DoubleLine®

Monthly Commentary

November 2017

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Overview

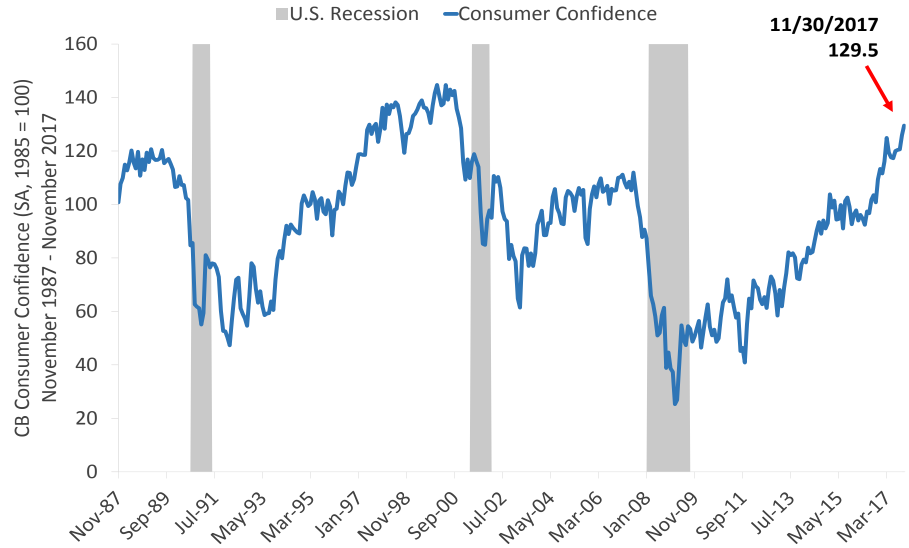
November was a quiet month due to the absence of any major catalysts. Economic data remains supportive of risk assets, the timeline for tax reform in the U.S. is still uncertain, and our positioning remains unchanged.

Heading into the holiday shopping season, U.S. Consumer Confidence soared to 129.5 in November from 126.2 the month prior. Consumers haven't been this confident since November 2000. Third quarter Real Gross Domestic Product (GDP) was revised upward to 3.3% quarter-over-quarter (QoQ) this month.

Tax reform remains uncertain. Any proposals will be subject to debate and amendment, and time will tell if an agreement on reform will be met. We believe that any progress could serve to support an appetite for U.S. Equities.

We continue to see little value in the front-end of the U.S. Treasury (UST) yield curve and remain tactically bearish on the longer-end of the curve. We believe that 10-year UST yields will continue to remain range-bound, but are likely to move higher over the course of the next three months. Additionally, we remain bearish on European government bonds due to their long duration and lack of yield. In regards to credit, we maintain a higher credit quality bias. In the near-term none of our internal indicators are signaling a recession.

Conference Board Consumer Confidence Index
November 30, 1987 to November 30, 2017



Source: DoubleLine, Bloomberg

U.S. Government Securities

- The Bloomberg Barclays U.S. Treasury Index posted a small loss of 0.14%, paring its year-to-date (YTD) advance to 2%. The yield curve flattened relentlessly in November. The spread between 2-year and 10-year UST fell from 78 basis points (bps) to 62 bps without much resistance. The 5-year to 30-year spread tightened about 14 bps as well. All yield curve measures are at multi-year lows.

U.S. Treasury Yield Curve

	10/31/2017	11/30/2017	Change
3 month	1.13%	1.26%	0.13%
6 month	1.28%	1.44%	0.16%
1 year	1.42%	1.61%	0.19%
2 year	1.60%	1.78%	0.18%
3 year	1.73%	1.89%	0.16%
5 year	2.02%	2.14%	0.12%
10 year	2.38%	2.41%	0.03%
30 year	2.88%	2.83%	-0.05%

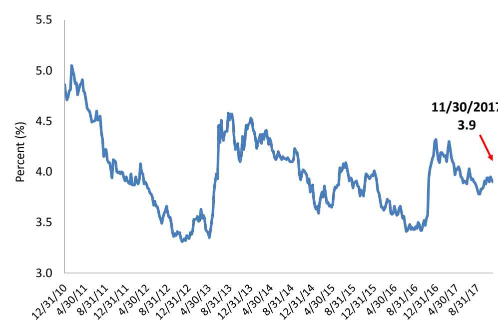
Source: Bloomberg

- On expectations the Federal Reserve (Fed) will raise rates in December and in 2018, the 2-year yield touched 1.80% – its highest level since October 2008 – and the 5-year yield touched 2.15% – its highest since April 2011.
- Long bonds became the best performer across the curve amid rate hike expectations and lackluster inflation.
- Treasury Inflation-Protected Securities (TIPS) breakevens remained inside recent ranges; the 5-year declined 4.3 bps to 1.77%, while the 10-year and 30-year were little changed.
- As Congress is getting close to passing the tax reform bill, we expect the deficit gap will widen and the Department of the Treasury will need to increase issuance to bridge that gap. The Fed's effort to normalize its balance sheet is on course, which will also increase the supply of UST in the market. We consider these developments to be bond unfriendly and continue to see higher benchmark interest rates in 2018.

Agency Mortgage-Backed Securities

- Overall prepayment speeds declined across all Agency Mortgage-Backed Securities (MBS) products. Fannie Mae and Freddie Mac products were down 7-10% while Ginnie Mae product was down 2-7%. A drop in prepayment speeds was driven primarily by a decline in day count and seasonality entering into the winter months.
- The 30-year Freddie Mac Commitment Rate was range-bound during the month, settling at a level of 3.90% month-end. Similarly, the MBA Refinance Index was largely unchanged.

Freddie Mac Commitment Rate
December 2010 to November 2017



Source: Bloomberg, DoubleLine

- The 10-year rate increased modestly by 3 bps and was within a 10 bps range through the month.

Conditional Prepayment Rates (CPR) 2017	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Oct	Nov
Fannie Mae (FNMA)	15.1%	10.7%	8.6%	10.6%	9.7%	11.5%	12.3%	11.4%	12.4%	11.2%	12.1%	10.9%
Freddie Mac (FHLMC)	14.7%	10.4%	8.6%	13.6%	12.5%	14.5%	15.4%	14.8%	16.0%	14.6%	15.7%	15.3%
Ginnie Mae (GNMA)	18.5%	13.1%	11.8%	10.2%	9.6%	11.3%	12.1%	11.3%	12.2%	11.0%	11.8%	10.7%

Bloomberg Barclays Capital U.S. MBS Index	9/30/2017	10/31/2017	11/30/2017	MoM Change
Average Dollar Price	$103.69	$103.42	$103.03	-$0.39
Duration	4.47	4.50	4.57	0.07

Bloomberg Barclays Capital U.S. Index Returns	9/30/2017	10/31/2017	11/30/2017
Aggregate	-0.48%	0.06%	-0.13%
MBS	-0.22%	-0.03%	-0.14%
Corporate	-0.22%	0.34%	-0.09%
Treasury	-0.86%	-0.12%	-0.14%

Source: eMBS, Barclays Capital

As a result, rate volatility was muted.

- Agency MBS issuance for the month was $105 billion. Freddie Mac issuance was $34 billion, followed by Fannie Mae issuance of $37 billion and Ginnie Mae issuance of $34 billion.
- Bloomberg Barclays U.S. MBS Index monthly return was -0.14% and the duration stood at 4.57 years as of month-end.

Non-Agency MBS

- Spreads softened slightly during the month as Prime and Alt-A securities were wider by about 10 bps. Subprime securities were flat.
- There was $6.7 billion of legacy non-Agencies traded on bid lists during November compared to $7.7 billion during October. Money managers and hedge funds were the largest contributors to supply this month.
- November remittance reports continued to show rising delinquencies in areas impacted by hurricanes. This is expected as servicers provide temporary forbearance to borrowers.
- Fundamentals in the housing market remain strong overall as the latest Home Price Index from Corelogic showed U.S. home prices up 7% annually through October.

Commercial MBS

- November private-label CMBS issuance volume increased 6% month-over-month (MoM) to $87.0 billion YTD. Six conduit deals totaling $5.2 billion and seven single-asset single-borrower (SASB) deals totaling $4.0 billion priced during the month. YTD through November 2017, private-label CMBS issuance volume is 26% higher than through the same period in 2016. New issue volume continues to be driven by SASB deals, for which net issuance is 74% higher than through the same period in 2016, while conduit issuance volume is up only 2% year-over-year (YoY).
- Secondary Principal & Interest CMBS trading totaled $20.2 billion in November, decreasing 7% MoM, however 7% above the 2017 monthly average of $18.8 billion through October. Secondary market cash spreads moved wider with AAA last cash flows (LCF) widening by 6 bps to swaps +79 bps and BBBs widening by 10 bps to swaps +350 bps. CMBX spreads were mixed, with AAA 2012-2016 reference indices widening by an average of 1 bp, and BBBs tightening by an average of 11 bps. The most recently issued conduit deal priced at swaps +84 bps and swaps +315 bps for the AAA LCF and BBB tranches, respectively.
- The outstanding private label CMBS universe increased by $4.8 billion or 1.1% to $454.6 billion in November. However, net issuance remains down 6.1% YTD. Both the outstanding conduit and SASB universes increased by about 1% in November. The outstanding conduit universe is down around 12% YTD, however the outstanding SASB universe is up nearly 16% YTD. While the CMBS delinquency rate continues to decline, falling 3 bps in November to 5.2%, it still remains 15 bps higher YoY.

Asset-Backed Securities

- November saw a healthy supply of new issuance, bringing YTD new issuance to $230 billion, which is up 25% YoY. The 2017 supply is the busiest year of issuance in 10 years, and third busiest in the history of the Asset-Backed Securities (ABS) market.
- ABS spreads were roughly flat on the month as spreads in Auto Loans and Credit Cards started to see small signs of weakness in both primary and secondary markets.
- The consumer balance sheet eclipsed its crisis peak in the second quarter of 2017; however, debt-to-income ratios still remain near 40-year lows. Auto and student loan deals continued to see an uptick in delinquencies, but the majority of other asset classes saw a decrease in delinquencies.
- The Bloomberg Barclays U.S. ABS Index returned -0.09% for the month of November and 1.53% YTD.

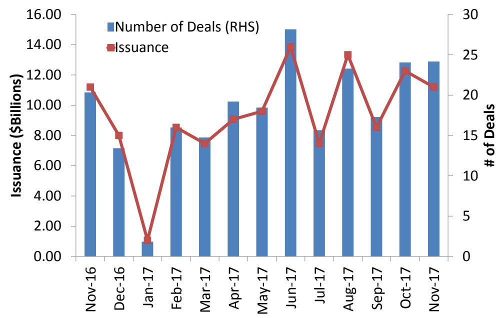
Investment Grade Credit

- The credit markets sold off early in the month, only to be followed by a rally in the last two weeks. Several large merger & acquisition announcements and a flattening yield curve spooked the markets but after 7 bps of spread widening, spreads ended the month wider by 1 bp to end at 92 bps over duration -matched Treasuries. While excess return was marginally positive at 0.03%, total return was -0.09% due to higher yields across the curve in all maturities inside 10 years. The long-end of the market outperformed with the decline in long-term rates. Metals and Mining continued to outperform with excess returns of 73 bps with the rally in iron ore prices.
- Technicals remained positive as mutual fund inflows to Investment Grade (IG) credit continued at a strong pace, with $18.2 billion into the asset class. Supply slowed to $117 billion from last month supply of $138 billion but was above November 2016 supply of $73 billion. We are quickly approaching 2016's record gross new issuance of $1.44 trillion.

Collateralized Loan Obligations

- November turned out to be the second most active month for 2017 with $12.89 billion in CLO issuance, an increase of $60 million from October's issuance.
- YTD issuance now stands at $108.2 billion which has surpassed original and revised issuance expectation. This is the second highest yearly volume since the crisis.

U.S. CLO Monthly Issuance
November 2016 to November 2017



Source: S&P Capital IQ
*RHS = Right Hand Side

- In addition to record issuance, we have seen record setting refinancing numbers. Through November $95.8 billion has been refinanced and $55.9 billion has been reset.
- Despite this deluge of supply from new issue, refinancing, and resetting, spreads have continued to grind tighter with most spreads at post-crisis tights. We continue to find new issue and secondary BBs most attractive as they have not tightened as much as the rest of the stack.

Bank Loans

- After a strong performance in October, the loan market sold off in early November before rallying to close the month. Prices ended the month down 0.28%, but the total return was still up 0.12% due to interest income. This was the fourth-weakest return of the year as the strong pace of new issue supply lead to a negative market technical. The YTD return is now 3.71%.
- Returns were relatively consistent across the ratings spectrum. BB-rated loans returned 0.17%, B-rated Loans returned 0.14% and CCC-rated Loans returned 0.03%.
- The default rate ticked up slightly in November to 1.72% from 1.41% last month due to four defaults: Pacific Drilling, ExGen Texas Power, Cumulus Media, and Walter Investment Management.
- There was dispersion in sector performance in the month, with notable weakness in Cosmetics, Surface Transport and Telecom, with returns of -3.26%, -0.88% and -0.57%, respectively. Telecom is a large component of the Citi High Yield Cash Pay Capped Index with a weighting of 4.92%. The best performing sectors were Farming/ Agriculture and Forest Products, which rose 1.78% and 1.45%, respectively.

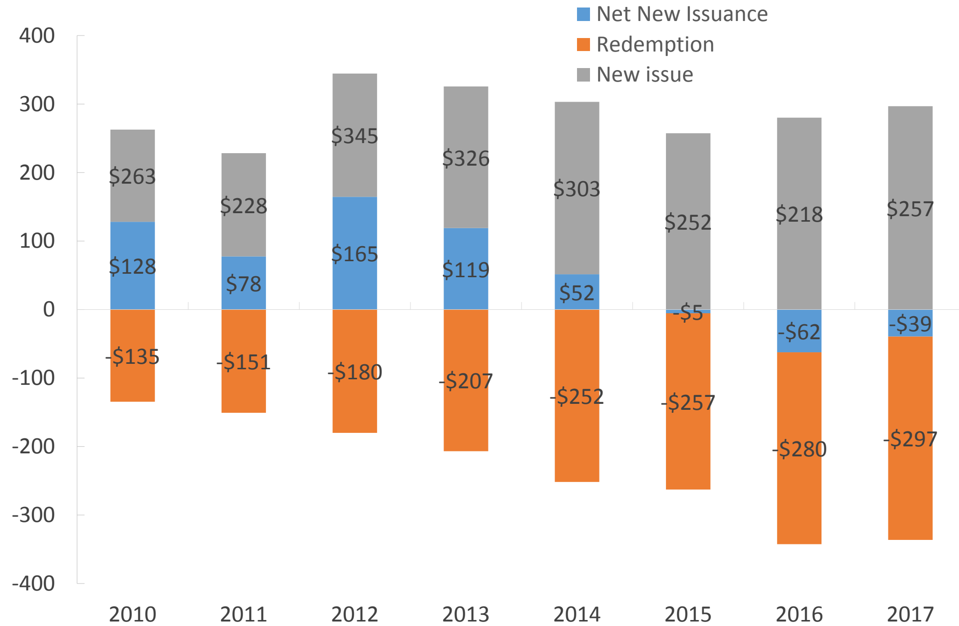
High Yield

- In early November, High Yield (HY) bond prices dropped sharply amid sector-specific selling and heavy retail withdrawals. The Telecom space was the first to drop with the cancellation of the Sprint/T-Mobile merger, which was followed by more industry weakness due to poor earnings. Continued weak results in Healthcare and Retail added to the negative sentiment. As a result, Telecom has overtaken

Energy to become the second highest yielding sector after Retail.

- However, buyers emerged mid-month and supported a rally into month-end as WTI Crude reached a multi-year high following an agreement by OPEC/Russia to extend the current supply agreement for nine months through the end of 2018. The end-result was a -0.19% return for the Citi High-Yield Cash-Pay Capped Index. CCC-rated issuers fared worst at -0.64% while B-rated and BB-rated lost 0.16% and 0.11%, respectively.
- According to JP Morgan, November's $28.0 billion of HY bond issuance was slightly ahead of October's $23.9 billion of activity. It was also in line with seasonal averages and comparable to an average $28 billion per month in 2017. However, with 74% of November's proceeds going toward refinancing, net issuance of $7.3 billion was well below average monthly production since the beginning of 2011 ($12.2 billion). Refinancing has accounted for a considerable 62% of new deal volume YTD, which is above an average of 53% per annum between 2013 and 2016. Barclays data shows this dynamic has contributed to negative net supply for almost three years. Therefore, as an offset to tight spreads, the lack of new HY bonds in the market is one source of support for prices.

Bloomberg Barclays U.S. Corporate High Yield Credit Issuance ($ billion)



Source: Bloomberg, DoubleLine

Commodities

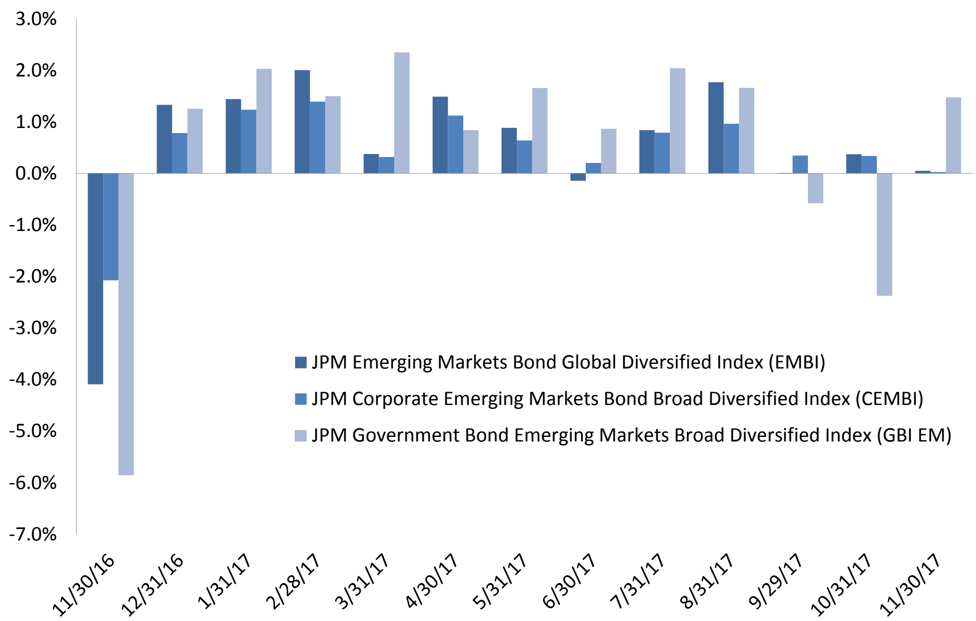
- In November 2017 the broad commodity market was mixed as the Bloomberg Commodity Index (BCOM) declined 0.56% while the S&P Goldman Sachs Commodity Index (GSCI) rallied 1.28%.
- The best performing sector in November was Energy with a return of 3.29% as Brent Crude and WTI Crude rallied, with returns of 3.03% and 5.13%, respectively, along with distillates.
- The Agriculture sector rallied 0.42% with the softs Sugar and Cotton increasing 2.31% and 6.16%, respectively, while the grains Corn and Wheat declined by 0.88% and 0.58%, respectively.
- Precious Metals declined 0.07%, as Gold inched up 0.15%, while Silver declined 1.86%
- The Industrial Metals sector declined 3.25% with Nickel, Aluminum, Zinc and Copper all declining, with returns of -9.92%, -5.52%, -3.71% and -1.35%, respectively, while Lead increased 2.53%.
- The worst performing sector in November was Livestock, with a return of -5.57%, with Lean Hogs, Live Cattle and Feeder Cattle all declining by 7.85%, 5.09% and 3.38%, respectively.

Emerging Markets

- Emerging Market (EM) sovereign and corporate external bonds generally traded sideways for the month of November.

- The JP Morgan EMBI Global Diversified Index's modestly positive return during the month was driven by accrued interest which offset slightly higher credit spreads and UST yields. Credit spreads widened 3 bps to 288 bps over the month, while the UST yield curve flattened with 2-year UST yields higher by 18 bps MoM and 10-year UST yields rising 3 bps MoM.
- External conditions remained supportive for the EM fixed income asset class with continued investor appetite for higher-yielding EM debt. EM issuers continued to take advantage of tight spreads and investor demand, with gross external issuance of over $60 billion during the month. YTD gross external EM bond issuance is at a record high.
- Factors that may affect risk appetite for the remainder of the year include rising developed market yields, a slowdown in global growth and Brexit negotiations, as well as policy risk stemming from the U.S., Europe and China.

JP Morgan Emerging Markets Bond Index Performance
November 30, 2016 to November 30, 2017



Source: JP Morgan

International Sovereign

- Global government bonds posted positive returns in the month of November, driven primarily by foreign currency gains against the U.S. Dollar (USD).
- The USD, as indicated by the USD Index (DXY), fell during the month despite relatively strong economic data and significant progress on tax reform legislation. The UST curve flattened during the month and market participants viewed President Trump's nomination of Fed Governor Jerome Powell for the next Fed Chair as a likely indicator the Fed will continue on its gradual monetary policy tightening stance.
- The Euro was the best performing G-10 currency during the month with economic data continuing to reflect a broad-based growth recovery across the Euro area.
- The U.K. Pound also had a strong month as the Bank of England (BoE) raised interest rates for the first time in a decade and the government appeared to make some progress on negotiating a Brexit deal.

Infrastructure

- November saw significant issuance in ABS securitizations collateralized by Transportation, Telecom and Renewable Assets with over $1.5 billion announced in primary issues.
- Market participation remains heavy with both primary issue transactions easily meeting subscription requirements and secondary trading continuing to be very competitive.
- Utilities performed well in November, outperforming the broader Bloomberg Barclays U.S. Credit Index during the month. Utility spreads are now near their YTD lows.
- Internationally, a project finance bond backing a power generation

and desalination plant in the Middle East came to market and was well-received.

U.S. Equities

- For the thirteenth month in a row, the S&P 500 delivered positive returns in November. The Index closed the month at an all-time high, with gains of 3.1% and 20.5% for the month and YTD, respectively.
- Volatility remained muted in November – in fact, the Volatility Index (VIX) reached an all-time low early in the month.
- The Technology sector took a pause in November, posting the second-smallest returns (1.5%) of any sector. Nevertheless, Technology remains the leadership sector for 2017 with YTD gains of 34.0%. The best returning sectors in the month of November were Telecom, Staples and Consumer Discretionary.
- November saw the conclusion of the third quarter earnings season. According to FactSet, the S&P 500 grew earnings in the third quarter by 6.2%, slightly faster than sales growth of 5.9%. For a sector representing less than six percent of the Index, the Energy sector had a disproportionately positive impact on S&P 500 earnings growth. Energy sector earnings grew 135% in the quarter, as the sector continued its recovery from its 2015 and 2016 recession. Without the contribution from Energy, S&P 500 earnings growth would have been 4.1%. Despite this strong earnings growth, the Energy sector has lost 5.6% of its value total return YTD.
- At the end of November, expectations for 2017 earnings growth for the S&P 500 stood at 9.5% with revenue growth of 6.3%. Forward expectations remain optimistic, with consensus earnings forecasts at 10.1% and 10.8% in 2018 and 2019, respectively.

Global Equities

- Global equities continued to rally in November with the Morgan Stanley Capital International All-Country World Index (MSCI ACWI) up 1.99% during the month. U.S. equities outperformed the broader market with the S&P 500 and Dow Jones 3.07% and 4.24%, respectively. The Russell 2000 and Nasdaq Composite were both positive, 2.88% and 2.35%, respectively.
- In Europe, equities underperformed global equities with the Eurostoxx 50 down 3.36% during the month. Core European equities declined with the DAX returning -3.28% and CAC returning -2.51%. In the periphery, the FTSEMIB returned -2.50% and IBEX -2.77%. UK equities, as measured by the FTSE 100, returned -1.71%.
- Asian equities were mixed in November. Japanese equities continued to rally, as measured by the Nikkei, up 3.24%. Chinese equities, as measured by the Shanghai Composite, declined 2.24%. Korean equities, as measured by the KOSPI, returned -1.86%.
- EM equities generally underperformed developed markets with the MSCI EM Index returning 0.21%. Brazil's Ibovespa declined 3.15%. Russian equities, as measured by the MSCI Russia Index, rallied 3.39%. Indian equities, as measured by the MSCI India, declined 1.15%.

Basis Point -A basis point (bps) equals to 0.01%.

Bloomberg Barclays U.S. ABS Index - The ABS component of the Bloomberg Barclays U.S. Aggregate Index. It includes securities whose value and income payments are derived from and collateralized ('or backed") by a specified pool of underlying assets including credit cards, auto loans, etc.

Bloomberg Barclays U.S. Credit Index—The US Credit component of the U.S. Government/Credit Index. This index consists of publically-issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The US Credit Index is the same as the former US Corporate Investment Grade Index.

Bloomberg Barclays U.S. Corporate High Yield Index - A market value-weighted index which covers the U.S. non-investment grade fixed-rate debt market. The index is composed of U.S. dollar-denominated corporate debt in Industrial, Utility, and Finance sectors with a minimum $150 million par amount outstanding and a maturity greater than 1 year. The index includes reinvestment of income.

Bloomberg Barclays U.S. MBS Index—An index that measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of the Government-Sponsored Enterprises (GSEs): Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Treasury Index -The Barclays Capital U.S. Treasury Index is the U.S. Treasury component of the U.S. Government Index. Public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg Commodity Index (BCOM) - An index calculated on an excess return basis that reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

Bloomberg World Interest Rate Probability (WIRP) - A Bloomberg function based on futures trading data that gives probabilities of rate increases by central bank meeting date.

Chicago Board Options Exchange (CBOE) Volatility Index (VIX) - An index that represents the cash-pay securities of the Citigroup High-Yield Market Capped Index, a modified version of the High Yield Market Index, by delaying the entry of fallen angel issues and capping the par value of individual issuers at $5 billion par amount outstanding.

Citi High-Yield Cash-Pay Capped Index -This index represents the cash-pay securities of the Citigroup High-Yield Market Capped Index, which represents a modified version of the High Yield Market Index by delaying the entry of fallen angel issues and capping the par value of individual issuers at $5 billion par amount outstanding.

Cotation Assistee en Continu 40 (CAC) - The CAC 40 Index which is a French stock market index. It tracks 40 of the largest French stocks on the Paris Bourse, or stock exchange.

Deutsche Borse AG German Stock Index (DAX) - The German stock index, which represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange.

Dow Jones Industrial Average (DJIA) - A price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA) - Net income with interest, taxes, depreciation, and amortization added back to it. This measure can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

Eurostoxx 50 Index - A stock index of Eurozone stocks designed by STOXX, an index provider owned by Deutsche Borse Group and SIX group, with the goal of providing a blue-chip representation of Supersector leaders in the Eurozone.

Financial Times Stock Exchange 100 (FTSE 100) - A capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

Financial Times Stock Exchange Milano Italia Borsa (FTSE MIB) - The benchmark stock market index for the Borsa Italiana, the Italian national stock exchange, which superseded the MIB-30 in September 2004. The index consists of the 40 most-traded stock classes on the exchange.

G-10 - A grouping of 10 countries identified by the World Trade Organization which are "vulnerable" to imports due to ongoing reform in the agricultural sector. This grouping includes Switzerland, Japan, South Korea, Taiwan, Liechtenstein, Israel, Norway, Iceland, Bulgaria and Mauritius.

Hang Seng Index - A free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four subindices: Commerce and Industry, Finance, Utilities, and Properties.

Ibovespa - This accumulation index represents the present value of a portfolio begun on 2 January 1968, with a starting value of 100 and taking into account share price increases plus the reinvestment of all dividends, subscription rights and bonus stocks received.

Indice Bursatil Espanol (IBEX) - The official index of the Spanish Continuous Market. The index is comprised of the 35 most liquid stocks traded on the Continuous market. It is calculated, supervised and published by the Sociedad de Bolsas.

JP Morgan Corporate Emerging Markets Bond Broad Diversified Index (CEMBI) -This index is a market capitalization weighted index consisting of US-denominated Emerging Market corporate bonds. It is a liquid global corporate benchmark representing Asia, Latin America, Europe and the Middle East/Africa.

JP Morgan Government Bond Emerging Markets Broad Diversified Index (GBI EM) -This index is the first comprehensive, global local Emerging Markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

JP Morgan Emerging Markets Bond Global Diversified Index (EMBI) -This index is uniquely-weighted version of the EMBI Global. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. The countries covered in the EMBI Global Diversified are identical to those covered by EMBI Global.

An investment cannot be made in an index.

Korea Composite Stock Price Index (Kospi) - A market capitalization weighted index of all common stocks traded on the Stock Market Division—previously, Korea Stock Exchange—of the Korea Exchange. It is the representative stock market index of South Korea, similar to the Dow Jones Industrial Average or S&P 500 in the United States.

Last Cash Flow (LCF) – The last revenue stream paid to a bond over a given period.

London Interbank-Offered Rate (LIBOR) - An indicative average interest rate at which a selection of banks known as the panel banks are prepared to lend one another unsecured funds on the London money market.

Markit CMBX Index (CMBX) - A synthetic tradable index with 6 subindices referencing a basket of 25 commercial mortgage-backed securities offerings issued in 2012.

Morgan Stanley Capital International All Country World Index (MSCI ACWI) -A market-capitalization-weighted index designed to provide a broad measure of stock performance throughout the world, including both developed and emerging markets.

Mortgage Bankers Association (MBA) Purchase Index - An index that includes all mortgage applications for purchases of single-family homes. It covers the entire market, both conventional and government loans and all products.

Mortgage Bankers Association (MBA) Refinance Index - An index that covers all mortgage applications to refinance an existing mortgage. It includes conventional and government refinances.

MSCI Emerging Markets (MSCI EM)- An index that covers 23 Emerging Market countries and is designed to capture the large and mid-cap representation across those countries.

MSCI Russia Index - A free-float capitalization-weighted index used to track the equity market performance of Russian securities on the MICEX Stock Exchange.

NASDAQ - A stock market index of the common stocks and similar securities (e.g. ADRs, tracking stocks, limited partnership interests) listed on the NASDAQ stock market with over 3,000 components. This index is highly followed in the U.S. as an indicator of the performance of stocks of technology companies and growth companies. Since both U.S. and non-U.S. companies are listed on the NASDAQ stock market, the index is not exclusively a U.S. index.

Nikkei 225 Index - A price-weighted index comprised of Japan's top 225 blue-chip companies on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the U.S.

Russell 2000 Index - A subset of the Russell 3000 Index representing approximately10% of the total market capitalization and measuring the performance of the small-cap segment of the U.S. equity universe.

Shanghai Composite Index - A capitalization-weighted index that 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.

S&P/Case-Shiller 20-City Composite Home Price Index - An index that measures the value of residential real estate in 20 metropolitan areas of the U.S. It is included in the S&P/Case-Shiller Home Price Index Series which seeks to measure changes in the total value of all existing single-family housing stock.

S&P Goldman Sachs Commodity Index (GSCI) - Standard & Poor's Goldman Sachs Commodity Index, or GSCI, is a composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures.

S&P GSCI Precious Metals - A sub-index of the S&P GSCI that represents the Precious Metals sector, currently comprised of gold and silver.

S&P GSCI Industrial Metals - A sub-index of the S&P GSCI that represents the Industrial Metals sector, currently comprised of aluminum, copper, zinc, nickel and lead.

S&P GSCI Energy - A sub-index of the S&P GSCI that represents the Energy sector, currently comprised of West Texas Intermediate (WTI) light sweet crude oil, brent crude oil, gas oil, heating oil, RBOB gasoline and natural gas.

S&P GSCI Livestock - A sub-index of the S&P GSCI that represents the Livestock sector.

S&P GSCI Agriculture - A sub-index of the S&P GSCI that represents the Agriculture sector, currently comprised of wheat, Kansas wheat, corn, sugar, soybean, coffee, cocoa, and cotton.

S&P 500 Index - Standard & Poor's US 500 Index, a capitalized-weighted index of 500 stocks.

S&P/LSTA Leveraged Loan Index - An index designed to track the market-weighted performance of the largest institutional leveraged loans based on the market weightings, spreads and interest payments.

Spread - The difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings and risk.

U.S. Dollar Spot Index (DXY) -A weighted geometric mean of the United States dollar's value relative to a basket of 6 major foreign currencies, including the Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona and Swiss franc.

An investment cannot be made in an index.

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Issue selection processes and tools illustrated throughout this presentation are samples and may be modified periodically. Such charts are not the only tools used by the investment teams, are extremely sophisticated, may not always produce the intended results and are not intended for use by non-professionals.

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In preparing the client reports (and in managing the portfolios), DoubleLine and its vendors price separate account portfolio securities using various sources, including independent pricing services and fair value processes such as benchmarking.

To receive a complimentary copy of DoubleLine's current Form ADV (which contains important additional disclosure information), a copy of the DoubleLine's proxy voting policies and procedures, or to obtain additional information on DoubleLine's proxy voting decisions, please contact DoubleLine's Client Services.

Important Information Regarding DoubleLine's Investment Style

DoubleLine seeks to maximize investment results consistent with our interpretation of client guidelines and investment mandate. While DoubleLine seeks to maximize returns for our clients consistent with guidelines, DoubleLine cannot guarantee that DoubleLine will outperform a client's specified benchmark. Additionally, the nature of portfolio diversification implies that certain holdings and sectors in a client's portfolio may be rising in price while others are falling; or, that some issues and sectors are outperforming while others are underperforming. Such out or underperformance can be the result of many factors, such as but not limited to duration/interest rate exposure, yield curve exposure, bond sector exposure, or news or rumors specific to a single name.

DoubleLine is an active manager and will adjust the composition of client's portfolios consistent with our investment team's judgment concerning market conditions and any particular security. The construction of DoubleLine portfolios may differ substantially from the construction of any of a variety of bond market indices. As such, a DoubleLine portfolio has the potential to underperform or outperform a bond market index. Since markets can remain inefficiently priced for long periods, DoubleLine's performance is properly assessed over a full multi-year market cycle.

Important Information Regarding Client Responsibilities

Clients are requested to carefully review all portfolio holdings and strategies, including by comparing the custodial statement to any statements received from DoubleLine. Clients should promptly inform DoubleLine of any potential or perceived policy or guideline inconsistencies. In particular, DoubleLine understands that guideline enabling language is subject to interpretation and DoubleLine strongly encourages clients to express any contrasting interpretation as soon as practical. Clients are also requested to notify DoubleLine of any updates to Client's organization, such as (but not limited to) adding affiliates (including broker dealer affiliates), issuing additional securities, name changes, mergers or other alterations to Client's legal structure.