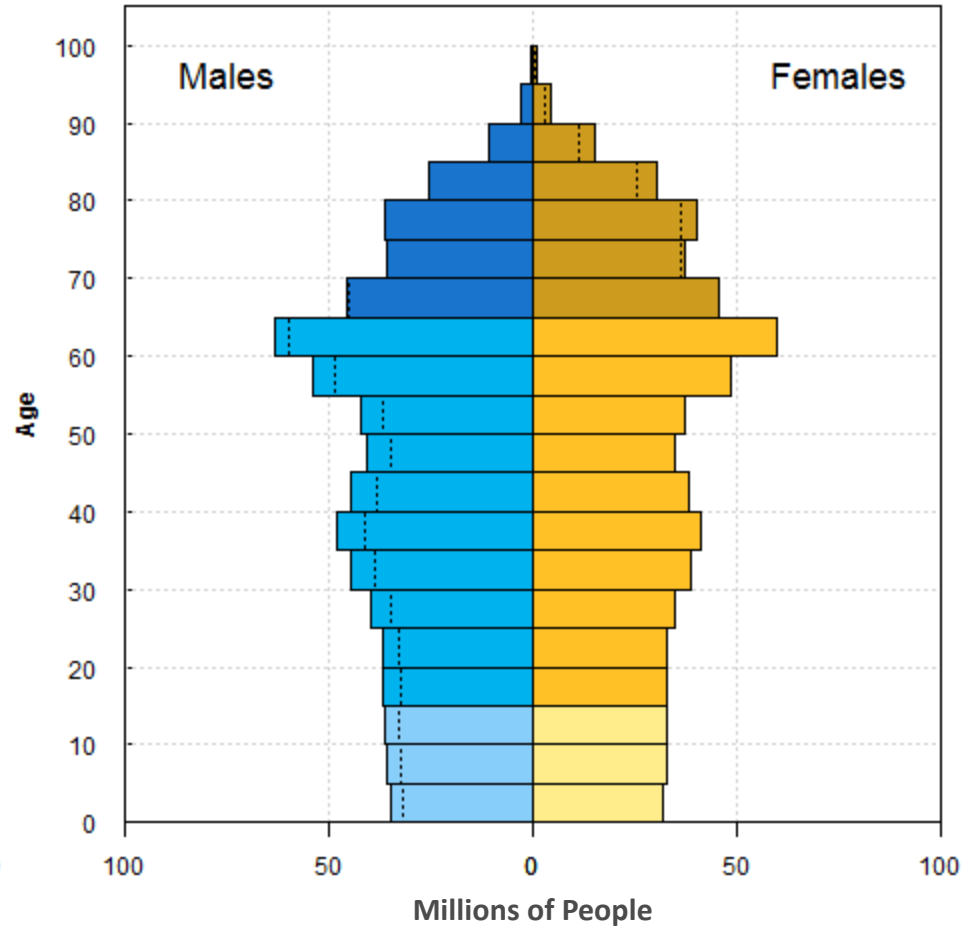
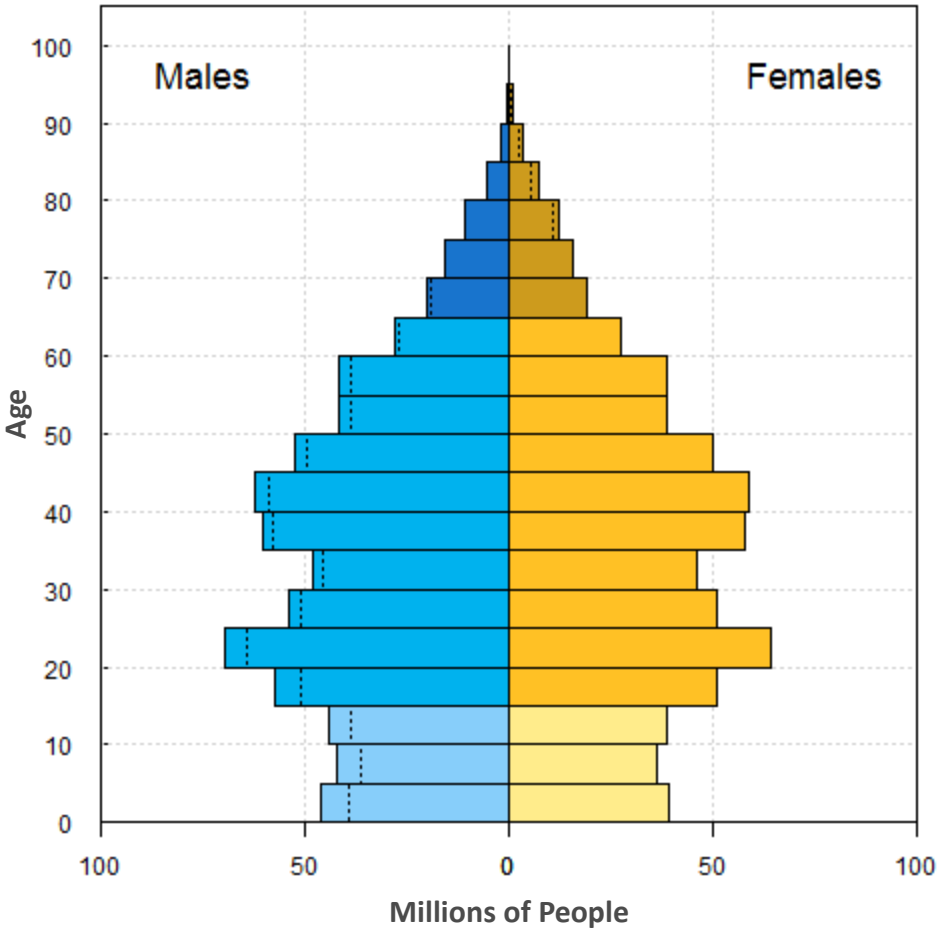


# Demographic Shifts in China

As of December 31, 2010 – Projections for 2050

2010

2050

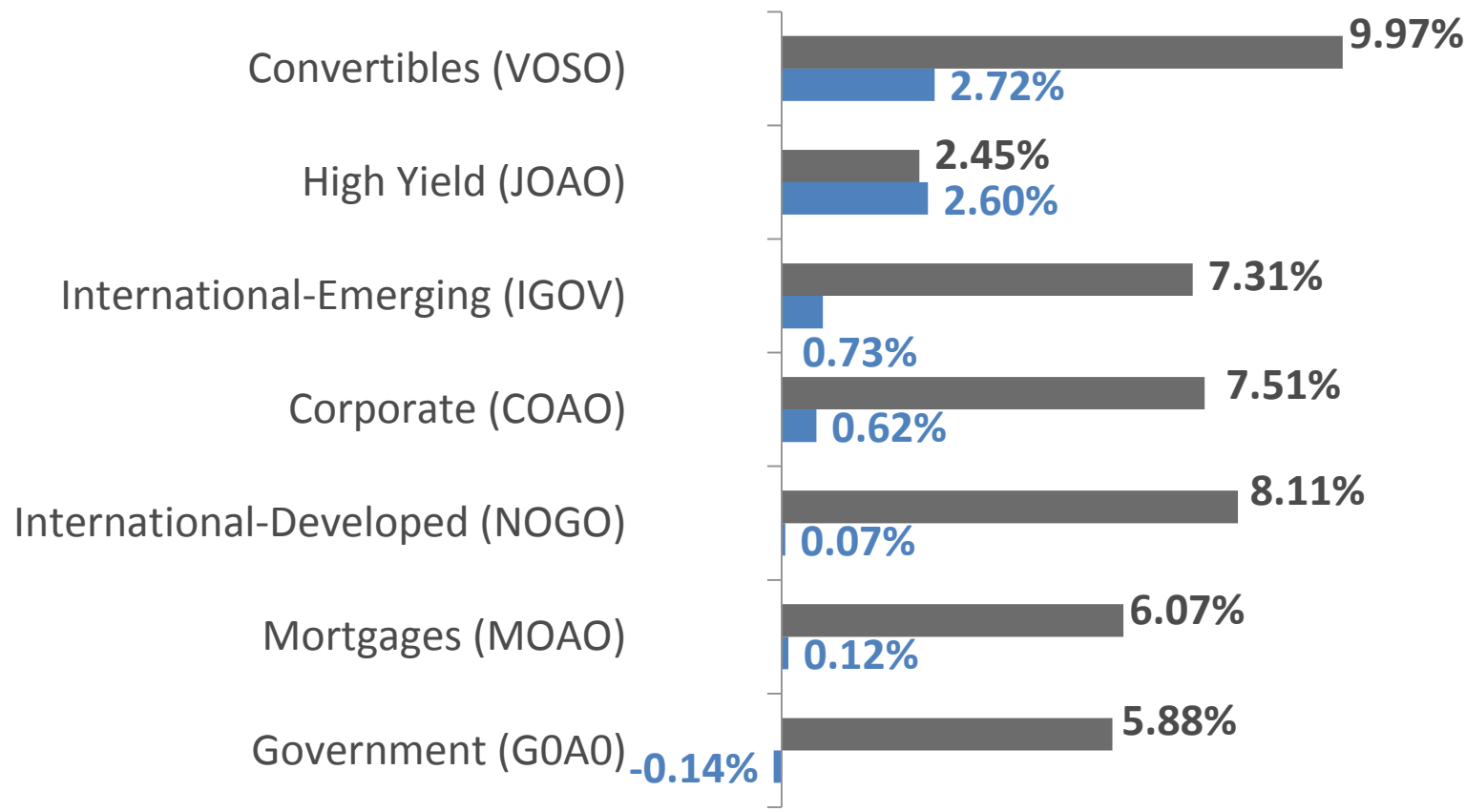


# TAB IV

## Bloodless Verdict of the Market

# BofA/Merrill Fixed Income Index Returns

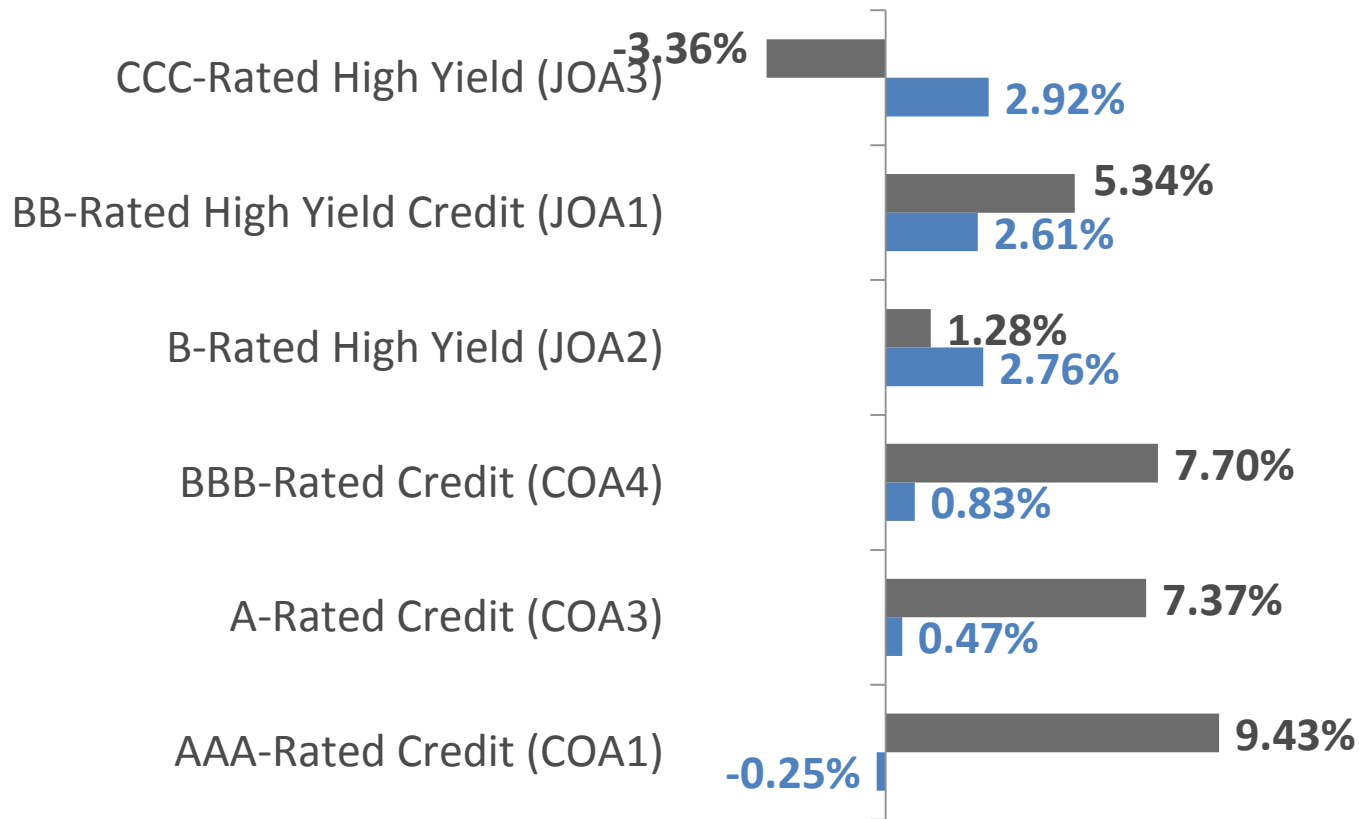
Grey = Year 2014  
Blue = Year-To-Date 2015



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2014 and March 6, 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

Grey = Year 2014  
Blue = Year-To-Date 2015



**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, Moody's, and Fitch).

Source: BofA/Merrill Lynch Indices as of December 31, 2014 and March 6, 2015 and for their respective years indicated.

Please see appendix for Index definitions

An investment cannot be made directly in an index.

# U.S. Commodities Last 5 Years

February 25, 2009 through March 9, 2015



Source: Bloomberg

CRY Index = CRB excess return index is an arithmetic average of commodity futures prices with monthly rebalancing. You cannot invest directly in an index.

# Gold Last 5 Years

March 10, 2009 through March 9, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP

XAU BGN Curncy = The Gold Spot price quoted in US dollars per Troy ounce. You cannot invest directly in an index. Past performance is no guarantee of future results.

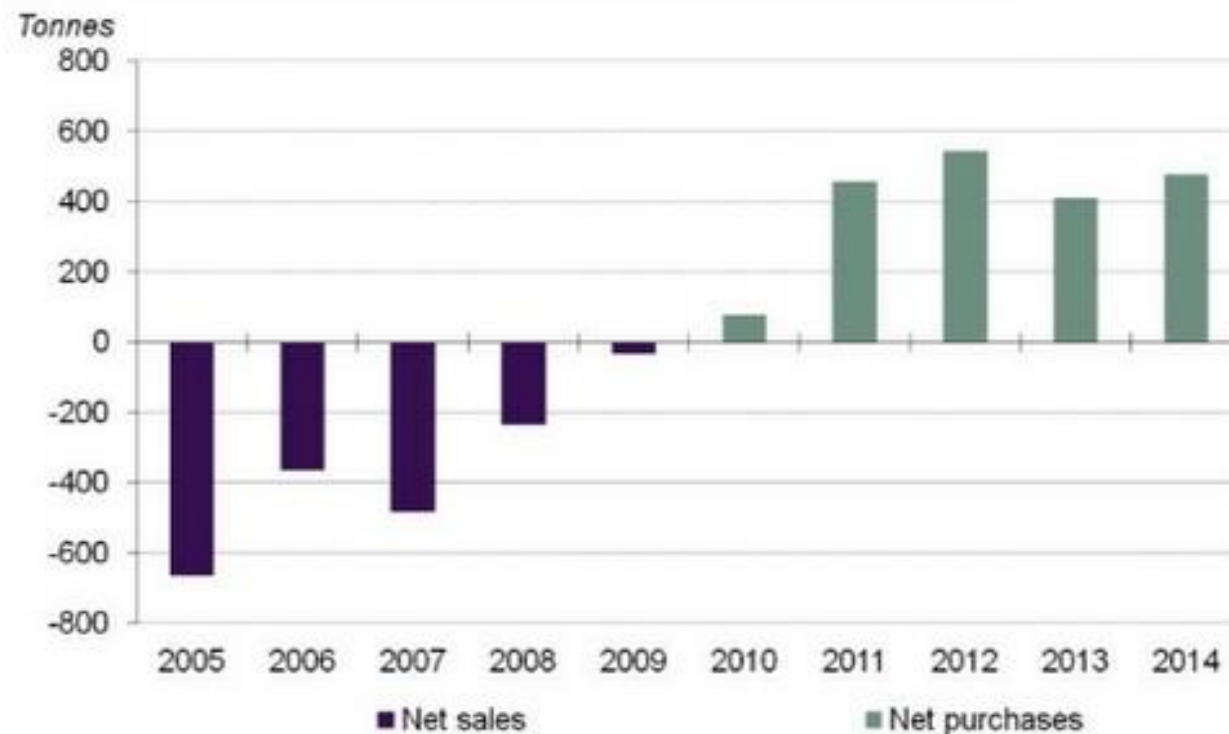


# Gold Purchases by Central Banks

January 1, 2005 through December 31, 2014

## Central banks bought 477t; second highest for 50 years

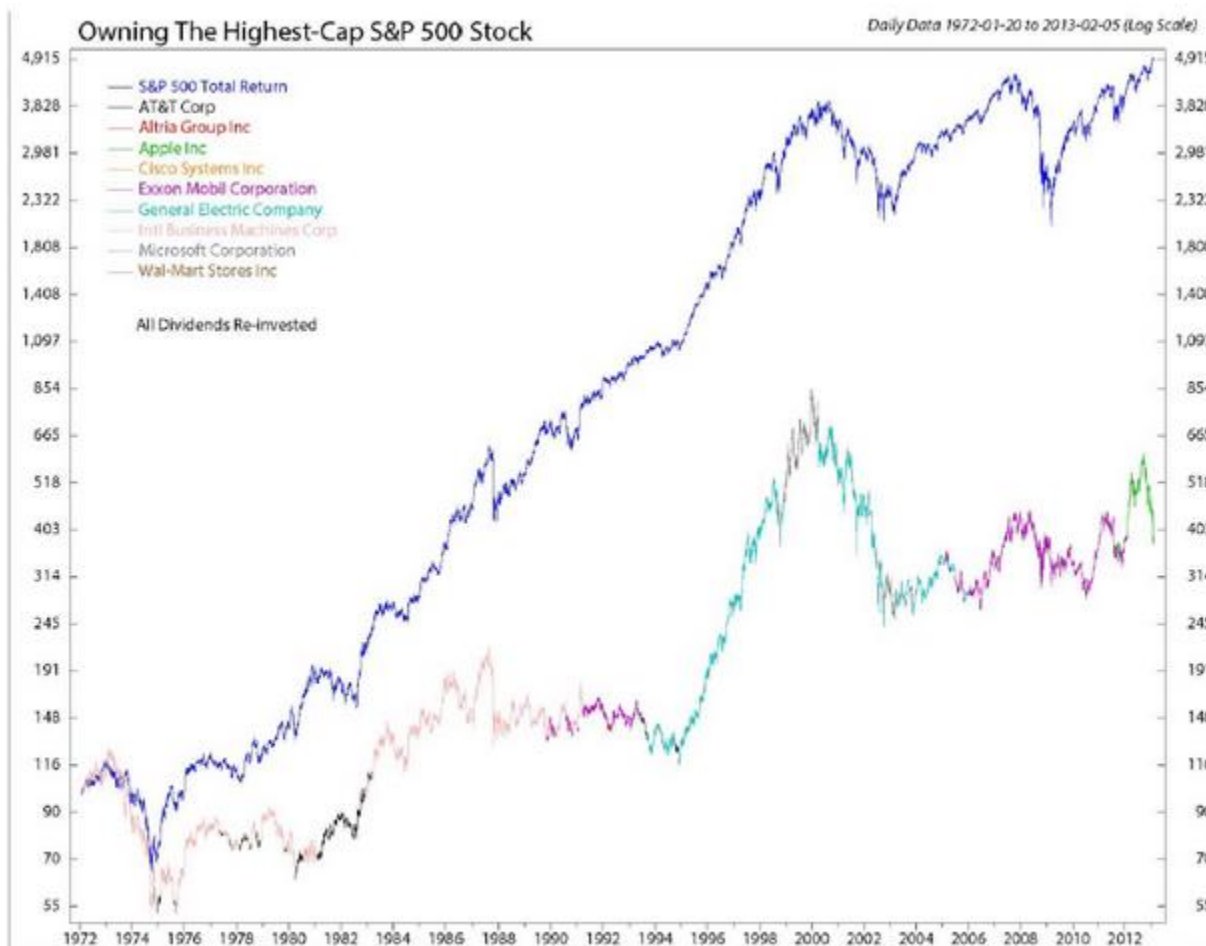
Annual central bank demand in tonnes over the last decade



Source: GFMS, Thomson Reuters; World Gold Council

# S&P 500 – Selected Stock Returns

January 20, 1972 through February 5, 2013



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DoubleLine Total Return Bond Fund own 0% in equities, 0% of AT&T, Alteria Corp., Apple, Cisco, Exxon Mobile, General Electric, IBM, Microsoft or Wal-Mart as of February 27, 2015. Please see appendix for index definition. Past performance is not a guarantee for future results. You cannot invest directly in an index.

# Buybacks Index/S&P 500 (3yrs)

March 3, 2012 through March 3, 2015



GSTHREPO Index (Buybacks) Buybacks/SPX Daily 03MAR2012-03MAR2015

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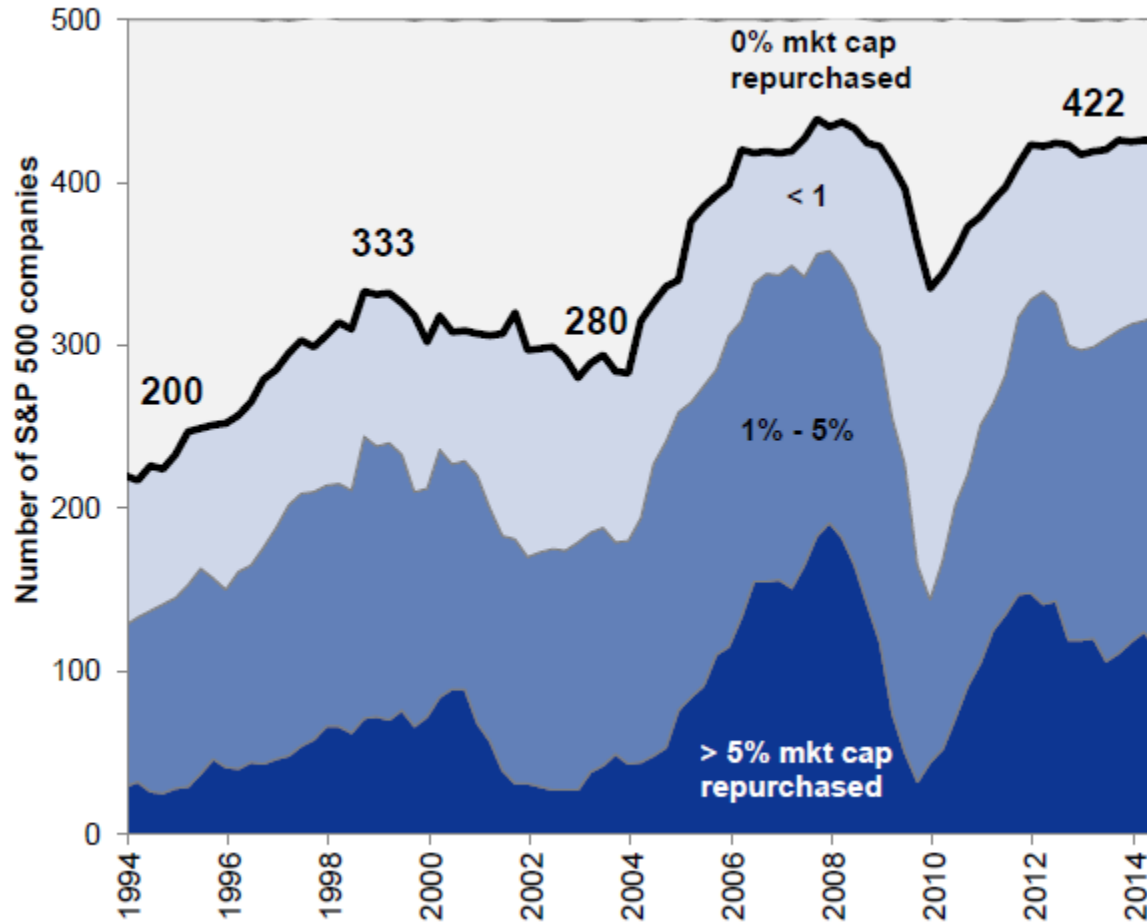
03-Mar-2015 16:58:42

Source: Bloomberg Financial Services, DoubleLine Capital LP  
You cannot invest directly in an index.

# Goldman Sachs: Buybacks - Most Firms Are Doing It

January 1, 1994 through December 31, 2014

## Most S&P 500 firms repurchase stock



# Large Cap vs. Small Cap (SPX 500 / Russell 2000)

March 4, 2012 through March 3, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
 SPX = S&P 500 Index. Please see appendix for further definitions. Russell 2000 = small-cap stock market index of the bottom 2000 stocks in the Russell 3000 Index.  
 Please see appendix for index definitions. You cannot invest directly in an index..



# Growth vs. Value (Russell 1000 Growth / Value)

March 1, 2012 through March 3, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP

SMAVG = moving average for a set time period. Russell 1000 Growth Index measures the performance of large-cap growth segment of the US equity universe. Russell 1000 Value Index measures the performance of the large-cap growth segment of the U.S. equity universe.

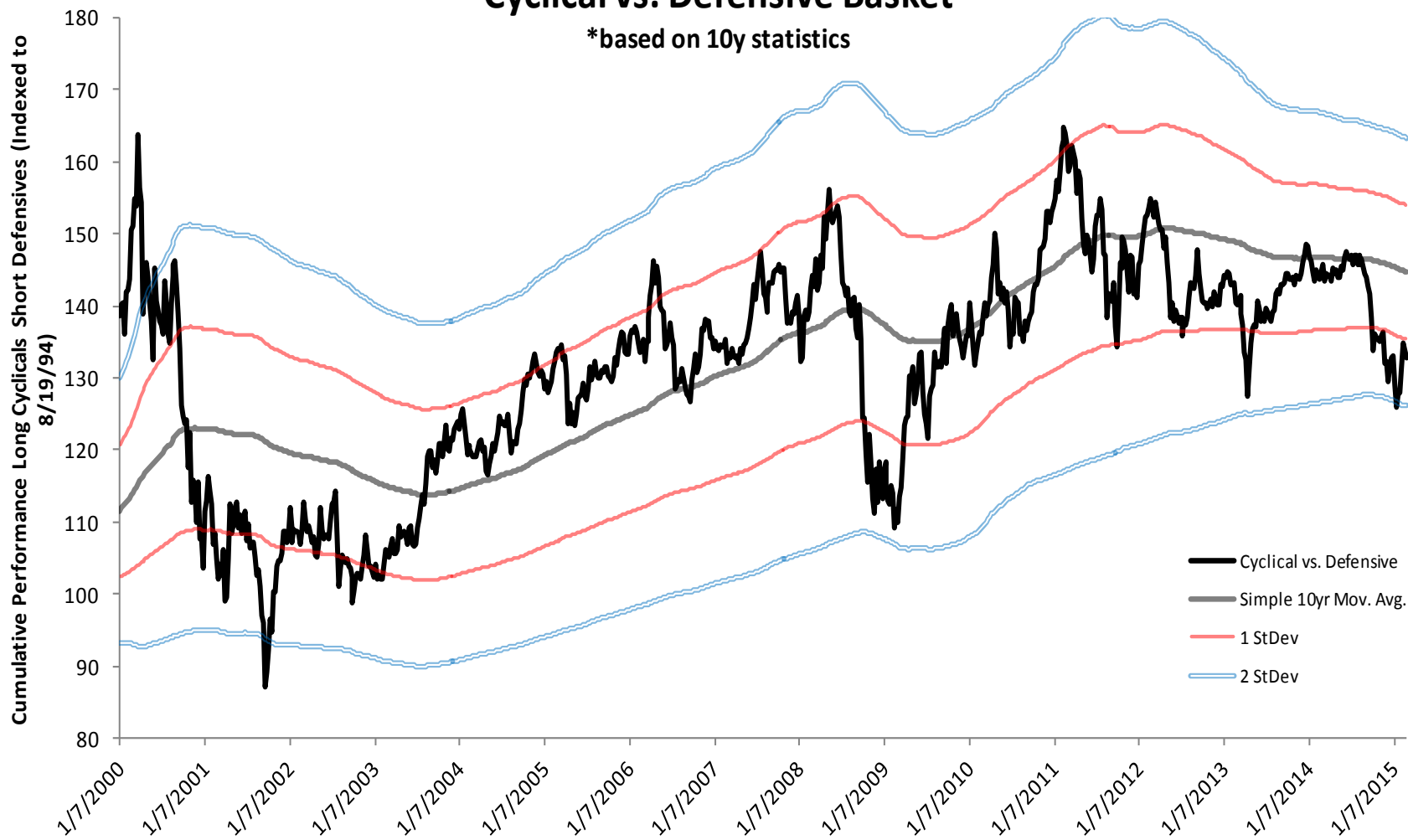
Please see appendix for index definitions. You cannot invest directly in an index.

# Cyclical vs. Defensive Performance Monitor

January 7, 2000 through February 27, 2015

## Cyclical vs. Defensive Basket

\*based on 10y statistics



Source: Bloomberg, DoubleLine

Note: Cyclicals = energy, materials, industrials, cons. Disc, IT; Defensives = health care, cons. Staples, telecoms, utilities. Standard deviations are based on 10y historical lookback.

StDev = Standard deviation. A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Sigma = Mathematical sum.

You cannot invest directly in an index.

# S&P 500/ EAFE Index (3 years)

March 3, 2012 through March 3, 2015



Copyright© 2015 Bloomberg Finance L.P.

03-Mar-2015 16:55:52

Source: Bloomberg

SPX = S&P 500 Index. Please see appendix for description. MSCI EAFE Index = Is a free float weighted equity index that covers developed countries in Europe, Australia, Israel and the Far East. You cannot invest directly in an index.



# NKY/S&P 500 (3 years)

March 3, 2012 through March 3, 2015



NKY Index (Nikkei 225) SPX vs. NKY Daily 03MAR2012-03MAR2015

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03-Mar-2015 16:57:31

Source: Bloomberg Financial Services, DoubleLine Capital LP

NKY Index = the Nikkei-225 Index is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. Please see appendix for definitions. You cannot invest directly in an index.

# S&P 500/Emerging Market Equities Update (3 years)

March 3, 2012 through March 3, 2015



Source: Bloomberg

SPX = S&P 500 Index. Please see appendix for description. Emerging Market Equities = MSCI Emerging Markets Index (MXEF) is a free float weighted equity index that covers emerging countries. You cannot invest directly in an index.

# Indian Stock Market

March 12, 2009 through March 9, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP

BXMCTOT Index = India Bombay Stock Exchange Market Capitalization is the total exchange market cap.

An investment cannot be made directly in an index. Past performance is no guarantee of future results.

# Shanghai Index

March 10, 2009 through March 10, 2015



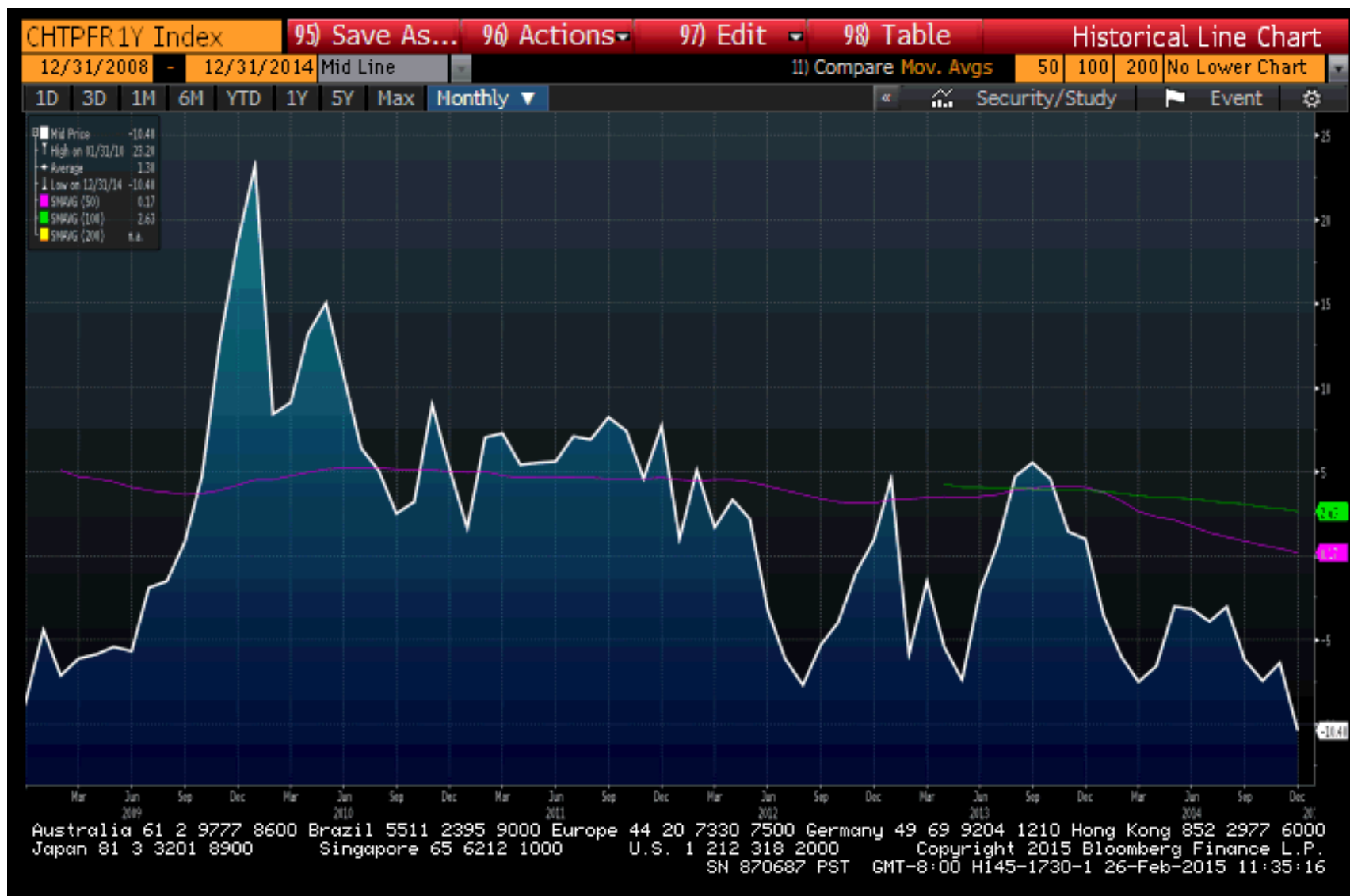
Source: Bloomberg Financial Services, DoubleLine Capital LP

Note: 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.

An investment cannot be made directly in an index. Past performance is no guarantee of future results.

# China Freight Traffic Volume (YoY) - Railways

December 31, 2008 through December 31, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP

CHTPFR1Y Index = China freight volume (YoY). Tracks the movement of the railways. Data provided by the National Bureau of Statistics in China. YoY = year-over-year.

An investment cannot be made directly in an index. Past performance is no guarantee of future results.



# U.S. 2-Year Treasury

March 10, 2010 through March 9, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP

GT2 = US 2 Year Treasury Bond. You cannot invest directly in an index. Past performance is no guarantee of future results. You cannot invest directly in an index.

# U.S. 5-Year Treasury

March 10, 2010 through March 10, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
 GT5 = US 5 Year Treasury Bond. You cannot invest directly in an index. Past performance is no guarantee of future results. You cannot invest directly in an index.

# U.S. 10-Year Treasury

March 10, 2010 through March 10, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
 GT10 = US 10 Year Treasury Bond. You cannot invest directly in an index. Past performance is no guarantee of future results.



# U.S. 30-Year Treasury

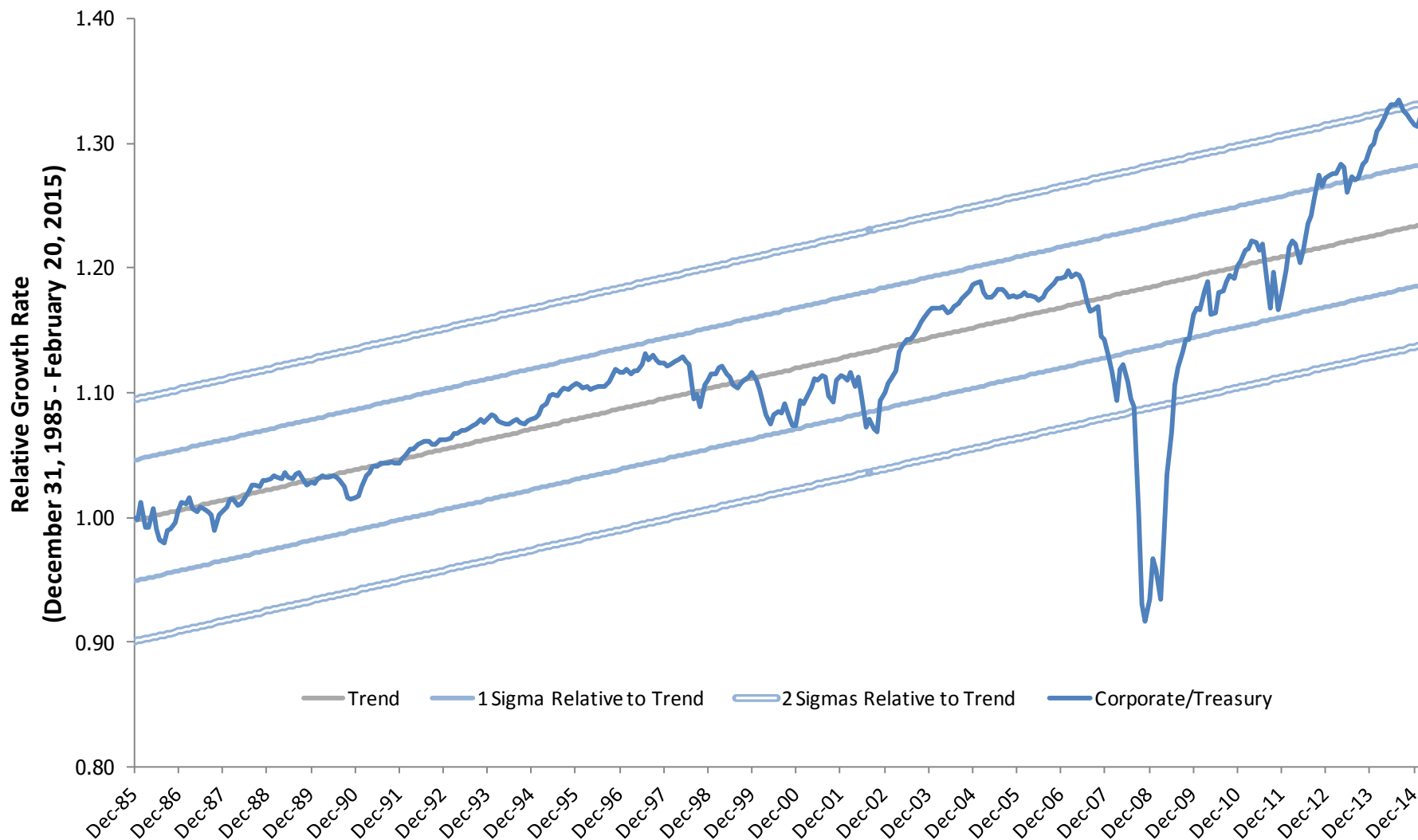
March 10, 2010 through March 10, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT30 = US 30 Year Treasury Bond. You cannot invest directly in an index. Past performance is no guarantee of future results.

# Relative Growth of Merrill Corporate Index to Merrill Treasury Index

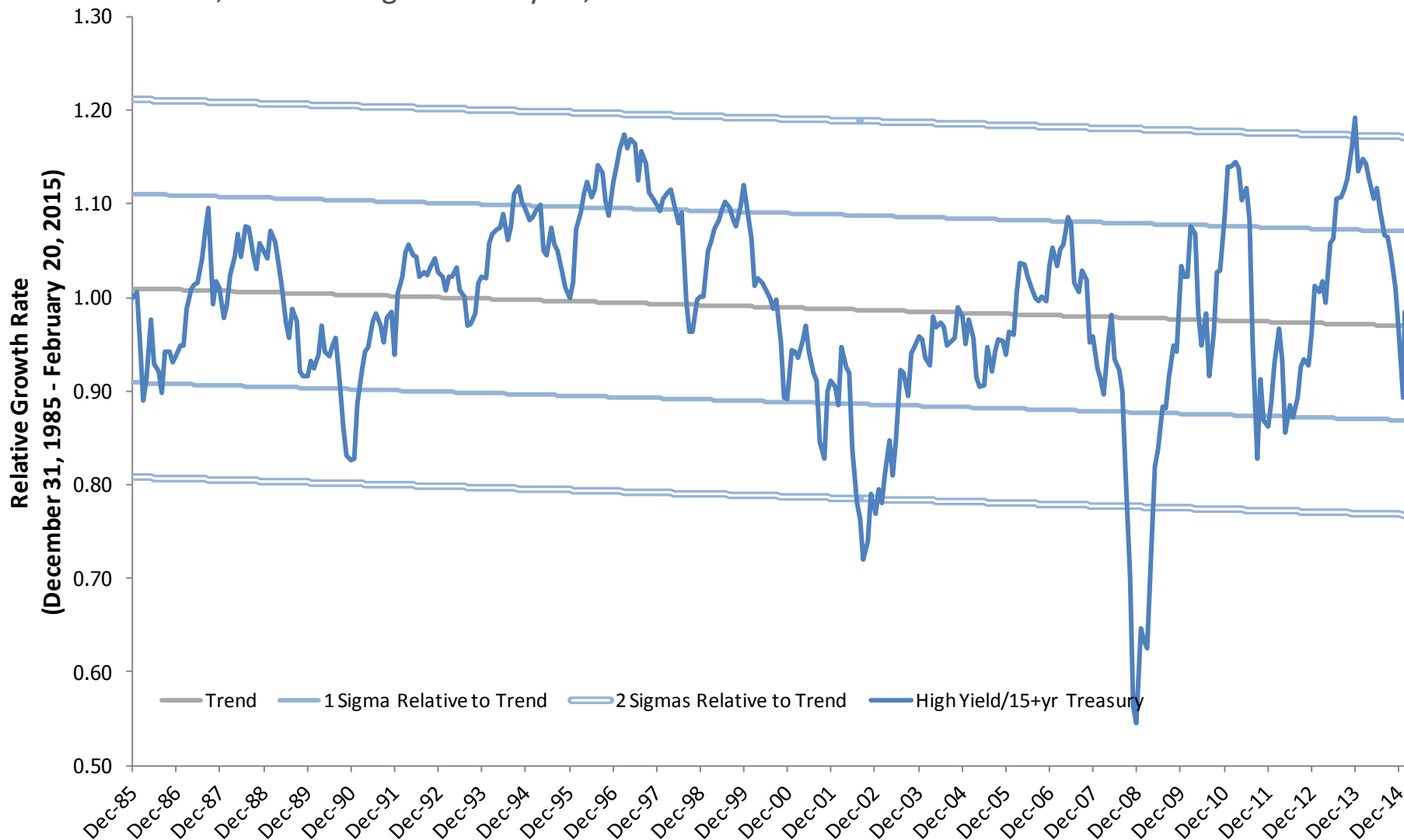
December 31, 1985 through February 20, 2015



Data Source: Merrill Lynch (COA0; GOQ0) Please see definitions in the Appendix. Monthly data with most recent observation appended. You cannot invest directly in an index. Standard deviation = A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Sigma = Mathematical sum.

# Relative Growth of Merrill High Yield Cash Pay Index to Merrill 15+ Year Treasuries Index

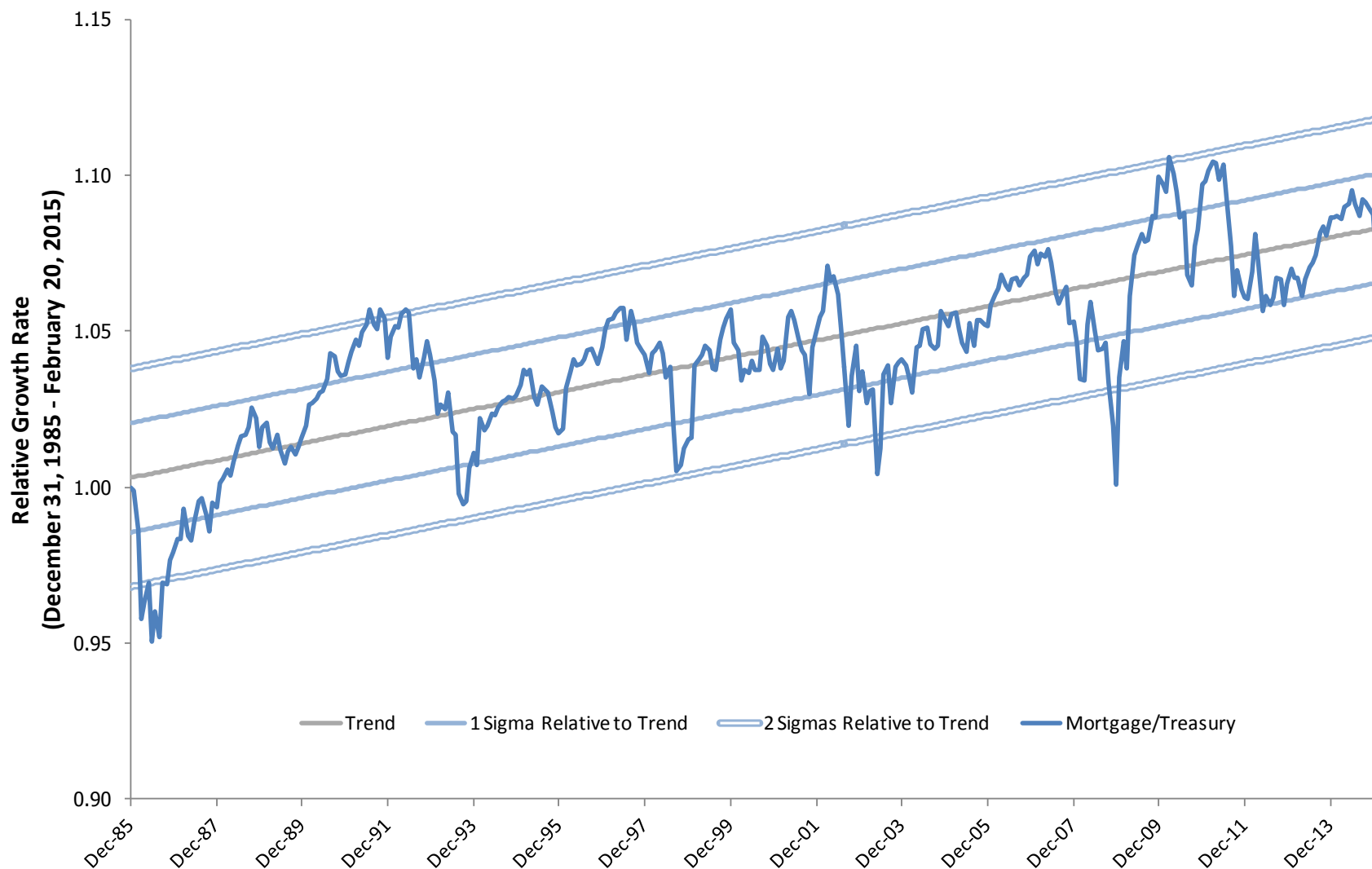
December 31, 1985 through February 20, 2015



Data Source: Merrill Lynch (JOAO; G802) Please see definitions in the Appendix. Monthly data with most recent observation appended. You cannot invest directly in an index. Standard deviation = A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Sigma = Mathematical sum.

# Relative Growth of Merrill Mortgage Index to Merrill Treasury Index

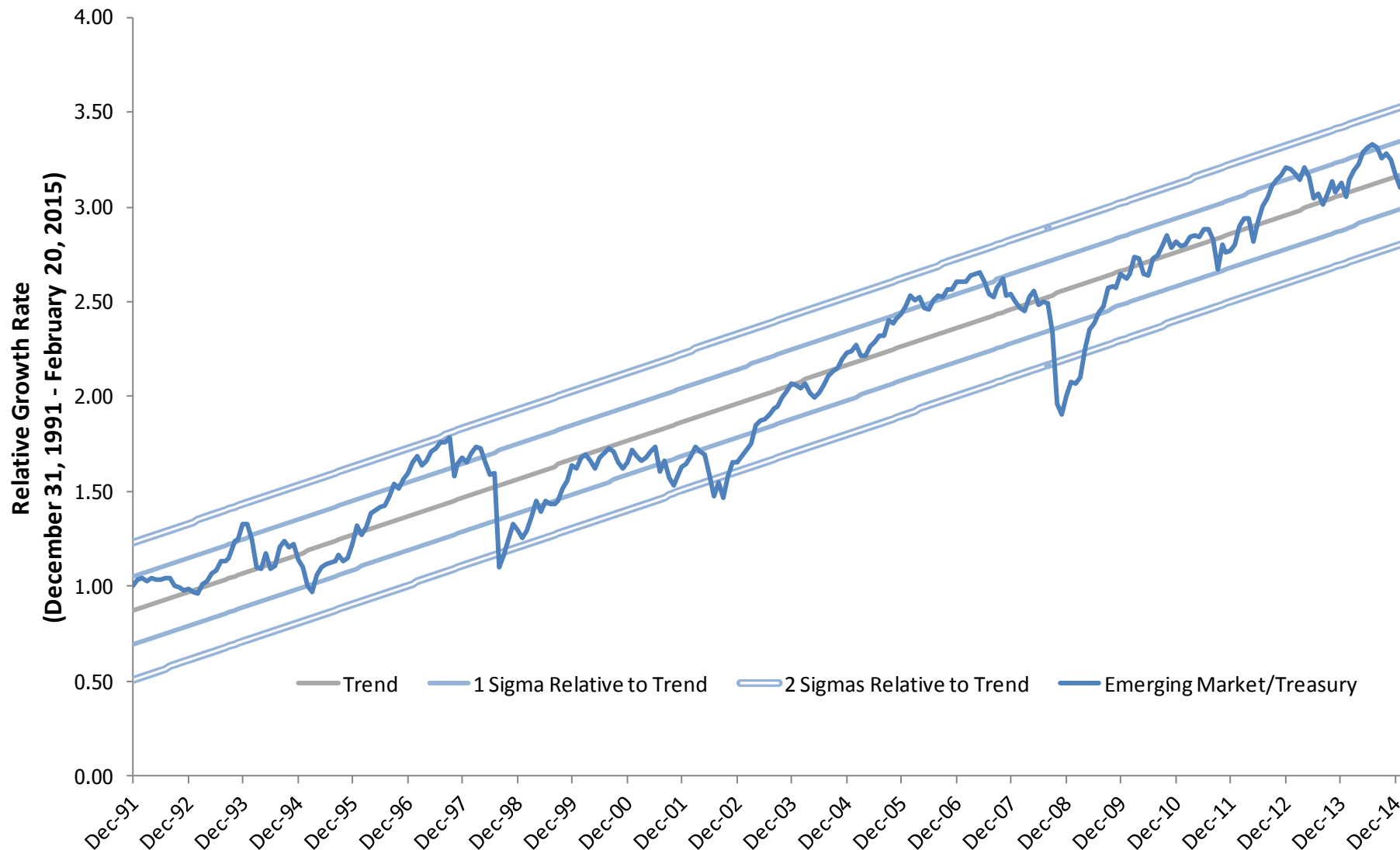
December 31, 1985 through February 20, 2015



Data Source: Merrill Lynch (MOA0; GOQO) Please see definitions in the Appendix. Monthly data with most recent observation appended. You cannot invest directly in an index. Standard deviation = A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Sigma = Mathematical sum.

# Relative Growth of Merrill Emerging Market Index to Merrill Treasury Index

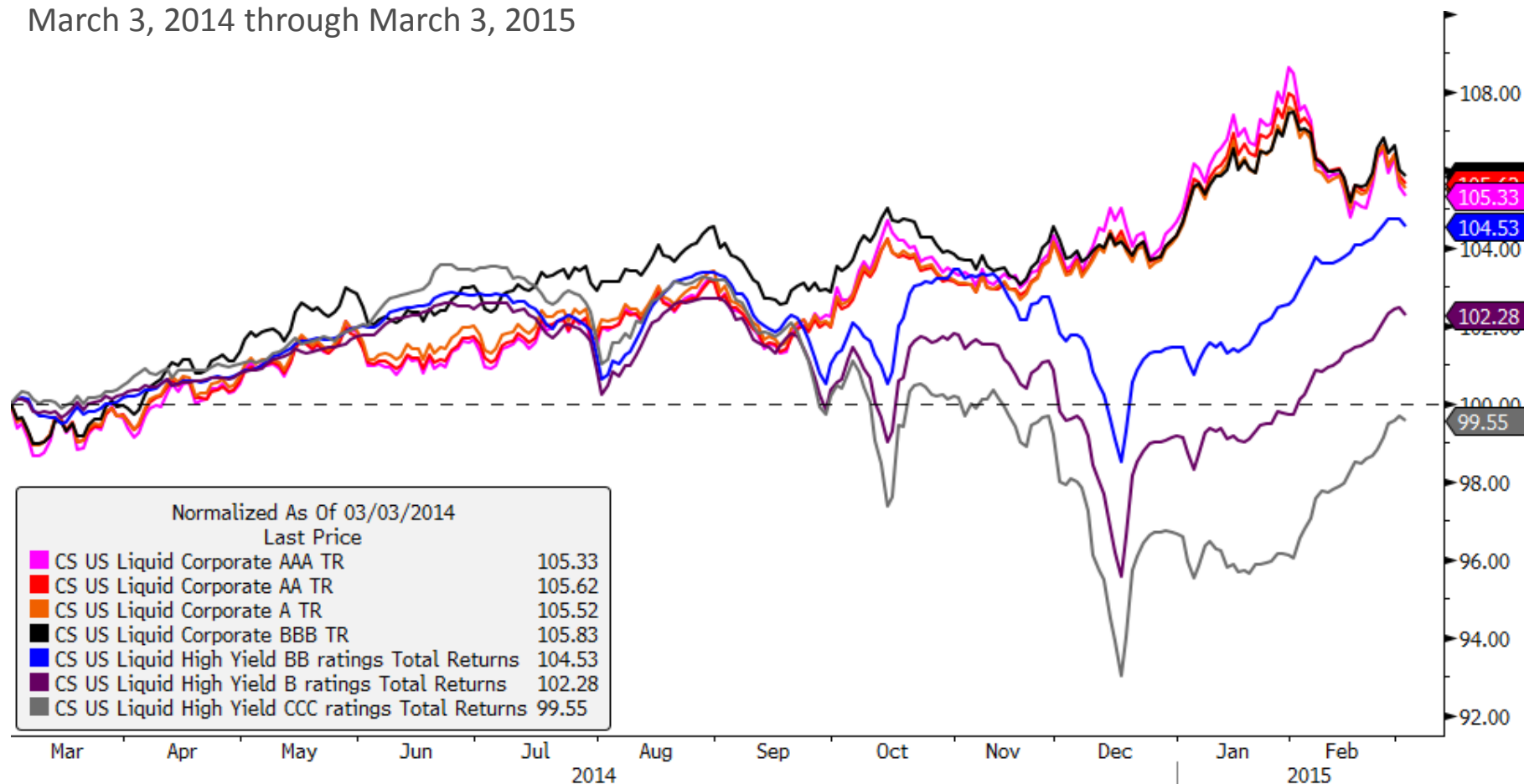
December 31, 1985 through February 20, 2015



Data Source: Merrill Lynch (IGOV; GOQO) Please see definitions in the Appendix. Monthly data with most recent observation appended. You cannot invest directly in an index. Standard deviation = A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Sigma = Mathematical sum.

# Credit Suisse Corporate Credit Index 12-month Total Return by Credit Quality

March 3, 2014 through March 3, 2015



LUCI3ATR Index (CS US Liquid Corporate AAA TR) CS Corp Credit YTD Daily 03MAR20 Copyright© 2015 Bloomberg Finance L.P. 03-Mar-2015 17:15:19

**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, Moody's, and Fitch).

CS US Liquid Corporate Credit Index (LUCI) is a composite universe of the liquid, tradeable, US dollar-denominated high grade issues. Above indices are subsets of this index based on specific credit rating indicated.

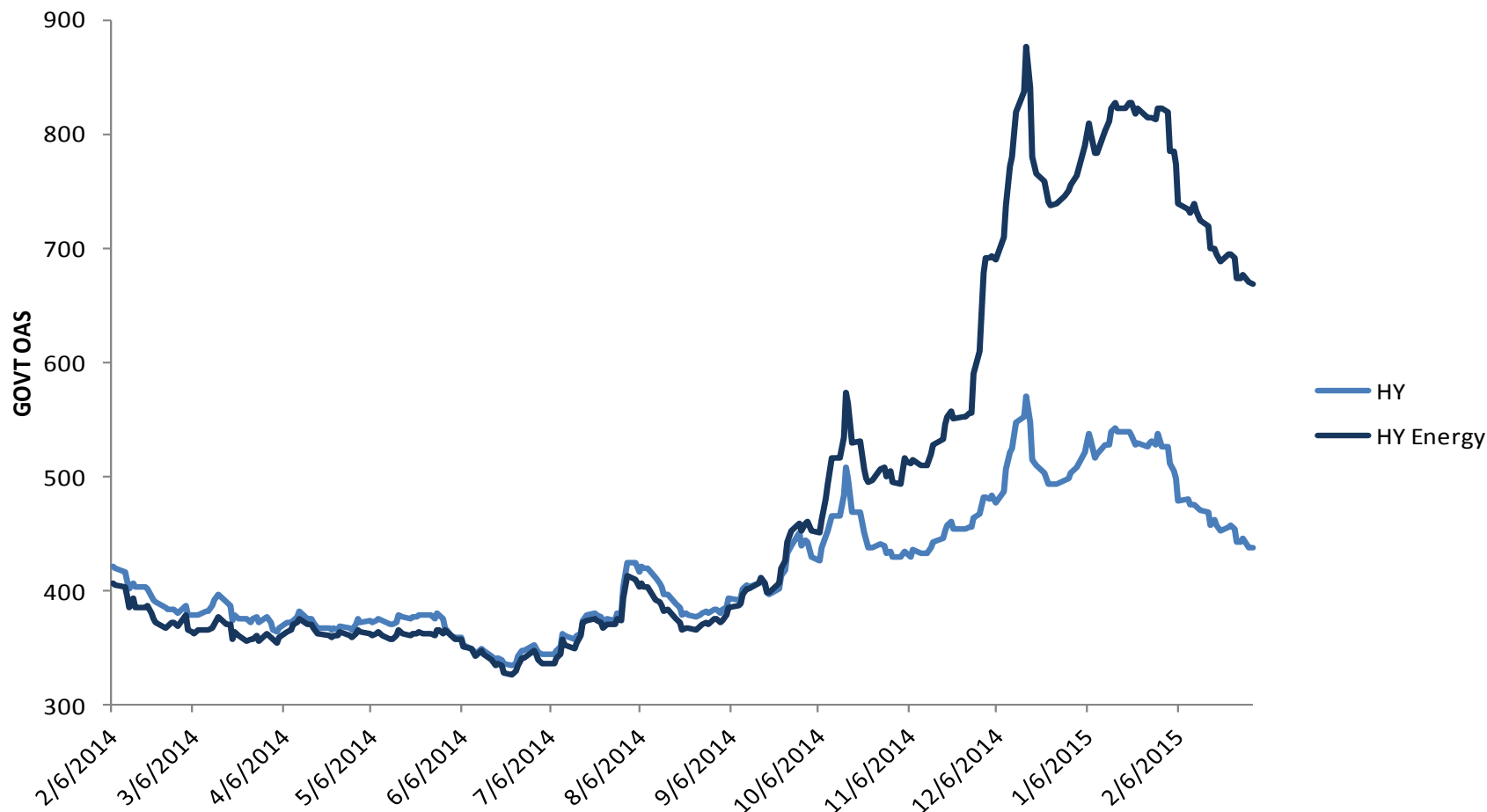
Please see appendix for Index definitions

Source: Bloomberg, DoubleLine. An investment cannot be made directly in an index.

# High Yield and High Yield Energy Spreads

February 6, 2014 through March 3, 2015

## HY and HY Energy Spreads



Source: Bloomberg, DoubleLine

HY = High Yield, HY Energy = the energy sector of the high yield market. GOVT OAS = Government Treasury option adjusted spread. A measure of the spread of a fixed income investment (high yield) and the risk free rate (US 3-month government T-Bills)

An investment cannot be made directly in an index.

# TAB IV

## DoubleLine Total Return Bond Fund & Housing Market



# Total Return Bond Fund Portfolio Statistics

	Total Return Bond Fund	Barclays Capital U.S. Aggregate Index
Average Price	\$100.17	\$106.45
Duration	2.48	5.47
Average Life	4.45	7.72

Portfolio statistics as of February 27, 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.

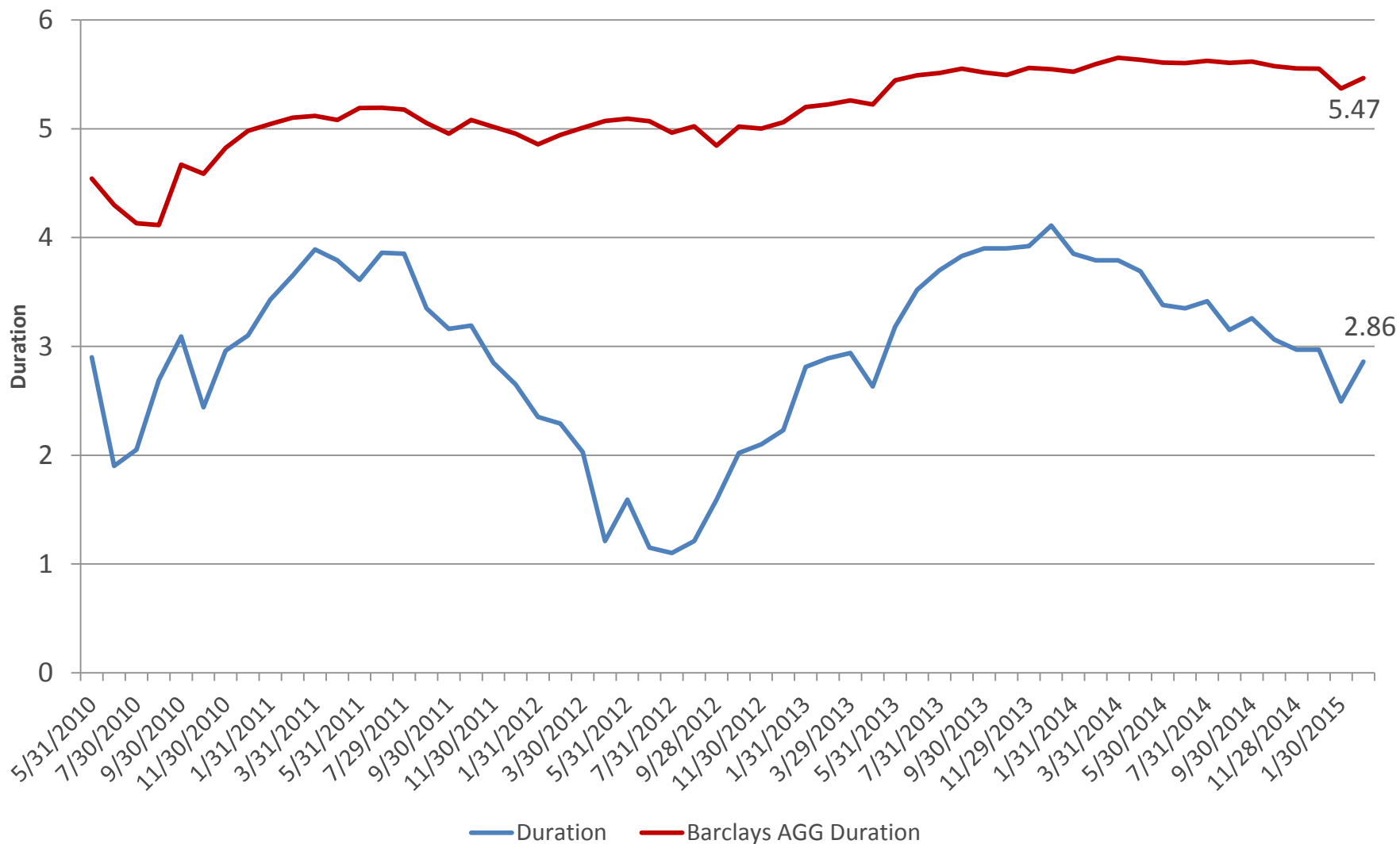
**Average Life** = The average number of years that each dollar of unpaid principal due on the mortgage remains outstanding. Average life is computed as the weighted average time to the receipt of all future cash flows, using as the weights the dollar amounts of the principal paydowns.

Source: DoubleLine Capital LP

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

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

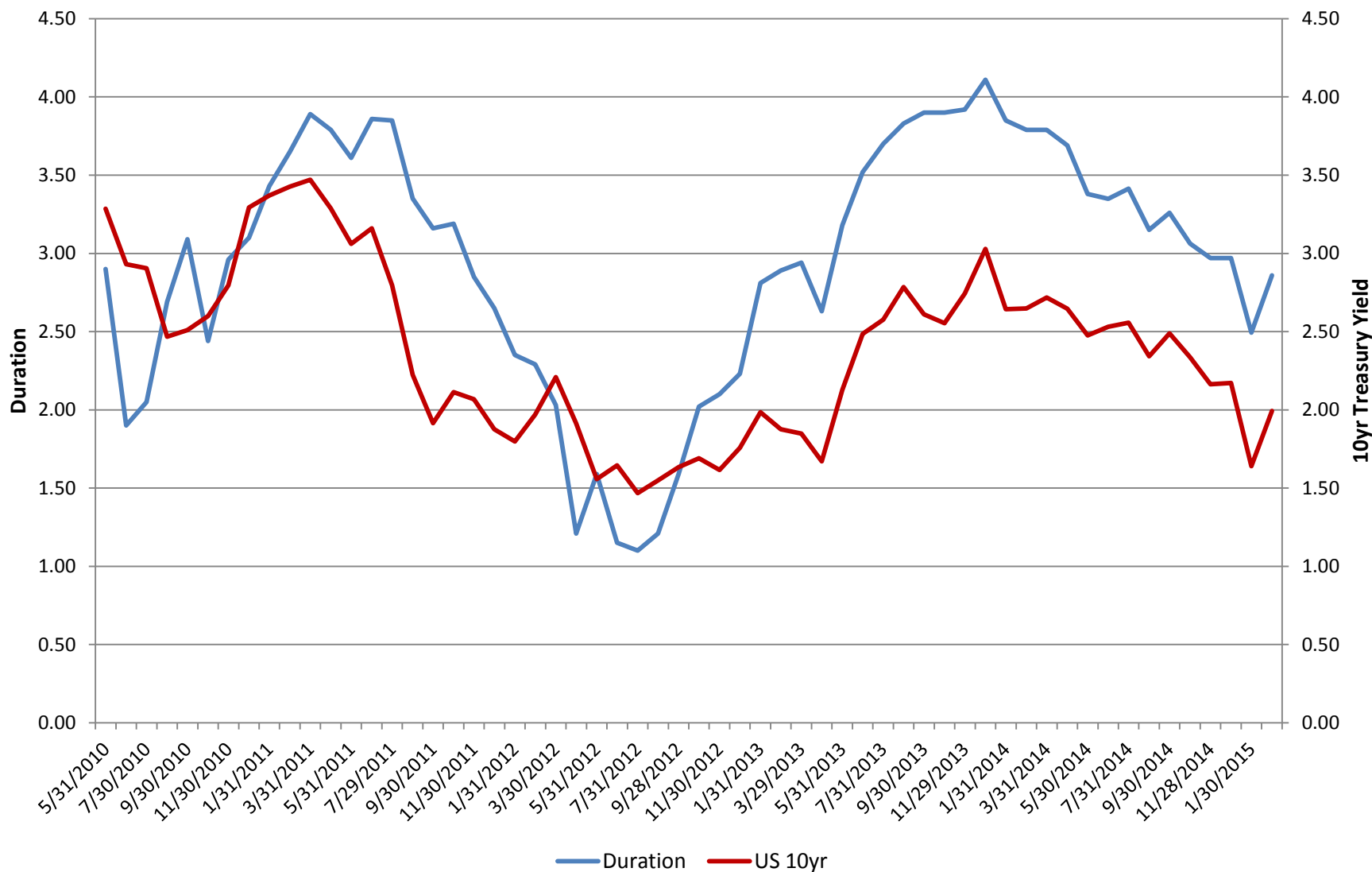
April 1, 2010 through February 27, 2015



Source: DoubleLine, Barclays  
 Barclays AGG Duration = Barclays US Aggregate Index duration.

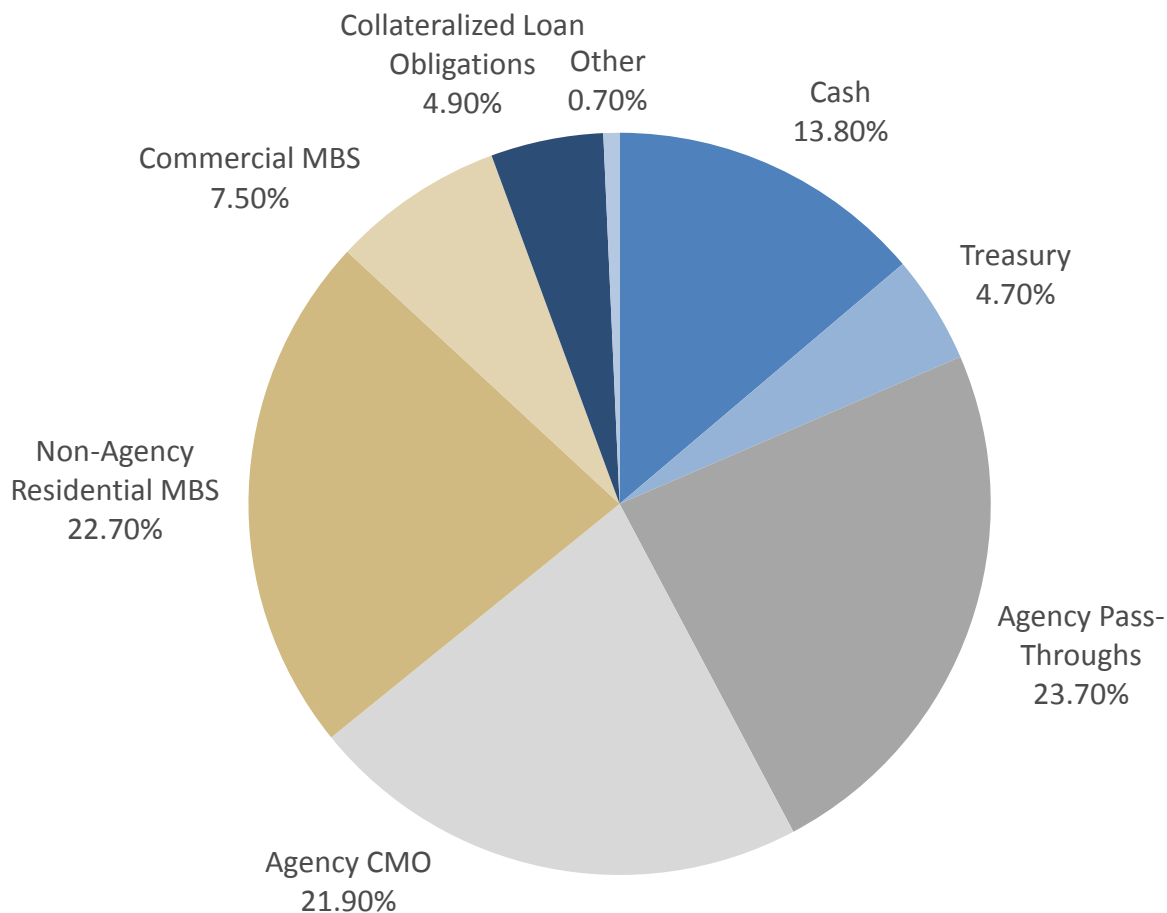
# DBLTX Duration vs. 10 Year U.S. Treasury Yield

May 31, 2010 through February 27, 2015



Source: DoubleLine, Bloomberg

# Total Return Bond Fund Portfolio Composition – By Security Type



Portfolio composition as of February 27, 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.

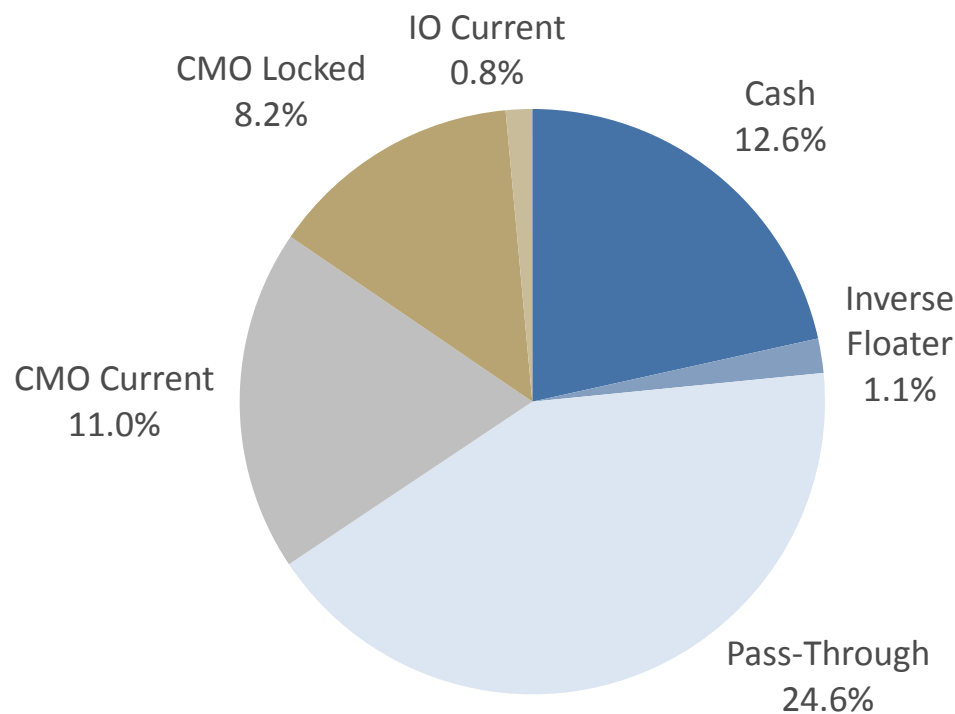
**Agency** = Mortgage securities whose principal and interest guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC).

**Non-Agency** = Residential Mortgage 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



<b>Agency CMO Composition</b>	
Cash	12.6%
Inverse Floater	1.1%
Pass-Through	24.6%
CMO Current	11.0%
CMO Locked	8.2%
IO Current	0.8%
IO Locked	0.0%
<b>Subtotal</b>	<b>58.3%</b>

Portfolio composition as of February 27, 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.

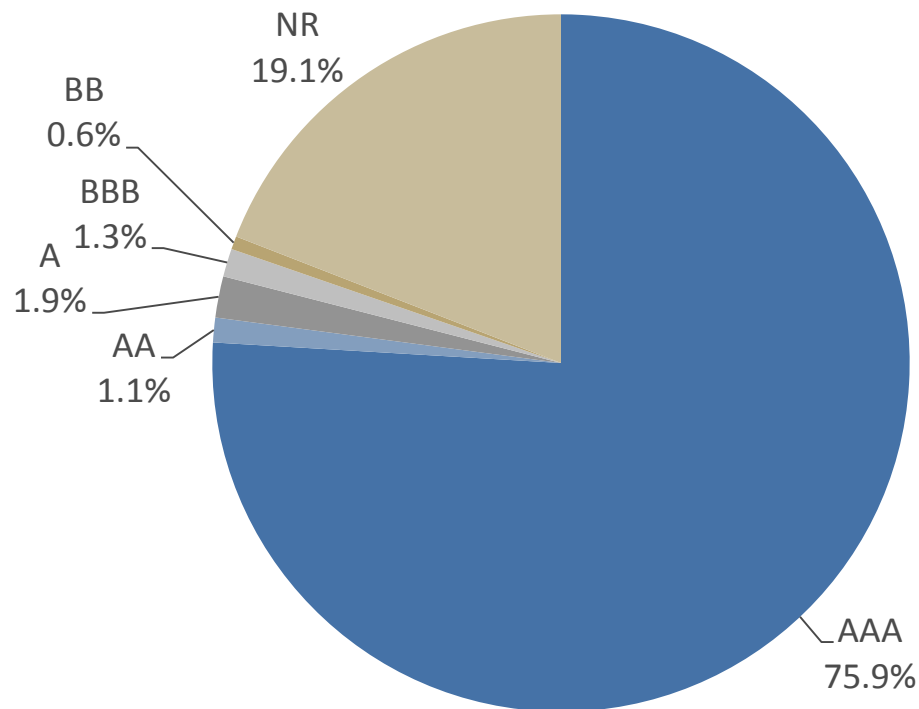
**IO** = Interest Only mortgage pools in which the borrower's monthly payment is only toward the interest on the loan. A non-amortized loan.

**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.

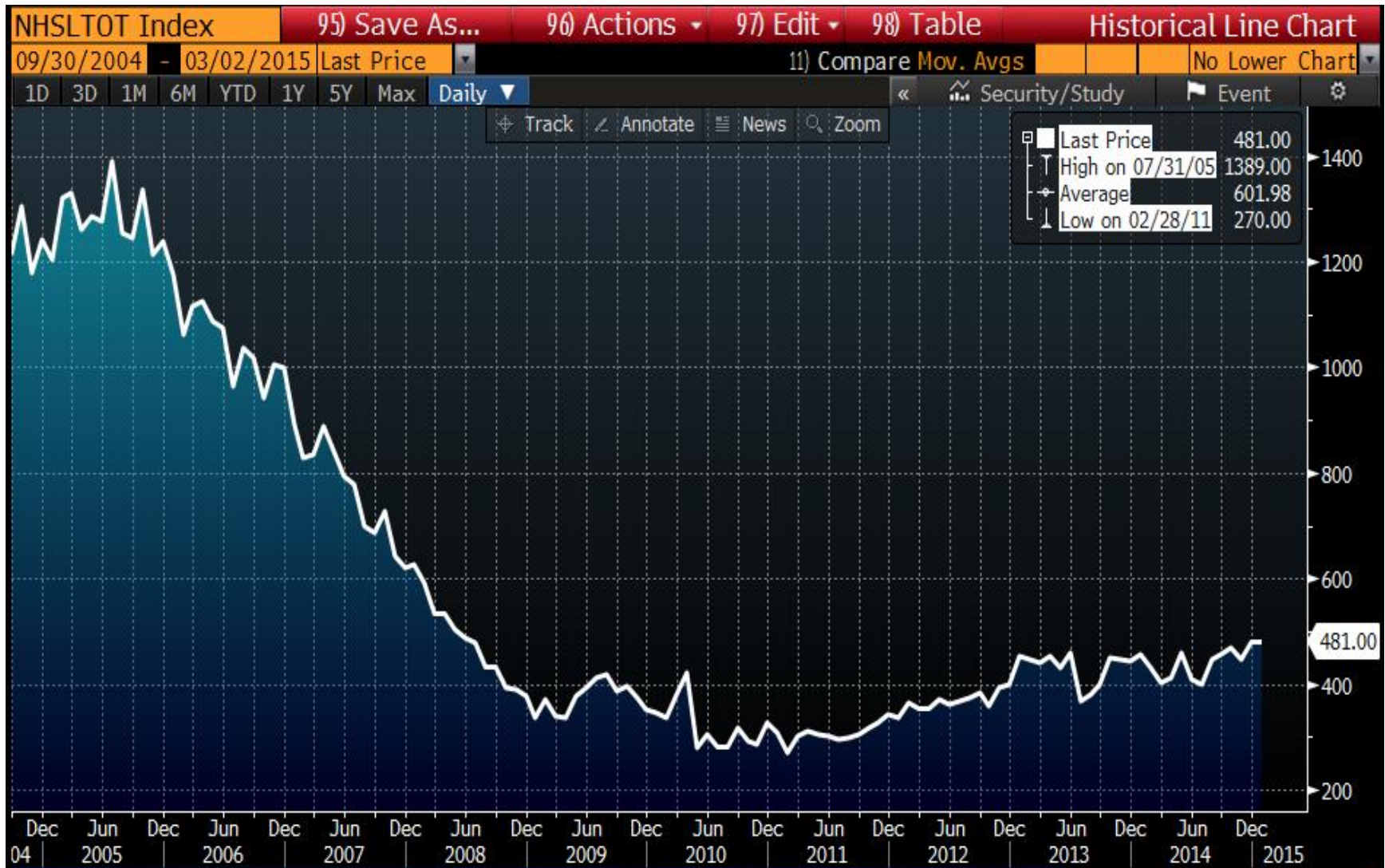
**NR** = Not Rated. Securities that are not rated by the three rating agencies.

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 February 27, 2015

# New Home Sales – Last Ten Years

September 30, 2004 through March 2, 2015



Source: Bloomberg Financial Services

NHSLTOT Index = U.S. New One family houses sold annually. The index tracks sales of newly constructed homes during the reference period.

An investment cannot be made in an index directly.



# Mortgage Refinancing Index

March 4, 2010 through March 3, 2015



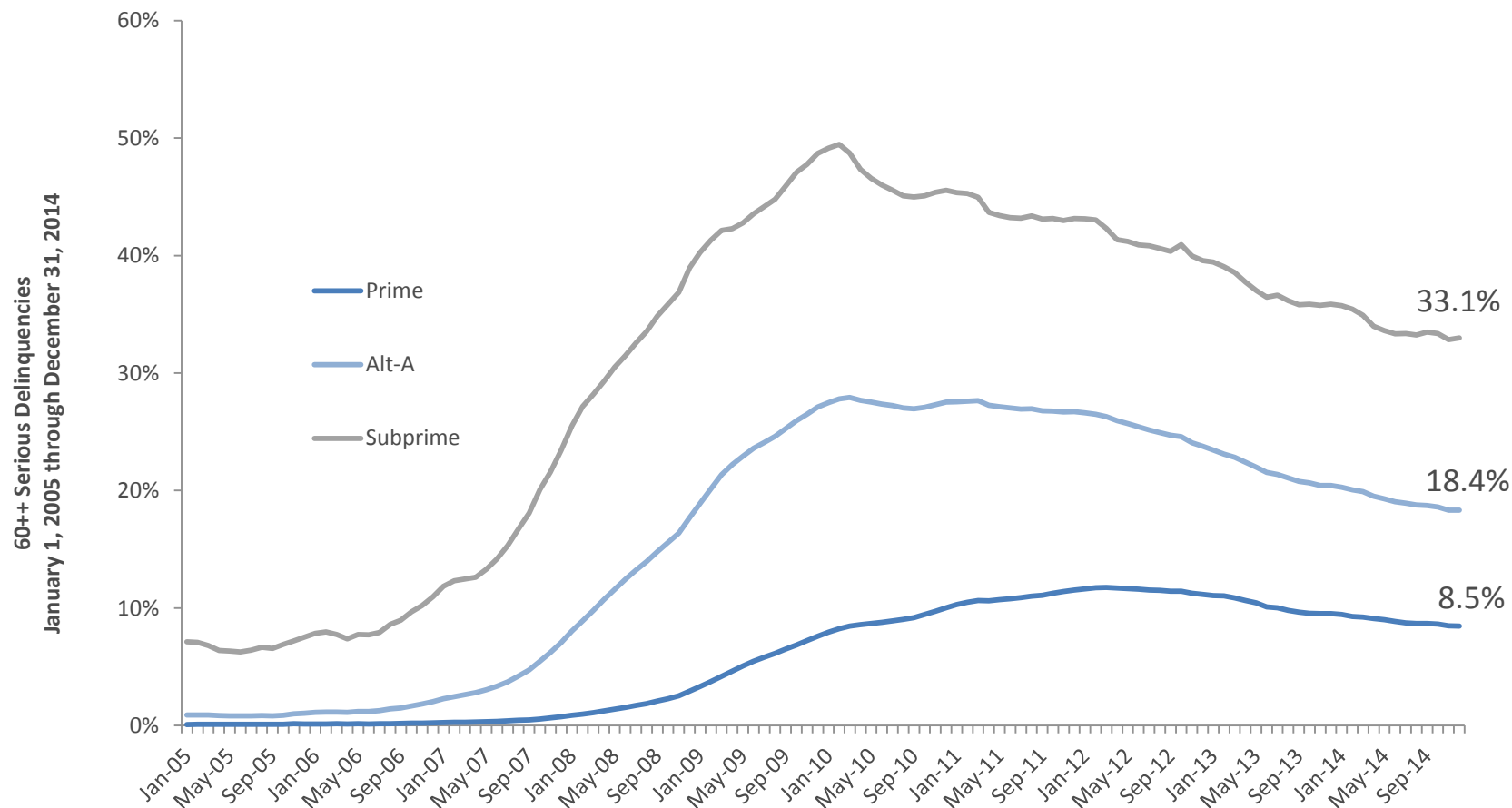
Source: Bloomberg

MBAVREFI Index = Mortgage Refinancing Index tracks the volume of mortgage loan applications that have been submitted to lender.. SMAVG = Moving Average for the days indicated.  
 You cannot invest directly in an index.



# Non-Agency Residential Mortgage-Backed Securities (RMBS) 60++ Delinquency Rate

January 1, 2005 through December 31, 2014



Serious Delinquencies is defined by mortgages that are 60++ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

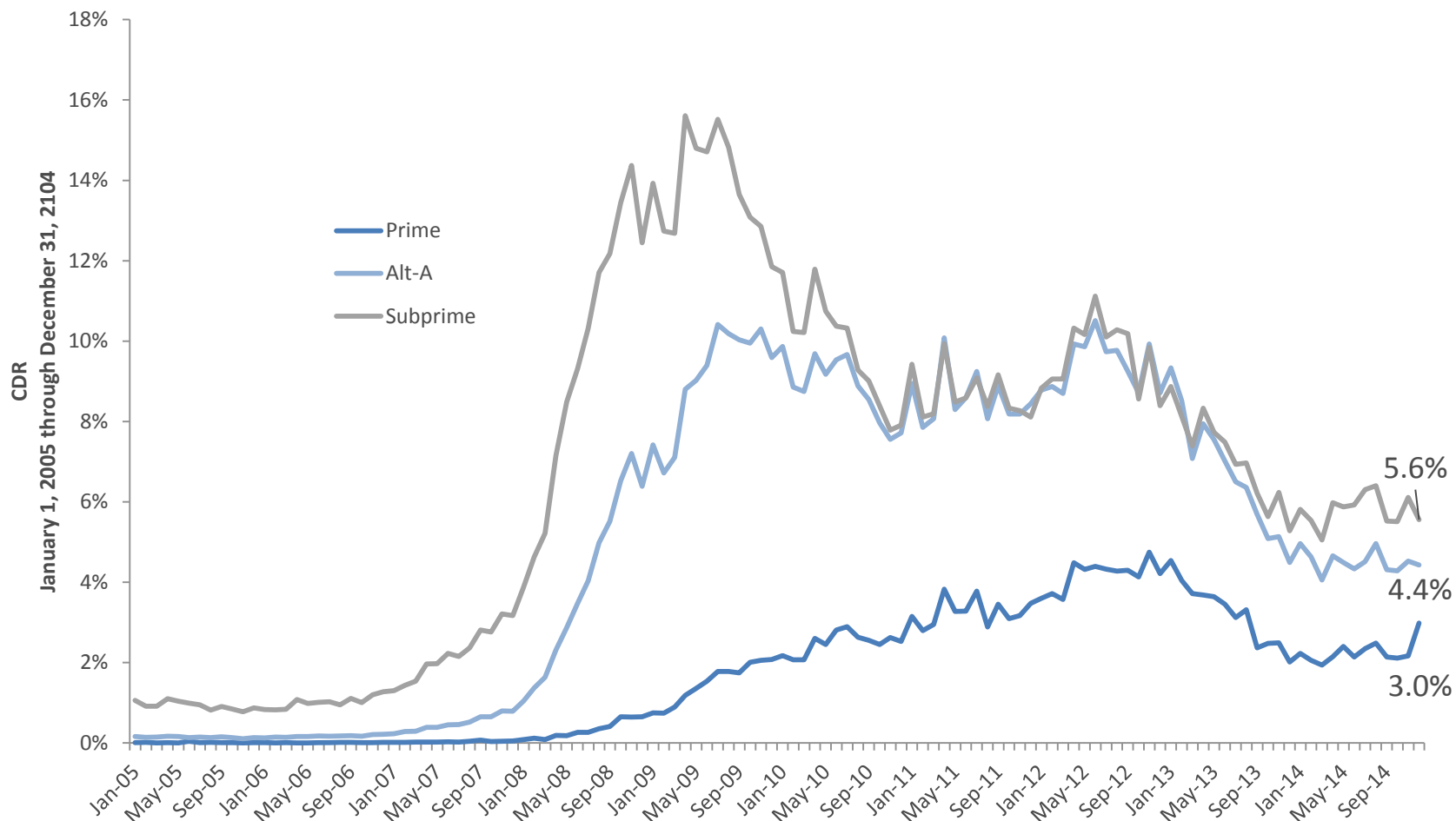
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital . You cannot invest directly in an index.

# Non-Agency RMBS Conditional Default Rate

January 1, 2005 through December 31, 2014



RMBS = Residential Mortgage-Backed Securities

Serious Delinquencies is defined by mortgages that are 60+ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

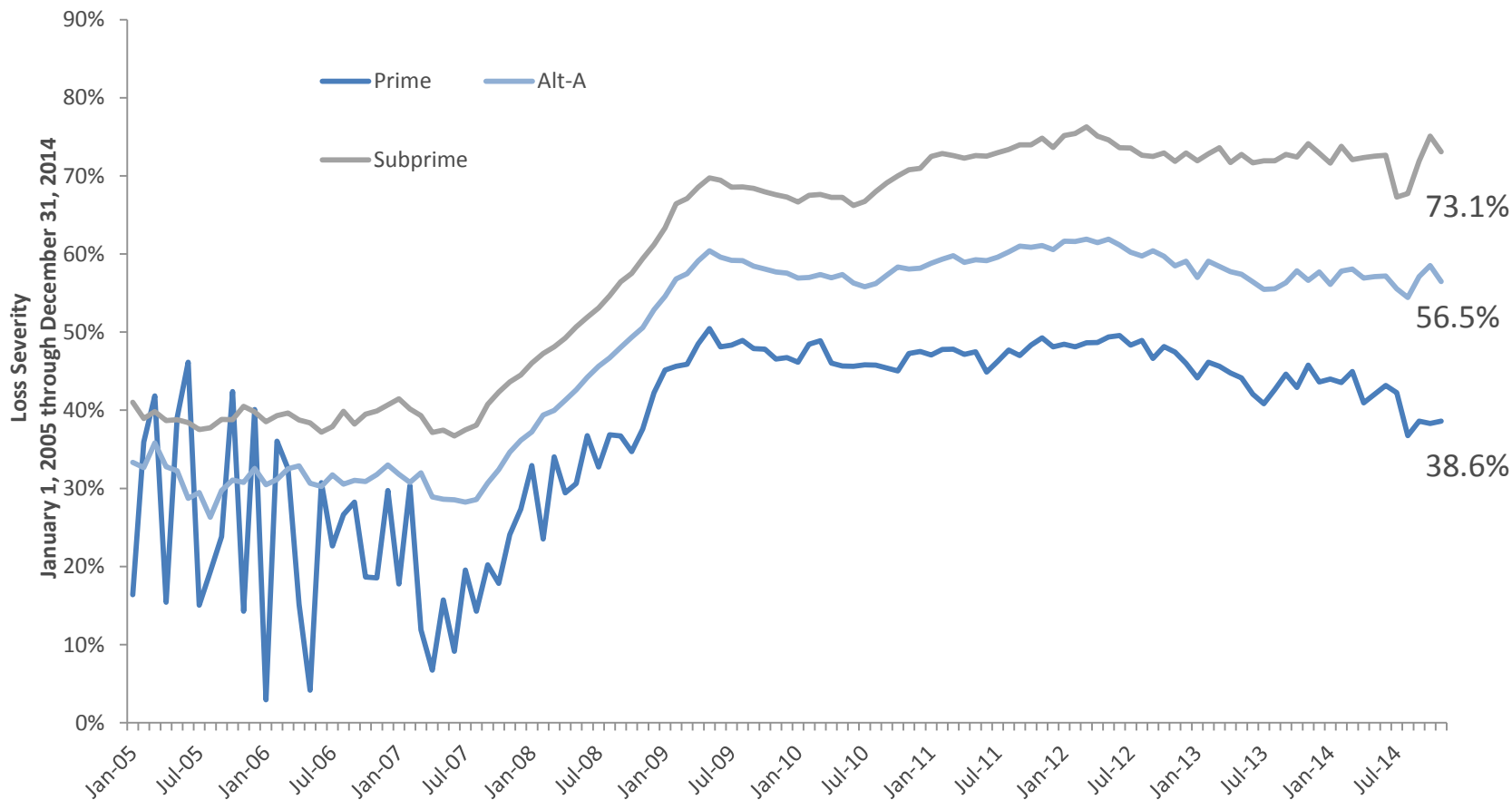
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital. You cannot invest directly in an index.

# Non-Agency RMBS Loss Severity

January 1, 2005 through December 31, 2014



RMBS = Residential Mortgage-Backed Securities

Serious Delinquencies is defined by mortgages that are 60+ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

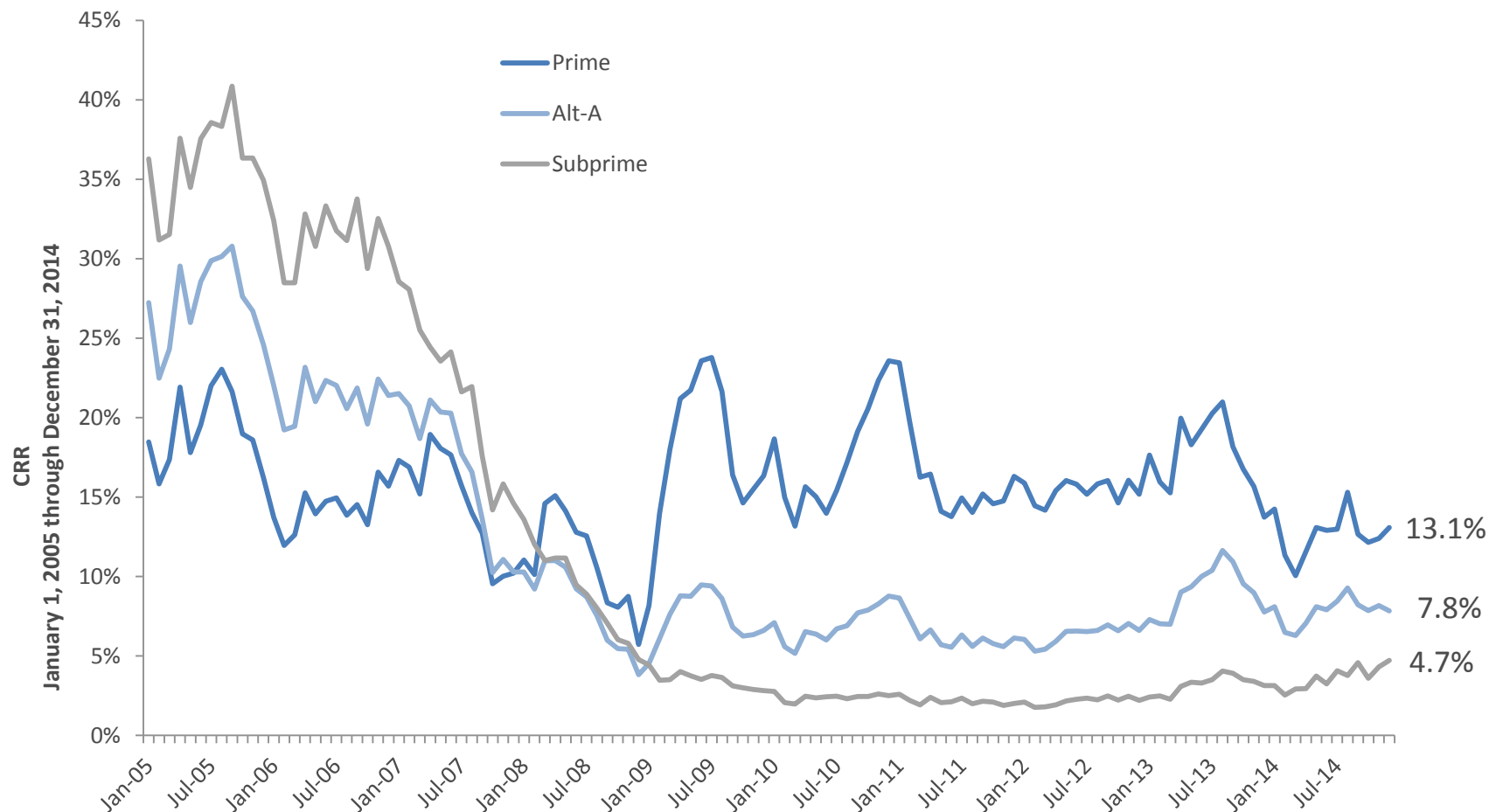
Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital

You cannot invest directly in an index.

# Non-Agency RMBS Conditional Repayment Rate

January 31, 2005 through December 31, 2014



RMBS – Residential Mortgage-Backed Securities . CRR = Conditional Repayment Rate.

Serious Delinquencies is defined by mortgages that are 60+ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

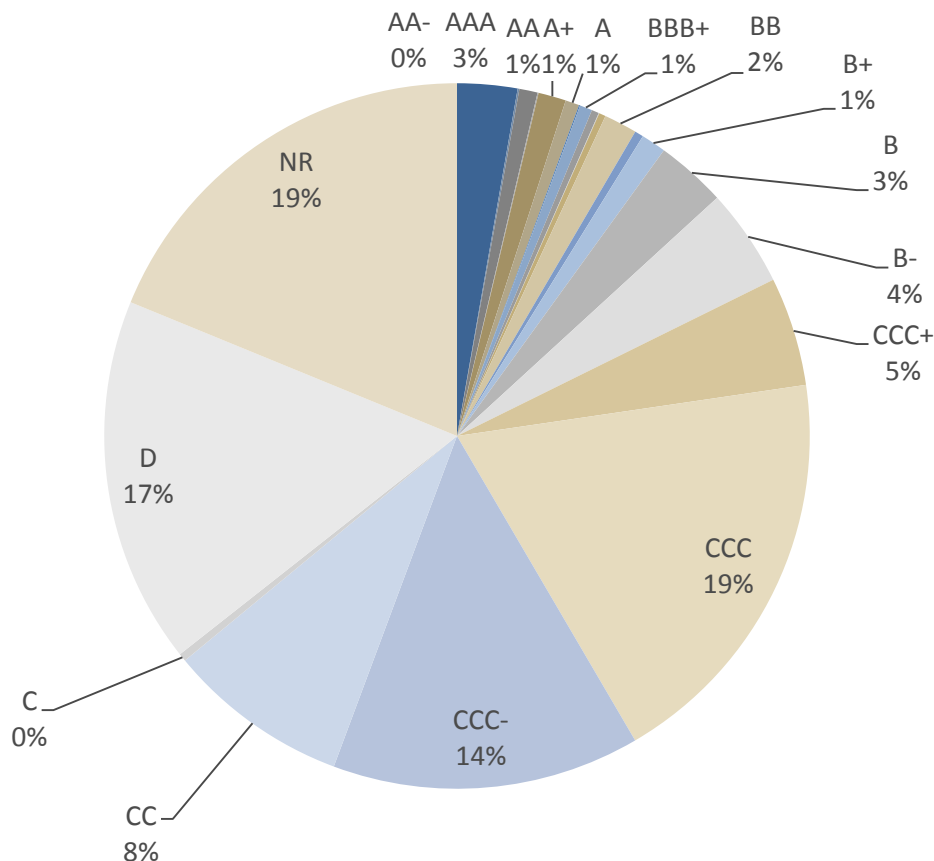
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital

You cannot invest directly in an index.

# Total Return Bond Fund Portfolio – Non-Agency RMBS Breakdown By Current Credit Quality



Portfolio composition as of February 27, 2015. Portfolio composition is subject to change without notice. There are some non-rated securities in the portfolio as shown in the chart 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- (shown in blue 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. 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" (shown in grey 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 quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

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

RMBS = Residential Mortgage-Backed Securities.

Source: DoubleLine Capital LP

# TAB VI

## DoubleLine Funds Overview

# “Blockhead”

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**March 10, 2015**



# Index Descriptions

**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 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".



# 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 Fitch 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 (GOQ1)** – 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.

# Disclaimer

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# Upcoming Webcast Announcements

## [Rising Rates Webcast – March 24, 2015](#)

Funds for a rising rate environment featuring:

Andrew Hsu – **Low Duration Fund**

Luz Padilla – **Low Duration Emerging Markets Fund**

Robert Cohen – **Floating Rate Fund**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## [Asset Allocation Funds – April 7, 2015](#)

Jeffrey Gundlach will discuss

**Core Fixed Income Fund and Flexible Income Fund**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

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