Creating an All-Weather Portfolio by Investing in Infrastructure Debt

Stephan Diaz Ellinghaus & Colin Callahan | July 2023

Executive Summary

- *Infrastructure debt has a demonstrated track record of resilience during recessions and economic downturns, and has provided investors with lower volatility and better recovery rates than similarly rated corporate bonds.*
- *In part because of its defensive features, infrastructure debt is an important and growing asset class for well-diversified investment portfolios.*
- *Traditionally, infrastructure debt has been considered an esoteric asset class specifically earmarked to institutional investors. However, DoubleLine bridges this gap with a unique solution for retail investors: the DoubleLine Infrastructure Income Fund.*
- *The Fund has a strong track record since inception with performance that compares favorably to its peer group.*

Infrastructure debt is a unique fixed-income sector that can provide investors with diversification benefits, relative value opportunities and attractive credit profiles, making it a compelling asset to include in a well-diversified all-weather investment portfolio. Infrastructure debt is backed by tangible assets that provide essential services to society, including traditional infrastructure such as roads, airports and utilities, and modern infrastructure such as data services and energy transition projects. Infrastructure assets and services are largely indispensable to communities and tend to benefit from stable demand, which, in contrast to corporate earnings, leads to predictable cash flows irrespective of economic cycles. This resilience is not only intuitive, but data supports the thesis of infrastructure as a relatively stable asset class. For instance, S&P Global shows that default rates of infrastructure debt are lower than those of corporate debt going back nearly 25 years.[1] *(Figure 1)*

Trailing-12 Month Default Rates: All Infrastructure and Nonfinancial Corporates

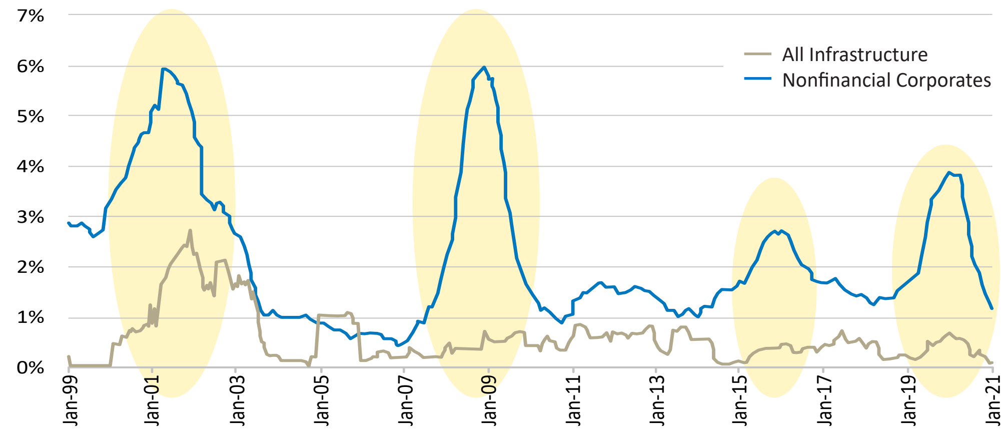

Figure 1
Source: S&P Global Ratings Credit Research & Insights. January 1999 through January 2021.

There are two key takeaways from Figure 1.

1| Infrastructure default rates are, with few exceptions, lower than corporate default rates regardless of the economic environment.

2| We observe meaningful volatility in corporate default rates, which is not the case for infrastructure debt.

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Comparatively, with lower absolute default rates and sensitivity to business cycles than nonfinancial corporate debt, we see infrastructure debt as both a diversifier and defensive asset class for investment portfolios. Infrastructure debt performance during the COVID-19 recession further supports the sector's resiliency. That recession caused severe and unprecedented stress on infrastructure assets such as transportation (empty airports and roads) and logistics (low demand for ports, rail, containers). Nevertheless, infrastructure assets were resilient, and defaults remained low.

Moreover, when defaults have occurred, both secured and unsecured infrastructure debt has historically exhibited substantially higher recovery rates than similarly rated corporate debt largely due to the sector's resilient features, as infrastructure assets typically provide essential services and can exhibit monopolistic characteristics. *(Figure 2)* We believe this favorable combination of lower default rates and higher recovery rates offers a double layer of defensive features.

Infrastructure & Corporate Debt Recovery Rates | 1983 - 2021

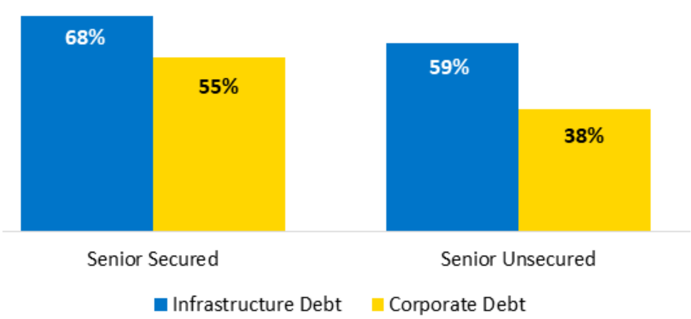

Figure 2
Source: DoubleLine, Moody's

DoubleLine provides investors, including retail investors, access to infrastructure debt along with its favorable inherent features: While infrastructure debt is an important and growing asset class for investment portfolios, it is generally considered esoteric or alternative and has traditionally only been available to institutional investors. Given its attributes, it is not surprising that the appeal of the asset class has been growing. Flows into infrastructure debt are consistently rising annually, topping $1 trillion in the first quarter of 2022. Preqin, a market leader in private-market investment data, expects infrastructure debt to be one of the fastest-growing alternative asset classes.[2]

Frustratingly, it has been difficult for retail investors to access the asset class and benefit from its attributes. However, DoubleLine offers a solution: a unique infrastructure debt mutual fund, the **DoubleLine Infrastructure Income Fund (BILDX/BILTX)**, which features the following benefits:

Access to Infrastructure Debt's Defensive Characteristics

The foundational benefit of the asset class resides in the fact that infrastructure has been indispensable and therefore has historically produced stable cash flows, low defaults, low correlation to business cycles and high recovery rates. The Fund predominantly invests in fixed income securities rated investment grade (IG). Since the Fund's inception in April 2016, the portfolio has experienced zero defaults, which is both a testament to the resilience of the asset class and the portfolio management team's rigorous due-diligence process and experience.

Offers Investors the Potential to Produce Attractive Yields

Year-to-date as of May 31, 2023, BILDX's yield exceeded that of U.S. IG corporate bonds by 100 basis points (bps) and the Fund's benchmark, the Bloomberg US Aggregate Bond Index, by over 150 bps despite historical data suggesting that the underlying infrastructure issuers are more resilient than corporate peers. *(Figure 3)*

Fixed Income Yield Range | April 2016 to June 30, 2023

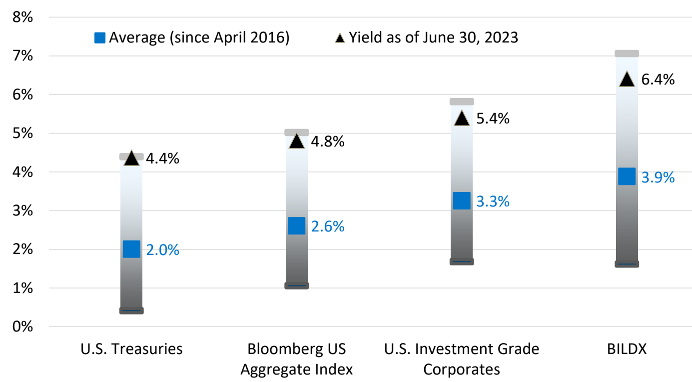

Figure 3
Source: DoubleLine

The SEC 30-Day yield for the DoubleLine Infrastructure Income Fund I Share as of June 30, 2023 was 4.45% gross and 4.20% net.

U.S. Treasuries represented by the Bloomberg US Treasury Total Return Index. U.S. Investment Grade Corporates represented by the Bloomberg US Credit Total Return Index.

Peer group analysis further supports the Fund's strong performance history. Looking back at the Fund's performance versus its peers within the Morningstar Intermediate Core-Plus category,[3] the Fund has largely produced top-quintile returns (and it is among the top 10% in 2022).[4] *(Figure 4)*

BILDX Performance vs. Peers Within the Morningstar Intermediate Core-Plus Category | As of June 30, 2023

	2017 529 mgrs	2018 538 mgrs	2019 559 mgrs	2020 562 mgrs	2021 575 mgrs	2022 609 mgrs
Percentile Rank	11	18	75	87	18	10
Quartile Rank (Morningstar)	1st	1st	3rd	4th	1st	1st

Morningstar Intermediate Core-Plus Category Ranking
As of June 30, 2023

	One Year 626 mgrs	Three Years 567 mgrs	Five Years 549 mgrs	Since Inception 525 mgrs
Percentile Rank	25	9	27	25
Quartile Rank (Morningstar)	1st	1st	2nd	1st

Figure 4
Source: Morningstar, DoubleLine
Inception date for the category ranking table is May 2016.

Attractive Risk-Adjusted Returns

Since inception, the Fund has produced a higher Sharpe ratio, a risk-return metric, than over 80% of peers (outperforming 424 of 528 Fund managers.) *(Figure 5)*

Sharpe Ratio Percentile Rank:
Manager vs. Morningstar Intermediate Core-Plus
May 2016 Through May 2023

	Three Years 565 Managers	Five Years 543 Managers	Since Inception* 528 Managers
DoubleLine Infrastructure Income Fund (I Share)	7	21	20
Bloomberg US Aggregate Bond Index	93	59	75

Figure 5
Source: Zephyr, DoubleLine
*Inception date of the DoubleLine Infrastructure Income Fund was April 1, 2016.

*A **Sharpe Ratio** is used to help investors understand the return of an investment compared to its risk. The ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. **Volatility** is a measure of the price fluctuations of an asset or portfolio. Subtracting the risk-free rate from the mean return allows an investor to better isolate the profits associated with risk-taking activities. The risk-free rate of return is the return on an investment with zero risk. Generally speaking, a Sharpe ratio between 1 and 2 is considered good. A ratio between 2 and 3 is very good, and any result higher than 3 is excellent.*

DoubleLine Infrastructure Income Fund Performance

Quarter-End Returns June 30, 2023 (%)	One Month	Second Quarter 2023	Year-to-Date	One Year	Three Years	Five Years	Since Inception (4/1/16)	Gross Expense Ratio
I Share (BILDX)	-0.37	-0.19	3.38	0.59	-1.43	1.24	1.63	0.57
N Share (BILTX)	-0.39	-0.25	3.25	0.33	-1.67	1.01	1.38	0.82
Bloomberg US Aggregate Bond Index	-0.36	-0.84	2.09	-0.94	-3.96	0.77	0.74	

The performance information shown assumes the reinvestment of all dividends and distributions.
Returns for periods greater than one year are annualized.

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 current to the most recent month-end may be obtained by calling (213) 633-8200 or by visiting DoubleLine.com.

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Attractive Risk-Adjusted Returns (cont'd)

Furthermore, the Fund has historically exhibited almost double the yield per unit of duration compared to that of its benchmark and corporate bonds. *(Figure 6)* Higher yields can increase a Fund's potential total return and provide a cushion against price declines. The Fund's combination of higher yield and lower duration than its benchmark provides investors with a compelling solution.

Yield per Unit of Duration Historical Comparison
April 30, 2016 through June 30, 2023

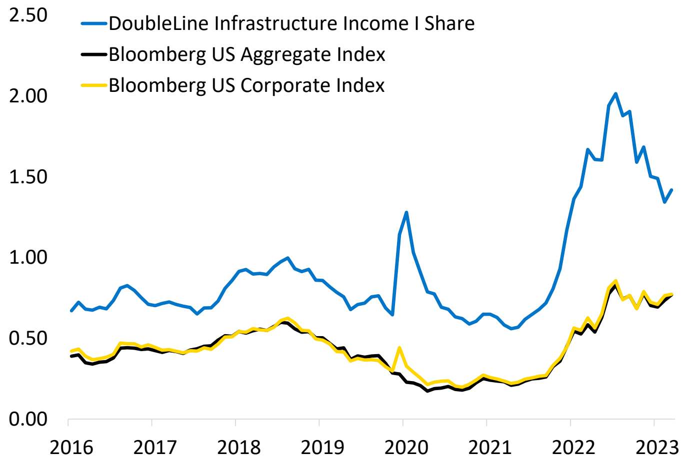

Figure 6
Source: Bloomberg, DoubleLine

Experienced Investment Team and Active Portfolio Management

Led by portfolio managers Andrew Hsu, Damien Contes and infrastructure specialist Stephan Diaz Ellinghaus, BILDX benefits from an investment team with an average of over 17 years of industry experience. The team's emphasis on a value-oriented research process, which combines bottom-up fundamental analysis with DoubleLine's top-down macroeconomic view, helps guide the Fund.

Conclusion

With the rising probability of a recession, DoubleLine believes the infrastructure debt sector provides a compelling portfolio solution thanks to its defensive features without sacrificing total return potential. The DoubleLine Infrastructure Income Fund offers a unique vehicle for retail investors to access an asset class that has historically been reserved for institutions. The Fund has a strong track record that we believe is attributable to our team of experienced investment professionals, active portfolio management and DoubleLine's thought leadership. ■

About the Authors

Stephan Diaz Ellinghaus
Specialist, Structured Products - ABS/Infrastructure

Mr. Diaz joined DoubleLine in 2021 as a Specialist on the Global Infrastructure Investments/Asset-Backed Securities team. He is also part of DoubleLine's ESG Investment Task Force, responsible for the ESG integration framework for the Global Infrastructure Investments/Asset-Backed Securities group. Prior to DoubleLine, Mr. Diaz was with Nomura Securities International as an Executive Director. Previous to that, he was with Norddeutsche Landesbanak Girozentrale as a Director. Mr. Diaz holds a B.A. in Economics from Instituto Tecnologico Autonomo De Mexico and an MBA in Business Administration from New York University.

Colin Callahan
Product Specialist

Mr. Callahan joined DoubleLine in 2018. He is a member of the Product Specialist Team. In this capacity, he is responsible for various aspects of DoubleLine product marketing, investment strategy updates, portfolio communications and competitive analysis, with a focus on DoubleLine's Global Developed Credit strategies. Mr. Callahan is also responsible for producing market commentary and dedicated strategy content. As part of the Product Specialist team he attends the Fixed Income Asset Allocation, Macro Asset Allocation, Global Developed Credit, and Structured Product meetings. Prior to DoubleLine, Mr. Callahan was an Assistant Vice President at Gabelli Funds. He holds a BS in Finance from Fairfield University cum laude and an MBA in Finance from the UCLA Anderson School of Management. Mr. Callahan also holds the Series 7 and 63 Licenses.

Endnotes

[1] "Default, Transition and Recovery: 2021 Annual Infrastructure Default and Rating Transition Study," S&P Global, Dec. 19, 2022. www.spglobal.com/ratings/en/research/articles/221219-default-transition-and-recovery-2021-annual-infrastructure-default-and-rating-transition-study-12576939

[2] "Post-pandemic, the fundamentals have shifted …," Preqin, Dec. 14, 2022. www.preqin.com/insights/global-reports/2023-infrastructure

[3] This category primarily comprises IG U.S. fixed-income portfolios including mutual funds and ETFs. Morningstar defines the category as: Intermediate-term, core-plus bond portfolios invest primarily in IG U.S. fixed-income issues including government, corporate and securitized debt but generally have greater flexibility than core offerings to hold noncore sectors such as corporate high yield, bank loan, emerging markets debt and non-U.S. currency exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the three-year average of the effective duration of the Morningstar Core Bond Index.

[4] www.morningstar.com/funds/xnas/bildx/quote

Definitions of Terms and Index Description

Basis Points (bps) – Basis points (or basis point (bp)) refer to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% or 0.0001, and is used to denote the percentage change in a financial instrument. The relationship between percentage changes and basis points can be summarized as: 1% change = 100 basis points; 0.01% = 1 basis point.

Bloomberg US Aggregate Bond Index – This index (the "Agg") represents securities that are SEC registered, taxable and dollar denominated. It covers the U.S. investment grade, fixed-rate bond market, with components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indexes that are calculated and reported on a regular basis.

Bloomberg US Credit Index – This index tracks the U.S. credit component of the Bloomberg US Government/Credit Index on a total return basis. It consists of publicly 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 Index.

Bloomberg US Corporate Bond Index – This index measures the investment grade, fixed-rate taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg US Treasury Index – This index measures on a total return basis U.S. dollar-denominated, fixed-rate nominal debt issued by the U.S. Treasury with a remaining maturity of one year or more. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Duration – Measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

High Yield (HY) – Bonds that pay higher interest rates because they have lower credit ratings than investment grade (IG) bonds. HY bonds are more likely to default, so they must pay a higher yield than IG bonds to compensate investors.

Investment Grade (IG) – Rating that signifies a municipal or corporate bond presents a relatively low risk of default. Bonds below this designation are considered to have a high risk of default and are commonly referred to as high yield (HY) or "junk bonds." The higher the bond rating the more likely the bond will return 100 cents on the U.S. dollar.

It is not possible to invest directly in an index.

DoubleLine Infrastructure Income Fund Disclosure

Mutual fund investing involves risk; Principal loss is possible.
Investments in debt securities typically decrease when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present a great 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 including credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. Investments in foreign securities involve political, economic, and currency risks, greater volatility, and differences in accounting methods. These risks are greater for investments in emerging markets. The Infrastructure Income Fund may use certain types of investment derivatives. Derivatives may involve certain costs and risks 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 use leverage which may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the Fund to be more volatile than if leverage was not used. The value of the Fund's infrastructure investments may be entirely dependent upon the successful development, construction, maintenance, renovation, enhancement or operation of infrastructure-related projects. Accordingly, the Fund has significant exposure to adverse economic, regulatory, political, legal, demographic, environmental, and other developments affecting the success of the infrastructure investments in which it directly or indirectly invests. The Fund is non-diversified meaning it may concentrate its assets in fewer individual holdings than a diversified fund.

Infrastructure Debt, Corporate Bonds, and other investment products have different risk-return profiles, which should be considered when investing. All investments contain risk and may lose value.

Diversification does not assure a profit, not does it protect against a loss in a declining market.

Past performance does not guarantee future results.

Morningstar Disclosure

Morningstar rankings are based on a fund's average annual total return relative to all funds in the same Morningstar category. Fund performance used within the rankings, reflects certain fee waivers, without which, returns and Morningstar rankings would have been lower. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.

DoubleLine Disclosure

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Summary Prospectus

July 29, 2022

DoubleLine Infrastructure Income Fund

Share Class (Ticker):

Class I (BILDX)

Class N (BILTX)

Before you invest, you may wish to review the Fund's Prospectus, which contains more information about the Fund and its principal risks. You can find the Fund's Prospectus and other information about the Fund, including the Statement of Additional Information (SAI) and the most recent reports to shareholders, online at www.doublelinefunds.com/documents. You can also get this information at no cost by calling 877-DLine11 (877-354-6311) or by sending an e-mail request to DoubleLine at fundinfo@doubleline.com.

This Summary Prospectus incorporates by reference the Fund's Prospectus and SAI, both dated July 29, 2022, each as supplemented from time to time, and the financial statements included in the Fund's annual report to shareholders, dated March 31, 2022.

Investment Objective

The Fund's investment objective is to seek long-term total return while striving to generate current income.

Fees and Expenses of the Fund

This table describes the fees and expenses you may pay if you buy, hold and sell shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries (defined below), including when purchasing Class I shares through a broker or other financial intermediary acting as an agent on your behalf.** Such commissions and other fees, if any, are not charged by the Fund and are not reflected in the fee table or expense example below.

Shareholder Fees (fees paid directly from your investment)

Share Class	Class I	Class N
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the original purchase price)	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends	None	None
Redemption Fee (as a percentage of shares redeemed within 90 days of purchase)	None	None
Fee for Redemption by Wire	$15	$15
Exchange Fee	None	None
Account Fee	None	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Share Class	Class I	Class N
Management Fees	0.50%	0.50%
Distribution and/or Service (12b-1) Fees	None	0.25%
Other Expenses (includes sub-transfer agent accounting or administrative services expenses)	0.07%	0.07%
Total Annual Fund Operating Expenses	0.57%	0.82%

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

This example assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	Class I	Class N
1 Year	$58	$84
3 Years	$183	$262
5 Years	$318	$455
10 Years	$714	$1,014

Portfolio Turnover

The Fund incurs transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 23% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Fund intends to invest at least 80% of its net assets (plus the amount of borrowings for investment purposes) in "Infrastructure Investments." Infrastructure Investments include any assets or projects that support the operation, function, growth or development of a community or economy.

The Infrastructure Investments in which the Fund may invest include, without limitation, fixed or floating-rate debt instruments, loans or other income-producing instruments issued:

- by companies or other issuers to finance (or re-finance) the ownership, development, construction, maintenance, renovation, enhancement, or operation of infrastructure assets;
- by companies or other issuers that invest in, own, lease or hold infrastructure assets; and
- by companies or other issuers that operate infrastructure assets or provide services, products or raw materials related to the development, construction, maintenance, renovation, enhancement or operation of infrastructure assets.

The Fund may hold instruments issued by a wide range of entities including, among others, operating companies, holding companies, special purpose vehicles, including vehicles created to hold or finance infrastructure assets, municipal issuers, and governments and governmental agencies, authorities or instrumentalities.

The infrastructure assets to which the Fund may have exposure through its investments include, without limitation, assets related to:

- transportation (*e.g.*, airports, metro systems, subways, railroads, ports, toll roads);
- transportation equipment (*e.g.*, shipping, aircraft, railcars, containers);
- electric utilities and power (*e.g.*, power generation, transmission and distribution);
- energy (*e.g.*, exploration and production, pipeline, storage, refining and distribution of energy), including renewable energies (*e.g.*, wind, solar, hydro, geothermal);
- communication networks and equipment;
- water and sewage treatment;
- social infrastructure (*e.g.*, health care facilities, government buildings and other public service facilities); and
- metals, mining, and other resources and services related to infrastructure assets (*e.g.*, cement, chemical companies).

The Fund may invest without limit in Infrastructure Investments in the United States or in foreign countries, including emerging market countries. However, the Fund generally seeks to invest principally in instruments denominated in U.S. dollars.

Although, under normal circumstances, the Fund intends to invest more than 50% of its net assets in investment grade investments (*i.e.*, those rated above Ba1 by Moody's Investors Service, Inc. or above BB+ by S&P Global Ratings, Fitch Ratings, Inc., Kroll Bond Rating Agency or the equivalent by any other nationally recognized rating organization) and unrated instruments considered by DoubleLine Capital LP (the "Adviser" or "DoubleLine Capital") to be of comparable credit quality, the Fund may purchase investments of any credit quality, including investments that are rated below investment grade or unrated instruments considered by the Adviser to be of comparable credit quality. Instruments rated below investment grade and unrated instruments of comparable quality, are high yield, high risk bonds, commonly known as "junk bonds." The Adviser does not consider the term "junk bonds" to include any mortgage-backed securities or any other asset-backed securities, regardless of their credit rating or credit quality.

Generally, lower-rated debt securities offer the potential for a higher yield than higher rated debt securities of similar maturity but are subject to greater risk of loss of principal and interest than higher rated securities of similar maturity.

The Fund may invest without limit in debt obligations, loans and other income-producing instruments where the obligation to repay principal and pay interest or otherwise make payments to the Fund is secured by underlying infrastructure asset(s) (*e.g.*, a power generating facility, aircraft, railcars, and/ or containers) or secured solely by an equity ownership stake in a particular asset or project. Alternatively, the Fund may invest in income-producing instruments where the obligation to repay principal and pay interest is unsecured and backed only by the creditworthiness of the issuer.

The Fund may invest in debt obligations, income-producing instruments and infrastructure-related investments of any kind, including, without limitation, (i) project bonds; (ii) corporate obligations; (iii) loans; (iv) mortgage-backed securities; (v) asset-backed securities (including securities collateralized by installment loan contracts and/or leases of various types of real and personal property such as aircraft and cellular towers); (vi) foreign corporate securities, including emerging market securities; (vii) enhanced equipment trust certificates and equipment trust certificates; (viii) debt obligations issued or guaranteed by governments or governmental agencies; (ix) credit-linked notes; (x) municipal bonds; (xi) pass-through notes; (xii) perpetual maturity bonds; and (xiii) other instruments bearing fixed, floating, or variable interest rates of any maturity. The Fund may invest in any level of the capital structure of an issuer of asset-backed securities, including the equity or "first loss" tranche. Loans include, without limitation, secured and unsecured senior loans, term loan Bs, mezzanine, second lien, and other subordinated loans, loan participations and assignments, and other fixed and floating rate loans.

The Fund may use derivative transactions for any purpose, including to create efficient investment exposure, create investment leverage, hedge against portfolio exposures, create indirect long or short positions as a substitute for a cash investment, or to manage the Fund's duration or adjust the Fund's exposure to changes in market interest rates. The Fund will incur costs in implementing derivatives strategies, and there can be no assurance that the Fund will engage in derivatives strategies or that any such strategy will be successful.

The Fund may pursue its investment objective and obtain exposures to some or all of the asset classes described above by investing in other investment companies, including, for example, other open-end or closed-end investment companies, and exchange-traded funds ("**ETFs**"), including investment companies sponsored or managed by the Adviser or its related parties. The amount of the Fund's investment in certain investment companies may be limited by law or by tax considerations.

The Adviser monitors the duration of the Fund's portfolio securities to seek to assess and, in its discretion, adjust the Fund's exposure to interest rate risk. The Adviser intends, under normal market conditions, to construct an investment portfolio with a dollar-weighted average effective duration of no less than two years and no more than ten years. Duration is a measure of the expected life of a fixed income instrument that is used to determine the sensitivity of a security's price to changes in interest rates. All other things remaining equal, for each one percentage point increase in interest rates, the value of a portfolio of fixed income securities would generally be expected to decline by one percent for every year of the portfolio's average duration above zero. For example, the value of a portfolio of fixed income securities with an average duration of three years would generally be expected to decline by approximately 3% if interest rates rose by one percentage point. Effective duration is a measure of the Fund's portfolio duration adjusted for the anticipated effect of interest rate changes on bond and loan prepayment rates as determined by the Adviser. The effective duration of the Fund's investment portfolio may vary materially from its target range, from time to time, and there is no assurance that the effective duration of the Fund's investment portfolio will always be within its target range.

Principal Risks

The value of the Fund's shares will vary as its portfolio investments increase or decrease in value. Therefore, the value of your investment in the Fund could go down as well as up. You can lose money by investing in the Fund. The Fund's principal risks are listed below in alphabetical order, not in order of importance. The significance of any specific risk to

an investment in the Fund will vary over time, depending on the composition of the Fund's portfolio, market conditions, and other factors. You should read all of the risk information presented below carefully, because any one or more of these risks may result in losses to the Fund.

The principal risks affecting the Fund that can cause a decline in value are:

- ***active management risk:*** the risk that the Fund will fail to meet its investment objective and that the Fund's investment performance will depend, at least in part, on how its assets are allocated and reallocated among asset classes, sectors, underlying funds and/or investments and that such allocation will focus on asset classes, sectors, underlying funds, and/or investments that perform poorly or underperform other asset classes, sectors, underlying funds, and/or available investments. Any given investment strategy may fail to produce the intended results, and the Fund's portfolio may underperform other comparable funds because of portfolio management decisions related to, among other things, the selection of investments, portfolio construction, risk assessments, and/or the outlook on market trends and opportunities.

- ***asset-backed securities investment risk:*** the risk that borrowers may default on the obligations that underlie the asset-backed security and that, during periods of falling interest rates, asset-backed securities may be called or prepaid, which may result in the Fund having to reinvest proceeds in other investments at a lower interest rate, and the risk that the impairment of the value of the collateral underlying a security in which the Fund invests (due, for example, to non-payment of loans) will result in a reduction in the value of the security.

- ***cash position risk:*** the risk that to the extent that the Fund holds assets in cash, cash equivalents, and other short-term investments, the ability of the Fund to meet its objective may be limited.

- ***confidential information access risk:*** the risk that the intentional or unintentional receipt of material, non-public information ("**Confidential Information**") by the Adviser could limit the Fund's ability to sell certain investments held by the Fund or pursue certain investment opportunities on behalf of the Fund, potentially for a substantial period of time. Also, certain issuers of floating rate loans or other investments may not have any publicly traded securities ("**Private Issuers**") and may offer private information pursuant to confidentiality agreements or similar arrangements. The Adviser may access such private information, while recognizing that the receipt of that information could potentially limit the Fund's ability to trade in certain securities, including if the Private Issuer later issues publicly traded securities. In addition, in circumstances when the Adviser declines to receive Confidential Information from issuers of floating rate loans or other investments, the Fund may be disadvantaged in comparison to other investors, including with respect to evaluating the issuer and the price the Fund would pay or receive when it buys or sells those investments, and the Fund may not take advantage of investment opportunities that it otherwise might have if it had received such Confidential Information. In managing the Fund, the Adviser may seek to avoid the receipt of Confidential Information about the issuers of floating rate loans or other investments being considered for acquisition by the Fund or held in the Fund's portfolio if the receipt of the Confidential Information would restrict one or more of the Adviser's clients, including, potentially, the Fund, from trading in securities they hold or in which they may invest.

- ***counterparty risk:*** the risk that the Fund will be subject to credit risk with respect to the counterparties to the derivative contracts and other instruments, such as repurchase and reverse repurchase agreements, entered into by the Fund; that the Fund's counterparty will be unable or unwilling to perform its obligations; that the Fund will be unable to enforce contractual remedies if its counterparty defaults; that if a counterparty (or an affiliate of a counterparty) becomes bankrupt, the Fund may experience significant delays in obtaining any recovery under the derivative contract or may obtain limited or no recovery in a bankruptcy or other insolvency proceeding. To the extent that the Fund enters into multiple transactions with a single or a small set of counterparties, it will be subject to increased counterparty risk.

- ***debt securities risks:***

  - ***credit risk:*** the risk that an issuer, counterparty or other obligor to the Fund will fail to pay its obligations to the Fund when they are due, which may reduce the Fund's income and/or reduce, in whole or in part, the value of the Fund's investment. Actual or perceived changes in the financial condition of an obligor, changes in economic, social or political conditions that affect a particular type of security, instrument, or obligor, and changes in economic, social or political conditions generally can increase the risk of default by an obligor, which can affect a security's or other instrument's credit quality or value and an obligor's ability to honor its obligations when due. The values of lower-quality debt securities (commonly known as "junk bonds"), including floating rate loans, tend to be particularly sensitive to these changes. The values of securities or instruments also may decline for a number of other reasons that relate directly to the obligor, such as management performance, financial leverage, and reduced demand for the obligor's goods and services, as well as the historical and prospective earnings of the obligor and the value of its assets.

- ***extension risk:*** the risk that if interest rates rise, repayments of principal on certain debt securities, including, but not limited to, floating rate loans and mortgage-related securities, may occur at a slower rate than expected and the expected maturity of those securities could lengthen as a result. Securities that are subject to extension risk generally have a greater potential for loss when prevailing interest rates rise, which could cause their values to fall sharply.

- ***interest rate risk:*** the risk that debt instruments will change in value because of changes in interest rates. The value of an instrument with a longer duration (whether positive or negative) will be more sensitive to changes in interest rates than a similar instrument with a shorter duration. Bonds and other debt instruments typically have a positive duration. The value of a debt instrument with positive duration will generally decline if interest rates increase. Certain other investments, such as inverse floaters and certain derivative instruments, may have a negative duration. The value of instruments with a negative duration will generally decline if interest rates decrease. Inverse floaters, interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices but can also change the income flows and repayment assumptions about those investments. Recently, there have been inflationary price movements, which have caused the fixed income securities markets to experience heightened levels of interest rate volatility and liquidity risk. The risks associated with rising interest rates may be particularly acute in the current market environment because the Federal Reserve Board recently raised rates and may continue to do so.

- ***prepayment risk:*** the risk that the issuer of a debt security, including floating rate loans and mortgage-related securities, repays all or a portion of the principal prior to the security's maturity. In times of declining interest rates, there is a greater likelihood that the Fund's higher yielding securities will be pre-paid with the Fund being unable to reinvest the proceeds in an investment with as great a yield. Prepayments can therefore result in lower yields to shareholders of the Fund.

- ***LIBOR phase out/transition risk:*** the London Interbank Offered Rate ("**LIBOR**") is the offered rate for wholesale, unsecured funding available to major international banks. The terms of many investments, financings or other transactions to which the Fund may be a party have been historically tied to LIBOR. LIBOR may also be a significant factor in relation to payment obligations under a derivative investment and may be used in other ways that affect the Fund's investment performance. LIBOR is currently in the process of being phased out. The transition from LIBOR and the terms of any replacement rate(s), including, for example, a secured overnight financing rate ("**SOFR**") or another rate based on SOFR, may adversely affect transactions that use LIBOR as a reference rate, financial institutions that engage in such transactions, and the financial markets generally. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate. As such, the transition away from LIBOR may adversely affect the Fund's performance.

- ***derivatives risk:*** the risk that an investment in derivatives will not perform as anticipated by the Adviser, may not be available at the time or price desired, cannot be closed out at a favorable time or price, will increase the Fund's transaction costs, or will increase the Fund's volatility; that derivatives may create investment leverage; that, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely or at all with that of the cash investment; that the positions may be improperly executed or constructed; that the Fund's counterparty will be unable or unwilling to perform its obligations; or that, when used for hedging purposes, derivatives will not provide the anticipated protection, causing the Fund to lose money on both the derivatives transaction and the exposure the Fund sought to hedge.

  ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Fund invests cannot yet be determined. Please see "debt securities risks – LIBOR phase out/transition risk" herein for more information.

- ***emerging market country risk:*** the risk that investing in emerging markets, as compared to foreign developed markets, increases the likelihood that the Fund will lose money, due to more limited information about the issuer and/

or the security; higher brokerage costs; different accounting, auditing and financial reporting standards; less developed legal systems and thinner trading markets; the possibility of currency blockages or transfer restrictions; an emerging market country's dependence on revenue from particular commodities or international aid; and expropriation, nationalization or other adverse political or economic developments.

- ***focused investment risk:*** the risk that a fund that invests a substantial portion of its assets in a particular market, industry, sector, group of industries or sectors, country, region, group of countries or asset class is, relative to a fund that invests in a more diverse investment portfolio, more susceptible to any single economic, market, political, regulatory or other occurrence. This is because, for example, issuers in a particular market, industry, region, sector or asset class may react similarly to specific economic, market, regulatory, political or other developments. The particular markets, industries, regions, sectors or asset classes in which the Fund may focus its investments may change over time and the Fund may alter its focus at inopportune times.

- ***foreign investing risk:*** the risk that investments in foreign securities or in issuers with significant exposure to foreign markets, as compared to investments in U.S. securities or in issuers with predominantly domestic market exposure, may be more vulnerable to economic, political, and social instability and subject to less government supervision, less protective custody practices, lack of transparency, inadequate regulatory and accounting standards, delayed or infrequent settlement of transactions, and foreign taxes. If the Fund buys securities denominated in a foreign currency, receives income in foreign currencies, or holds foreign currencies from time to time, the value of the Fund's assets, as measured in U.S. dollars, can be affected unfavorably by changes in exchange rates relative to the U.S. dollar or other foreign currencies. Foreign markets are also subject to the risk that a foreign government could restrict foreign exchange transactions or otherwise implement unfavorable currency regulations. In addition, foreign securities may be subject to currency exchange rates or regulations, the imposition of economic sanctions, tariffs or other government restrictions, higher transaction and other costs, reduced liquidity, and delays in settlement.

- ***high yield risk:*** the risk that debt instruments rated below investment grade or debt instruments that are unrated and of comparable or lesser quality are predominantly speculative. These instruments, commonly known as "junk bonds," have a higher degree of default risk and may be less liquid than higher-rated bonds. These instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of high yield investments generally, and less secondary market liquidity.

- ***infrastructure sector risk:*** The values of the Fund's Infrastructure Investments may be entirely dependent upon the successful development, construction, maintenance, renovation, enhancement or operation of infrastructure assets or infrastructure-related projects. Accordingly, the Fund has significant exposure to adverse economic, regulatory, political, legal, demographic, environmental, and other developments affecting the success of the Infrastructure Investments in which it directly or indirectly invests. In addition to the risks described above, sector-specific risks may adversely affect the values of the Fund's investments. A summary of some of the principal sector-specific risks is included below. The inclusion of a specific risk below with respect to a specific sector does not mean that that risk does not also apply in respect of the Fund's other investments:

    - ***transportation:*** transportation-related infrastructure assets may be adversely affected by, among other things, economic and market changes, fuel prices, labor relations, geo-political concerns and insurance costs. Transportation-related infrastructure assets and related businesses may also be subject to significant government regulation and oversight, which may adversely affect their businesses.

    - ***electric utilities and power:*** utility- and power-related infrastructure assets may have difficulty obtaining financing during periods of inflation or unsettled capital markets; may be subject to greater competition as a result of deregulation; face changes in climate or environmental policy; face restrictions on operations and increased cost and delays attributable to environmental considerations and regulation; find that existing plants, equipment or products have been rendered obsolete by technological innovations; or be subject to increased costs because of the scarcity of certain fuels or the effects of man-made or natural disasters.

    - ***energy:*** energy-related infrastructure assets may be adversely affected by one or more of the following: the levels and volatility of global energy prices, energy supply and demand, capital expenditures on exploration and production of energy sources, energy conservation efforts, exchange rates, interest rates, economic conditions, tax treatment, increased competition, government regulation, technological advances, risk of liability from accidents resulting in injury or loss of life or property, supply of products and services, and world events.

- ***renewable energy:*** renewable-energy related infrastructure assets may be adversely affected by changes in government policy relating to incentives and subsidies for renewable energy assets, technological developments (or the application thereof), unforeseen technical deficiencies with installations, and the reliance of any renewable energy project, or group of projects, on variable resources.

- ***communication networks and equipment:*** infrastructure assets in the telecommunications sector may be adversely affected by increased competition, regulation by various regulatory authorities, distressed cash flows due to the need to commit substantial capital to meet increasing competition, technological advances, limited availability of franchise and licensing rights, and high barriers to market entry. Various forms of cyber attack threaten communication networks and could severely hamper any infrastructure project dependent upon communication networks and equipment.

- ***public and social infrastructure:*** public and social infrastructure assets, such as hospitals, schools, government accommodations, and other public service facilities projects, may be subject to risks that include, but are not limited to, costs associated with governmental, environmental and other regulations, the effects of economic slowdowns, increased competition from other providers of such services, uncertainties concerning costs, adverse political developments, and the level of government spending on infrastructure projects.

- ***metals and mining:*** investments in metals and mining related infrastructure assets may be speculative and subject to greater price volatility than investments in other types of companies. The performance of assets in this sector is related to, among other things, worldwide metal prices, and extraction and production costs.

- ***industrial:*** industrial-related infrastructure assets may be adversely affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world events, exchange rates and economic conditions, changes or trends in commodity prices, technological developments and liabilities for environmental damage and general civil liabilities will likewise affect the performance of these assets and their ability to repay their debts.

- ***investment company and exchange-traded fund risk:*** the risk that an investment company or other pooled investment vehicle, including any ETFs or money market funds, in which the Fund invests will not achieve its investment objective or execute its investment strategies effectively or that significant purchase or redemption activity by shareholders of such an investment company might negatively affect the value of its shares. The Fund must pay its pro rata portion of an investment company's fees and expenses. To the extent the Adviser determines to invest Fund assets in other investment companies, the Adviser will have an incentive to invest in other investment vehicles sponsored or advised by the Adviser or a related party of the Adviser over investment companies sponsored or managed by others and to maintain such investments once made due to its own financial interest in those products and other business considerations.

- ***large shareholder risk:*** the risk that certain account holders, including the Adviser or funds or accounts over which the Adviser (or related parties of the Adviser) has investment discretion, may from time to time own or control a significant percentage of the Fund's shares. The Fund is subject to the risk that a redemption by those shareholders of all or a portion of their Fund shares, including as a result of an asset allocation decision made by the Adviser (or related parties of the Adviser), will adversely affect the Fund's performance if it is forced to sell portfolio securities or invest cash when the Adviser would not otherwise choose to do so. Redemptions of a large number of shares may affect the liquidity of the Fund's portfolio, increase the Fund's transaction costs, and accelerate the realization of taxable income and/or gains to shareholders.

- ***leveraging risk:*** the risk that certain investments by the Fund involving leverage may have the effect of increasing the volatility of the value of the Fund's portfolio, and the risk of loss in excess of invested capital.

- ***liquidity risk:*** the risk that the Fund may be unable to sell a portfolio investment at a desirable time or at the value the Fund has placed on the investment. Illiquidity may be the result of, for example, low trading volume, lack of a market maker, or contractual or legal restrictions that limit or prevent the Fund from selling securities or closing derivative positions. During periods of substantial market disruption, a large portion of the Fund's assets could potentially experience significant levels of illiquidity. The values of illiquid investments are often more volatile than the values of more liquid investments. It may be more difficult for the Fund to determine a fair value of an illiquid investment than that of a more liquid comparable investment.

- ***loan risk:*** the risk that (i) if the Fund holds a loan through another financial intermediary, or relies on a financial intermediary to administer the loan, its receipt of principal and interest on the loan may be subject to the credit risk of that financial intermediary; (ii) any collateral securing a loan may be insufficient or unavailable to the Fund, because, for example, the value of the collateral securing a loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate, and the Fund's rights to collateral may be limited by bankruptcy or insolvency laws; (iii) investments in highly leveraged loans or loans of stressed, distressed, or defaulted issuers may be subject to significant credit and liquidity risk; (iv) a bankruptcy or other court proceeding could delay or limit the ability of the Fund to collect the principal and interest payments on that borrower's loans or adversely affect the Fund's rights in collateral relating to a loan; (v) there may be limited public information available regarding the loan and the relevant borrower(s); (vi) the use of a particular interest rate benchmark may limit the Fund's ability to achieve a net return to shareholders that consistently approximates the average published Prime Rate of U.S. banks; (vii) the prices of certain floating rate loans that include a feature that prevents their interest rates from adjusting if market interest rates are below a specified minimum level may appreciate less than other instruments in response to changes in interest rates should interest rates rise but remain below the applicable minimum level; (viii) if a borrower fails to comply with various restrictive covenants that may be found in loan agreements, the borrower may default in payment of the loan; (ix) if the Fund invests in loans that contain fewer or less restrictive constraints on the borrower than certain other types of loans ("covenant-lite" loans), it may have fewer rights against the borrowers of such loans, including fewer protections against the possibility of default and fewer remedies in the event of default; (x) the loan is unsecured; (xi) there is a limited secondary market; (xii) transactions in loans may settle on a delayed basis, and the Fund may not receive the proceeds from the sale of a loan for a substantial period of time after the sale, which may result in sale proceeds related to the sale of loans not being available to make additional investments or to meet the Fund's redemption obligations until potentially a substantial period after the sale of the loans; and (xiii) loans may be difficult to value and may be illiquid, which may adversely affect an investment in the Fund.

- ***market risk:*** the risk that markets will perform poorly or that the returns from the securities in which the Fund invests will underperform returns from the general securities markets or other types of investments. Markets may, in response to governmental actions or intervention or general market conditions, including real or perceived adverse political, economic or market conditions, tariffs and trade disruptions, inflation, recession, changes in interest or currency rates, lack of liquidity in the bond markets or adverse investor sentiment, or other external factors, experience periods of high volatility and reduced liquidity. During those periods, the Fund may experience high levels of shareholder redemptions, and may have to sell securities at times when the Fund would otherwise not do so, and potentially at unfavorable prices. Certain securities may be difficult to value during such periods. Market risk involves the risk that the value of the Fund's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down. During periods of severe market stress, it is possible that the market for some or all of the Fund's investments may become highly illiquid. Recently, there have been inflationary price movements, which have caused the fixed income securities markets to experience heightened levels of interest rate volatility and liquidity risk. Please see "debt securities risks – interest rate risk" herein for more information.

- ***mortgage-backed securities risk:*** the risk that borrowers may default on their mortgage obligations or the guarantees underlying the mortgage-backed securities will default or otherwise fail and that, during periods of falling interest rates, mortgage-backed securities will be called or prepaid, which may result in the Fund having to reinvest proceeds in other investments at a lower interest rate. During periods of rising interest rates, the average life of a mortgage-backed security may extend, which may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security. Enforcing rights against the underlying assets or collateral may be difficult, or the underlying assets or collateral may be insufficient if the issuer defaults. The values of certain types of mortgage-backed securities, such as inverse floaters and interest-only and principal-only securities, may be extremely sensitive to changes in interest rates and prepayment rates. The Fund may invest in mortgage-backed securities that are subordinate in their right to receive payment of interest and repayment of principal to other classes of the issuer's securities.

- ***municipal bond risk:*** the risk that investing in the municipal bond market involves the risks of investing in debt securities generally and certain other risks. The amount of public information available about the municipal bonds in which the Fund may invest is generally less than that for corporate equities or bonds, and the investment performance of the Fund's investments in municipal bonds may therefore be more dependent on the analytical abilities of the Adviser than its investments in other types of bonds. The secondary market for municipal bonds also tends to be less well developed or liquid than many other securities markets, which may adversely affect the Fund's ability to sell municipal bonds at attractive prices. The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns, by litigation, legislation or political events, or by the bankruptcy of the issuer. The Fund may invest in revenue bonds, which are typically issued to fund a wide variety of capital projects including electric, gas, water and sewer systems; highways, bridges and tunnels; port and airport facilities; colleges and universities; and hospitals. Because the principal security for a revenue bond is generally the net revenues derived from a particular facility or group of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source, there is no guarantee that the particular project will generate enough revenue to pay its obligations, in which case the Fund's performance may be adversely affected. Taxable municipal bonds involve similar risks as tax-exempt municipal bonds, including credit and market risk.

- ***operational and information security risks:*** an investment in the Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel and errors caused by third-party service providers. The occurrence of any of these failures, errors or breaches could result in investment losses to the Fund, a loss of information, regulatory scrutiny, reputational damage or other events, any of which could have a material adverse effect on the Fund. While the Fund seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to the Fund.

- ***portfolio turnover risk:*** the risk that frequent purchases and sales of portfolio securities may result in higher Fund expenses and may result in larger distributions of taxable capital gains to investors as compared to a fund that trades less frequently.

- ***restricted securities risk:*** the risk that the Fund may be prevented or limited by law or the terms of an agreement from selling a security (a "**restricted security**"). To the extent that the Fund is permitted to sell a restricted security, there can be no assurance that a trading market will exist at any particular time, and the Fund may be unable to dispose of the security promptly at reasonable prices or at all. The Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration. Also, restricted securities may be difficult to value because market quotations may not be readily available, and the values of restricted securities may have significant volatility.

- ***securities or sector selection risk:*** the risk that the securities held by the Fund will underperform securities held in other funds investing in similar asset classes or comparable benchmarks because of the portfolio managers' choice of securities or sectors for investment. To the extent the Fund focuses or concentrates its investments in a particular sector or related sectors, the Fund will be more susceptible to events or factors affecting companies in that sector or related sectors. For example, the values of securities of companies in the same or related sectors may be negatively affected by the common characteristics they share, the common business risks to which they are subject, common regulatory burdens, or regulatory changes that affect them similarly. Such characteristics, risks, burdens or changes include, but are not limited to, changes in governmental regulation, inflation or deflation, rising or falling interest rates, competition from new entrants, and other economic, market, political or other developments specific to that sector or related sectors.

- ***structured products and structured notes risk:*** the risk that an investment in a structured product, which includes, among other things, collateralized debt obligations, mortgage-backed securities, other types of asset-backed securities and certain types of structured notes, may decline in value due to changes in the underlying instruments, indexes, interest rates or other factors on which the product is based ("**reference measure**"). Depending on the reference measure used and the use of multipliers or deflators (if any), changes in interest rates and movement of the reference measure may cause significant price and cash flow fluctuations. Application of a multiplier is comparable to the use of financial leverage, a speculative technique. Holders of structured products indirectly bear risks associated with the reference measure, are subject to counterparty risk and typically do not have direct rights against the reference measure. Structured products are generally privately offered and sold, and thus, are not registered under the securities laws and may be thinly traded or have a limited trading market and may have the effect of increasing the Fund's illiquidity, reducing the Fund's income and the value of the investment. At a particular point in time, the Fund may be unable to find qualified buyers for these securities. Investments in structured notes involve risks including interest rate risk, credit risk and market risk.

- ***U.S. Government securities risk:*** the risk that debt securities issued or guaranteed by certain U.S. Government agencies, instrumentalities, and sponsored enterprises are not supported by the full faith and credit of the U.S. Government, and so investments in their securities or obligations issued by them involve credit risk greater than investments in other types of U.S. Government securities.

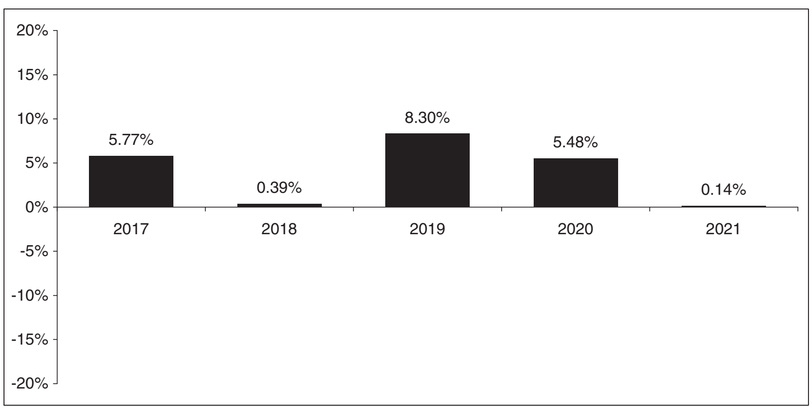
- ***valuation risk:*** the risk that the Fund will not value its investments in a manner that accurately reflects their market values or that the Fund will not be able to sell any investment at a price equal to the valuation ascribed to that investment for purposes of calculating the Fund's net asset value ("**NAV**"). The valuation of the Fund's investments involves subjective judgment. Certain securities in which the Fund may invest may be more difficult to value accurately, especially during periods of market disruptions or extreme market volatility. Incorrect valuations of the Fund's portfolio holdings could result in the Fund's shareholder transactions being effected at an NAV that does not accurately reflect the underlying value of the Fund's portfolio, resulting in the dilution of shareholder interests.

Please see "Additional Information About Principal Investment Strategies and Principal Risks — Principal Risks" in the Fund's Prospectus for a more detailed description of the principal risks of investing in the Fund.

Performance

The following performance information provides some indication of the risks of investing in the Fund. The bar chart shows the performance of the Fund's Class I shares for each full calendar year since the Fund's inception. The table below shows how the average annual total returns of the Fund's shares for the periods shown compare to those of a broad-based securities market index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Absent any applicable fee waivers and/or expense limitations (which have applied to the Fund since inception), performance would have been lower. Updated information on the Fund's investment results can be obtained at no charge by calling 877-DLine11 (877-354-6311) or by visiting the Fund's website at www.doublelinefunds.com.

Class I Shares



During the periods shown above, the highest and lowest quarterly returns earned by the Fund's Class I shares were:

Highest:	**8.70%**	**Quarter ended 6/30/2020**
Lowest:	**-7.21%**	**Quarter ended 3/31/2020**

The year-to-date total return for the Fund's Class I shares as of June 30, 2022 was -9.08%.

Average Annual Total Returns (for the periods ended December 31, 2021)

Infrastructure Income Fund	One Year	Five Years	Since Inception (April 1, 2016)
Class I			
Return Before Taxes	**0.14%**	**3.96%**	**3.66%**
Return After Taxes on Distributions	**-1.13%**	**2.61%**	**2.35%**
Return After Taxes on Distributions and Sale of Fund Shares	**0.19%**	**2.46%**	**2.24%**
Class N			
Return Before Taxes	**-0.11%**	**3.73%**	**3.41%**
Bloomberg U.S. Aggregate Bond Index *(reflects no deduction for fees, expenses or taxes)*	**-1.54%**	**3.57%**	**3.04%**

The Fund's after-tax returns as shown in the above table are calculated using the historical highest applicable individual federal marginal income tax rates for the period and do not reflect the impact of state and local taxes. Your actual after-tax returns depend on your tax situation and may differ from those shown. If you own shares of the Fund in a tax-advantaged account, such as a 401(k) plan or an individual retirement account, after-tax returns shown are not relevant to your investment. The "Return After Taxes on Distributions and Sale of Fund Shares" may be higher than other return figures because when a capital loss occurs upon the redemption of shares of the Fund, a tax deduction is provided that may benefit the investor. After-tax returns are for Class I shares only. After-tax returns for other classes may vary. The Bloomberg U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. This index covers the U.S. 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 directly in an index.

Investment Adviser

DoubleLine Capital is the investment adviser to the Fund.

Portfolio Managers

The portfolio managers for the Fund are:

Name	Experience with the Fund	Primary Title with the Investment Adviser
Damien Contes	Since the Fund's inception in April 2016	Portfolio Manager
Andrew Hsu	Since the Fund's inception in April 2016	Portfolio Manager

Purchase and Sale of Shares

You may purchase or redeem Class I and Class N shares on any business day when the New York Stock Exchange opens for regular trading. You may purchase or redeem shares by written request via mail (DoubleLine Funds, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, WI 53201-0701), by wire transfer, by telephone at 877-DLine11 (877-354-6311), or through authorized dealers, brokers, or other service providers ("**financial intermediaries**"). Telephone transactions will be permitted unless you decline this privilege on your initial purchase application. The minimum initial and subsequent investment amounts for different types of accounts are shown below, although the Fund may reduce or waive the minimums in some cases.

	Minimum Initial Investment:		Subsequent Investment:
	Regular Accounts	IRAs/HSAs	All Accounts and Automatic Investment Plans
Class I Shares	$100,000	$5,000	$100
Class N Shares	$ 2,000	$ 500	$100

The minimum investment may be modified for certain financial intermediaries that submit trades on behalf of underlying investors. Certain financial intermediaries also may have their own investment minimums, which may differ from the Fund's minimums, and may be waived at the intermediaries' discretion. The Fund reserves the right to change or waive the minimum initial and subsequent investment amounts without prior notice or to waive the minimum investment amounts for certain intermediaries or individual investors in its discretion.

Tax Information

The Fund's distributions generally are taxable to you as ordinary income or capital gains, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or individual retirement account. If you invest through such tax-advantaged arrangements, you may be taxed later upon withdrawal from those arrangements.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund, the Adviser, and the Fund's distributor or any of their affiliates may pay the financial intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the financial intermediary and your salesperson to recommend the Fund over another investment. Ask your individual salesperson or visit your financial intermediary's website for more information.

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