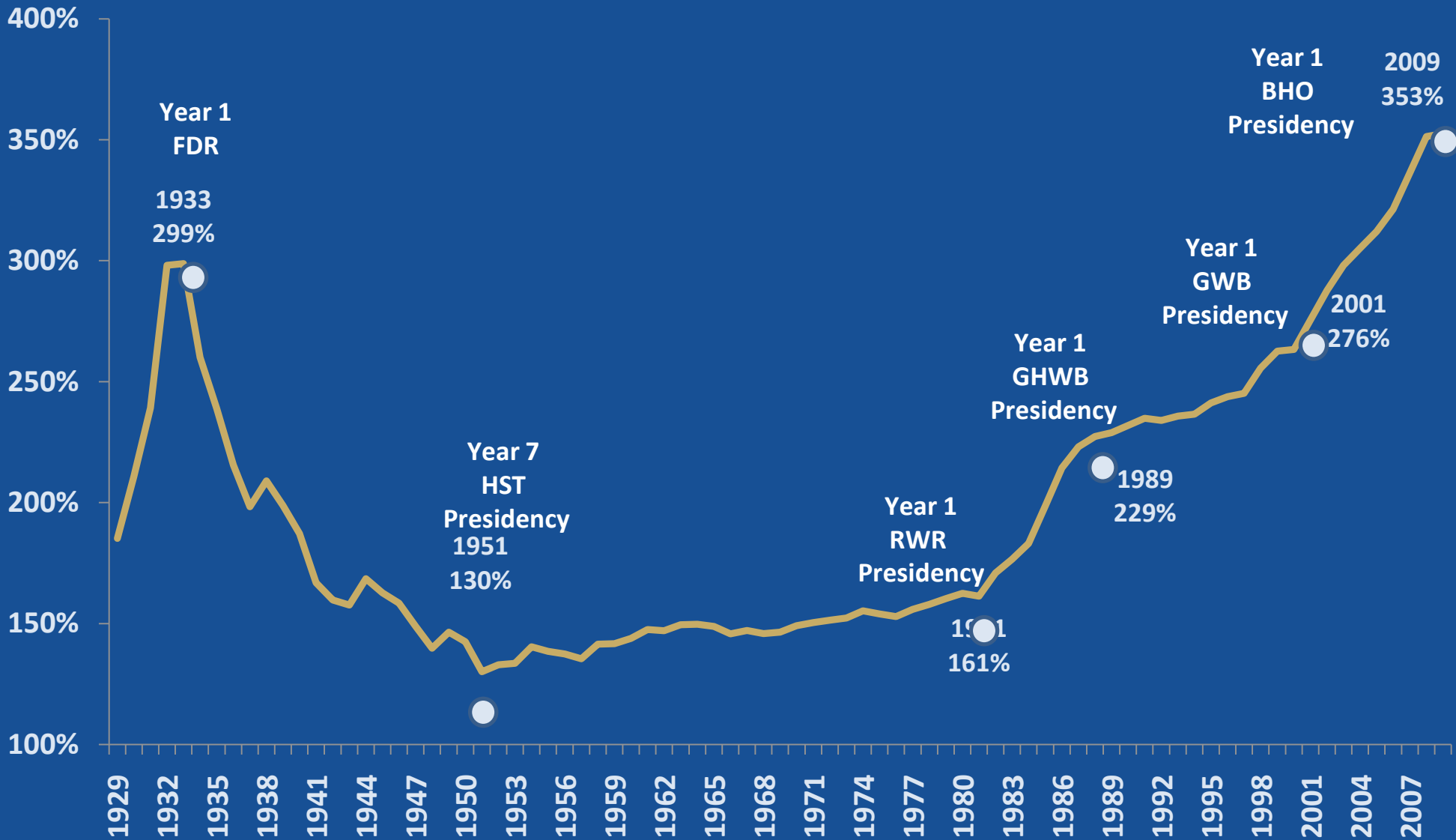
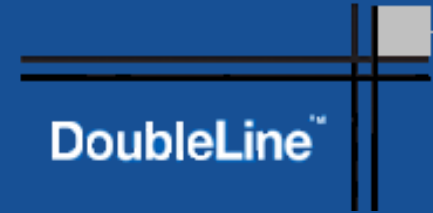


“Commercial Consumerism”

Jeffrey Gundlach
Chief Executive Officer
Chief Investment Officer

June 23, 2010

Domestic Credit Market Debt as % of Gross Domestic Product 1929-2009

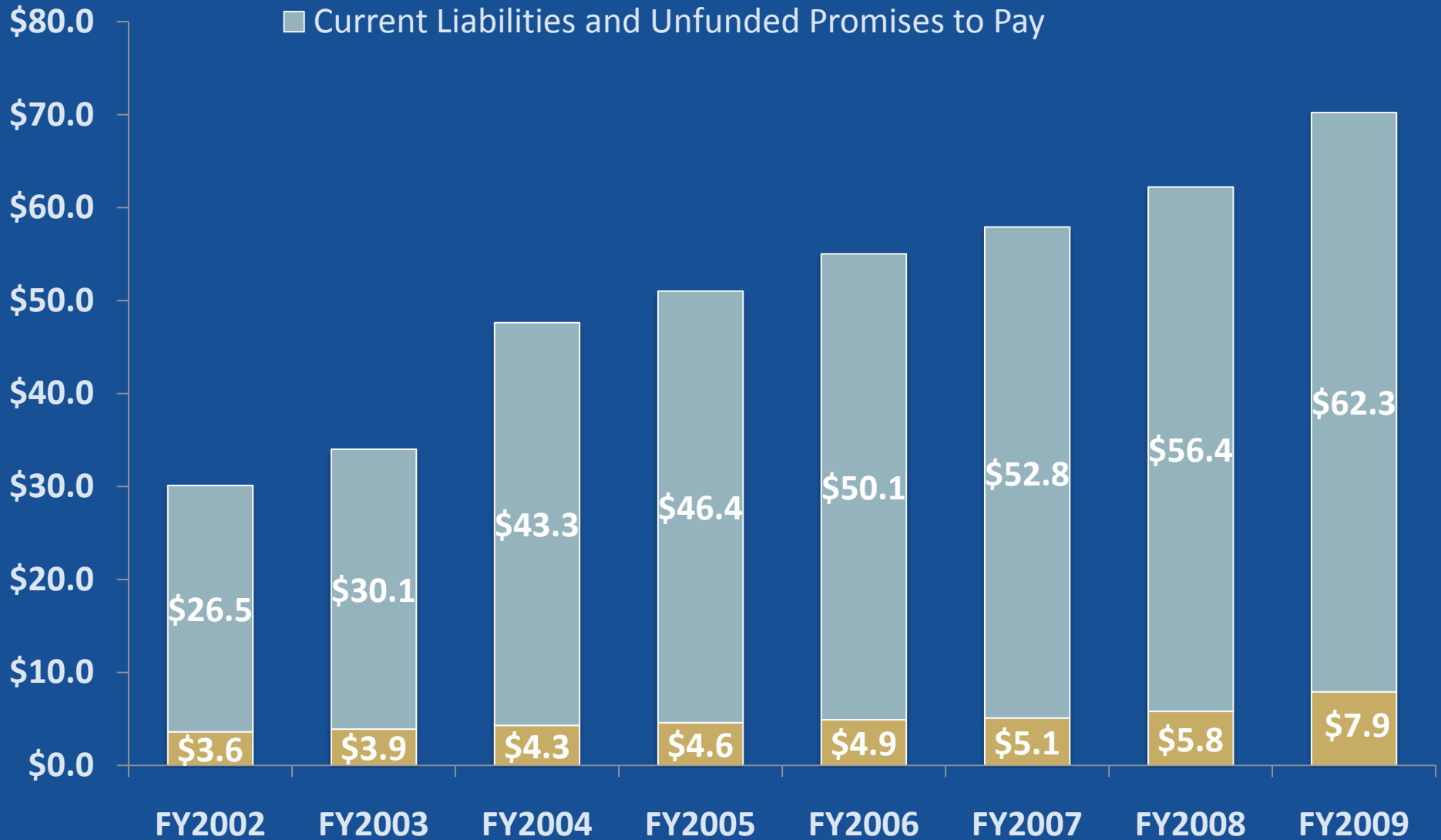


Government Promises-To-Pay

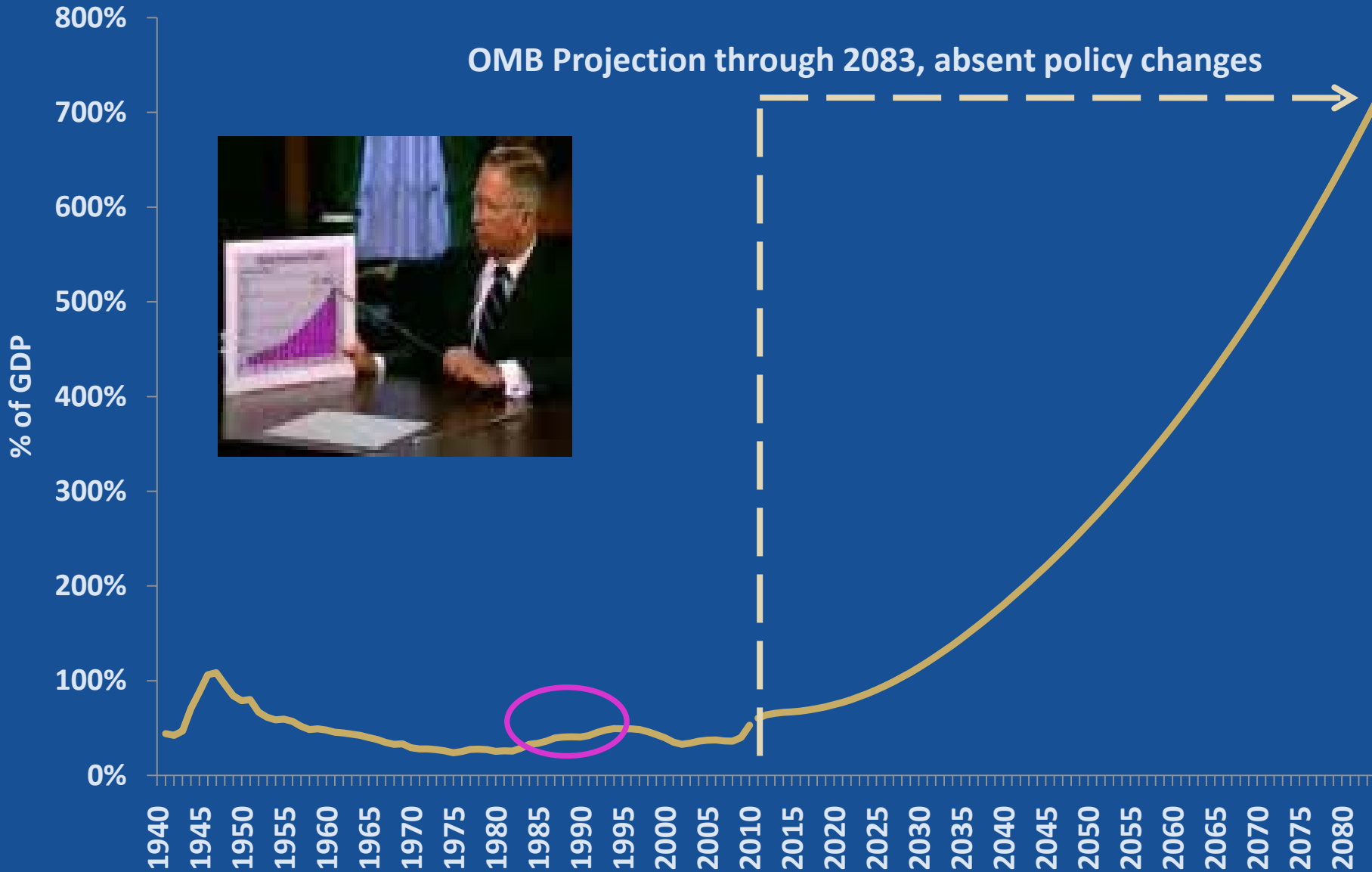
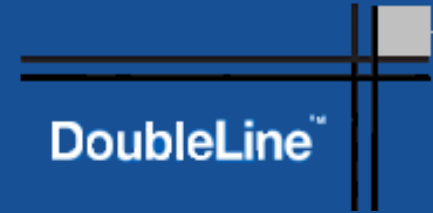


Publicly Held Treasury Debt & Accrued Interest

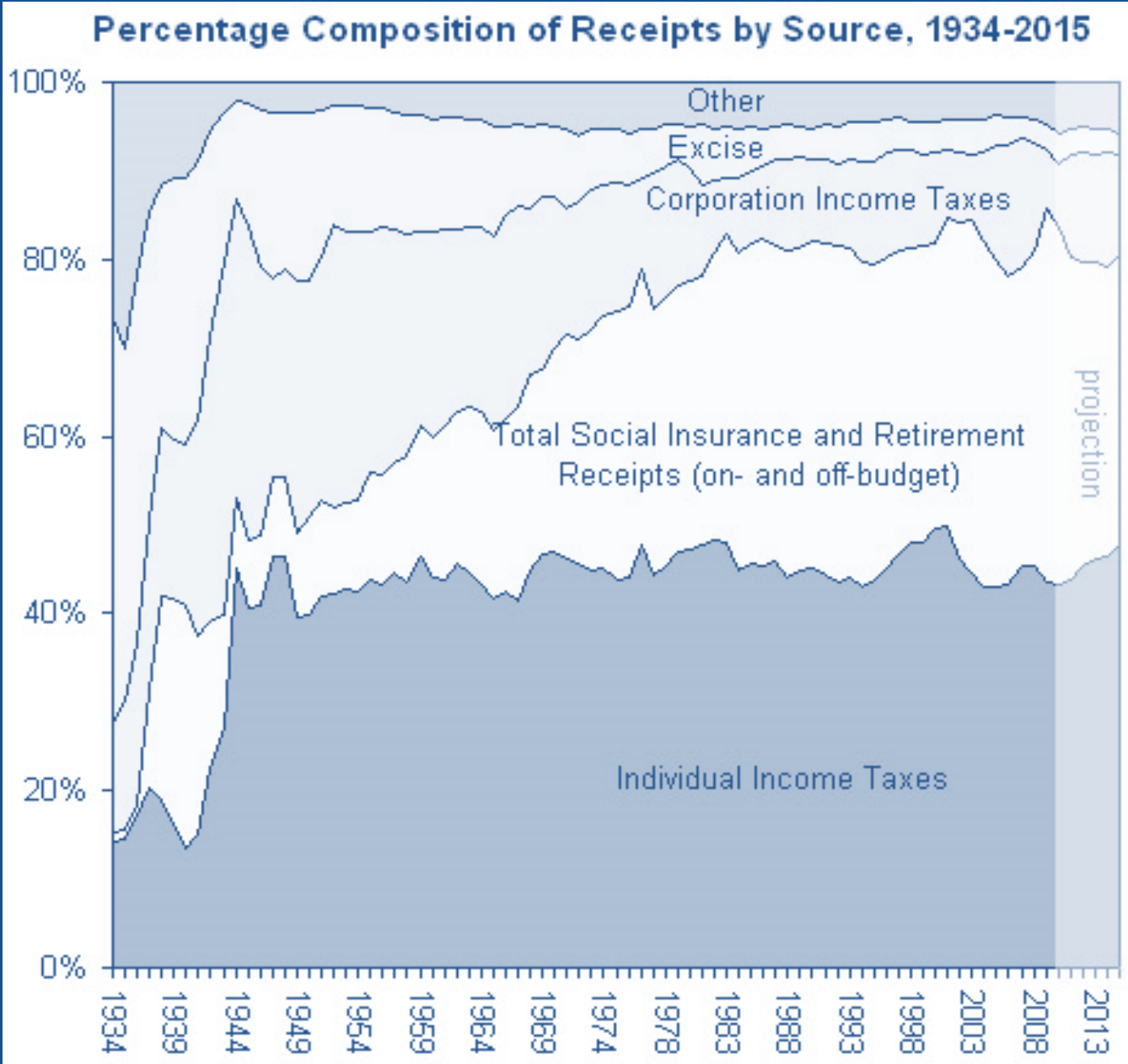
Current Liabilities and Unfunded Promises to Pay



U.S. Publicly Held Debt as Percentage of GDP

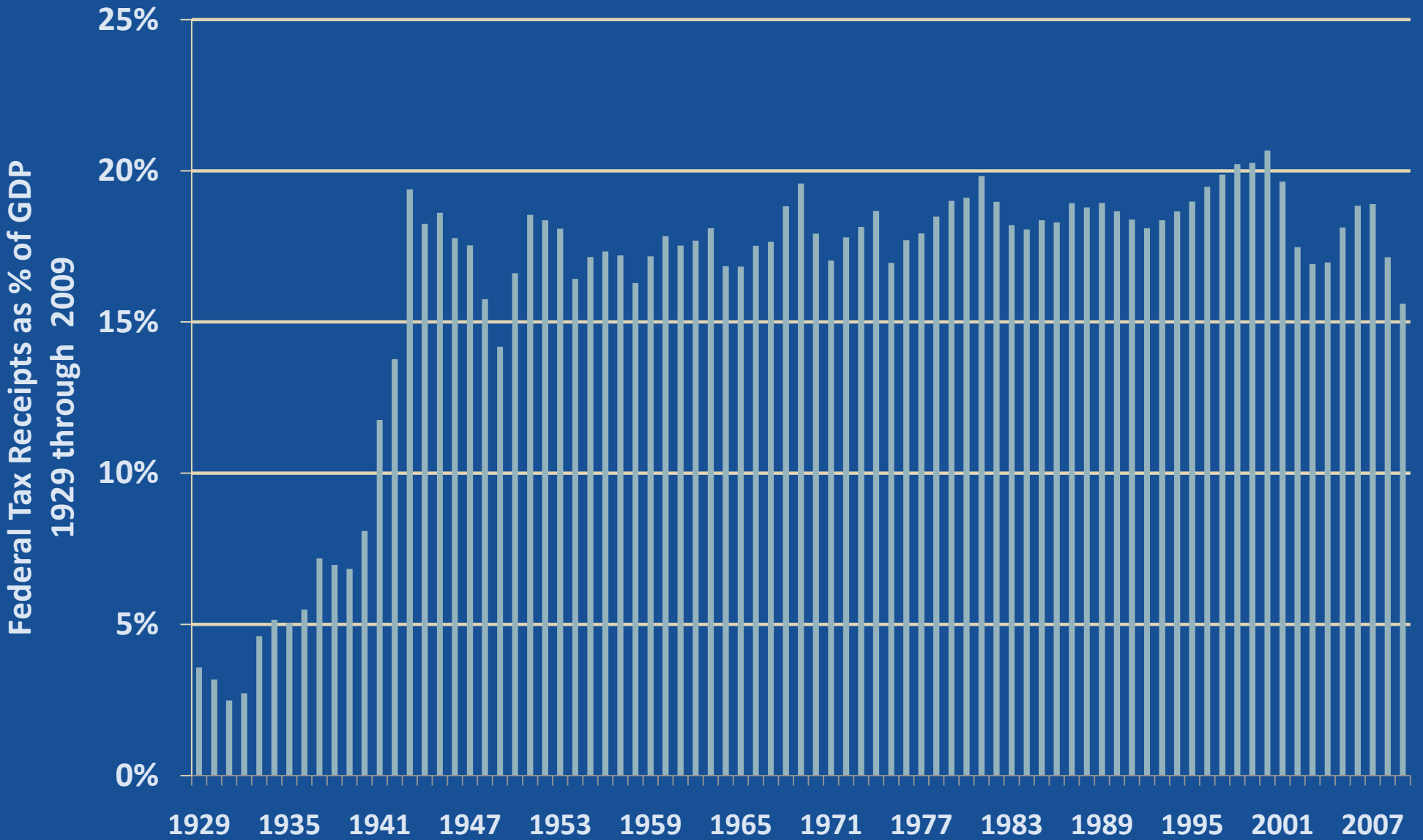
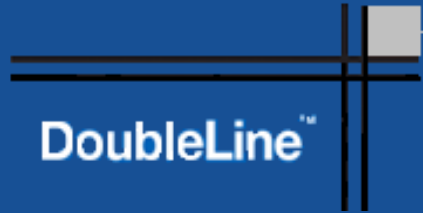


Percentage of Composition of Receipts By Source

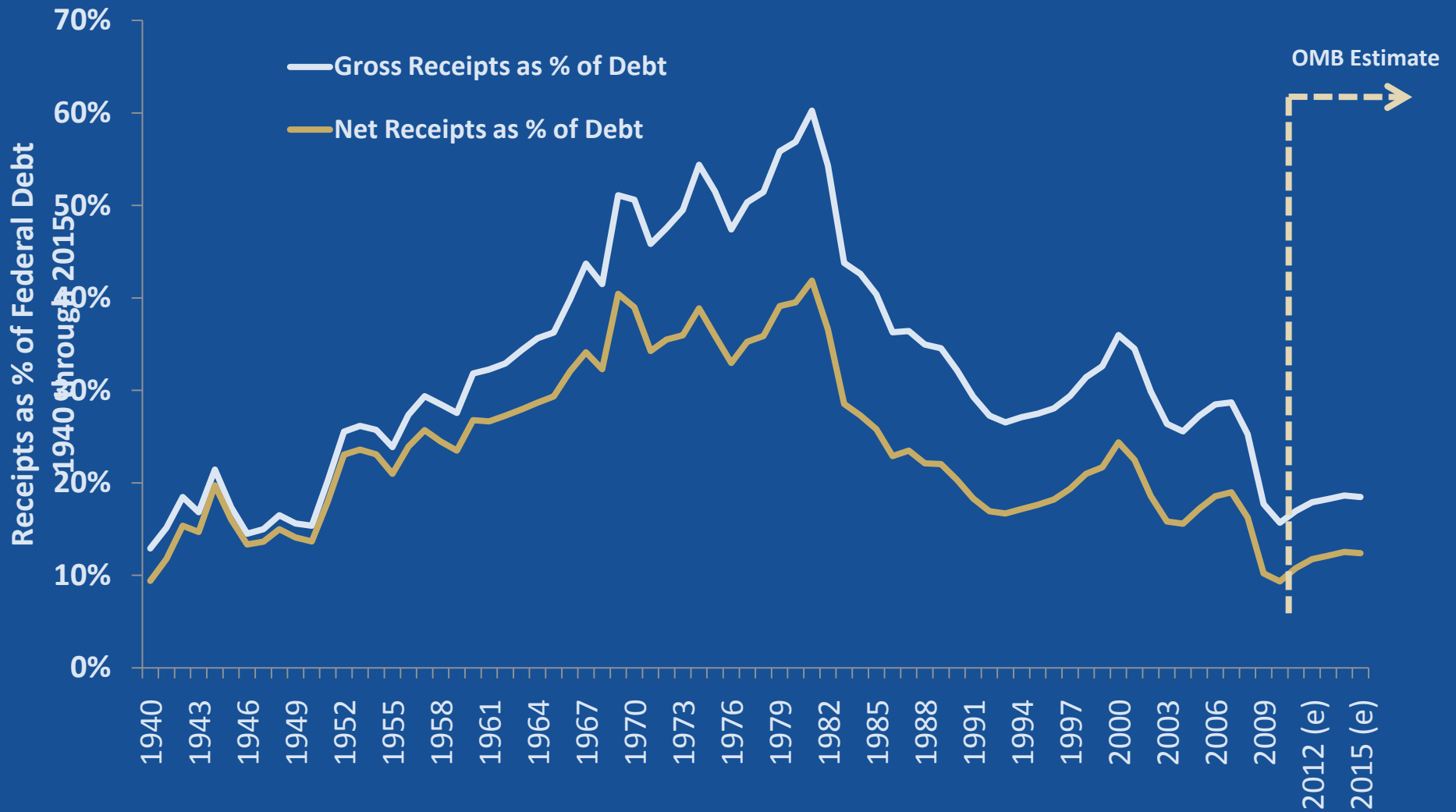
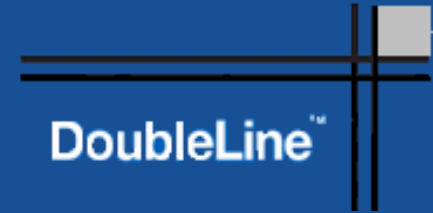


Source: <http://economix.blogs.nytimes.com/2010/02/01/government-priorities/>

Federal Tax Receipts as a % of GDP



Federal Receipts as % of Debt: 1940 through 2015

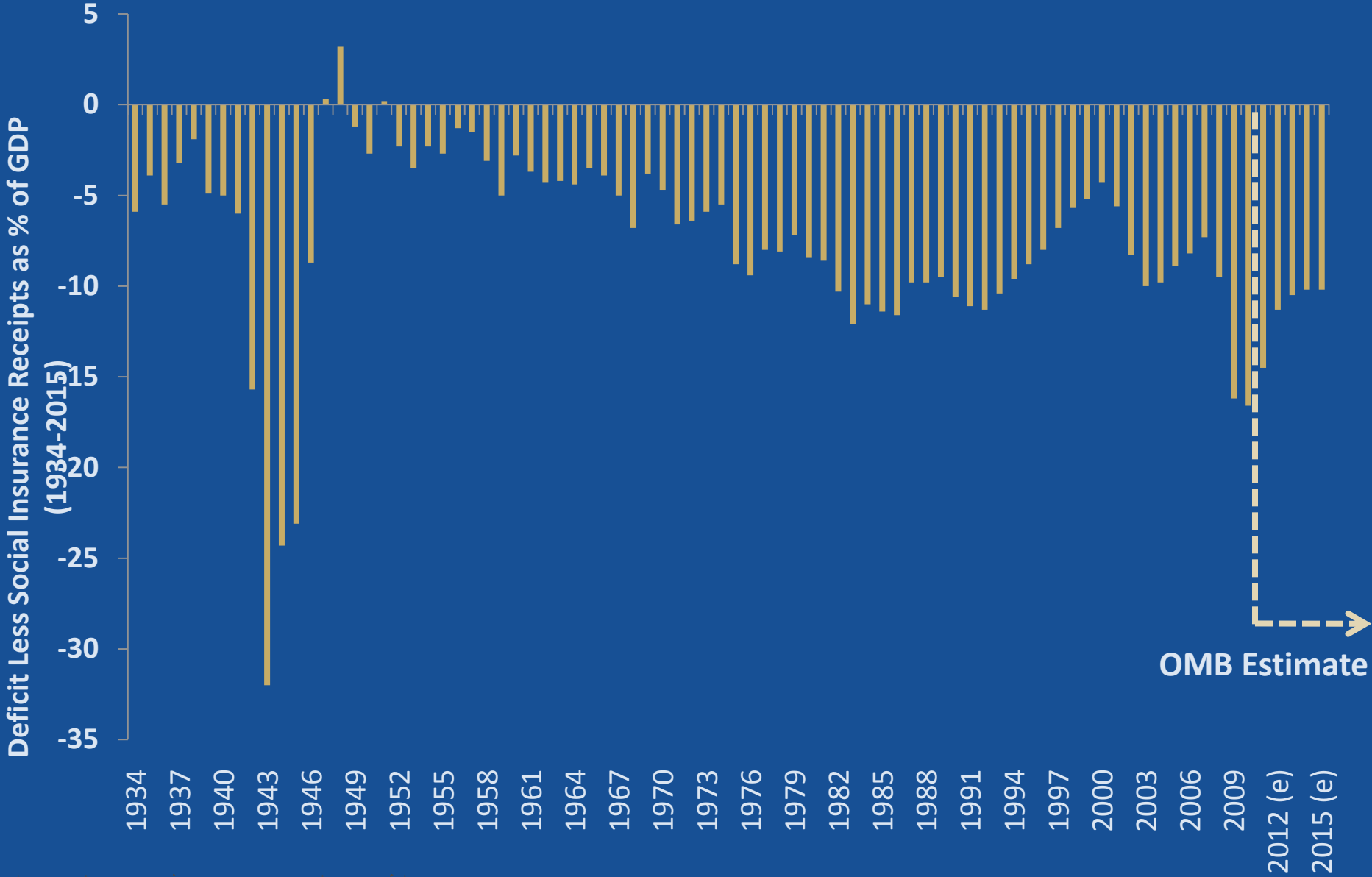


Gross Receipts equal Individual Tax, Corporate Tax, Excise Tax and Social Insurance and Retirement Receipts

Net Receipts equal Gross Receipts less Social Insurance and Retirement Receipts

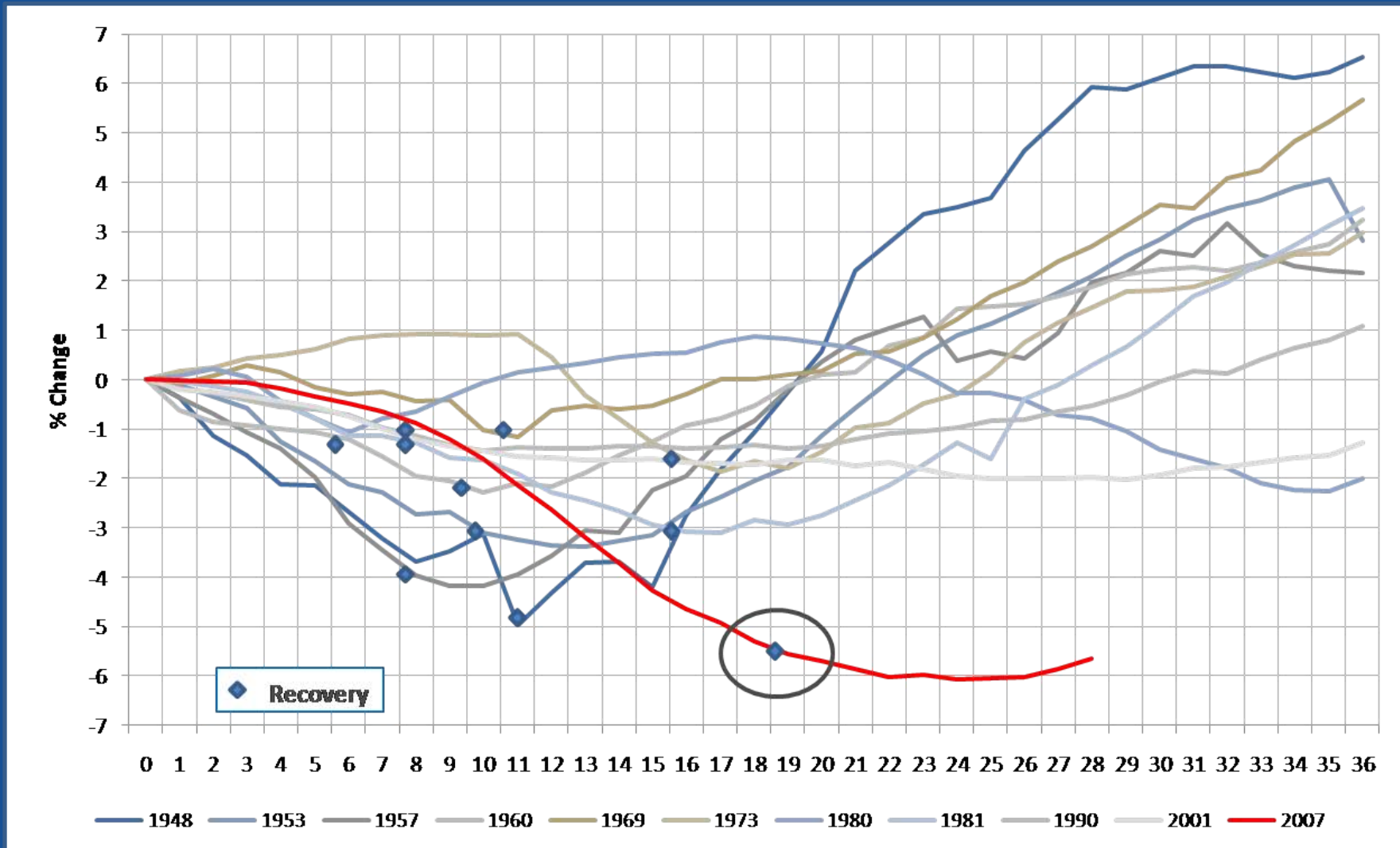
Historical "Net Surplus/Deficit": 1934 through 2015

DoubleLine™



** Net Surplus/Deficit equals Federal Receipts Less Social Insurance Receipts minus Federal Outlays

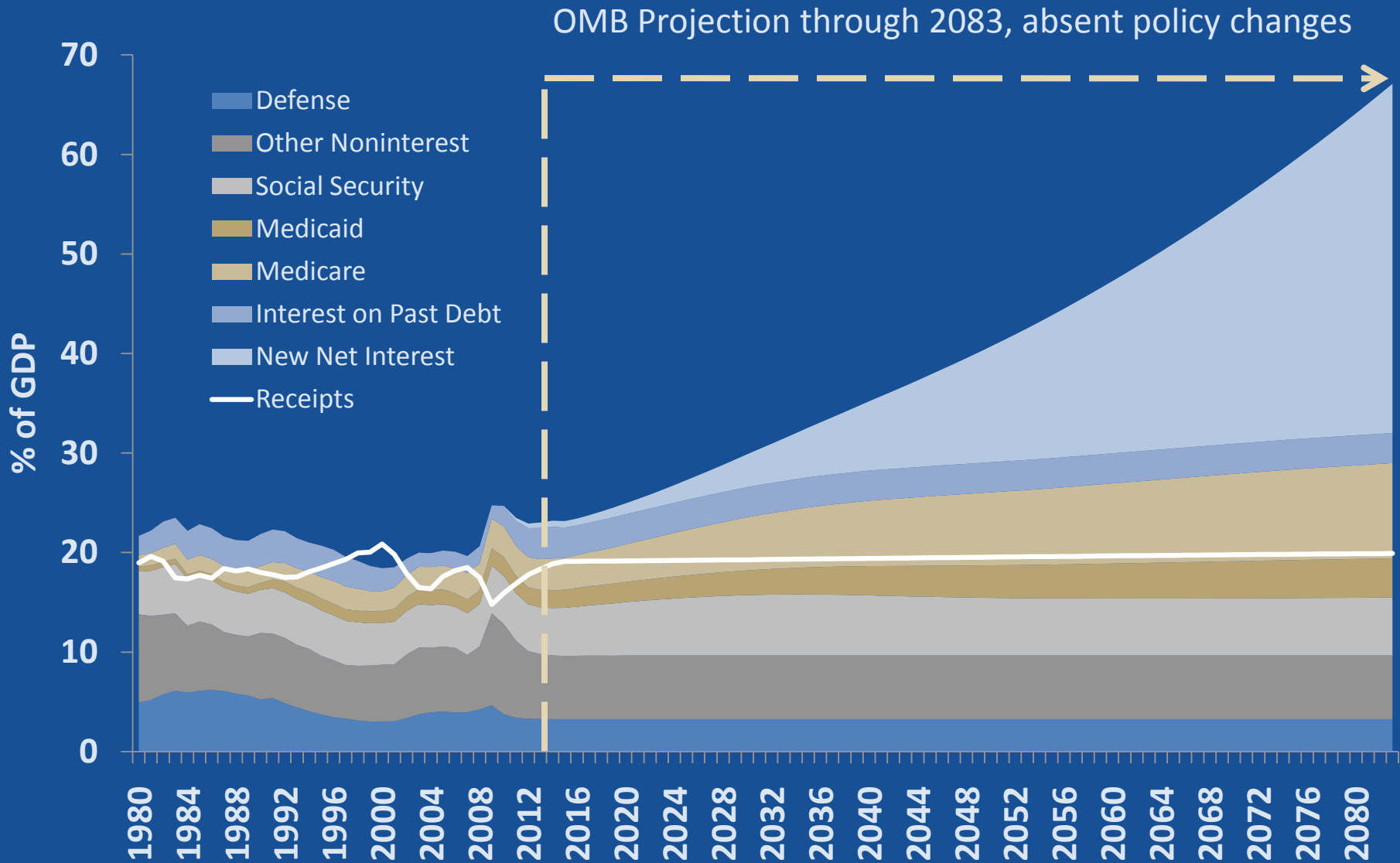
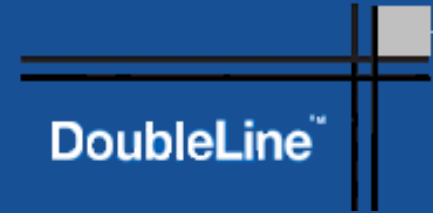
U.S. Employment – % Change from Start of Recession



* Recovery on 2007 recession has yet to be determined, but is estimated to have begun in July 2009

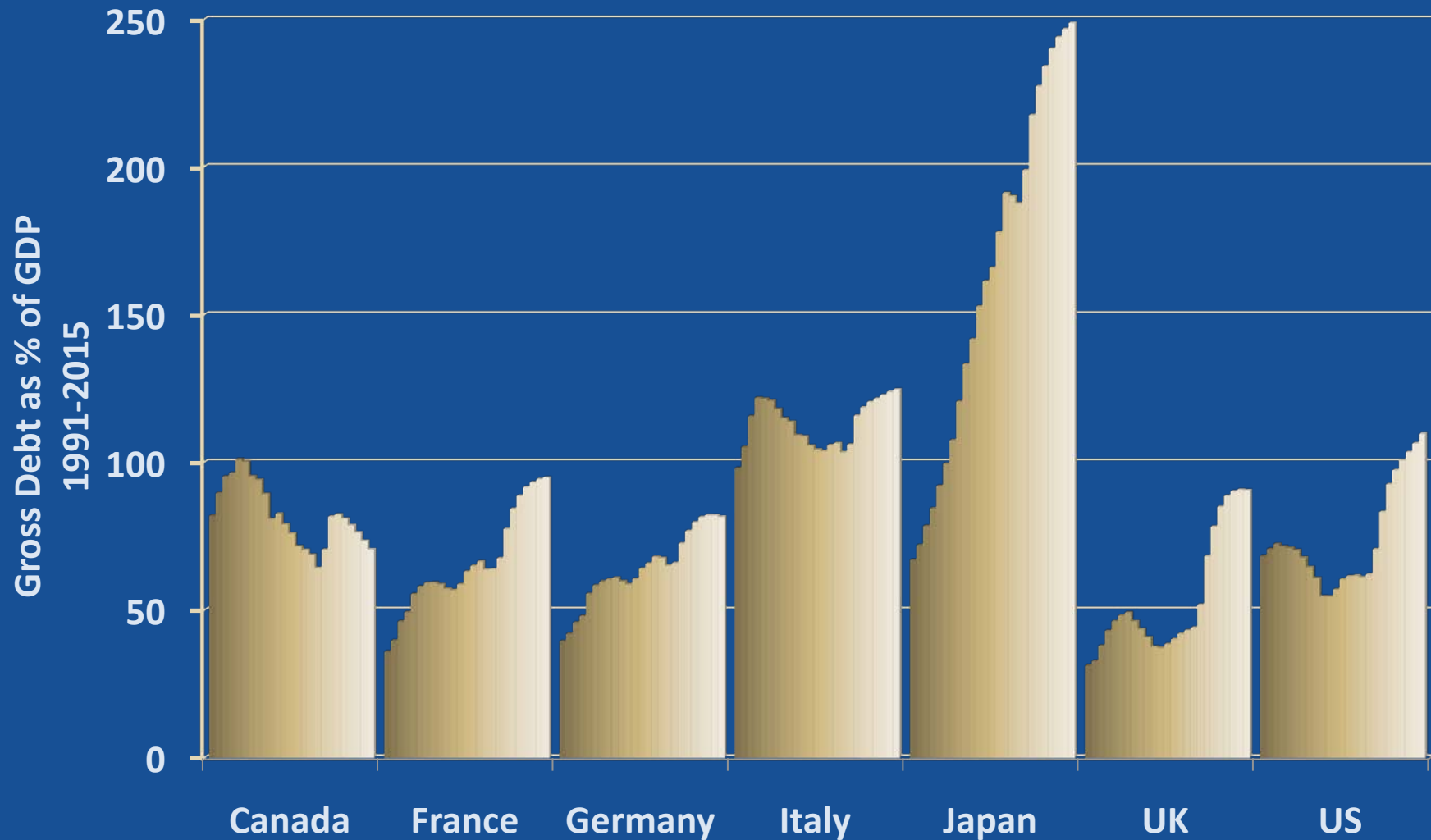
Source: Bureau of Labor Statistics, Federal Reserve Bank of Minneapolis, DoubleLine Capital LP

U.S. Government Outlays versus Receipts

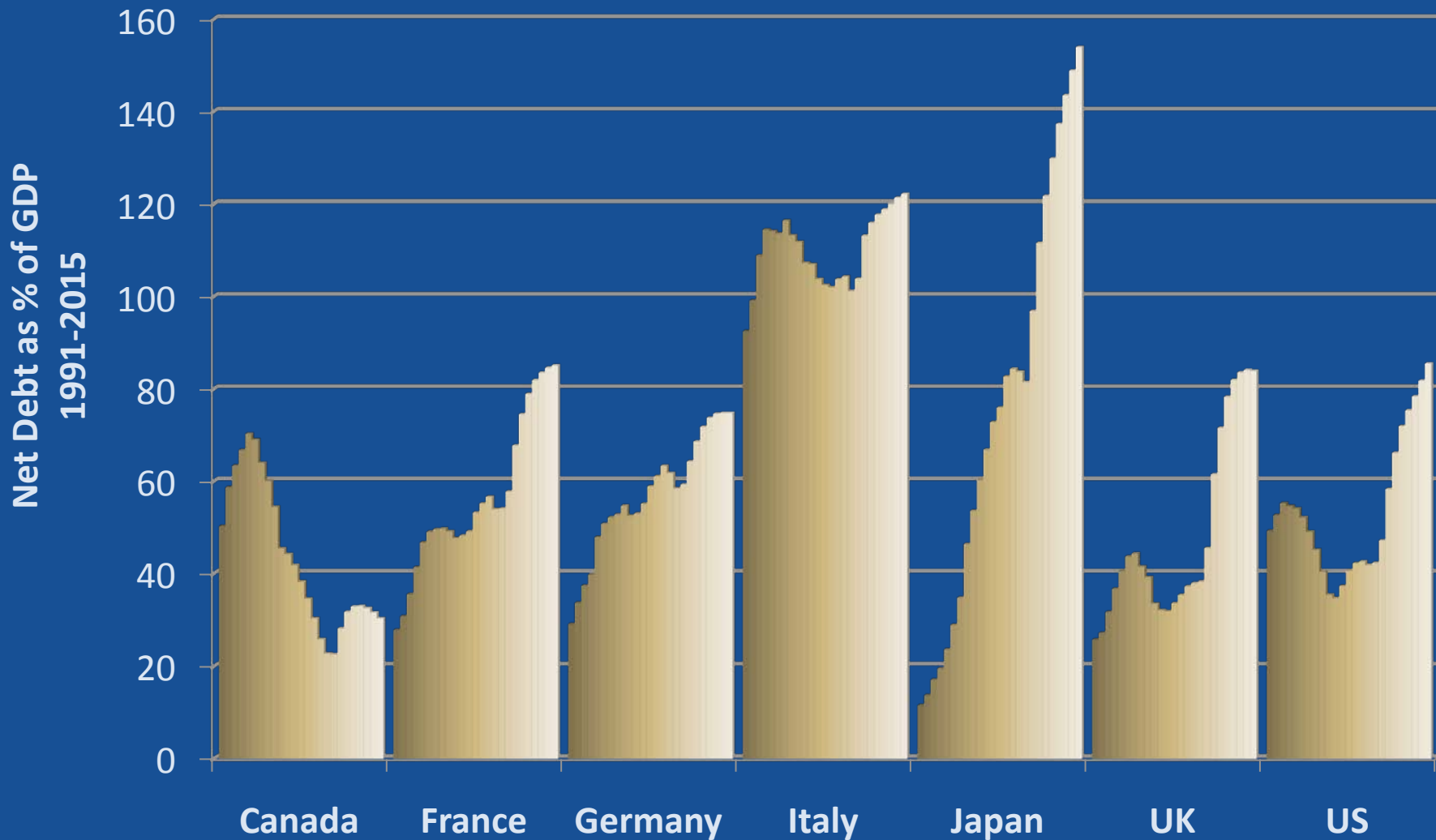
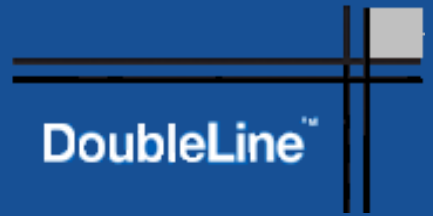


Source: Office of Management and Budget, DoubleLine Capital LP

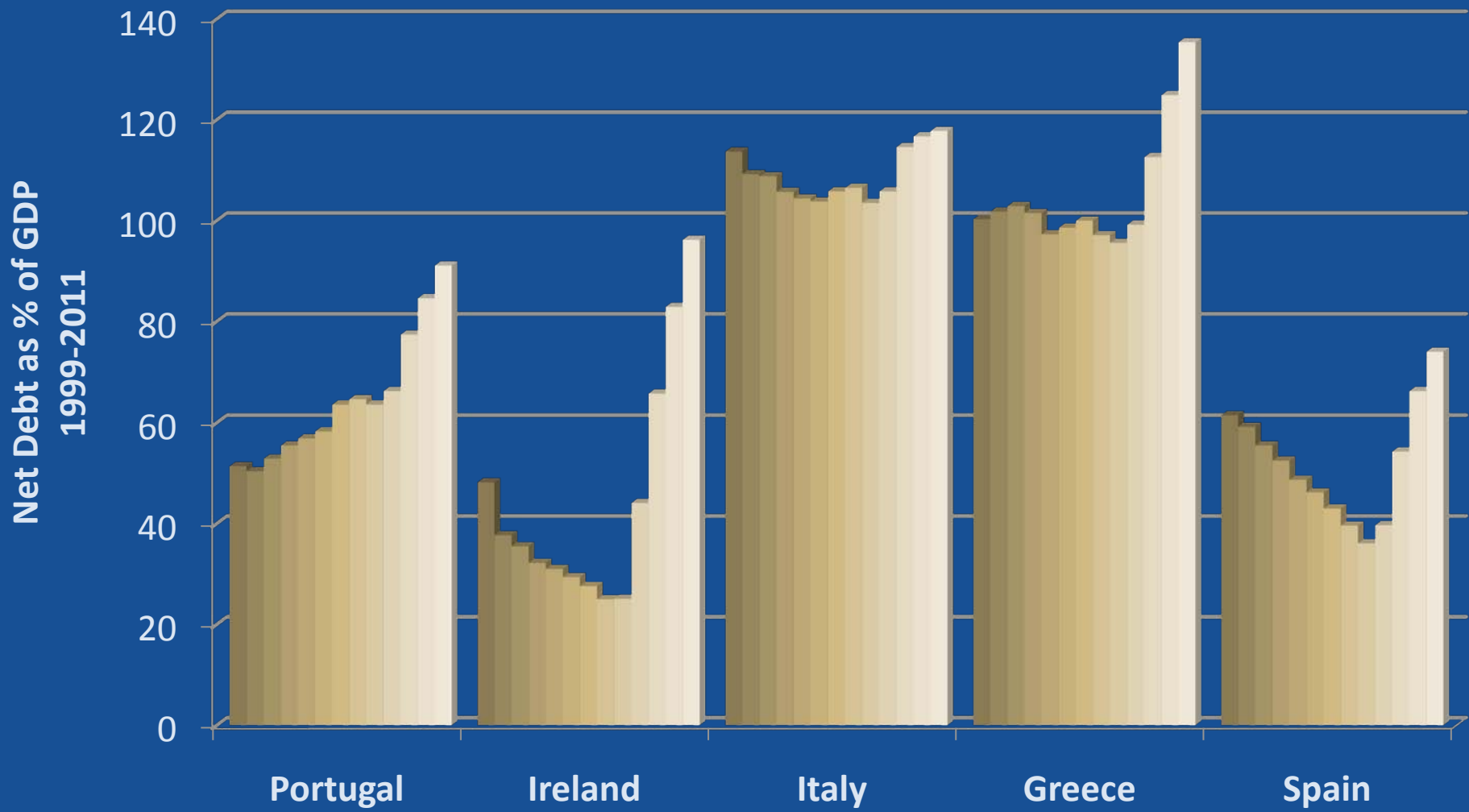
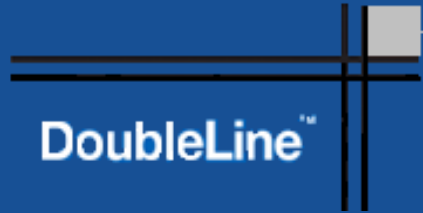
Gross Debt as % of GDP of Advanced Economies: 1991 - 2015



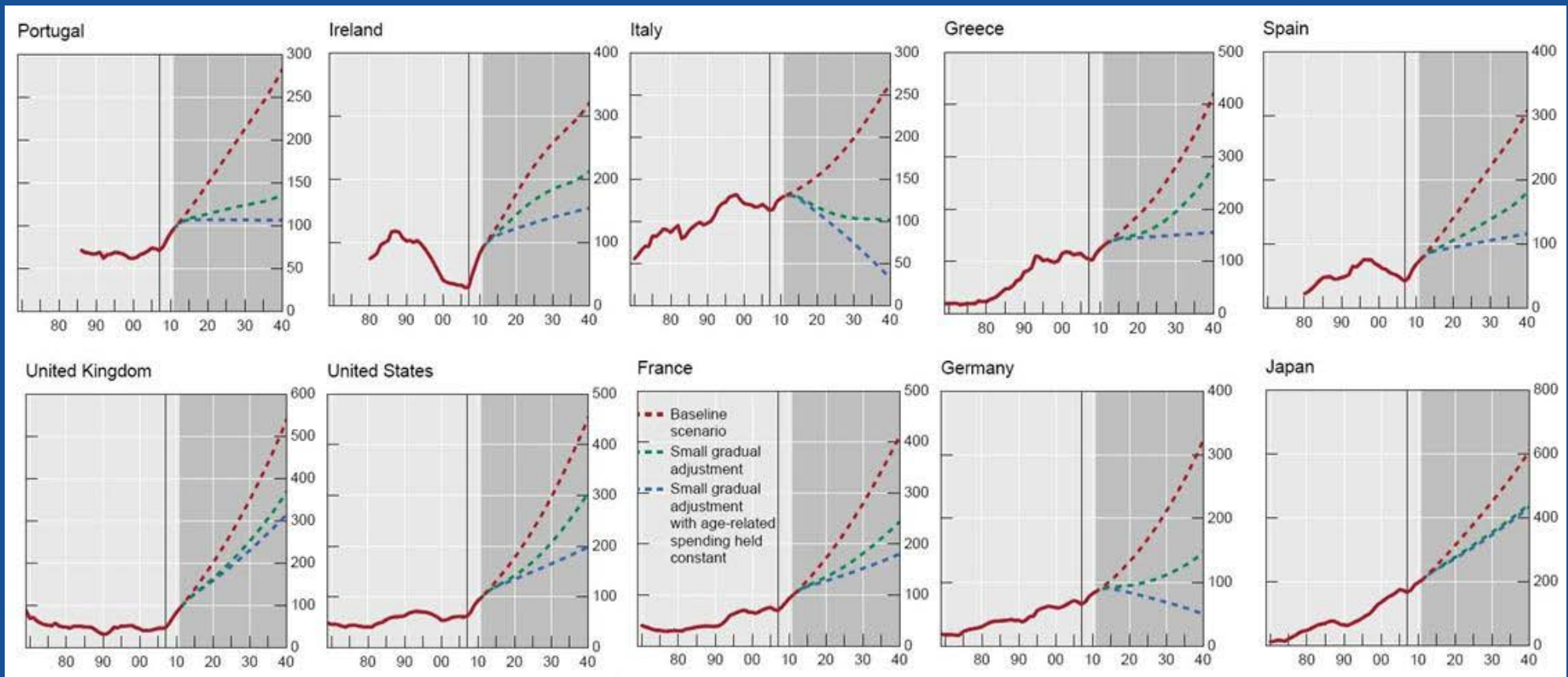
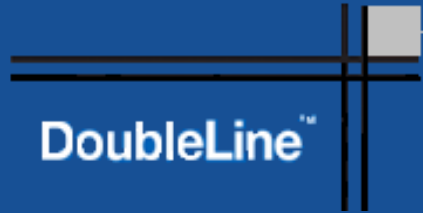
Net Debt as % of GDP of Advanced Economies: 1991 - 2015



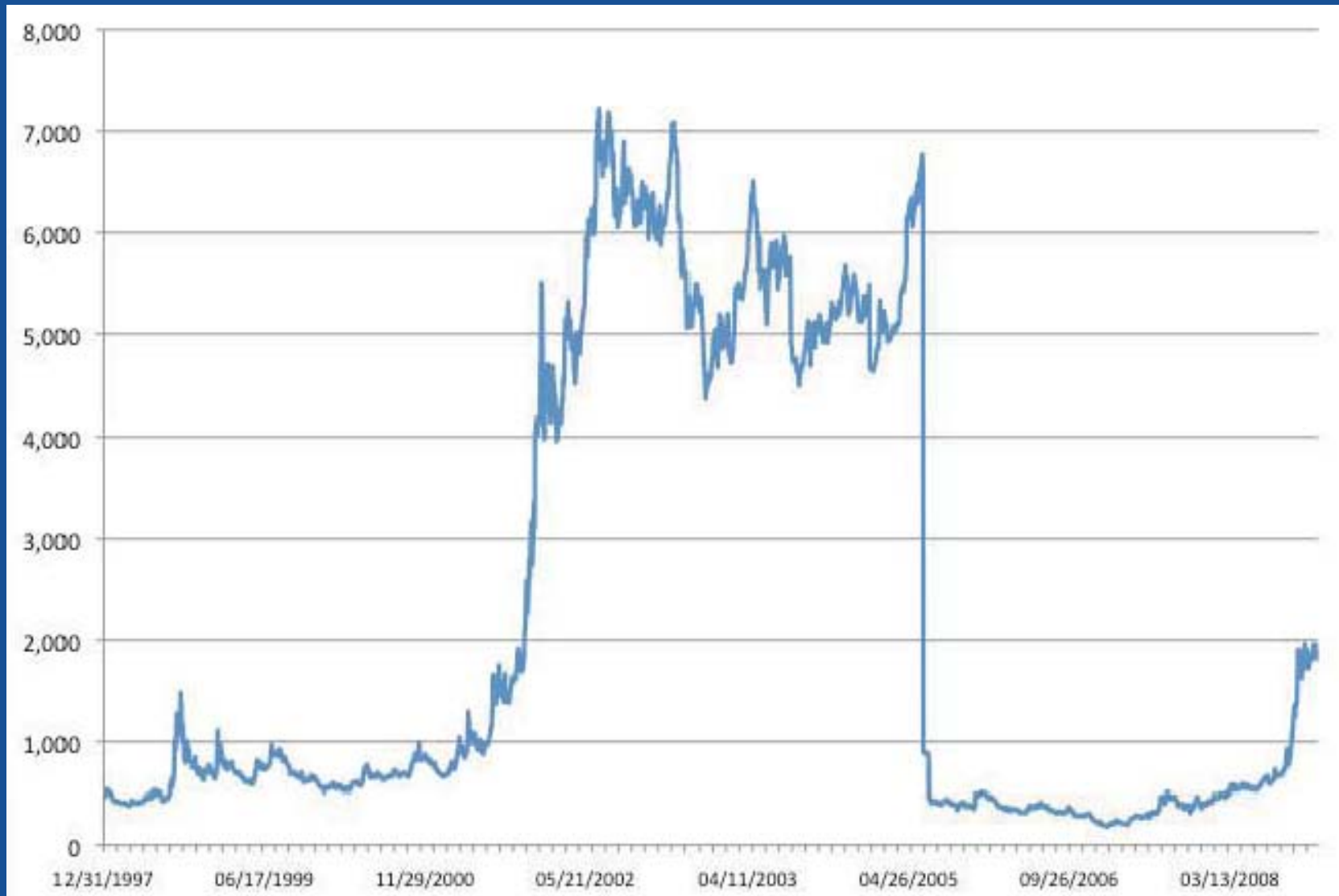
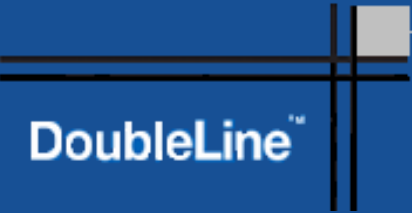
Net Debt as % of GDP of PIIGS: 1999 - 2011



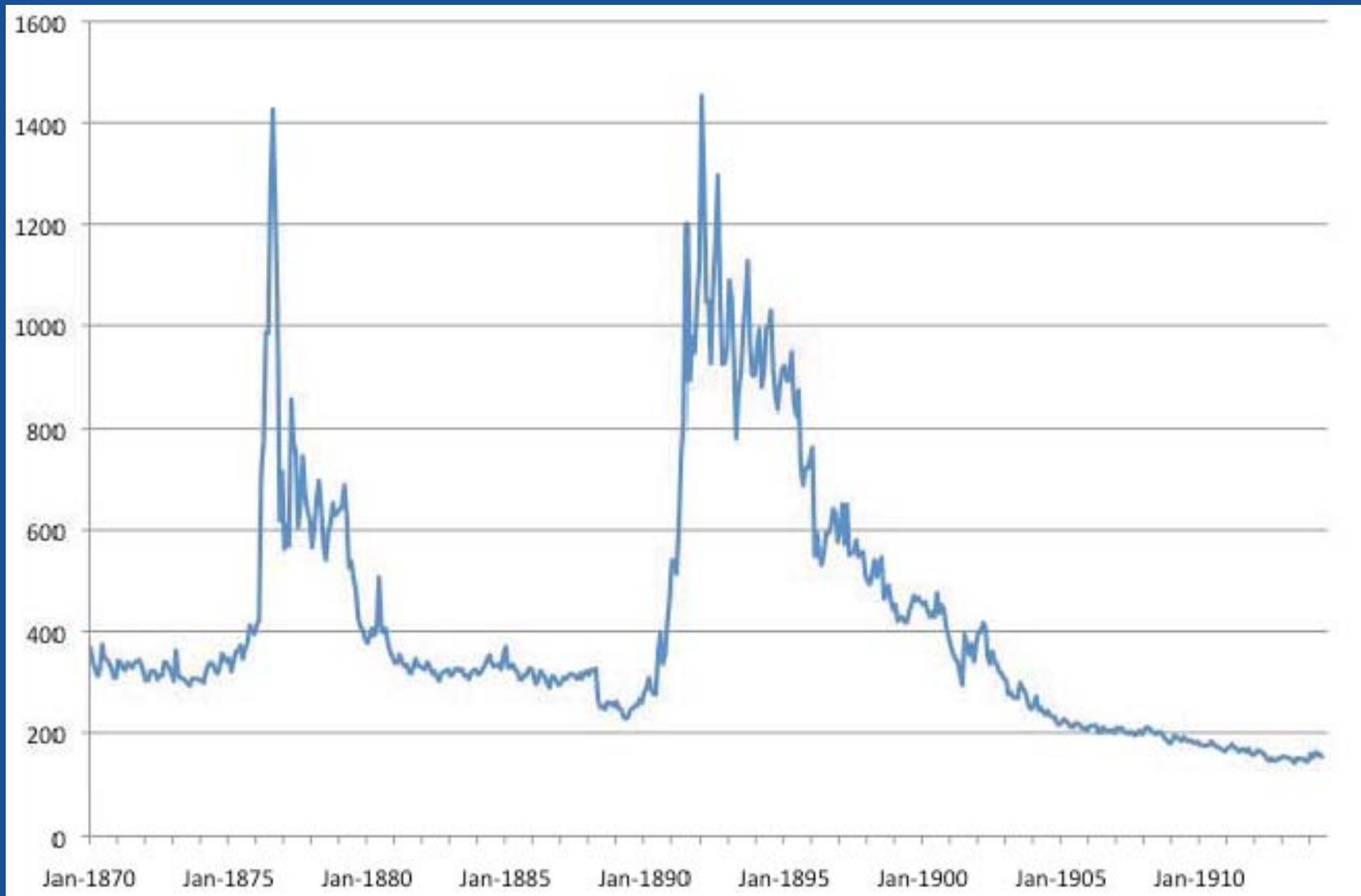
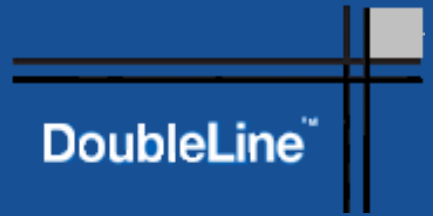
Gross Debt to GDP Projections: PIIGS vs Developed Countries



Argentine Sovereign Debt Spread over U.S. Treasuries: 1997-2008



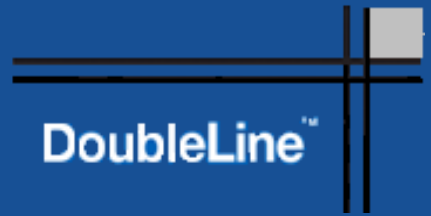
Argentine Sovereign Debt Spread over British Consols: 1870-1914



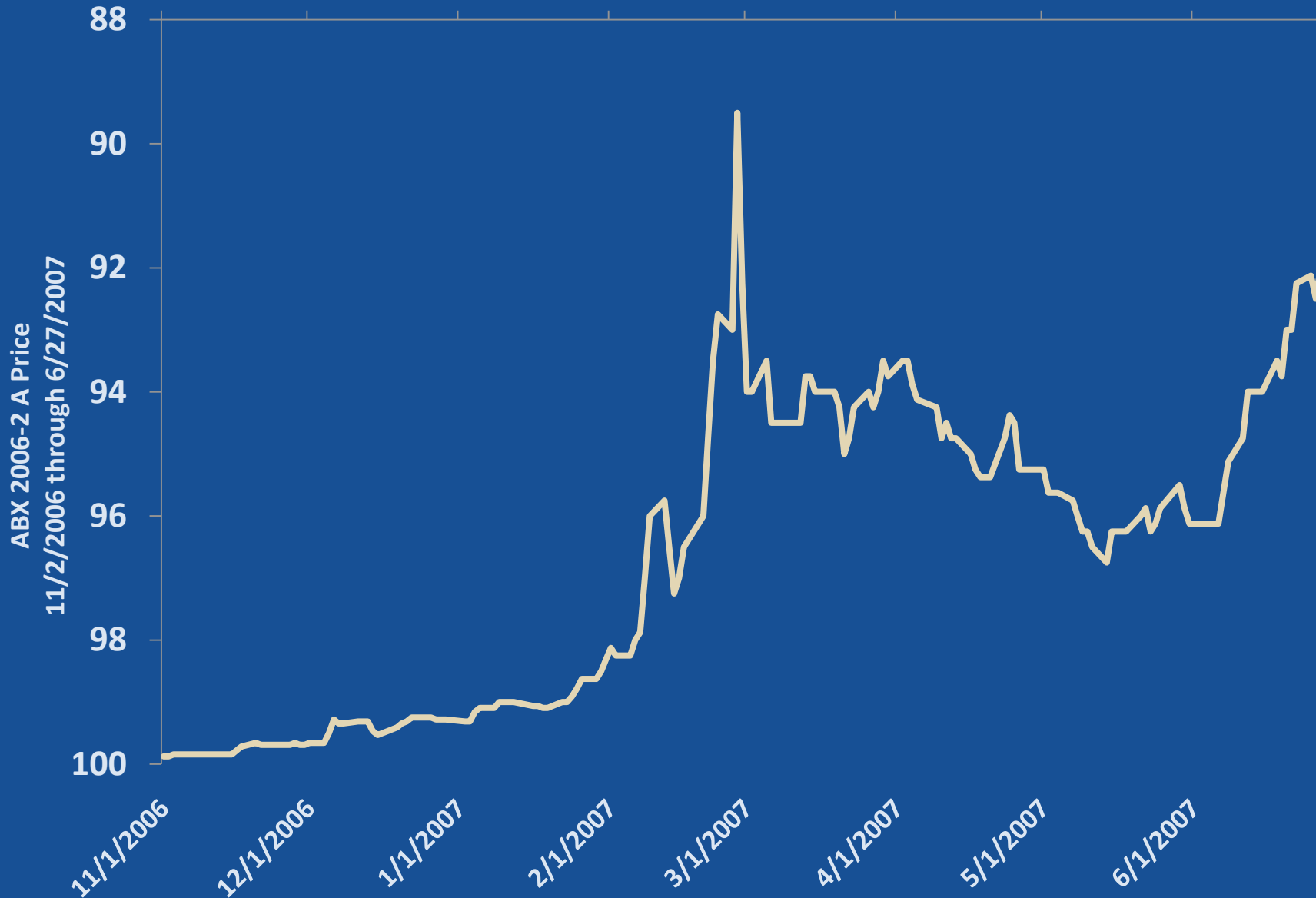
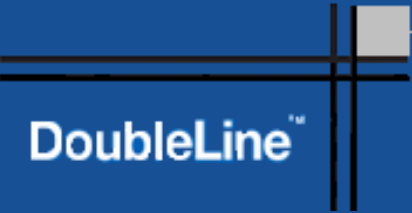
Historical Sovereign Default and Rescheduling

	Since Independence, or 1800		
	Years in a Banking Crisis	Years in Default of Rescheduling	Total # of Defaults and Reschedulings
Austria	2	17	7
Belgium	7		
Denmark	7		
Finland	9		
France	12		8
Germany	6	13	8
Greece	4	51	5
Hungary	7	37	7
Italy	9	3	1
Netherlands	2	6	1
Norway	16		
Poland	6	33	3
Portugal	2	11	6
Spain	8	24	13
Sweden	5		
UK	9		

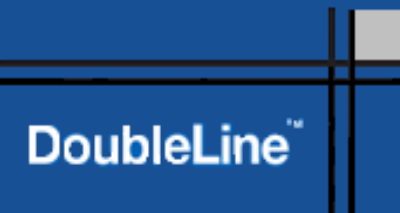
Greece Generic Government 10-Year Yields: November 2, 2009 through June 14, 2010



ABX HE 2006-2 Single A Prices: November 2, 2006 through June 27, 2007

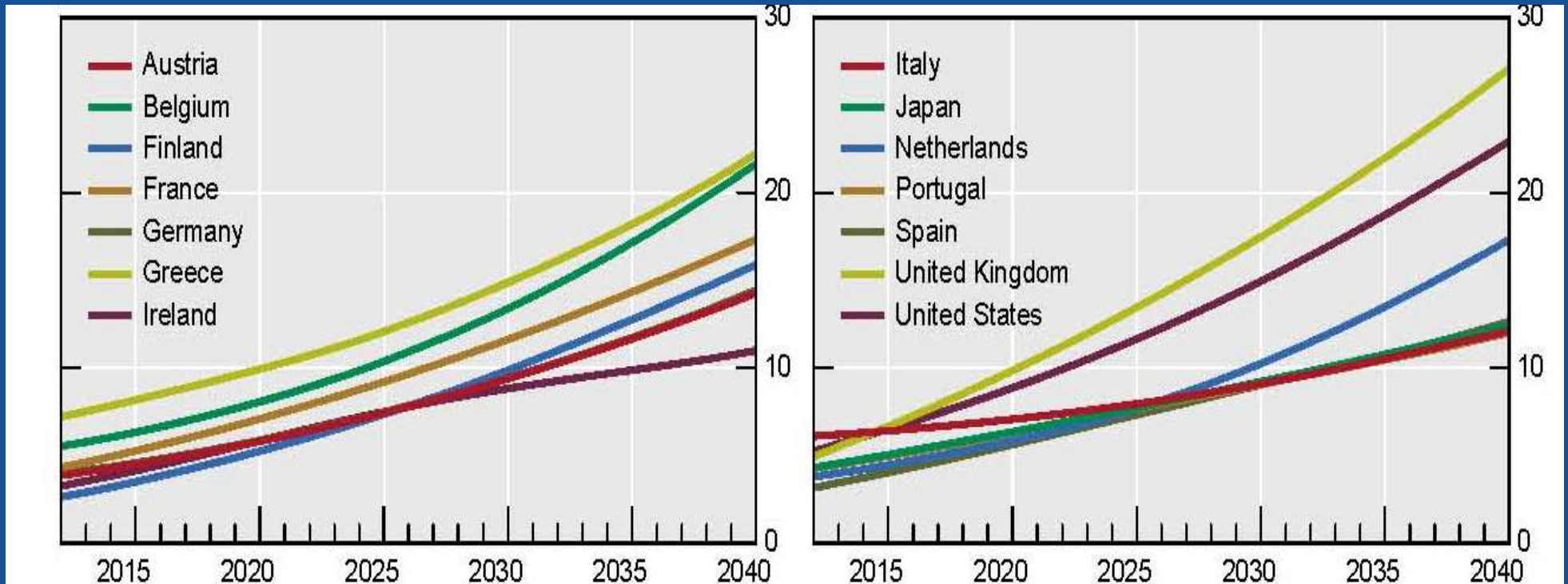


ABX HE 2006-2 Single A Prices: July 19, 2006 through March 31, 2009



Projected Interest Payments as % of GDP

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Possible Outcomes



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~~1. Increase GDP Growth Rate~~

~~2. Lower Interest Rates on Government Debt~~

~~3. Government Transfer Payment or Foreign Capital Transfer~~

4. Increase Taxes or Cut Spending

- Tax increase is on the way
- Difficult to cut public spending

5. Print Money

- We are

6. Default

- Any non-compliance of original loan terms equates to a default

Possible Solutions

The logo for DoubleLine, featuring a stylized crosshair design with a grey square at the top right intersection. The text "DoubleLine™" is positioned below the horizontal line of the crosshair.

DoubleLine™

Cut

- Only Britain has successfully reduced debt burden through surplus, lower rates and economic growth (1815-1914)

Print

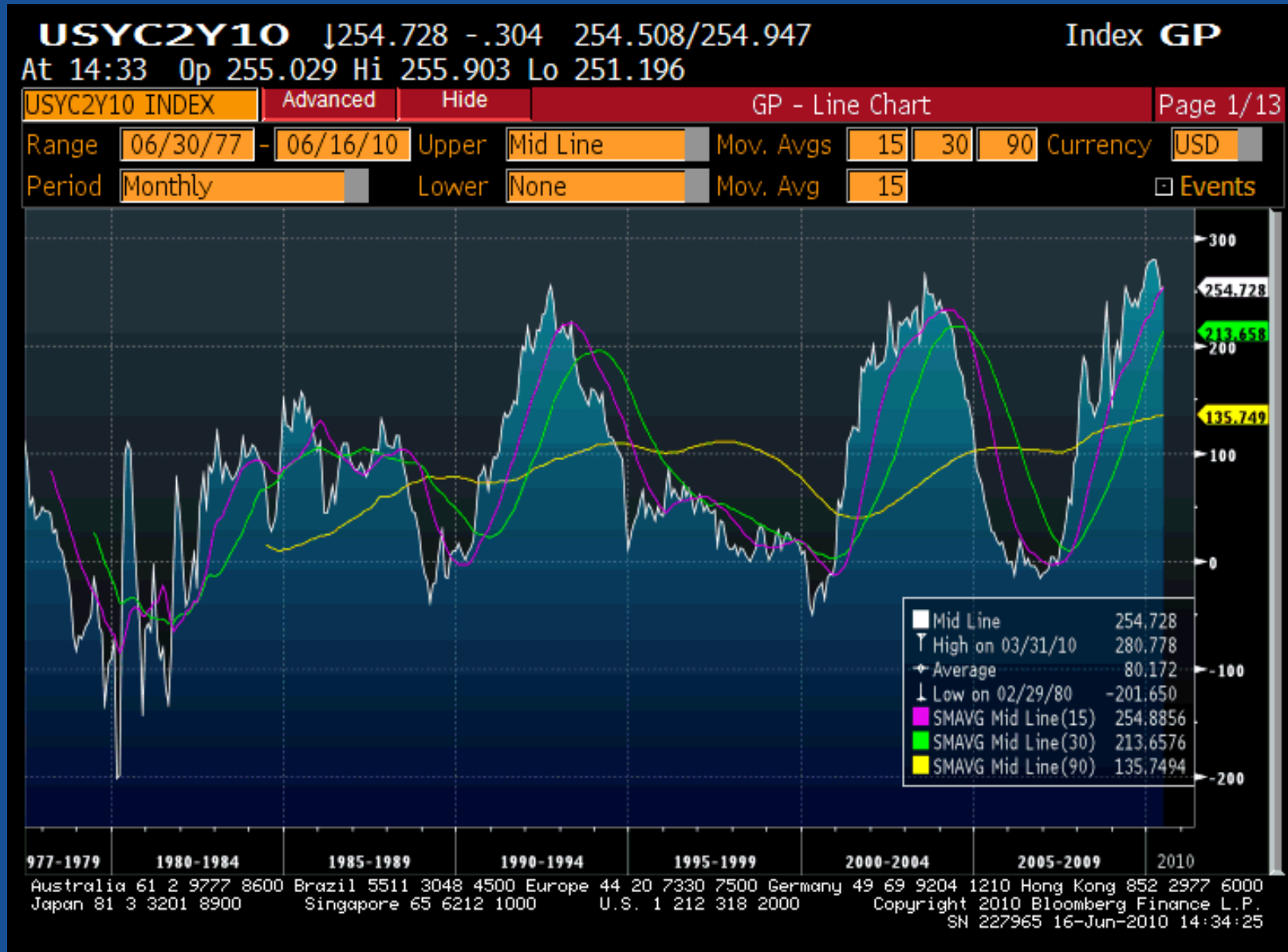
- Only governments with monetary sovereignty, i.e. U.S., U.K.
- Only governments with own-currency denominated debt

Default:

- Governments with limited monetary sovereignty
- Governments with foreign-currency denominated debt

10-Year UST Yield Minus 2-Year US Treasury Yield

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U.S. RMBS 2005-2007 Vintage Credit Rating Migration

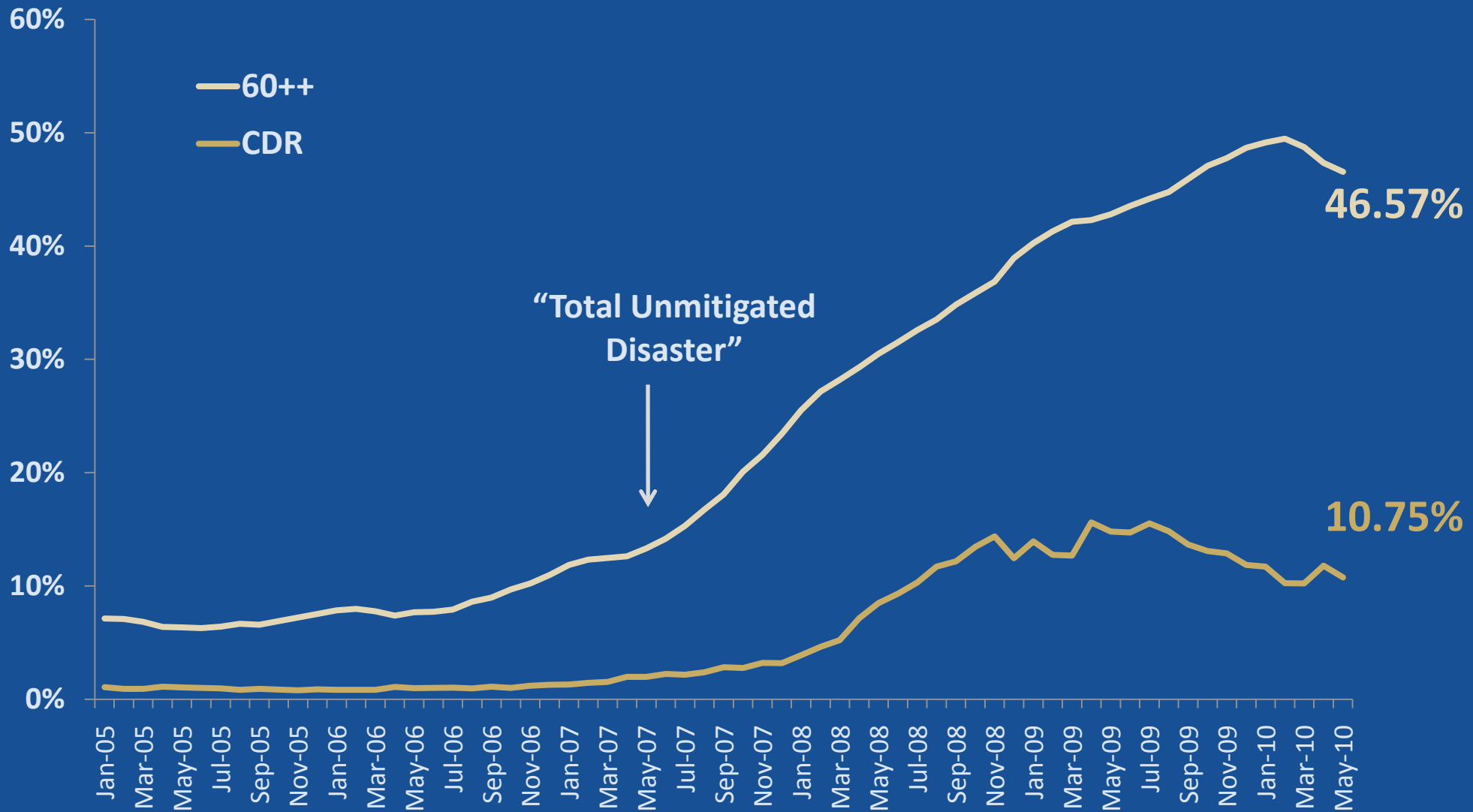
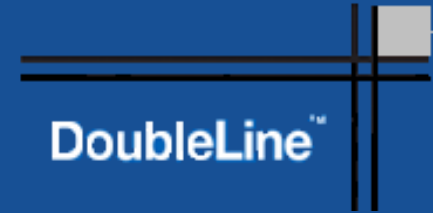


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	AAA	AA	A	BBB	BB	B	CCC	CC	D	% Downgraded
AAA	19.78%	3.52%	3.00%	4.59%	5.90%	9.78%	37.14%	12.41%	3.90%	80.22%
AA+		19.37%	2.76%	2.36%	2.81%	9.28%	27.27%	18.37%	17.80%	82.43%
AA	0.01%	20.55%	1.71%	1.14%	2.16%	5.06%	20.50%	20.81%	28.07%	79.84%
AA-		9.70%	2.26%	2.16%	2.05%	4.53%	20.17%	20.36%	38.79%	90.30%
A+			7.69%	2.06%	2.32%	4.26%	17.47%	19.59%	46.61%	93.58%
A		0.01%	5.93%	2.16%	1.81%	4.33%	14.62%	20.06%	51.07%	94.51%
A-			1.22%	0.60%	1.06%	3.74%	10.23%	40.19%	42.96%	98.78%
BBB+				1.10%	0.62%	1.96%	10.93%	19.35%	66.02%	99.00%
BBB				1.98%	0.42%	0.96%	10.96%	22.36%	63.32%	98.07%
BBB-				0.48%	0.06%	0.94%	3.96%	36.04%	58.53%	99.51%
BB+					0.53%	0.07%	2.60%	13.58%	83.23%	99.50%
BB					0.96%	0.55%	5.41%	17.04%	76.05%	99.04%
BB-					0.46%	0.96%	64.83%	6.54%	27.21%	99.53%
B+						0.45%	54.22%	13.50%	31.82%	99.54%
B						0.44%	1.99%	8.28%	89.31%	99.57%
B-						0.52%	10.86%	17.54%	71.08%	99.48%

Subprime Serious Delinquency and Conditional Default Rate

May 2010 Remittances

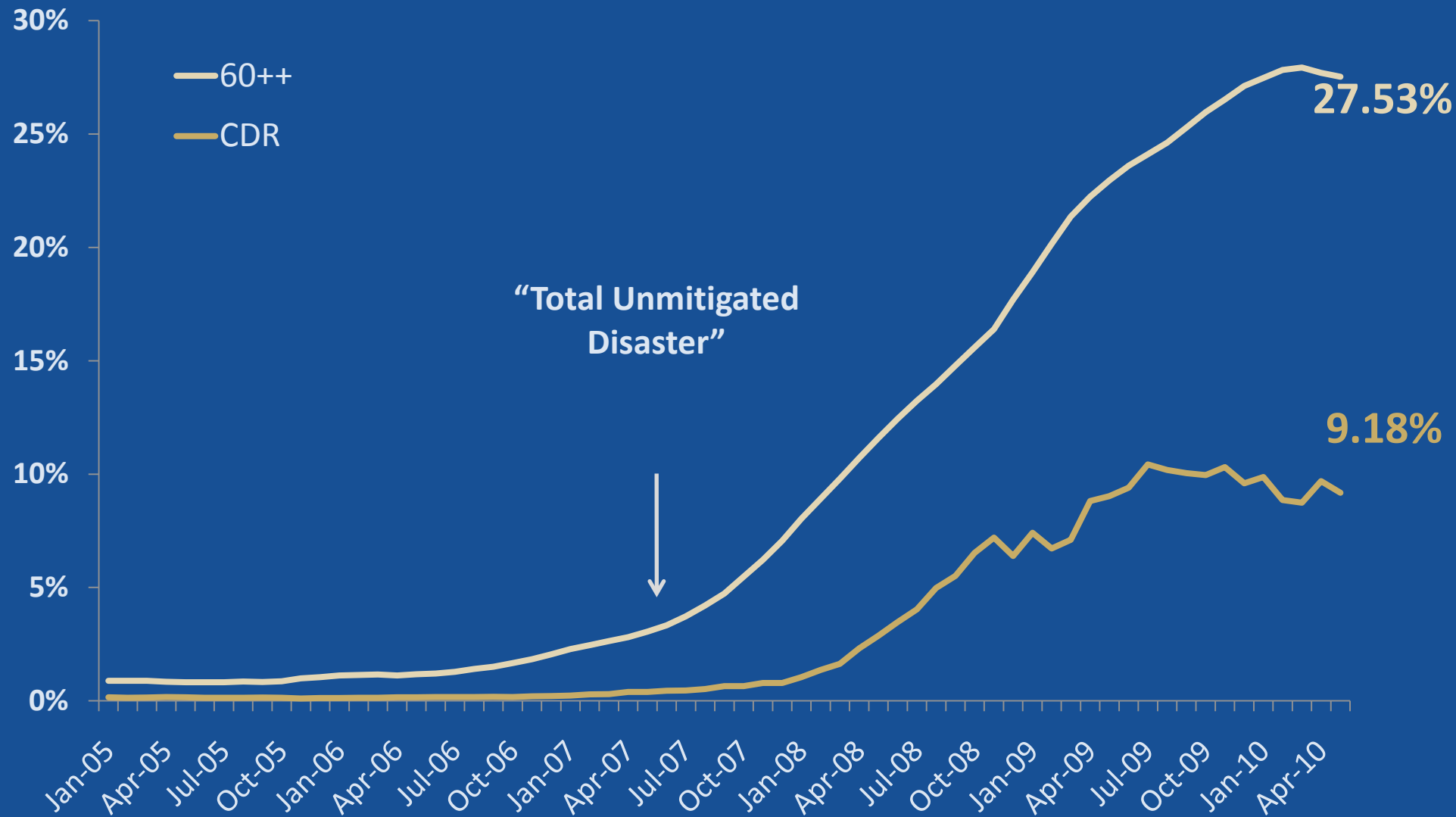
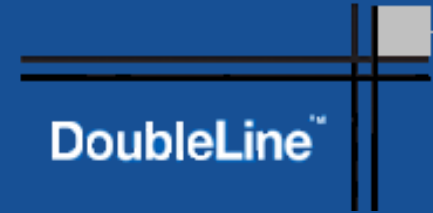


60++ refers to serious delinquency defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status. Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75. First lien only.

Source: Loan Performance, Vichara, DoubleLine Capital LP

Alt-A Serious Delinquency and Conditional Default Rate

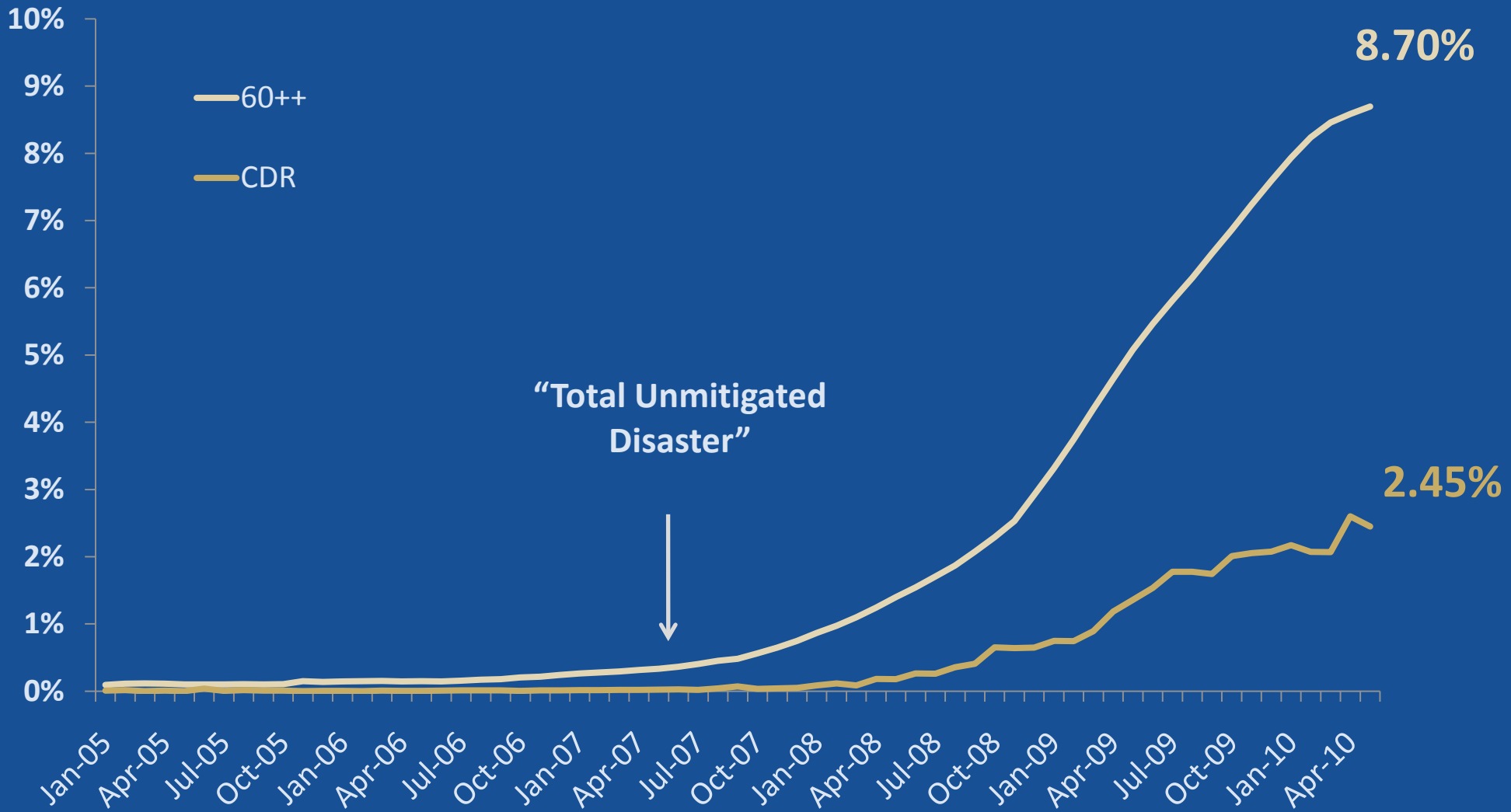
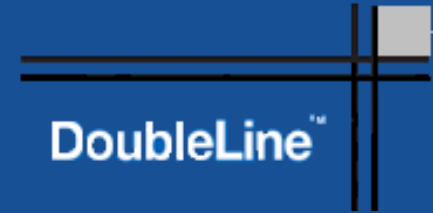
May 2010 Remittances



60++ refers to serious delinquency defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status. Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75. First lien only.

Prime Serious Delinquency and Conditional Default Rate

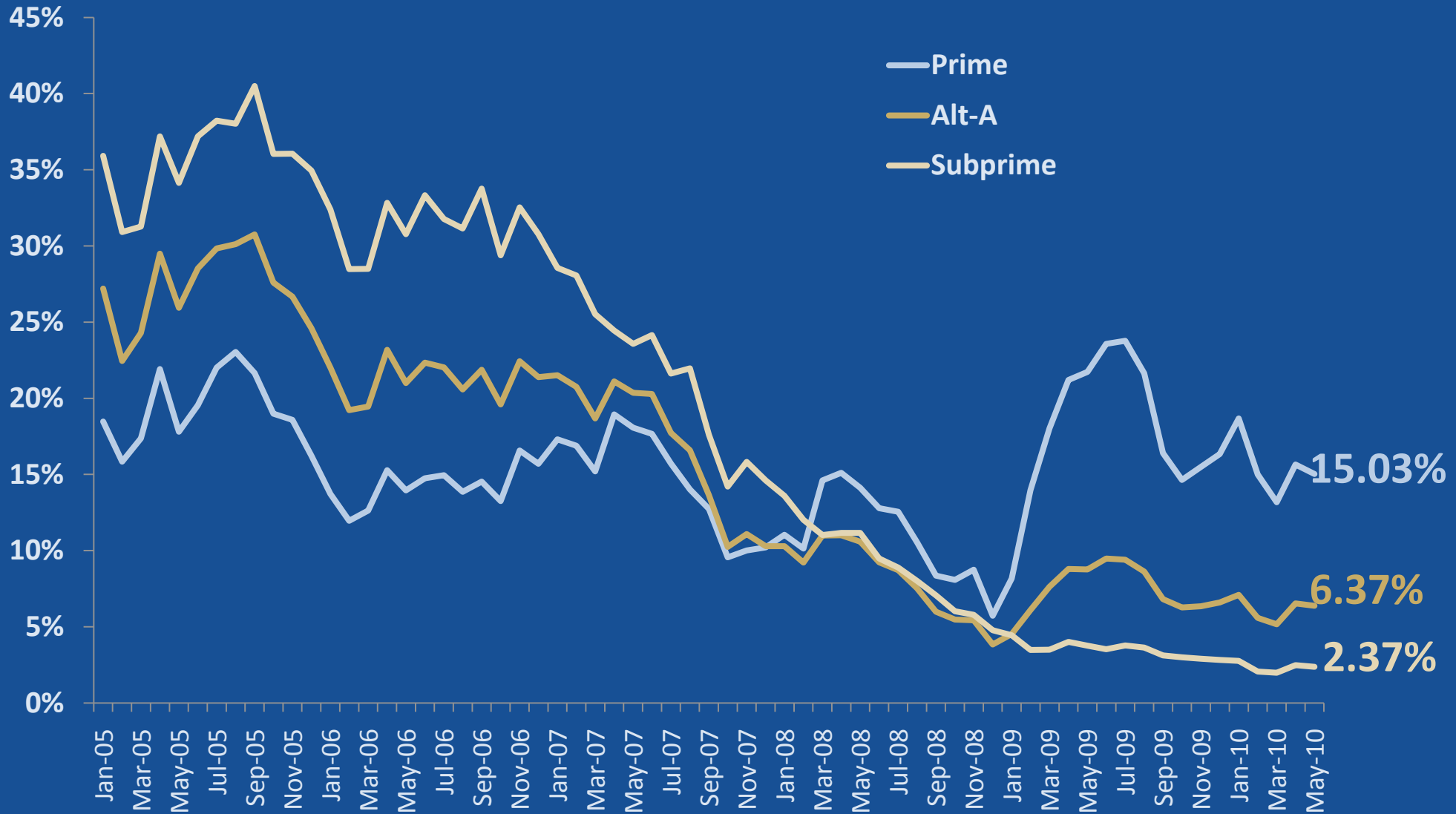
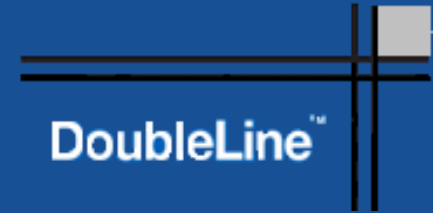
May 2010 Remittances



60++ refers to serious delinquency defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status. Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75. First lien only.

Historical Conditional Repayment Rates (CRR)

May 2010 Remittances

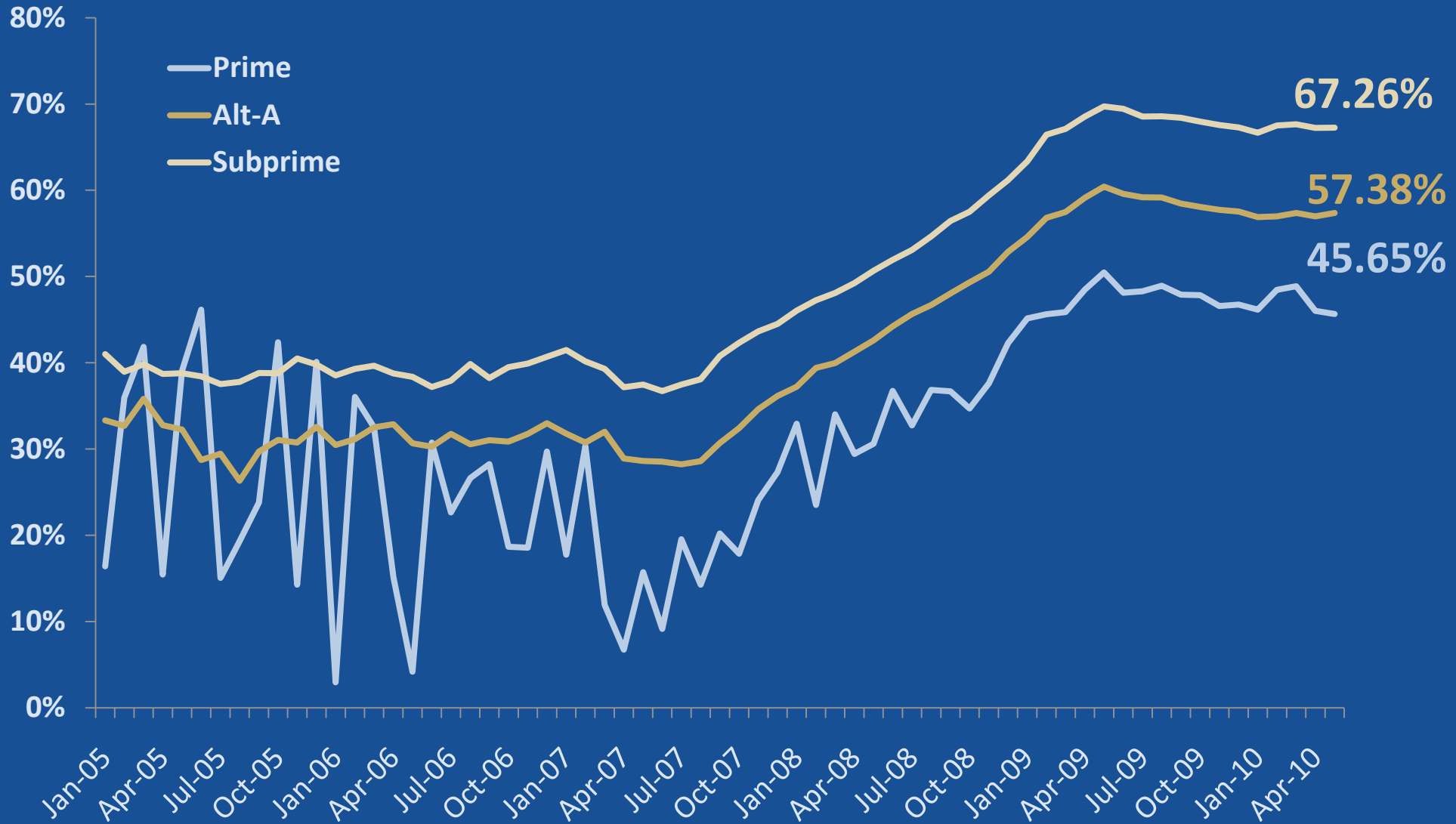
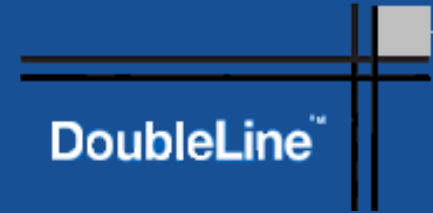


Prime defined as FICO > 725 and LTV < 75
 Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75
 Subprime defined as FICO < 675
 First lien only

Source: Loan Performance, Vichara, DoubleLine Capital LP

Historical Loss Severity

May 2010 Remittances



Prime defined as FICO > 725 and LTV < 75
 Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75
 Subprime defined as FICO < 675
 First lien only
 Source: Loan Performance, Vichara, DoubleLine Capital LP

Wells Fargo Alternative Loan Trust (WFALT 07-PA3 1A3)



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WFALT 07-PA3 1A1

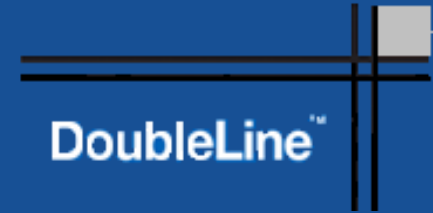
Market Price	\$68.00	Original Loan-To-Value	69.64%
Coupon	5.75%	Current LTV	94.11%
FICO	741	60++ delinquencies	
Avg Loan Size	\$405,000	11/30/09	14.26%
		5/20/2010	15.84%
		Voluntary Prepayment Rate (VPR)	7.51
		Constant Default Rate (CDR)	4.78
		Severity	53.71

Data Source: Bloomberg, DoubleLine Capital Research

This security is for hypothetical purposes only. DoubleLine Capital makes no representation that this analysis will come to fruition.

This security has not been recommended by DoubleLine Capital.

Wells Fargo Alternative Loan Trust (WFALT 07-PA3 1A3) Scenario Analysis



Base Case Scenario Analysis

Prepay	6%
CDR	6%
Severity	60%

Total Collateral Liquidation 41.88%

Loss Adjusted Yield 9.67%

“New World” Rates Up 200 bp Scenario Analysis

Prepay	8%
CDR	4%
Severity	40%

Total Collateral Liquidation 27.59%

Loss Adjusted Yield 13.17%

Price-To-Yield (10.21%) \$73.50

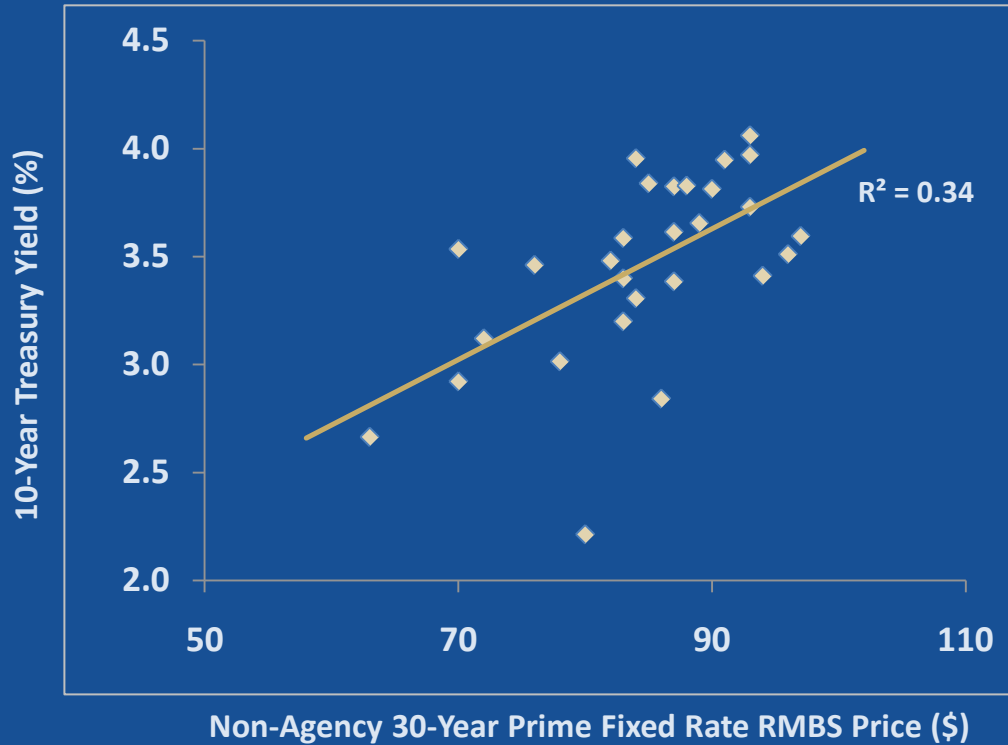
Effective Duration -4.0

Data Source: Bloomberg, DoubleLine Capital Research
 This security is for hypothetical purposes only. DoubleLine Capital makes no representation that this analysis will come to fruition.
 This security has not been recommended by DoubleLine Capital.

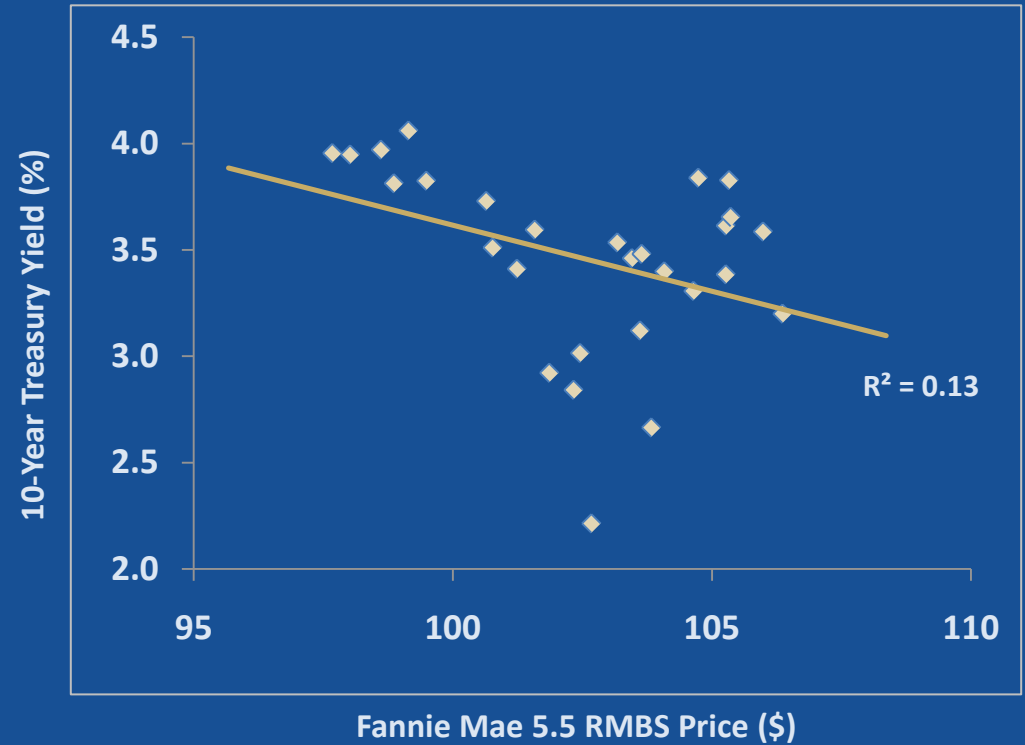
Duration Example



Negative Duration of Distressed RMBS Jan-08 through Apr-10



Positive Duration of Agency RMBS Jan-08 through Apr-10



The logo graphic consists of two horizontal lines and two vertical lines forming a cross. A small grey square is located in the top right corner of the cross.

DoubleLin™
e

**“Making Money is Art and
Working is Art.**

And Good Business is the Best Art”

Andy Warhol

Disclaimer

The DoubleLine logo consists of the word "DoubleLine" in a white, sans-serif font, with a trademark symbol (TM) to its upper right. The text is positioned in the upper right quadrant of the page, below a horizontal white line and to the left of a vertical white line that extends from the top edge. A small white square is located at the top right corner of the page, where the vertical line intersects the top edge.

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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. DoubleLine has no obligation to provide revised assessments in the event of changed circumstances. While we have gathered this information from sources believed to be reliable, DoubleLine cannot guarantee the accuracy of the information provided. Securities discussed are not recommendations and are presented as examples of issue selection or portfolio management processes. They have been picked for comparison or illustration purposes only. No security presented within is either offered for sale or purchase. DoubleLine reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available.

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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 Part II (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.

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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.