

2013 Market Outlook “Year of the Snake”

Live Webcast hosted by:

Jeffrey Gundlach

Chief Executive Officer

January 8, 2013





Announcements

Webcast News –

Philip Barach – January 22, 2013

Low Duration – “Building Portfolio Horizons”
1:15 pm PDT/4:15 pm EDT

Luz Padilla – February 5, 2013

Emerging Markets
1:15 pm PDT/4:15 pm EDT

Jeffrey Gundlach – March 5, 2013

Total Return & Core
1:15 pm PDT/4:15 pm EDT

To Receive Presentation Slides:

You can email

info@doubleline.com

TAB I

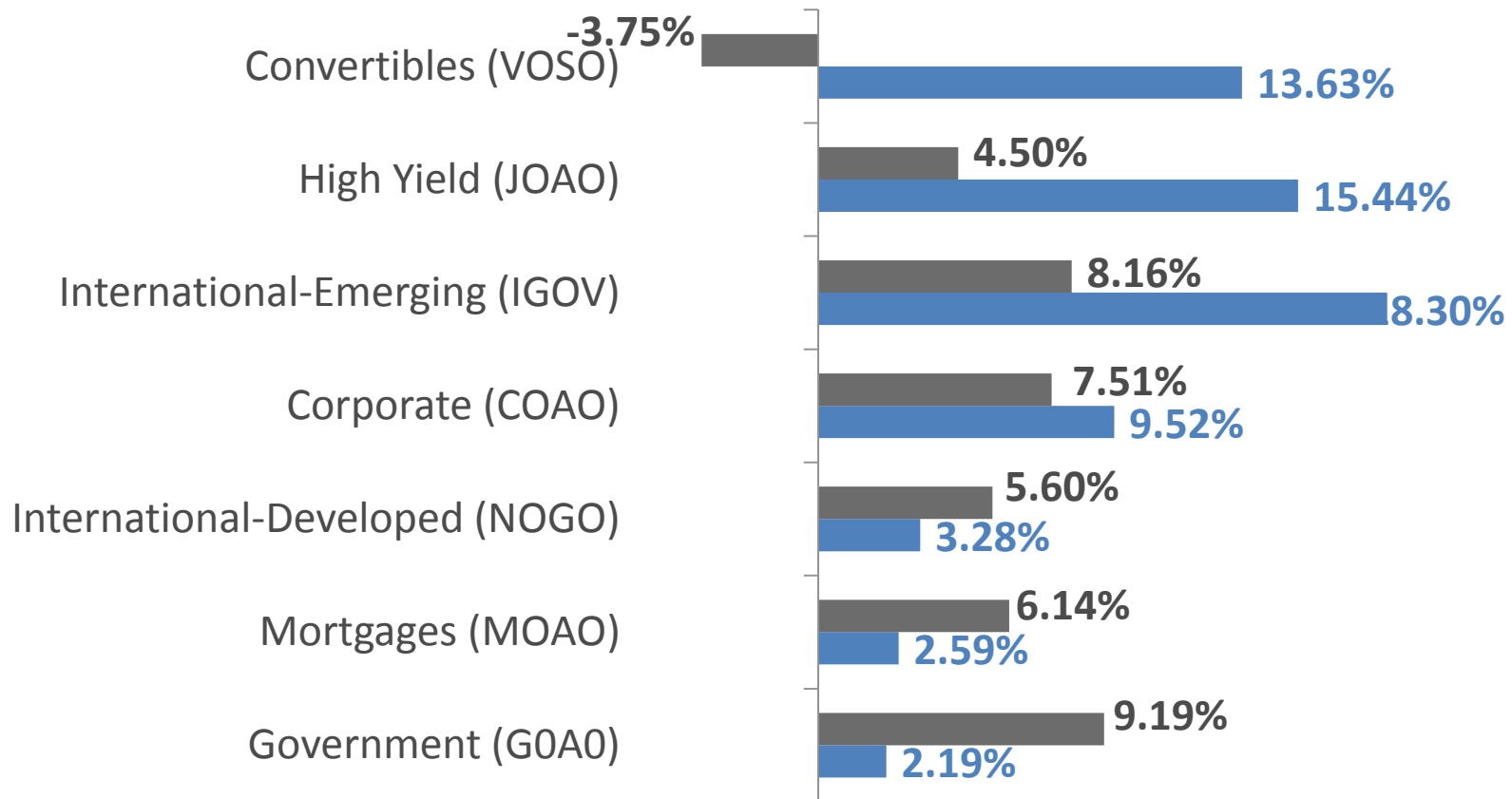
“Bloodless Verdict of the Market”



BofA/Merrill Fixed Income Index Returns



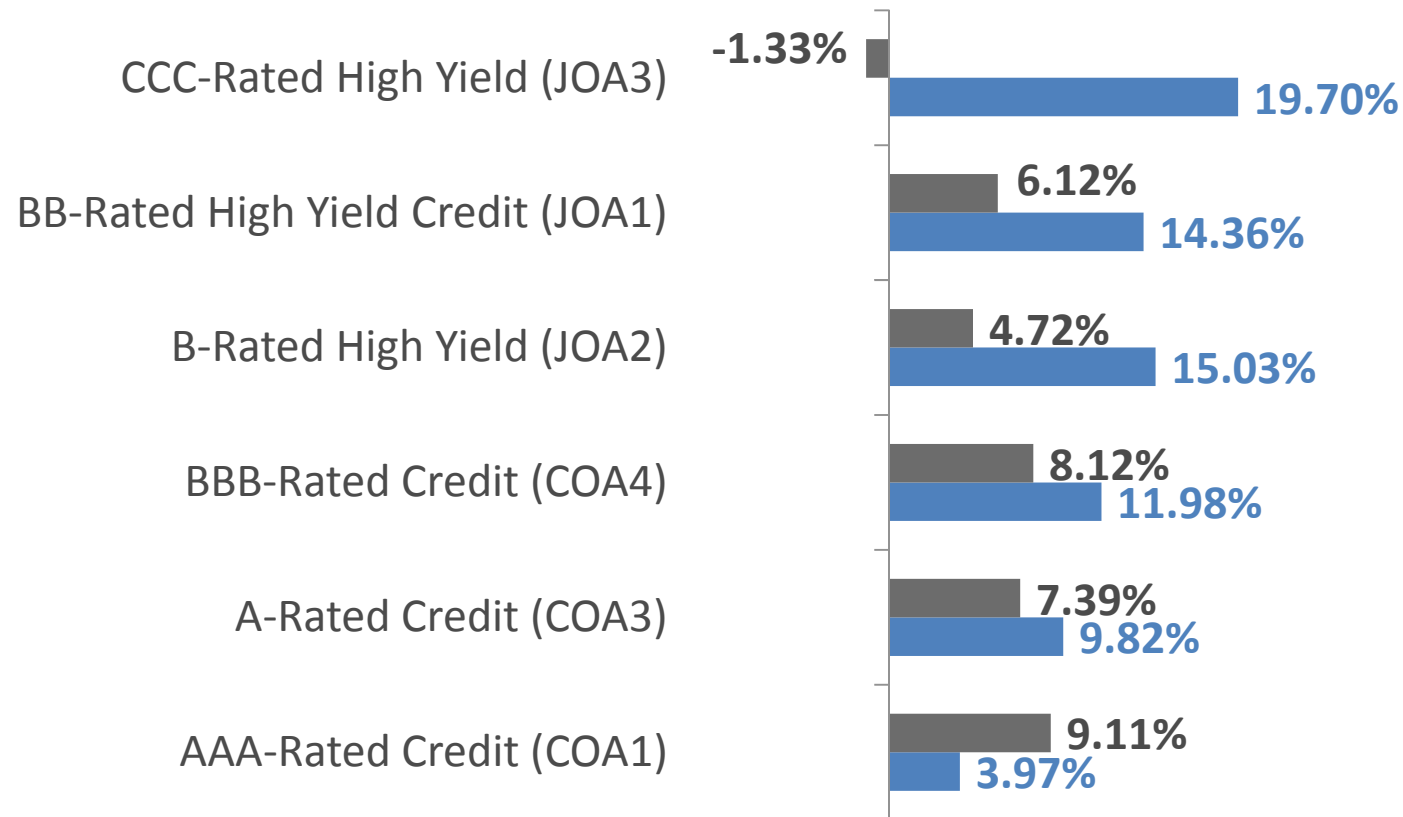
Grey = Year 2011
Blue = Year 2012



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2011 and December 31, 2012 for the respective years indicated. Please see the Appendix for index definitions. An investment cannot be made directly in an index.

BofA/Merrill Fixed Income Index Returns

Grey = Year 2011
Blue = Year 2012



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

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

Source: BofA/Merrill Lynch Indices as of year-end December 31, 2011 and December 31, 2012 for their respective years indicated.

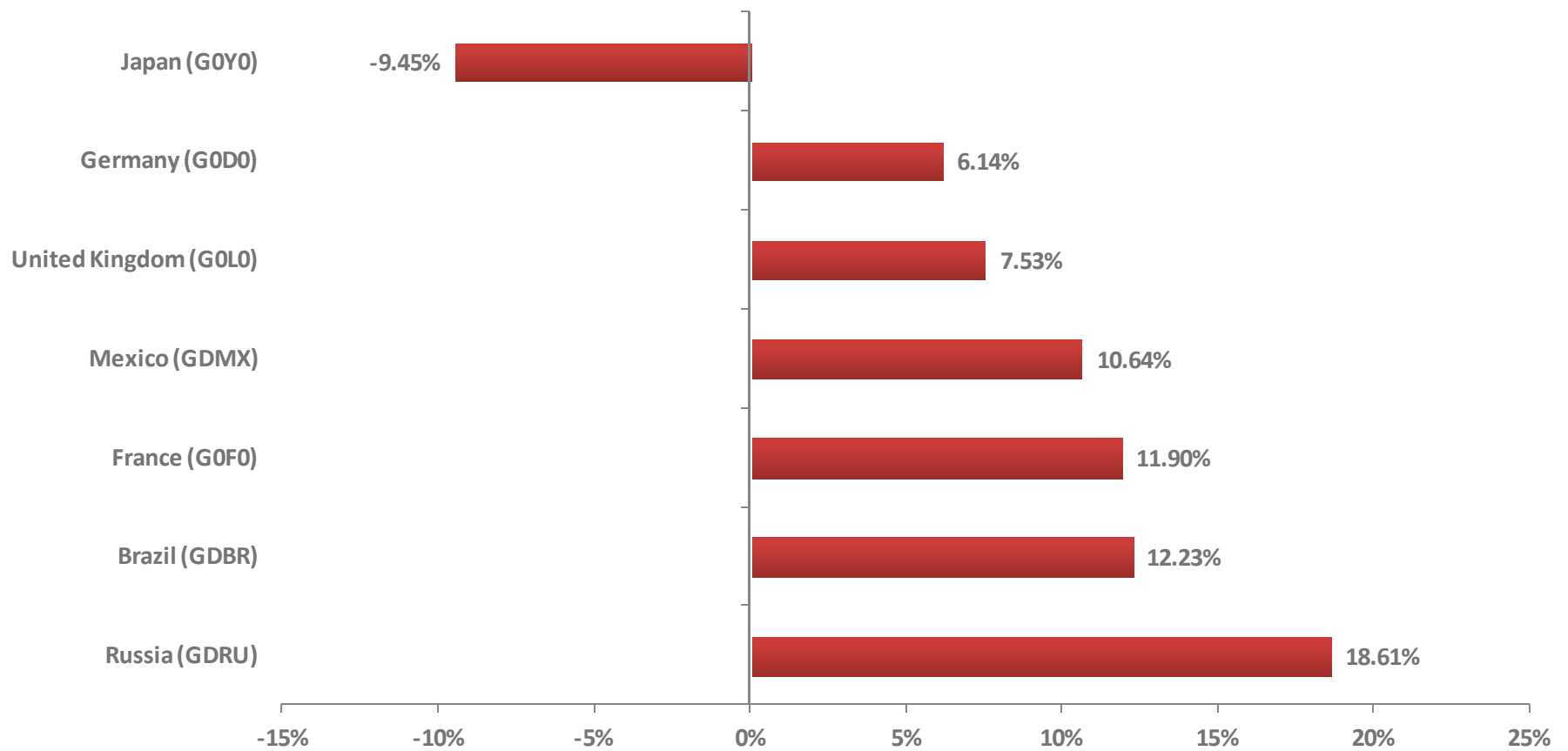
An investment cannot be made directly in an index.

Merrill International Fixed Income Index Returns

As of December 31, 2012

Latest 1 Year

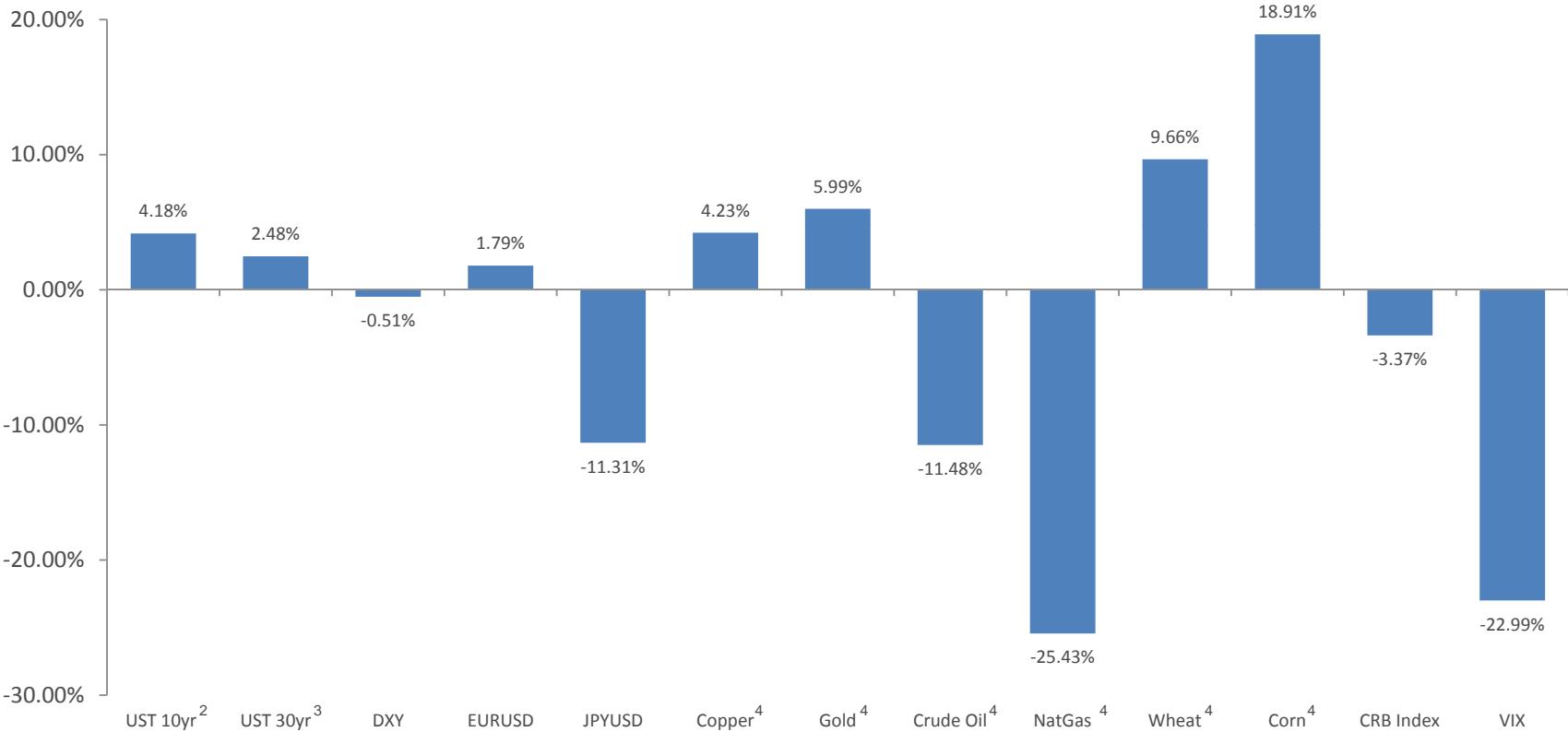
- Best performer: Russia (GDRU)
- Worst Performer: Japan (GOY0)



U.S. Bond, Currency, and Commodity Performance 2012 Total Return



US Bond, Currency, and Commodity Performance¹
(2012 Total Return)



Source: Bloomberg; DoubleLine

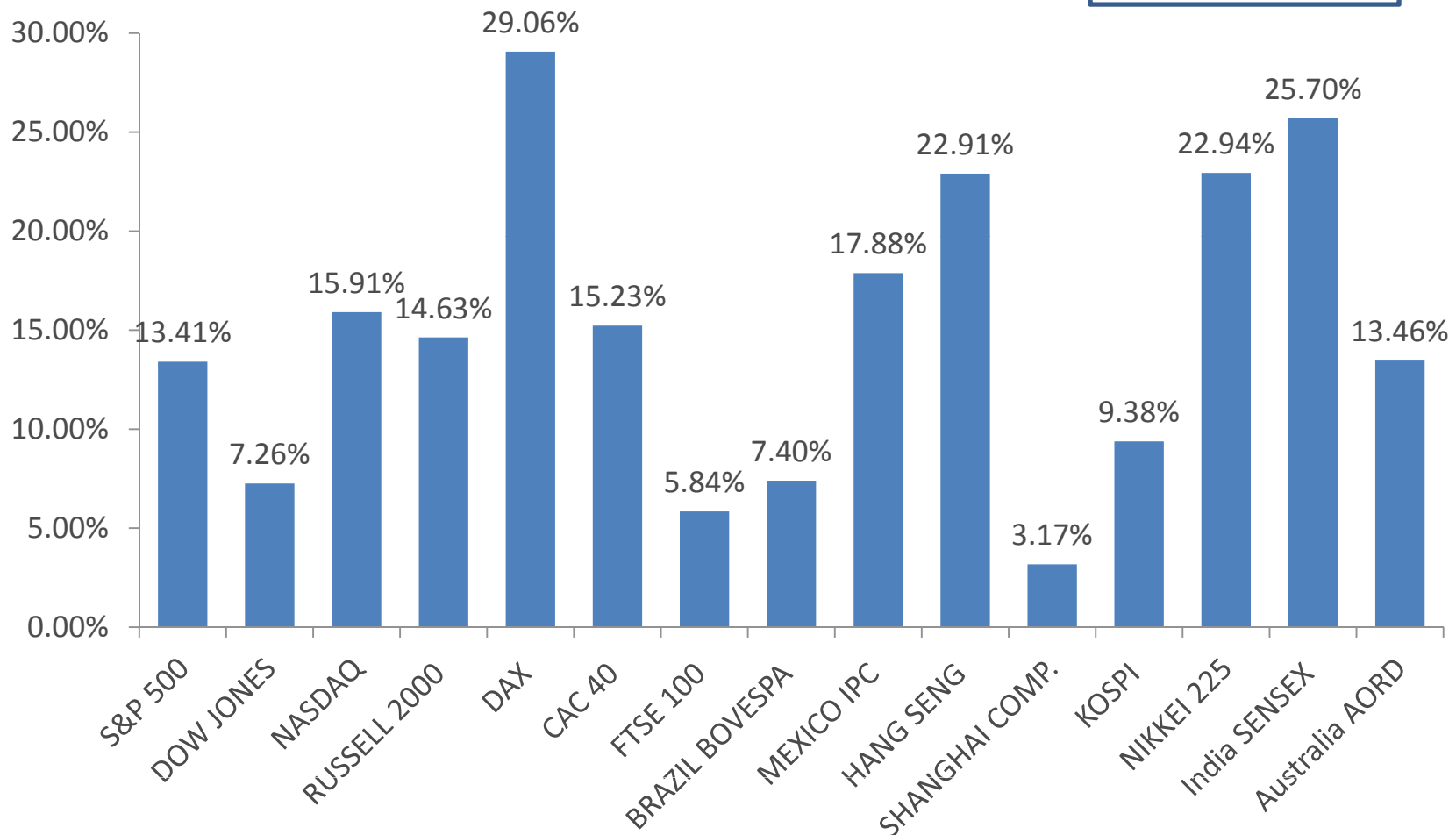
Notes: (1) Returns for the year 2012 ending December 31, 2012 ; (2) Based on BofA Merrill Lynch Current 10yr UST Index ; (3) Based on BofA Merrill Lynch Current 30yr UST Index; (4) Based on S&P GSCI Single Name Commodity Excess Return Indices

Global Equity Performance 2012 Price Return



Global Equity Performance
(2012 Price Return)

Yen	-11.31%
Euro	1.79%
DXY	-0.51%



Source: Bloomberg; DoubleLine
Returns for the year 2012 ending December 31, 2012.

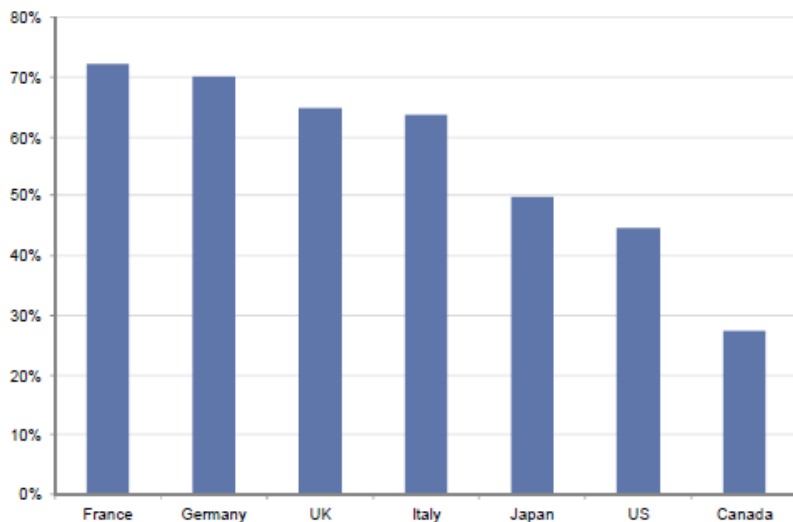
Net Worth in Housing vs. Equities

As of December 31, 2010



Housing more popular...

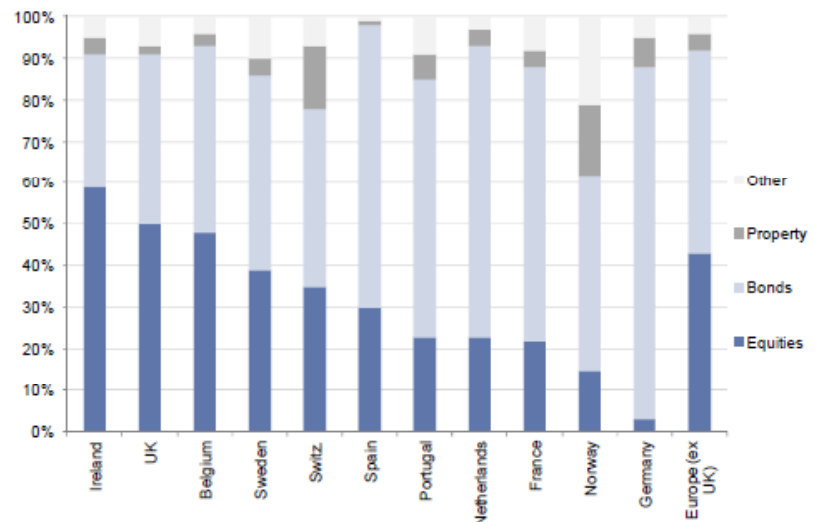
Housing as a percentage of household wealth



Source: OECD.

...than equities (especially in Germany)

Asset class distribution, life insurance and pensions sector, 2010



Source: OECD.

Source: Organization for Economic Cooperation and Development (OECD), Goldman Sachs Equity Research "The best of Fortnight Thoughts", December 13, 2012

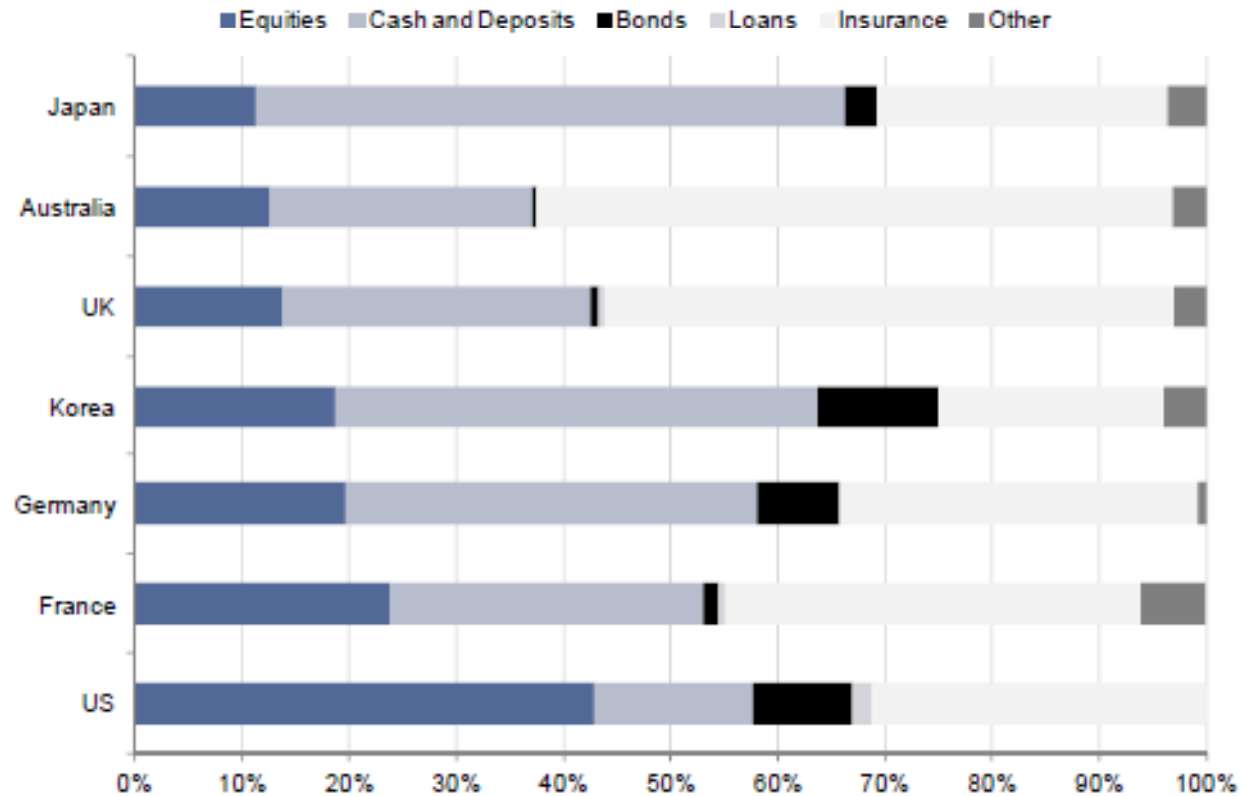
Net Worth in Financial Assets by Country

As of December 31, 2012



The stash of cash

Allocation of household financial assets to different asset classes



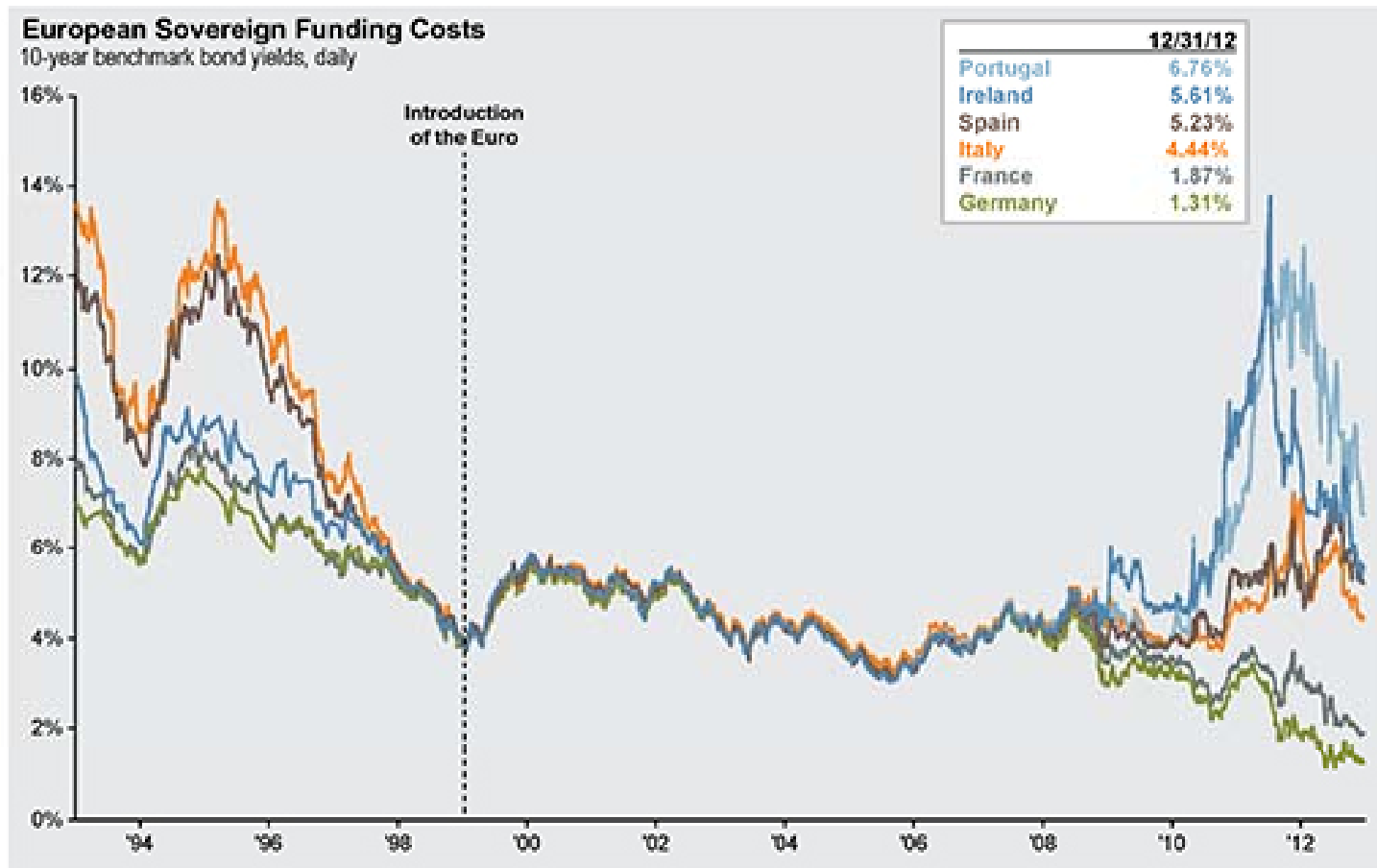
Source: OECD.

TAB II

Global Economy



European Crisis: Sovereign Bond Yields



International

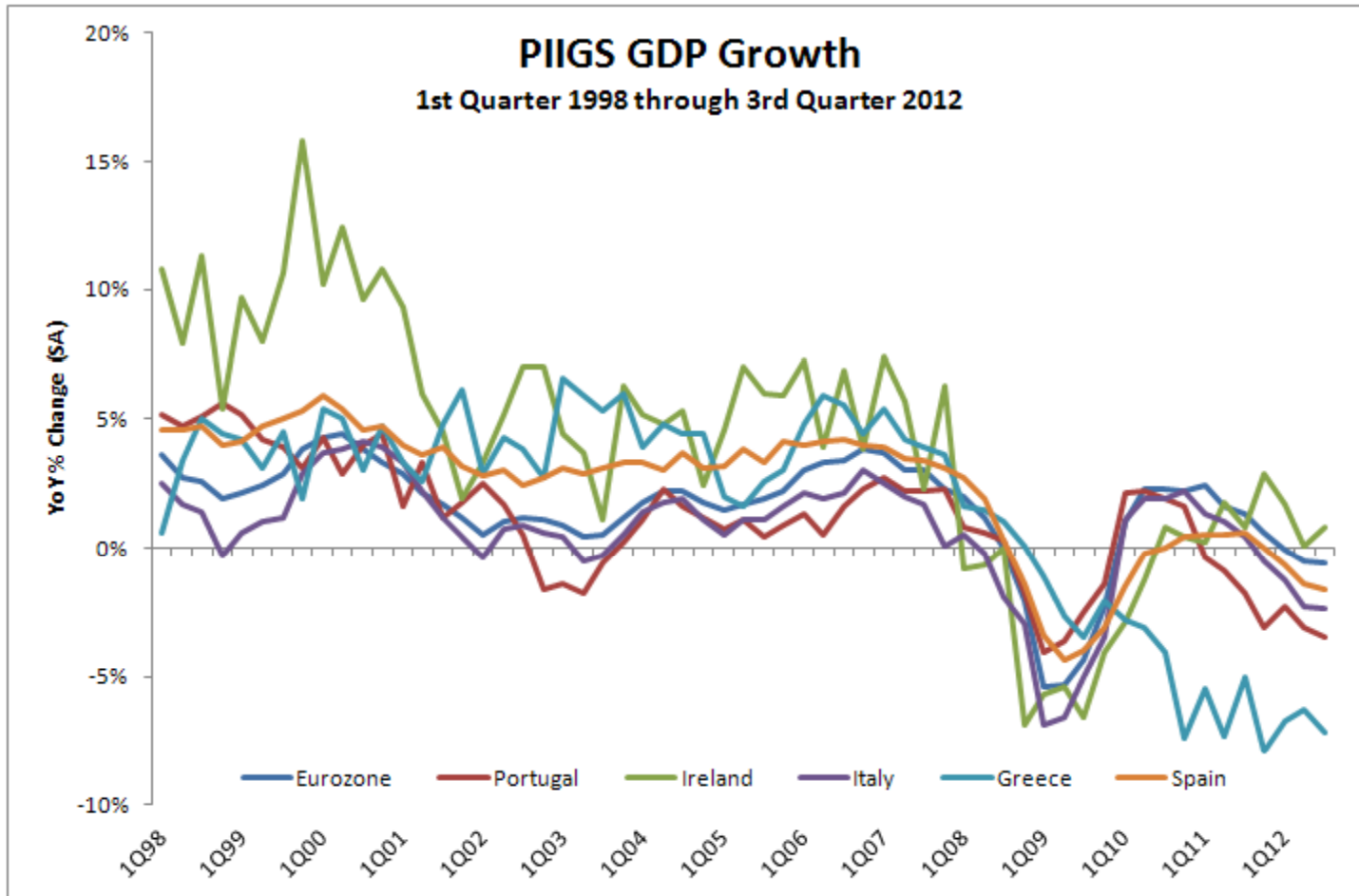
Source: FactSet, ECB, J.P. Morgan Asset Management.
Data are as of 12/31/12.

J.P.Morgan
Asset Management

Source: JP Morgan, FactSet, ECB
Data is as of December 31, 2012.

PIIGS GDP

December 31, 1997 Ending September 30, 2012



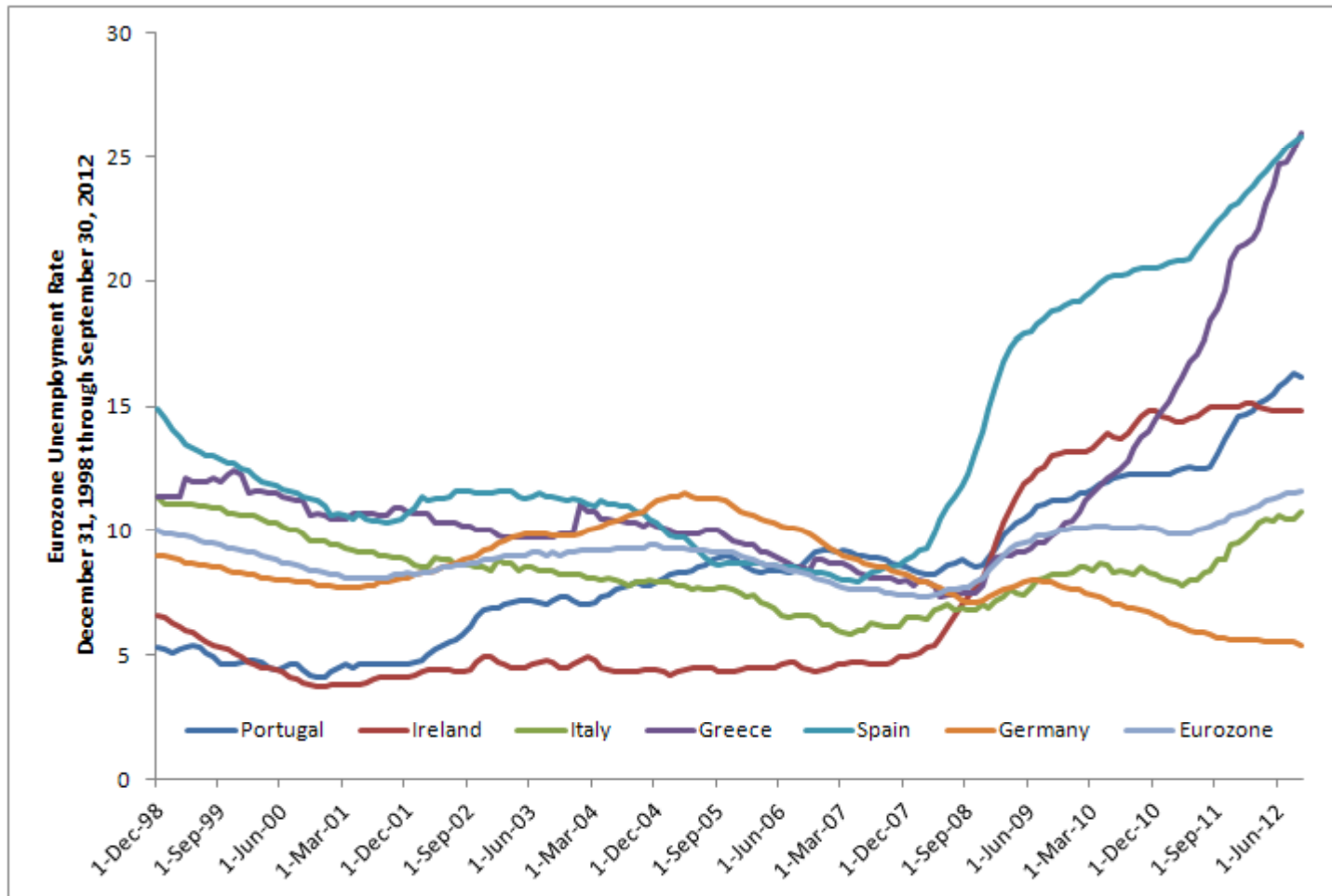
Source: EuroStat

PIIGS = Portugal, Italy, Ireland, Greece and Spain.

GDP = Refers to the gross Domestic Product or market value of all final goods and services produced within a country in a given period.

EuroZone Unemployment

December 31, 1998 through September 30, 2012

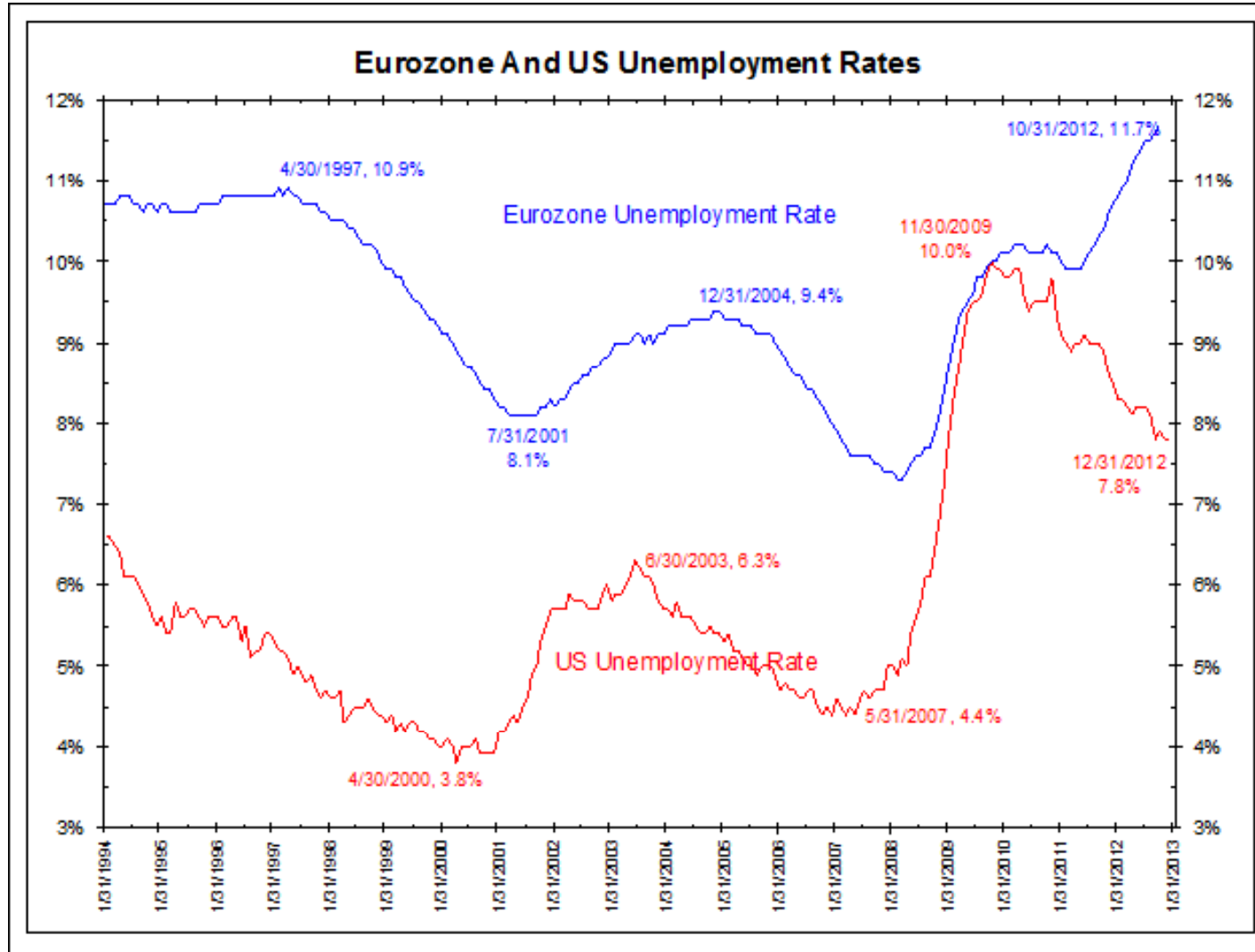


Source: Eurostat

Eurozone includes 27 member states: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

EuroZone Unemployment

January 31, 1994 through October 31, 2012 and December 31, 2013



Eurozone includes 27 member states: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.
Source: Bianco Research

“Where to Be Born Index” – Rankings as of 1988

Country	Economics				Socio-political									Total
	GDP/capita	GDP growth (1988 forecast)	Inflation (1988 forecast)	Cost of living	Human rights	Life expectancy	Literacy	% of population in higher education	Economist readers Per million capita	Philistine factor	Yawn index	Bonus points		
1 USA	11	3	10	6	9	10	10	11	451.2	4	12	7	-	93
2 FRANCE	10	2	11	4	9	10	10	5	158.3	3	12	7	+2	86
3 W. GERMANY	11	2	11	4	10	9	10	6	121.0	3	7	2	-	85
4 ITALY	9	3	9	4	9	9	9	5	88.8	2	12	11	+2	84
5 CANADA	10	3	10	7	10	10	10	9	813.4	5	3	1	+5	83
6 JAPAN	11	3	11	1	9	10	10	6	27.5	1	8	8	+4	82
7 HONGKONG	7	8	9	7	8	10	8	3	971.7	5	5	12	-5	77
7 UK	8	2	10	6	9	9	10	4	1482.0	5	9	5	-	77
9 SWEDEN	11	2	10	5	10	10	10	8	264.5	3	3	2	+2	75
10 NETHERLANDS	9	2	11	5	10	10	10	6	300.8	4	5	2	-	74
10 S. KOREA	6	7	10	7	6	8	9	5	18.7	1	6	9	-	74
12 AUSTRIA	10	2	11	3	10	9	10	5	157.0	2	8	3	-	73
13 NORWAY	9	2	11	5	10	10	10	6	500.6	4	5	2	+2	72
13 SWITZERLAND	12	2	11	3	10	10	10	4	684.4	5	2	2	+1	72
15 BELGIUM	9	2	11	5	10	9	10	6	22.8	4	2	1	+1	70
15 IRELAND	7	2	10	4	9	9	10	4	88.8	5	7	3	-	70
15 SPAIN	7	3	9	6	9	9	9	5	92.1	2	7	4	-	70
18 AUSTRALIA	8	2	9	8	9	9	10	5	412.0	4	2	3	-	69
18 FINLAND	10	3	10	3	10	9	10	6	222.8	3	2	3	-	69
18 NEW ZEALAND	8	1	7	8	10	9	10	6	752.8	4	2	2	+2	69

Source: The Economist Intelligence Unit
http://media.economist.com/sites/default/files/images/2012/11/blogs/graphic-detail/where_to_be_born_in_1988.jpg

“Where to Be Born Index” – Rankings as of 2013

The where-to-be-born index, 2013

Rank	Country	Score*	Rank	Country	Score*	Rank	Country	Score*	Rank	Country	Score*
1	Switzerland	8.22	21	Italy	7.21	=40	Cuba	6.39	61	Bulgaria	5.73
2	Australia	8.12	22	Kuwait	7.18	42	Colombia	6.27	62	El Salvador	5.72
3	Norway	8.09	=23	Chile	7.10	43	Peru	6.24	=63	Philippines	5.71
4	Sweden	8.02	=23	Cyprus	7.10	=44	Estonia	6.07	=63	Sri Lanka	5.71
5	Denmark	8.01	25	Japan	7.08	=44	Venezuela	6.07	65	Ecuador	5.70
6	Singapore	8.00	26	France	7.04	=46	Croatia	6.06	=66	India	5.67
7	New Zealand	7.95	27	Britain	7.01	=46	Hungary	6.06	=66	Morocco	5.67
8	Netherlands	7.94	=28	Czech Rep.	6.96	48	Latvia	6.01	68	Vietnam	5.64
9	Canada	7.81	=28	Spain	6.96	49	China	5.99	69	Jordan	5.63
10	Hong Kong	7.80	=30	Costa Rica	6.92	50	Thailand	5.96	70	Azerbaijan	5.60
11	Finland	7.76	=30	Portugal	6.92	51	Turkey	5.95	71	Indonesia	5.54
12	Ireland	7.74	32	Slovenia	6.77	52	Dominican Rep.	5.93	72	Russia	5.31
13	Austria	7.73	33	Poland	6.66	53	South Africa	5.89	73	Syria	5.29
14	Taiwan	7.67	34	Greece	6.65	=54	Algeria	5.86	74	Kazakhstan	5.20
15	Belgium	7.51	35	Slovakia	6.64	=54	Serbia	5.86	75	Pakistan	5.17
=16	Germany	7.38	36	Malaysia	6.62	56	Romania	5.85	76	Angola	5.09
=16	United States	7.38	37	Brazil	6.52	57	Lithuania	5.82	77	Bangladesh	5.07
18	U.A.E.	7.33	38	Saudi Arabia	6.49	58	Iran	5.78	78	Ukraine	4.98
19	South Korea	7.25	39	Mexico	6.41	59	Tunisia	5.77	79	Kenya	4.91
20	Israel	7.23	=40	Argentina	6.39	60	Egypt	5.76	80	Nigeria	4.74

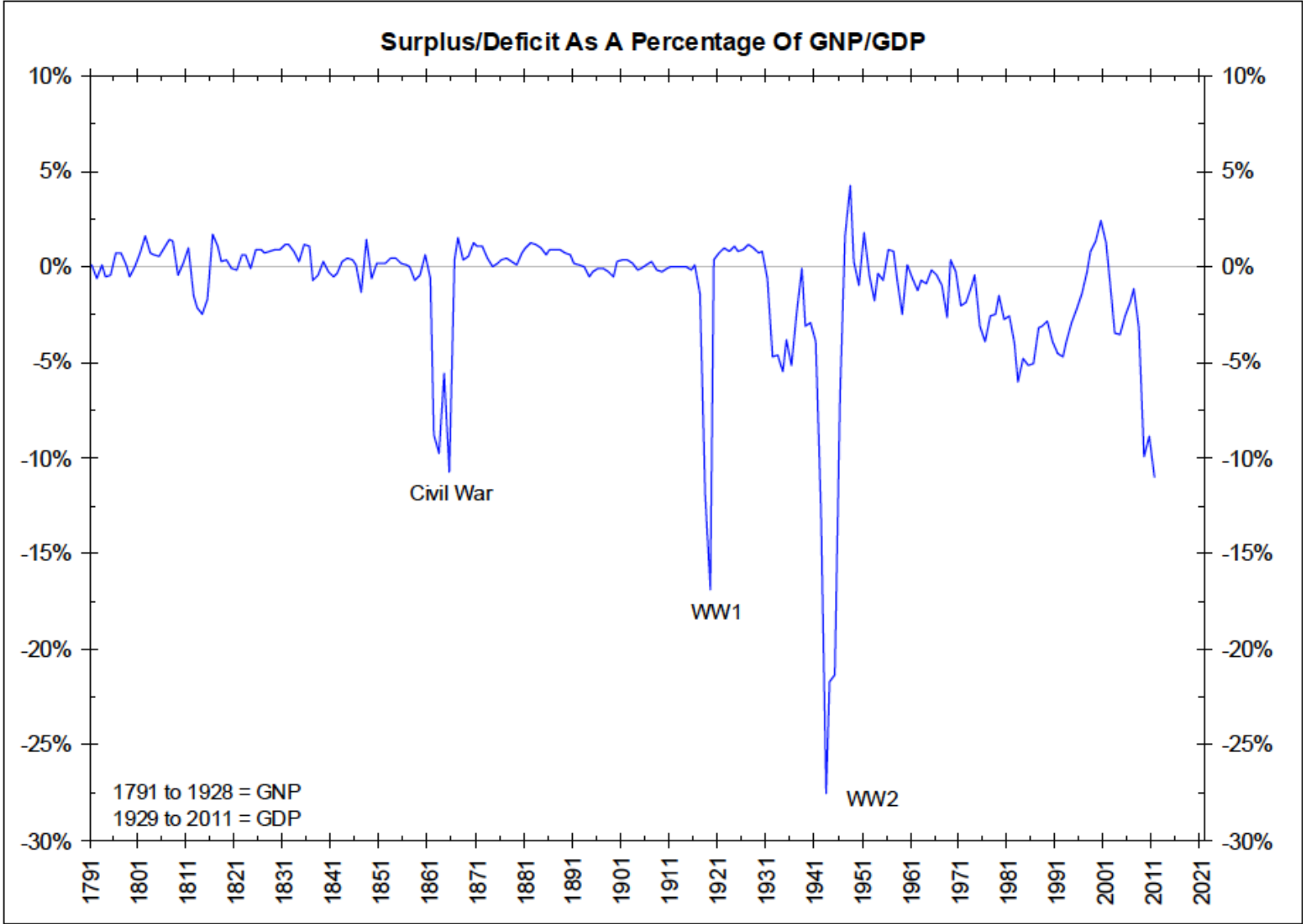
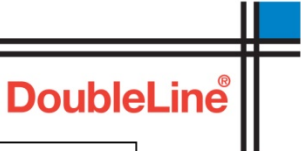
Source: Economist Intelligence Unit

*Score out of a maximum of 10

[Economist.com/graphicdetail](http://economist.com/graphicdetail)

U.S. Surplus/Deficit As A Percentage of GNP/GDP

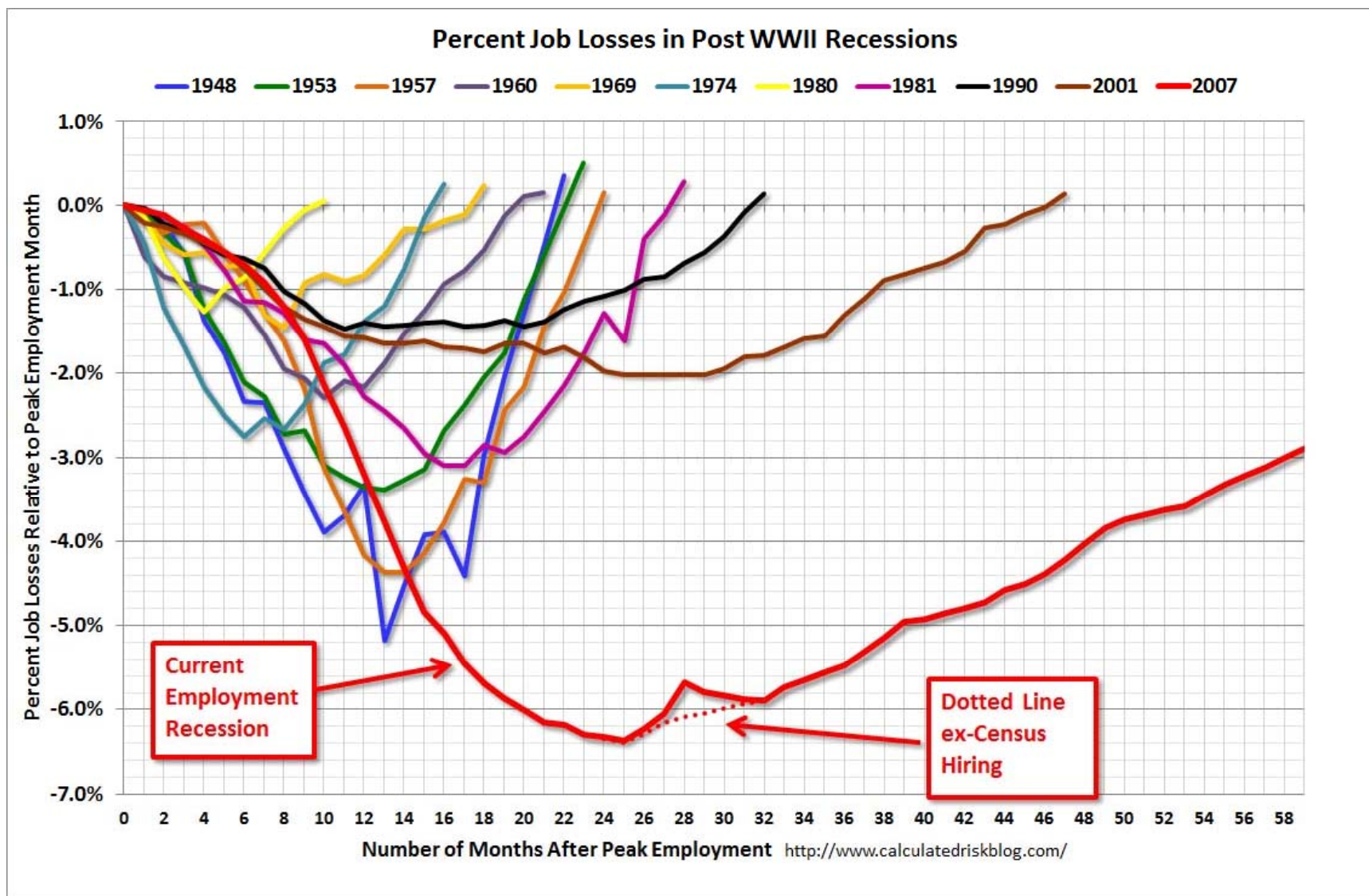
December 31, 1790 through December 31, 2011



Source: <http://www.ritholtz.com/blog/wp-content/uploads/2012/12/surplus-deficit-gnp.png>

Gross National Product (GNP) or Gross Domestic Product (GDP) = Refers to the gross Domestic Product or market value of all final goods and services produced within a country in a given period.

Job Losses in Last 11 Recessions

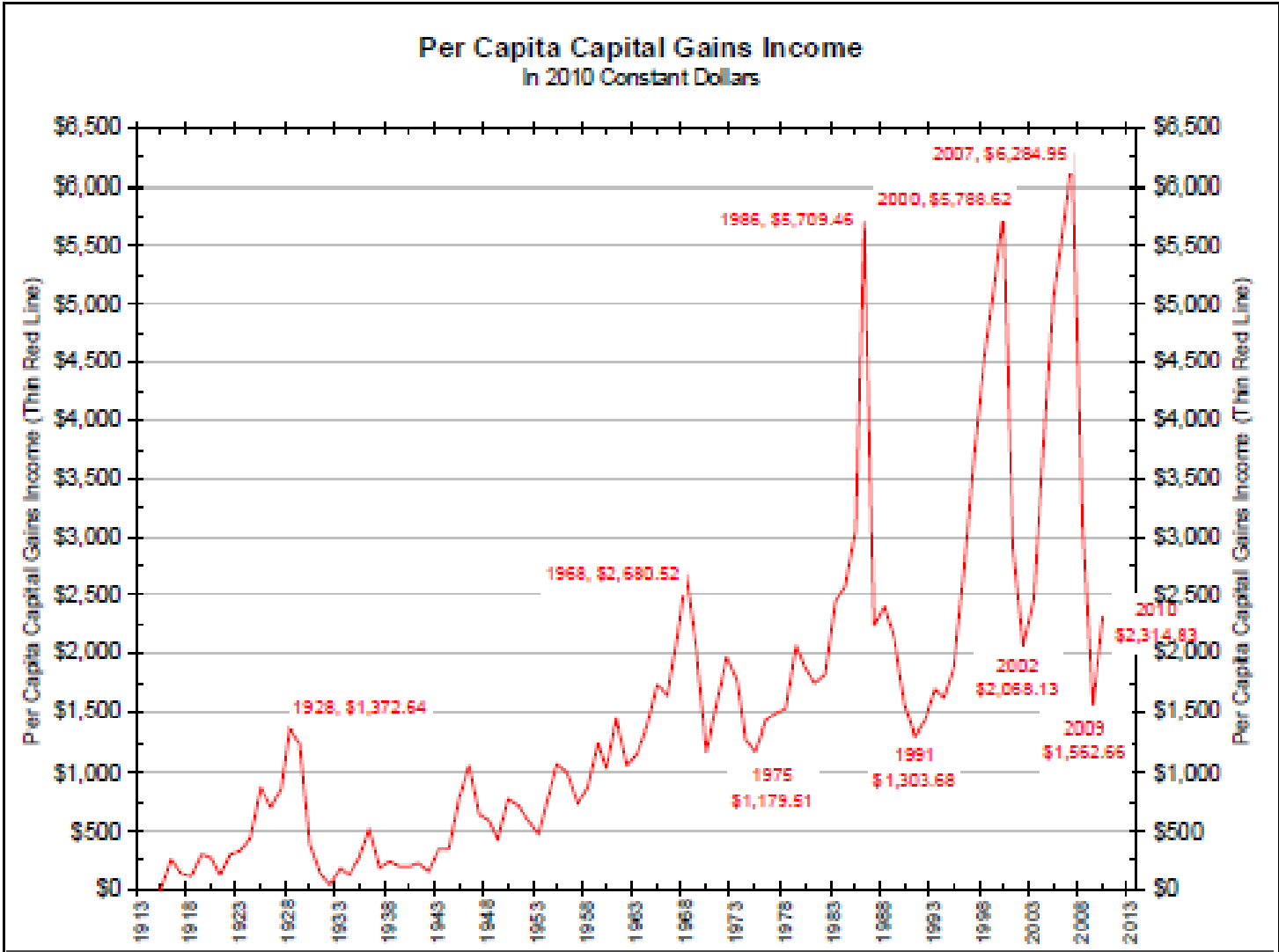


Source: Calculated Risk through October 28, 2012.

<http://www.calculatedriskblog.com/2013/01/december-employment-report-155000-jobs.html>

Capital Gains Income

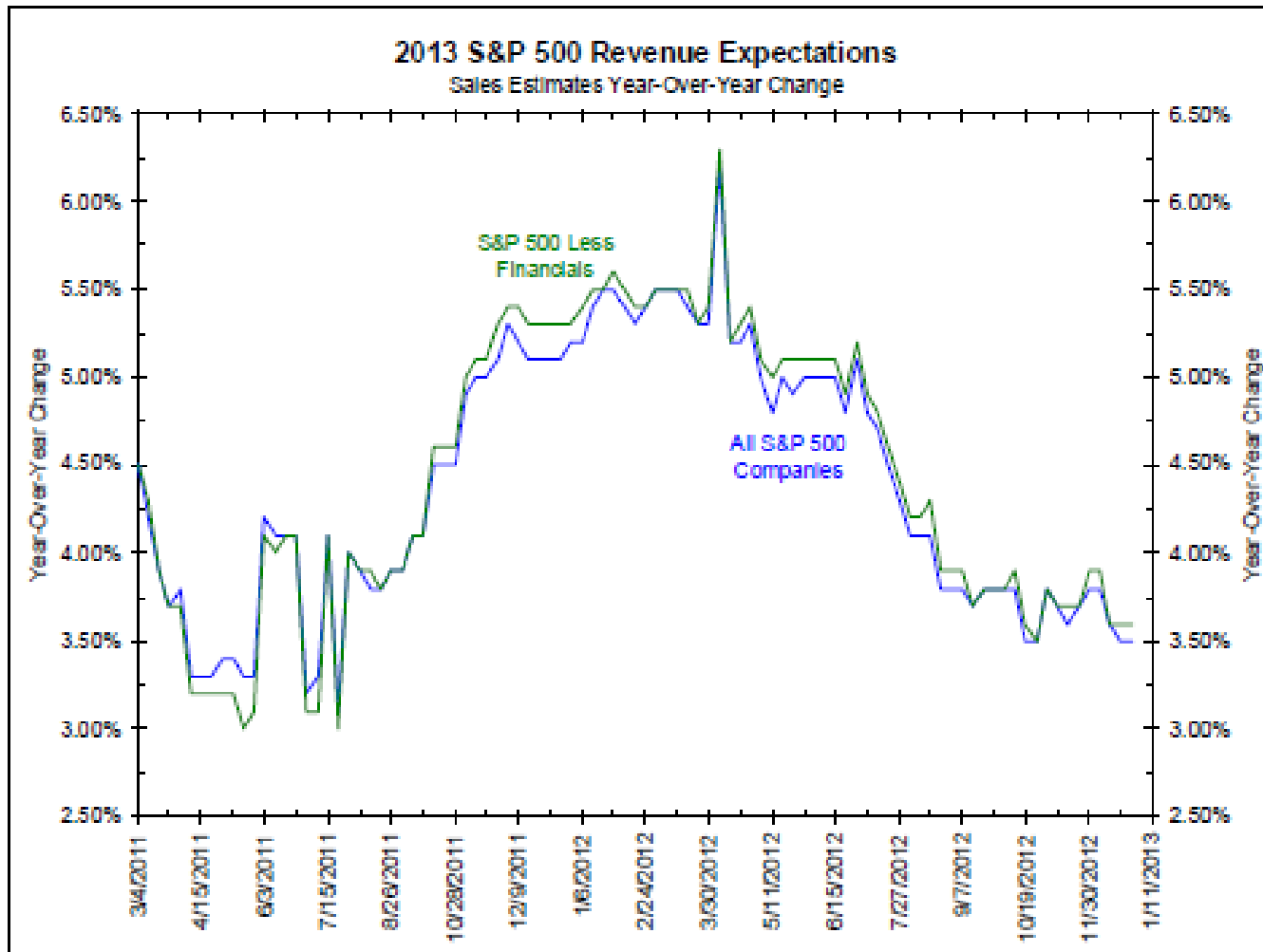
December 31, 1914 through December 31, 2010



Source: Bianco Research, LLC, Week of January 2, 2013

2013 S&P Revenue Estimates

March 3, 2011 through January 1, 2013



Source: Bianco Research, LLC, Week of January 2, 2013

Fiscal Cliff Quote

Starting Down the Fiscal Cliff

Published: August 8, 2012

Favorite Quote: “Regrettably, it’s distinctly possible that we have the same type of uncertainty [as the August 2011 debt limit debate] up until the 11th hour, 59th minute.”

– Judd Gregg, Former US Senator

Fiscal Cliff – What Was/Was Not Included

As of January 1, 2013



What was included

Income tax rates	Maintains current rates on income below \$400,000 for singles and \$450,000 for couples. Would permanently increase tax rates on income above that to 39.6 percent from 35 percent.
Dividends and capital gains rates	Permanently increases tax rates to 20 percent from 15 percent for single people with income over \$400,000 and couples over \$450,000.
Exemptions and deductions	Reinstates provisions that phase out personal exemptions and deductions for incomes over \$250,000 for singles and \$300,000 for couples.
Alternative minimum tax	Permanently indexes the alternative minimum tax for inflation, preventing millions of taxpayers from being affected.
Estate tax	Permanently increases tax rates to 40 percent from 35 percent on the value of estates over \$5 million.
Tax credits	Extends tax cuts in the 2009 stimulus law for five years, including a child tax credit, an expanded earned income credit and a refundable credit for college tuition. Extends some business tax credits for one year.
Payroll tax increase	Allows payroll taxes to rise on Tuesday to 6.2 percent from 4.2 percent on workers' first \$113,700 of income.
Unemployment insurance	Extends expansion of unemployment insurance for one year.
Medicare provider payments	Prevents a 27 percent reduction in payments to Medicare providers for one year.

Automatic spending cuts

The two sides came to a deal to pause for two months the \$110 billion in automatic spending cuts set to go into effect in 2013, paid for with unspecified spending cuts elsewhere.

Farm bill extension

Extends for nine months portions of the current farm bill, including provisions that would prevent milk prices from increasing and continued direct payments to farmers. Eliminates conservation programs and financing for fruit and vegetable growers and organic farmers and does not include disaster assistance.

What was left out

Debt ceiling

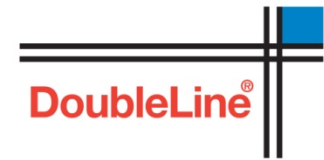
The country officially hit its debt limit Monday, and the Treasury is undertaking "extraordinary measures" to put off default. If Congress does not raise the ceiling by late February or early March, the Treasury will not be able to pay all of its bills.

Additional deficit reduction

Earlier proposals by President Obama and Speaker John A. Boehner included hundreds of billions more in deficit reduction, with Mr. Obama favoring increased taxes on the wealthy and Mr. Boehner favoring spending cuts.

Impact of the Tax Deal

As of January 1, 2013

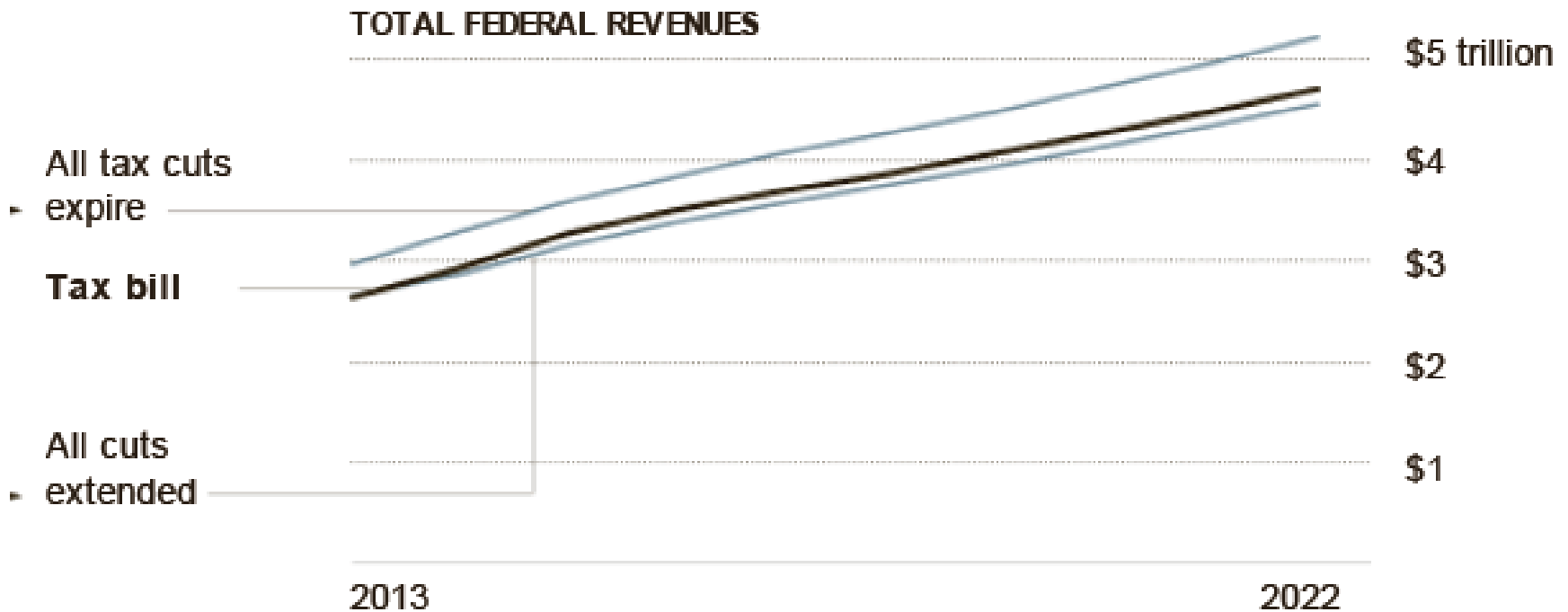


How the deal passed by Congress on Tuesday is estimated to change taxes at each income level, on top of the effects of the expiring payroll tax cut and new taxes from the health care law.

	Average Income Before Taxes	Average Federal Tax Burden	Tax Change in 2013			Change in After-Tax Income
			Impact of tax bill	Payroll tax increase and new health care taxes on the wealthy	Total	
Top 0.1%	\$7,985,826	\$2,720,367	+\$322,528	+\$121,382	+\$443,910	-8.4%
Top 1%	\$1,671,536	\$542,927	+\$50,508	+\$23,125	+\$73,633	-6.5%
Top 20%	\$244,576	\$63,256	+\$2,483	+\$3,091	+\$5,574	-3.1%
Fourth 20%	\$84,355	\$14,891	-\$2	+\$1,149	+\$1,147	-1.7%
Middle 20%	\$52,294	\$7,457	+\$0	+\$679	+\$679	-1.5%
Second 20%	\$30,031	\$2,483	+\$1	+\$366	+\$367	-1.3%
Bottom 20%	\$11,290	\$99	+\$0	+\$120	+\$120	-1.1%

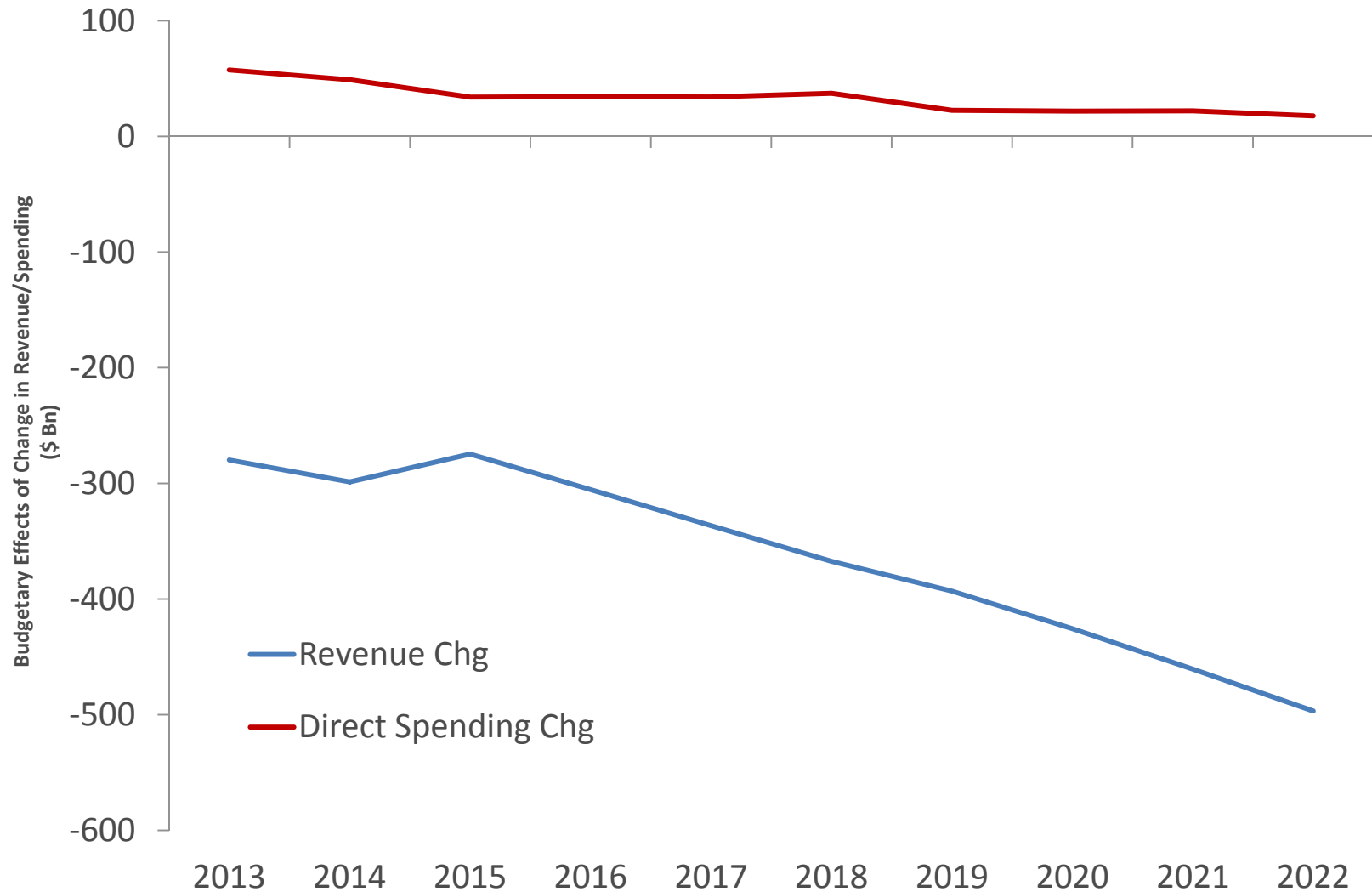
Total Federal Revenues

As of January 1, 2013



Estimate of Budgetary Effects of the American Taxpayer Relief Act of 2012

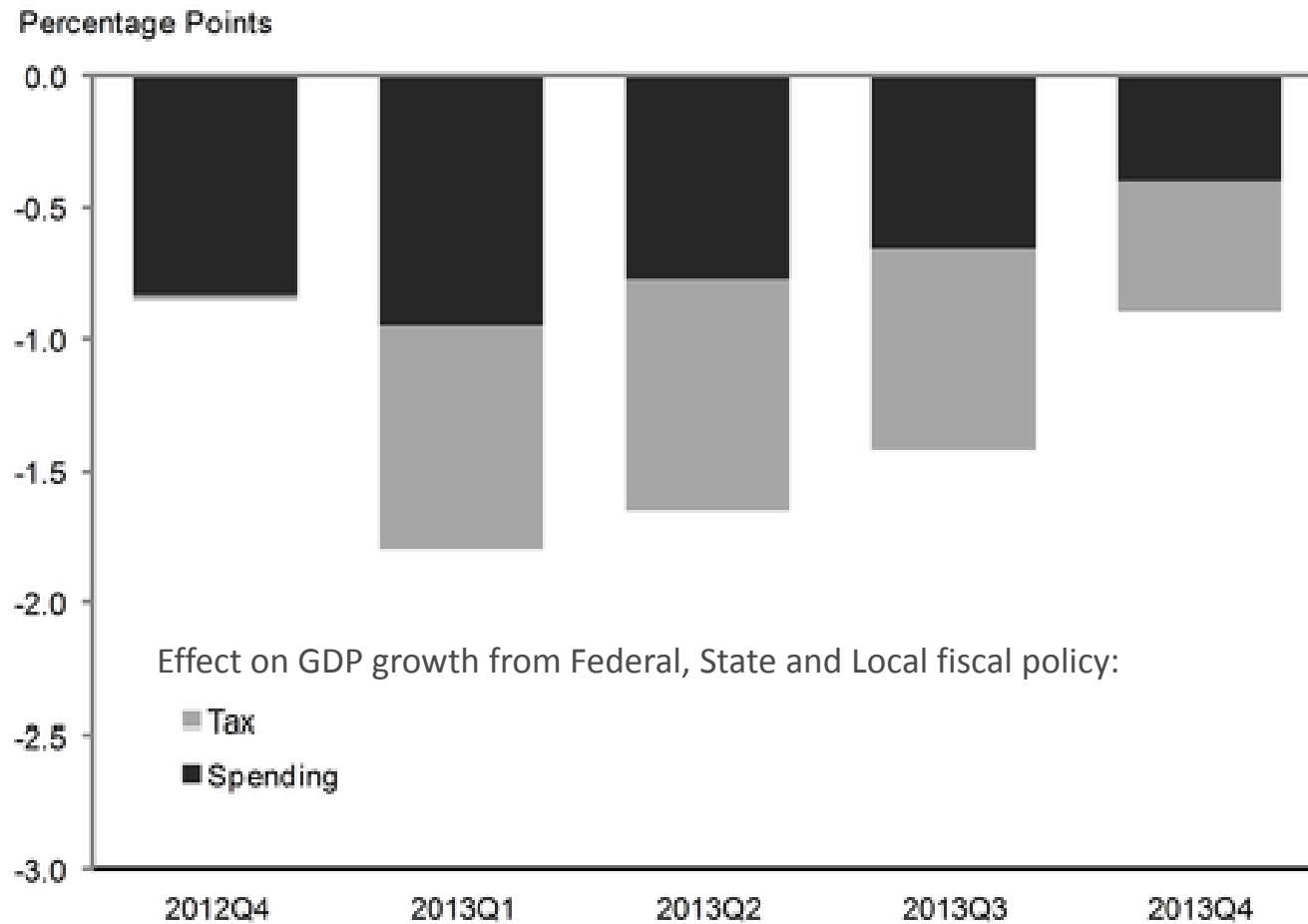
As of January 1, 2013



Source: Congressional Budget Office (CBO) <http://www.cbo.gov/sites/default/files/cbofiles/attachments/American%20Taxpayer%20Relief%20Act.pdf>

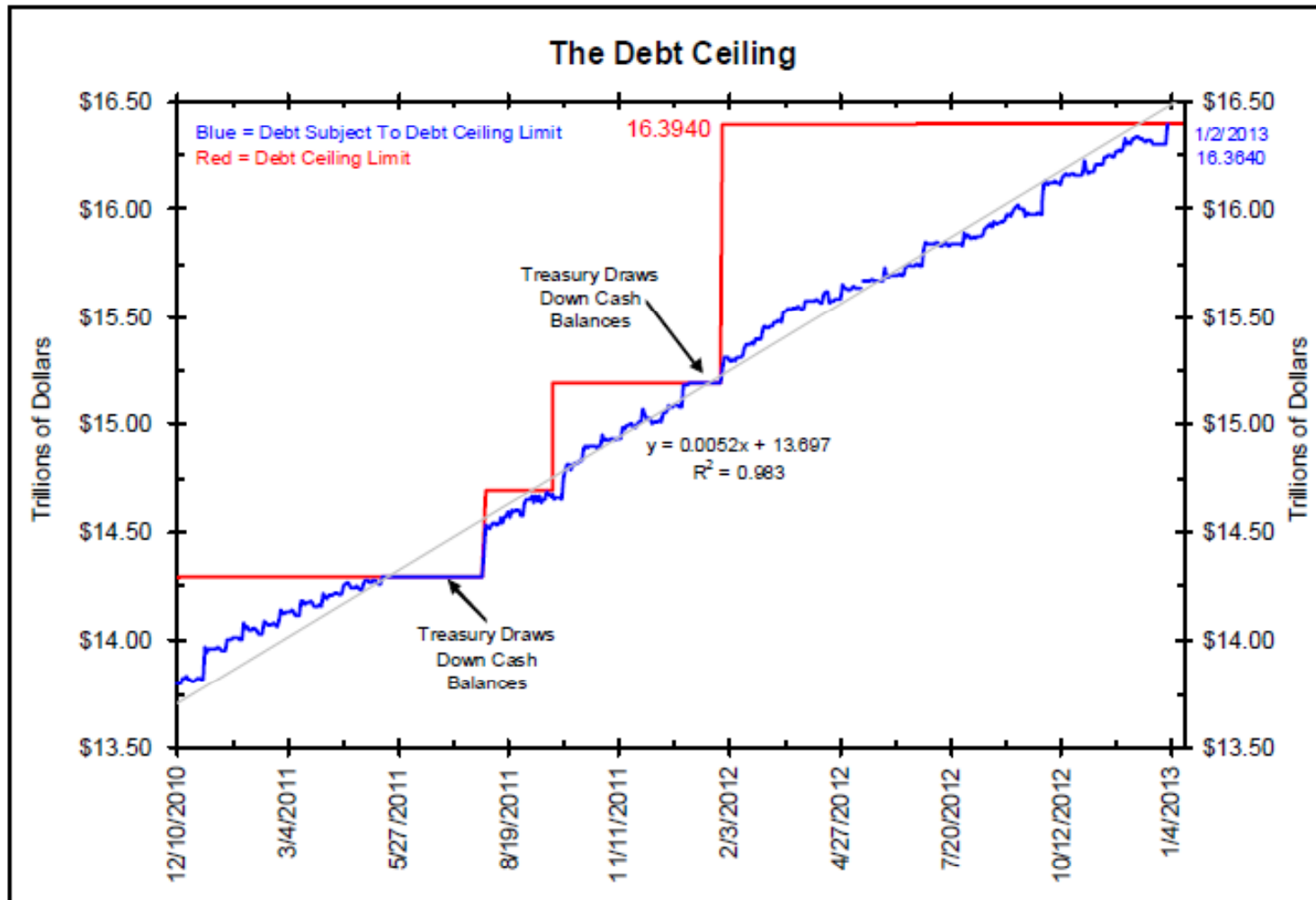
Possible Impact of Fiscal Policy on GDP Growth

December 31, 2011 through December 31, 2013 Estimates

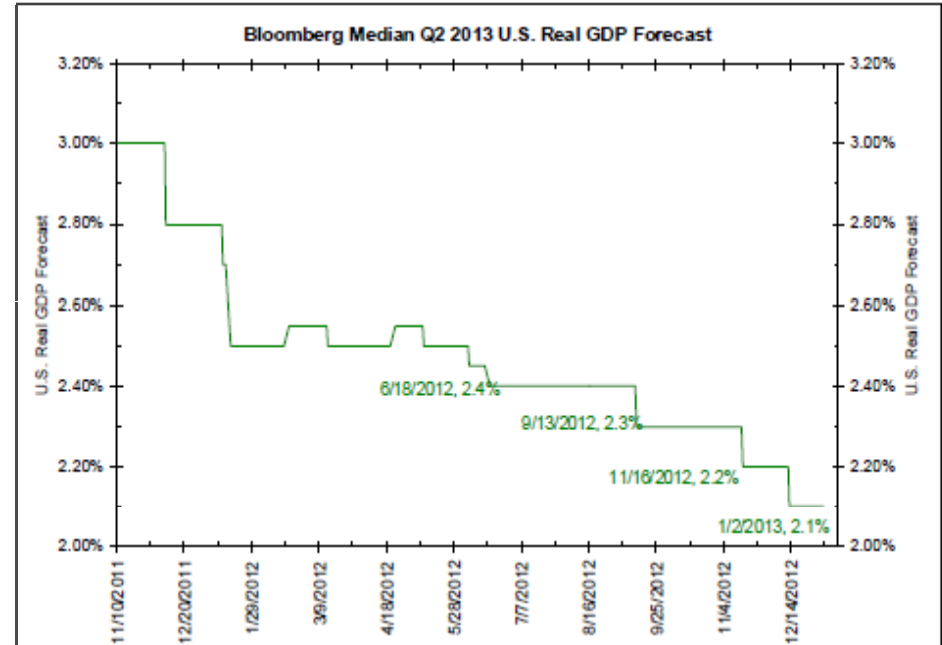
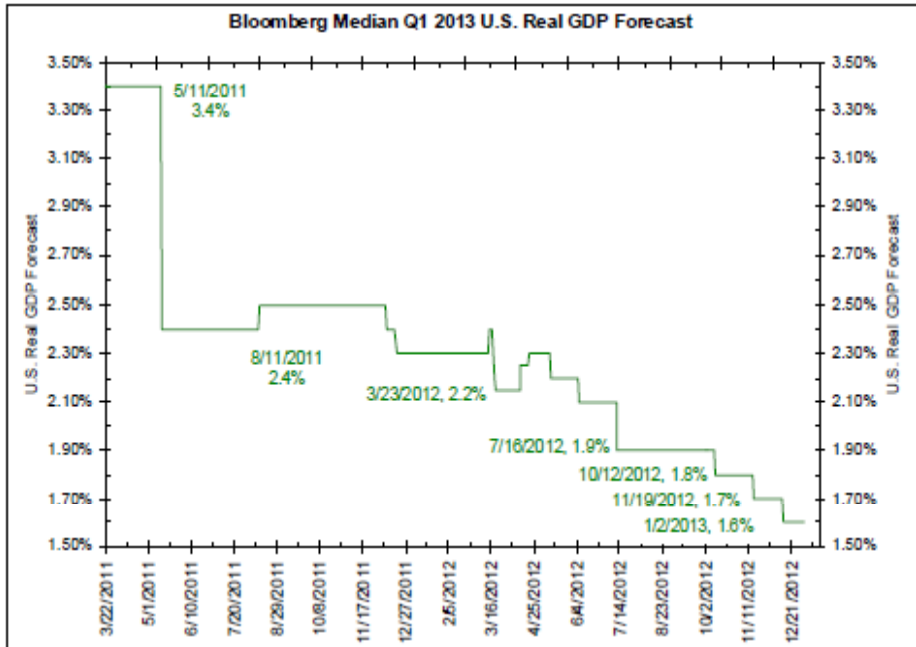


Obligatory Debt Ceiling Chart

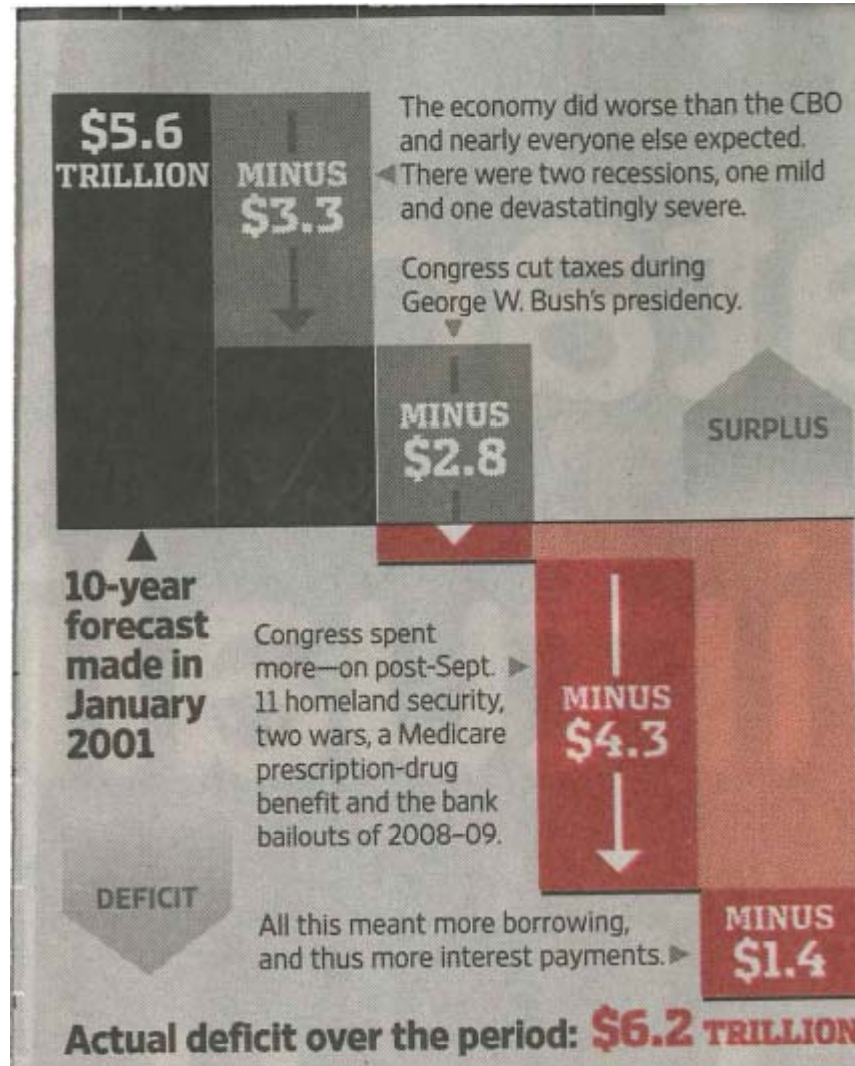
December 10, 2010 through January 4, 2013



Q1/Q2 GDP Forecasts Trending Down



What Contributed to the Fiscal Cliff?



Source: Wall Street journal "How Big Deficits Became the Norm", December 18, 2012

<http://online.wsj.com/article/SB10001424127887324677204578185451218436548.html>

U.S. Dollar Index Spot –

Year-End 2007 through January 8, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

DX = DXY is the US Dollar Index (USDX) indicates the general value of the US dollar. Average exchange rates between the US dollar and six major world currencies. An investment cannot be made directly in an index.

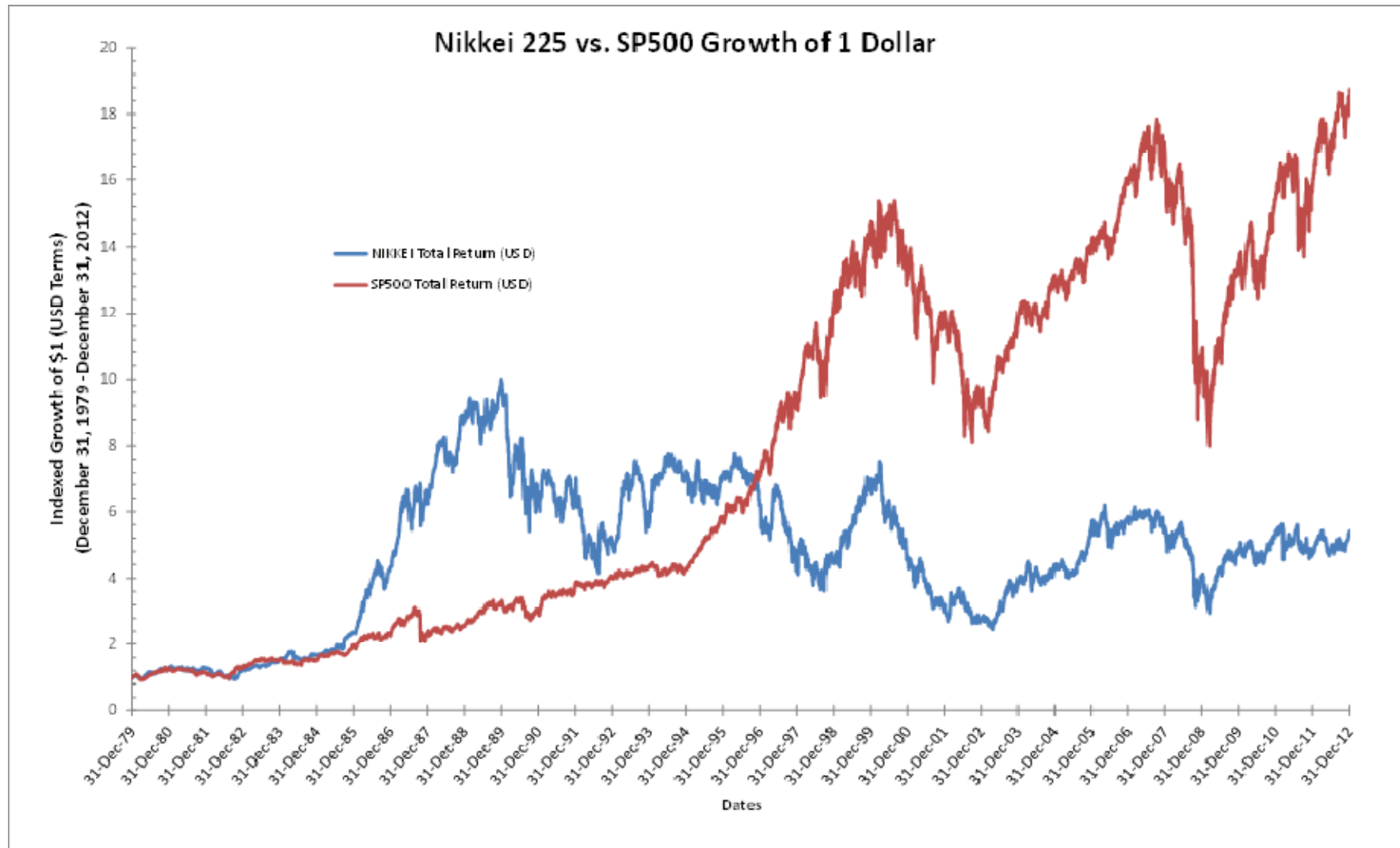
Global Currency Spot Price Rankings –

For the Year 2012



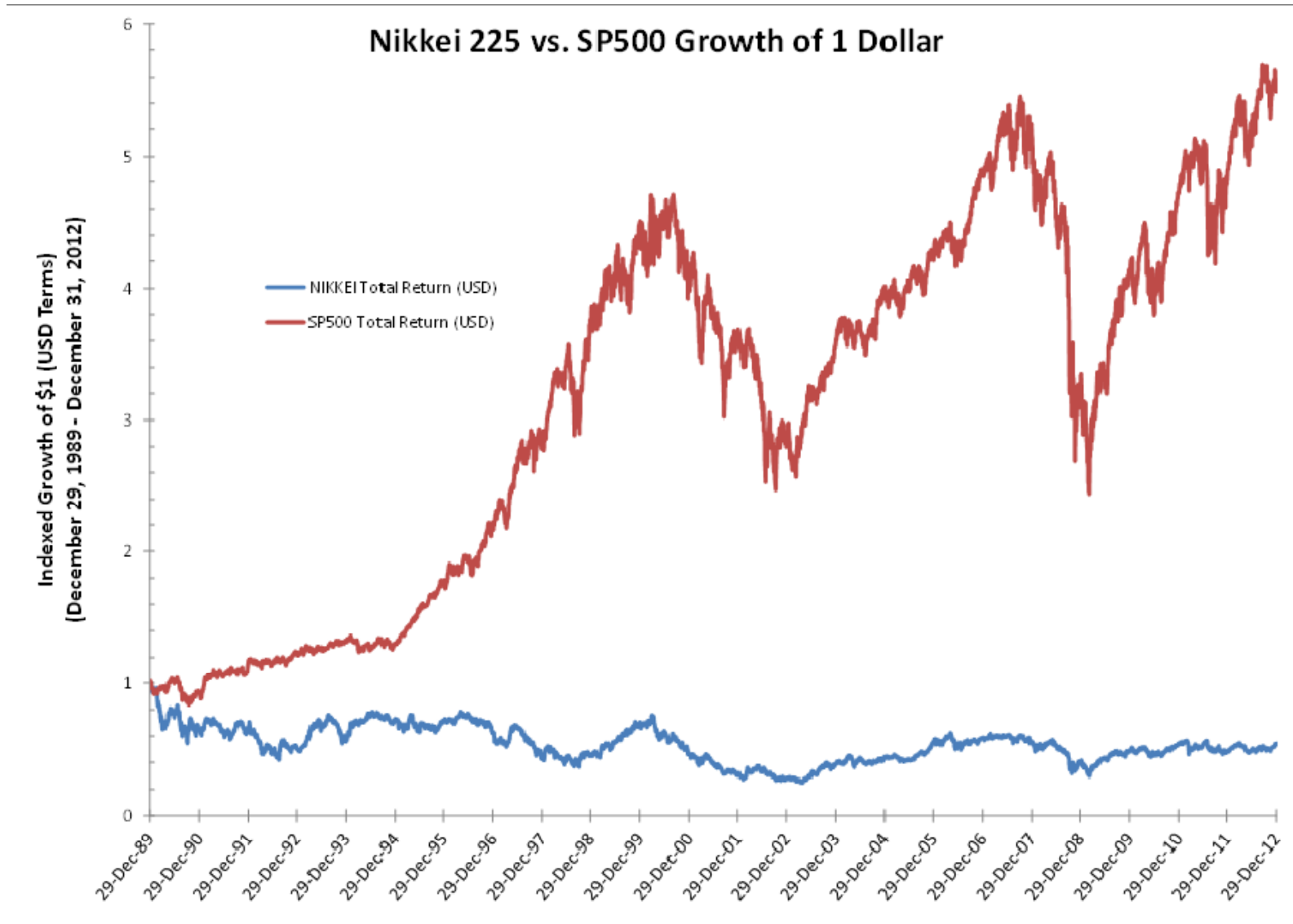
Japanese Index vs. S&P 500 Growth of \$1

December 31, 1979 through December 31, 2012



Japanese Index vs. S&P 500 Growth of \$1

December 31, 1989 through December 31, 2012



Source: Bloomberg Financial Services, DoubleLine Capital LP

12 Month USD/JPY vs. 5-year USD/JPY



As of January 8, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP
An investment cannot be made directly in an index.

Gold Spot Index

Year-End 2007 through January 8, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP
An investment cannot be made directly in an index.

CRB Commodity Index

Year-End 2007 through January 7, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

Note: The TR/J CRB Commodity Excess Return Index is an arithmetic average of commodity futures prices with monthly rebalancing. An investment cannot be made directly in an index.

Shanghai Index

Year-End 2007 through January 8, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

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

An investment cannot be made directly in an index.

Emerging Markets ETF vs. S&P 500

January 9, 2012 through January 8, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP
 SPY = S&P 500. EEM = Emerging Markets ETF.
 An investment cannot be made directly in an index.

S&P Index

Year-End 2009 through January 8, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

Note: S&P 500 index is a basket of 500 stocks that are considered to be widely held. It is weighted by market value and its performance is thought to be representative of the stock market as a whole.

An investment cannot be made directly in an index.

Global Equities vs. US

January 4, 2012 through January 3, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

ACWI = iShares MSCI ACWI Index fund is an exchange-traded fund replicating the ACWI US Equity index. S&P 500 index is a basket of 500 stocks that are considered to be widely held. It is weighted by market value and its performance is thought to be representative of the stock market as a whole.

An investment cannot be made directly in an index.

S&P 500 Index and Shanghai Index

December 31, 2008 through January 4, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

S&P 500 index is a basket of 500 stocks that are considered to be widely held. It is weighted by market value and its performance is thought to be representative of the stock market as a whole.

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

An investment cannot be made directly in an index.

10-Year US Treasury Yield

Year-End 2007 through January 8, 2013



Source: Bloomberg Financial Services
Please see the appendix for definition.

Investment Grade Index Yields

Year-End 2007 through January 8, 2013

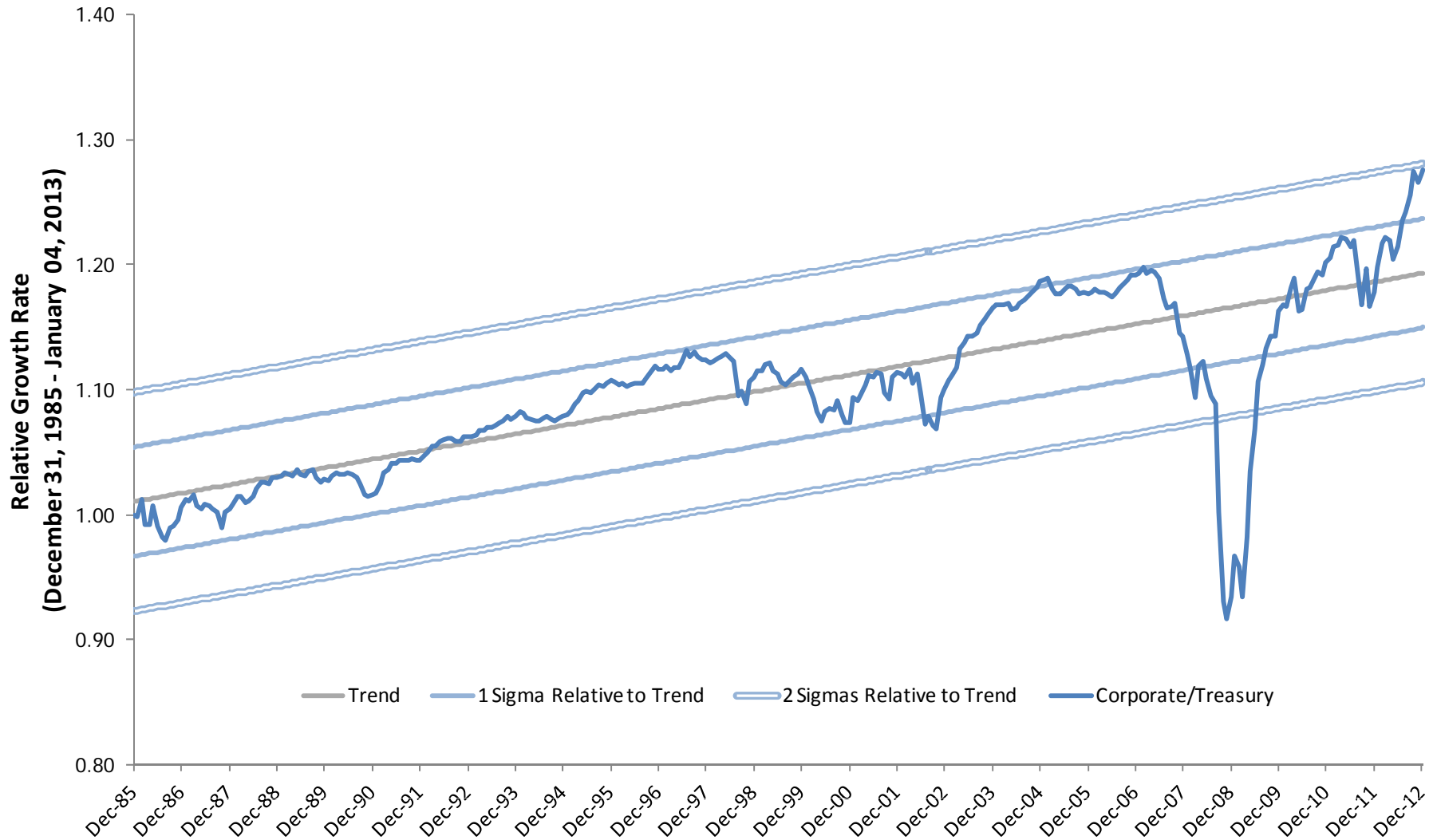


Source: Bloomberg Financial Services, JP Morgan

JACIICYM = The JP Morgan Investment Grade Corporate Index, Yield –to-Maturity. Investment grade means that the security is rated by one of the three nationally recognized major rating agencies, Moodys, S&P or Fitch, as above BBB. Please see slide 67 of this presentation for further ratings descriptions.

An investment cannot be made directly in an index.

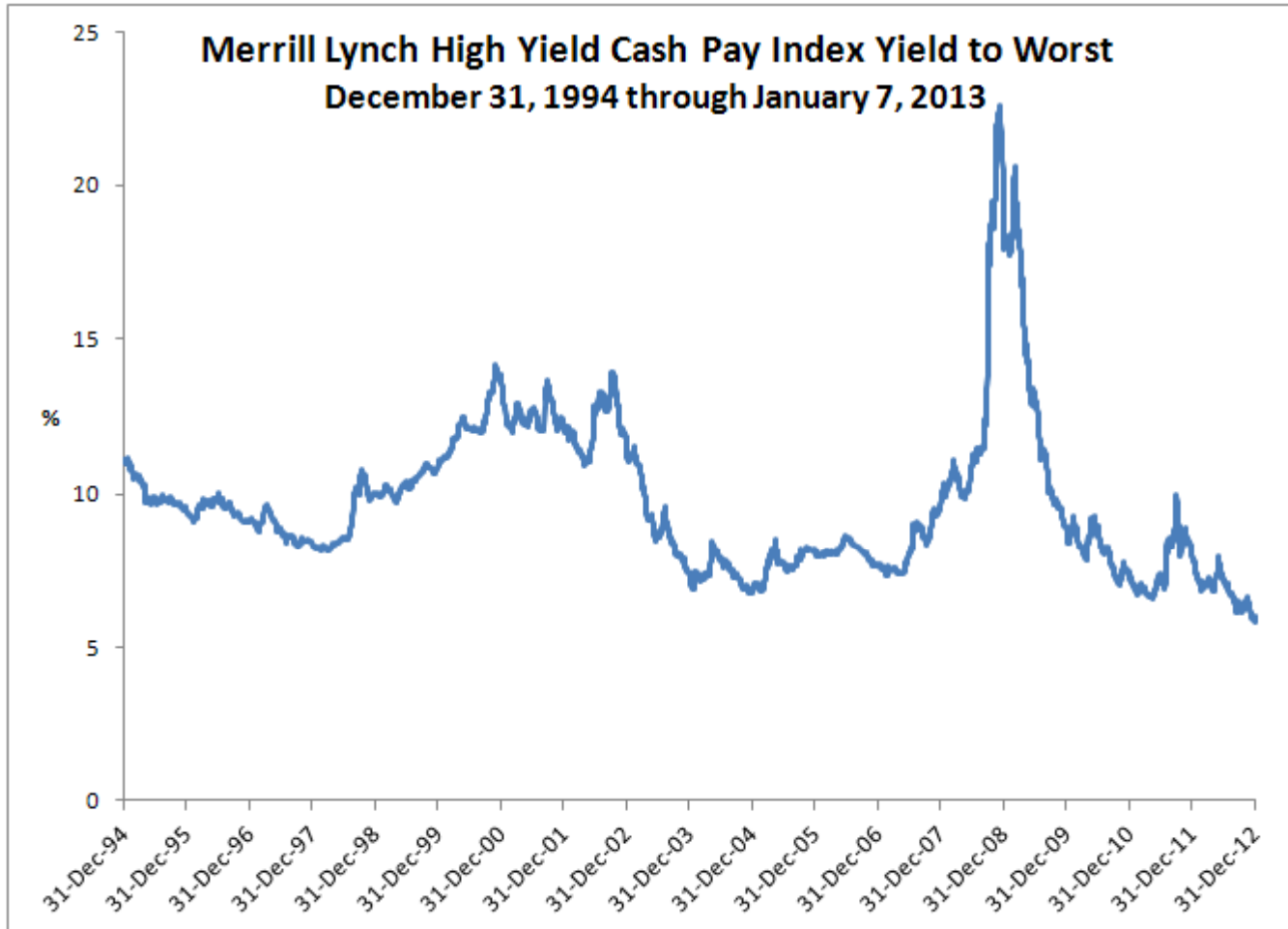
Relative Growth of Merrill Corporate Index to Merrill Treasury Index



Data Source: Merrill Lynch (COA0; GOQ0); Monthly data with most recent observation appended.

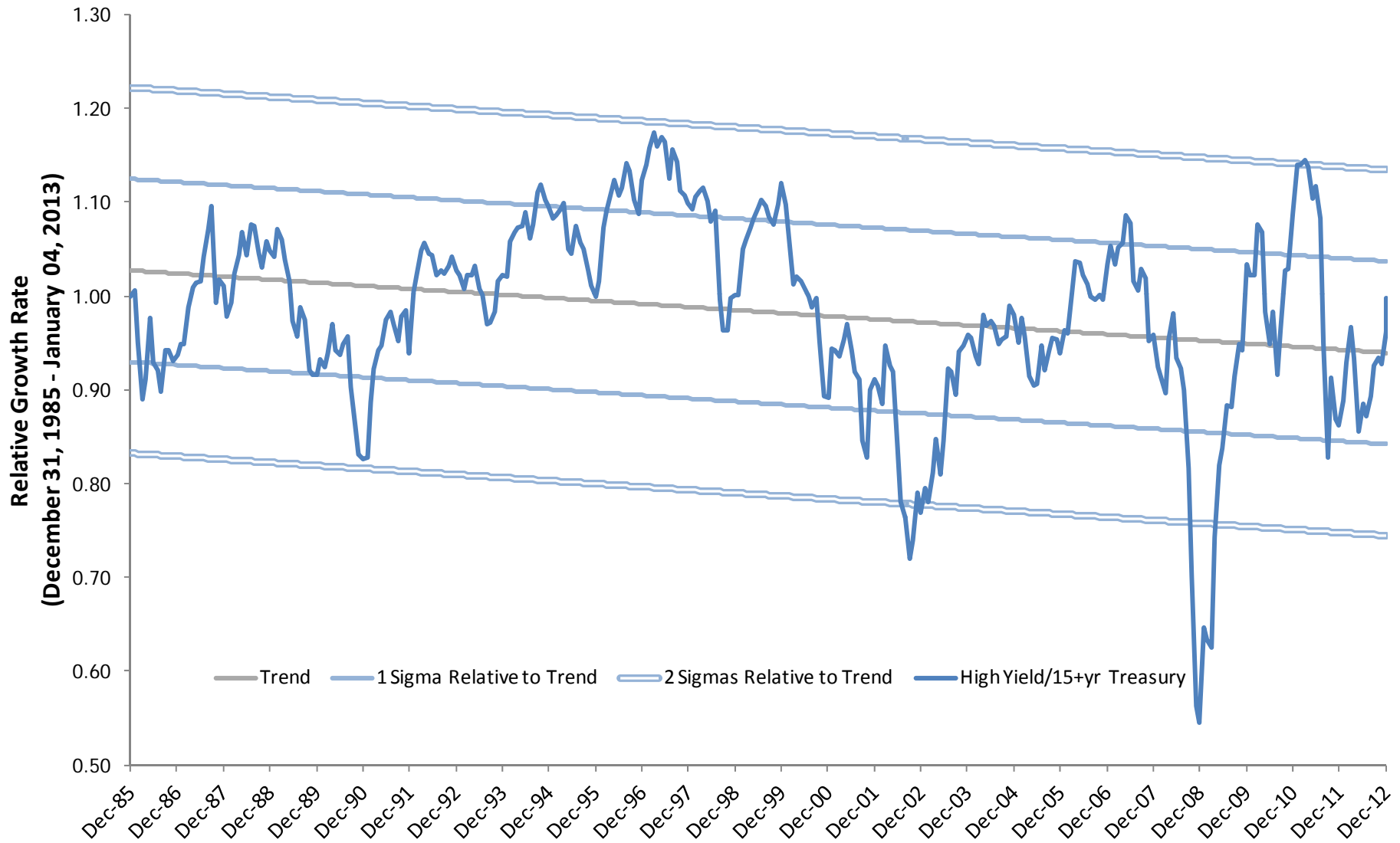
High Yield Index Yields

Year-End 1994 through January 7, 2013

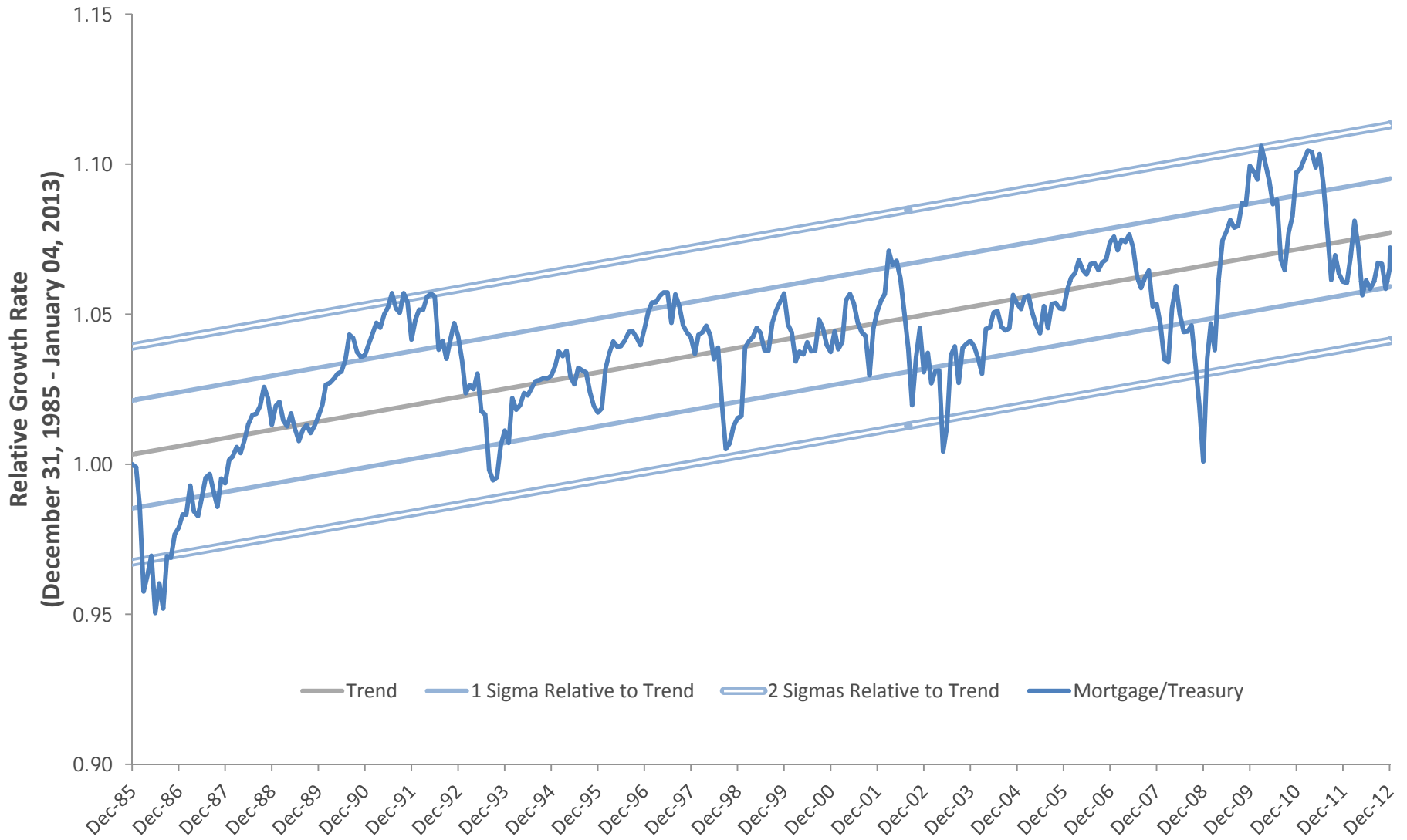


Source: Bloomberg Financial Services, JP Morgan
Please see the appendix for definition of BofA/Merrill Lynch High Yield Cash Pay Index (JOA0).
An investment cannot be made directly in an index.

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

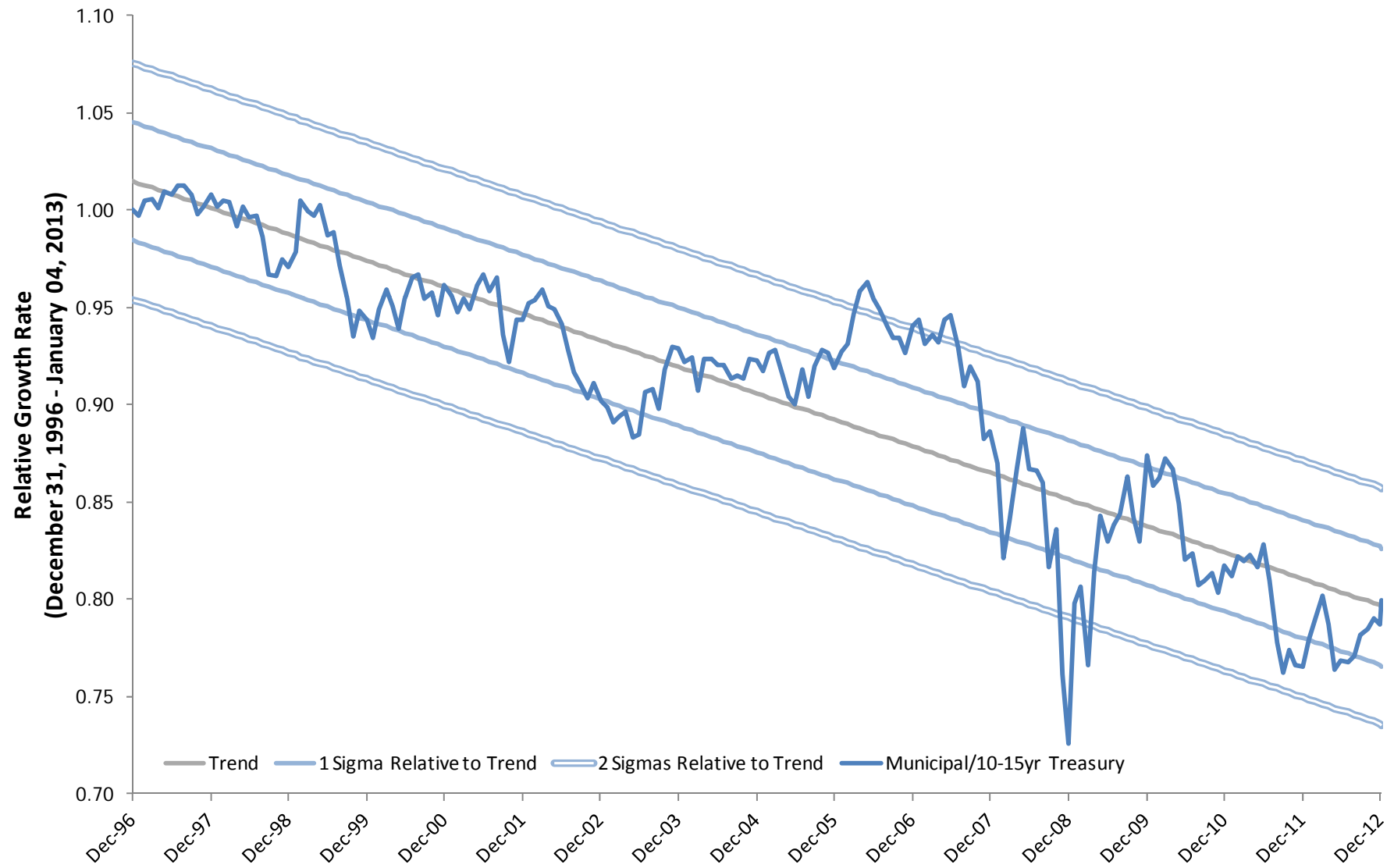


Relative Growth of Merrill Mortgage Index to Merrill Treasury Index



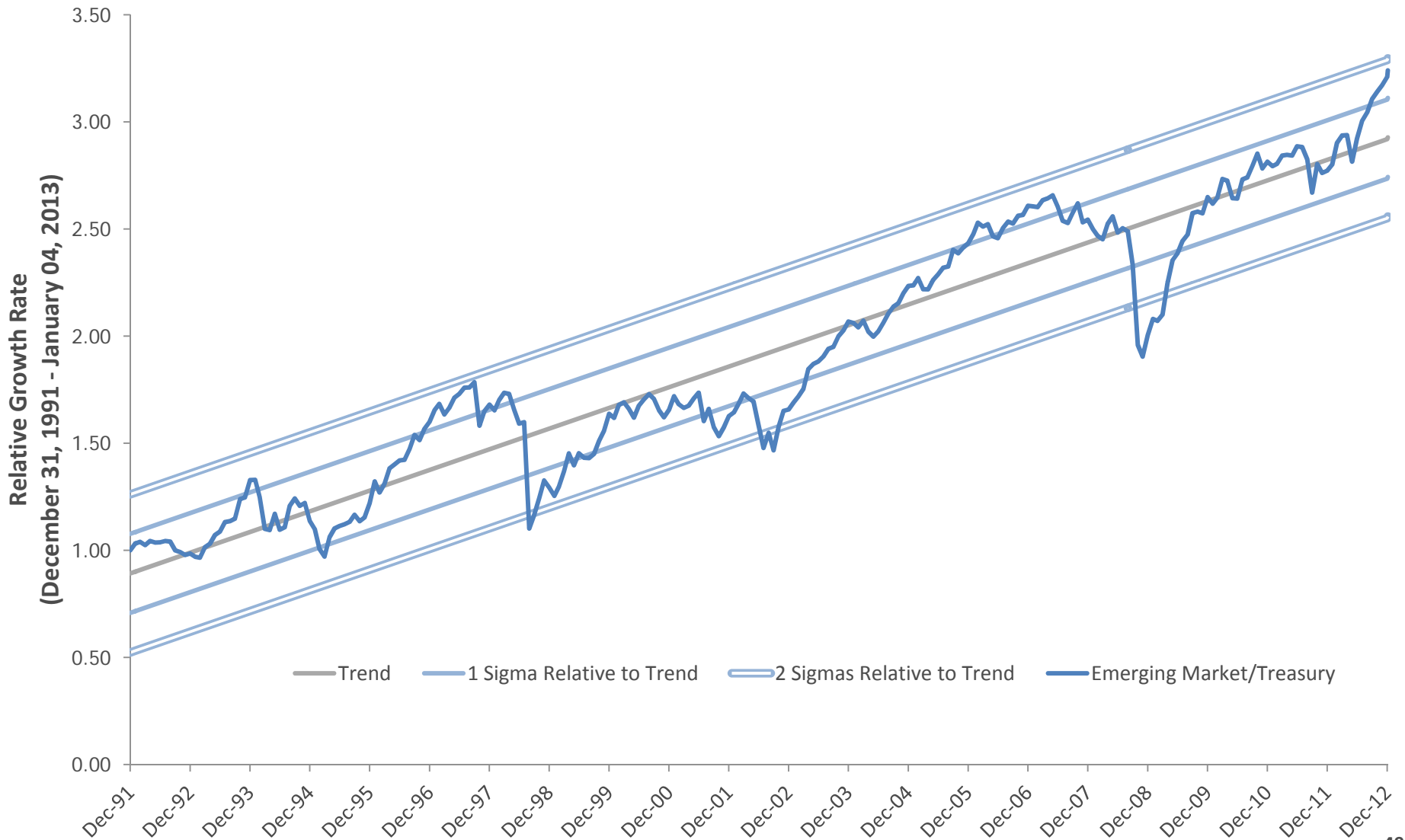
Data Source: Merrill Lynch (M0A0; G0Q0); Monthly data with most recent observation appended.

Relative Growth of Merrill US Municipal Index to Merrill 10-15 Year Treasury Index



Data Source: Merrill Lynch (U0A0; G7O2); Monthly data with most recent observation appended.

Relative Growth of Merrill Emerging Market Index to Merrill Treasury Index

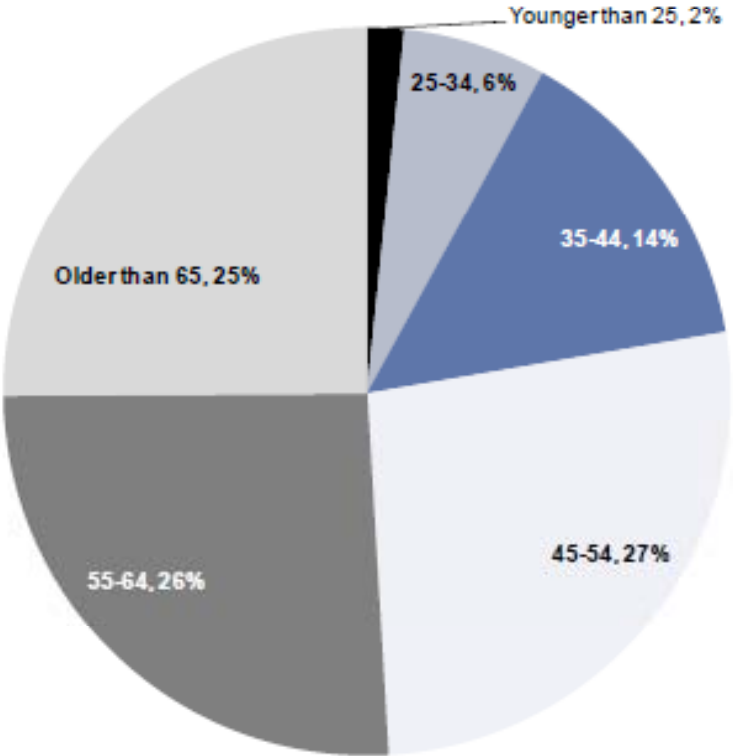


Data Source: Merrill Lynch (IGOV; G0Q0); Monthly data with most recent observation appended.

Age of Farmers, US



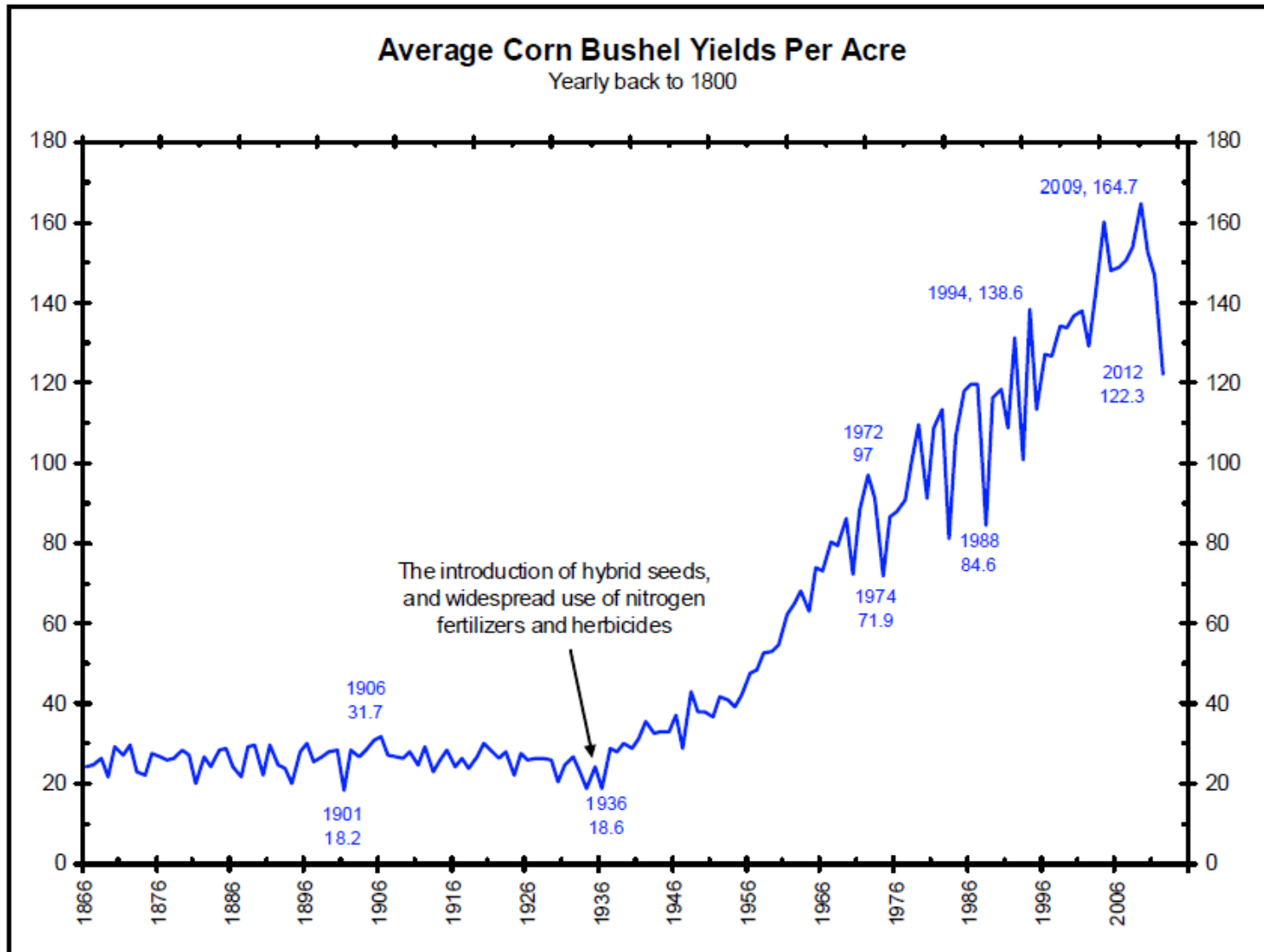
But who will feed the world?
US farmers by age, 2011



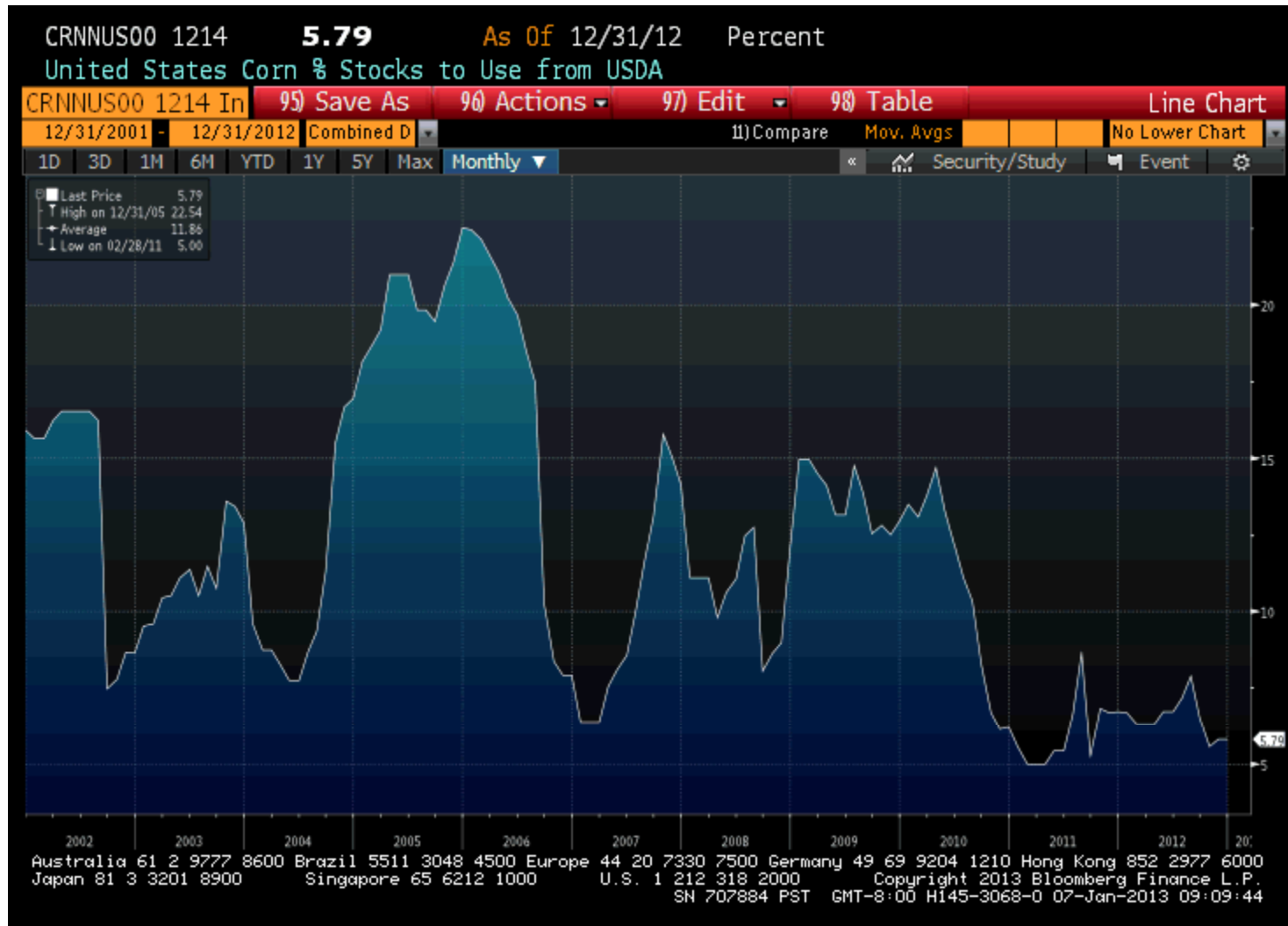
Source: USDA.

Source: US Department of Agriculture (USDA), Goldman Sachs "The best of Fortnight Thoughts", December 13, 2012

Corn Bushel Yield



Corn Stocks Use Ratio



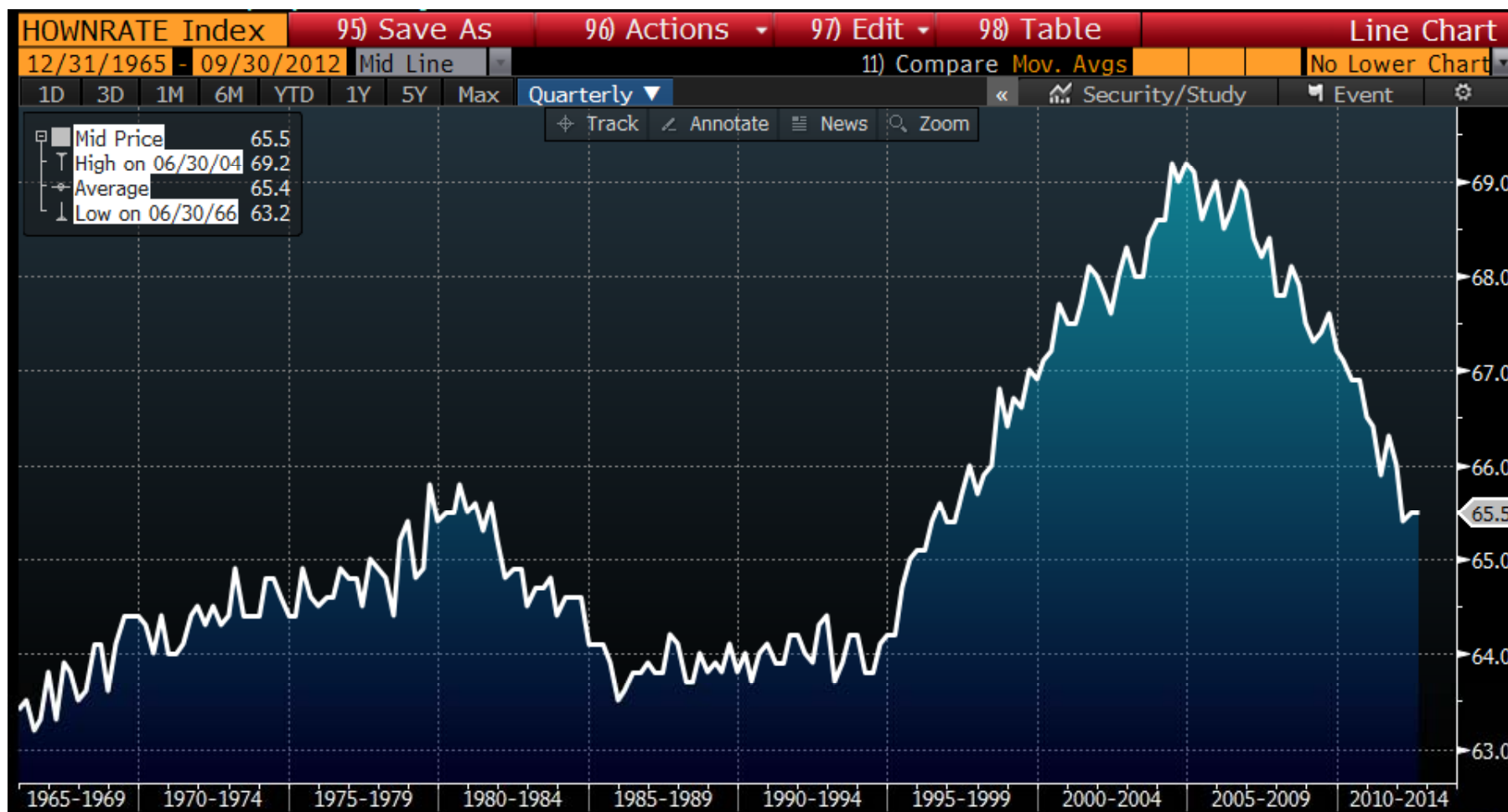
Source: Bloomberg Financial Services

TAB III

Housing and MBS Market Trends



Homeownership Rate



Source: Bloomberg Financial Services
Homeownership affordability measured quarterly and subject to a one month lag.
An investment cannot be made directly in an index.

Mortgage Refinancing Index



Source: Bloomberg Financial Services

Mortgage Refinancing Index as measured by the Mortgage Bankers Association. Reflects the number of applications for refinance. Not all applications are accepted. An investment cannot be made directly in an index.

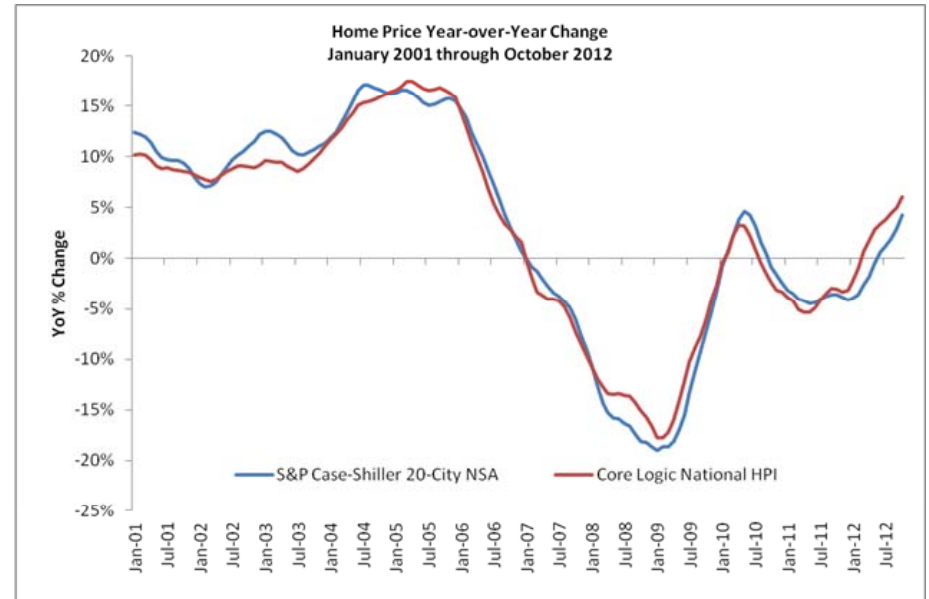
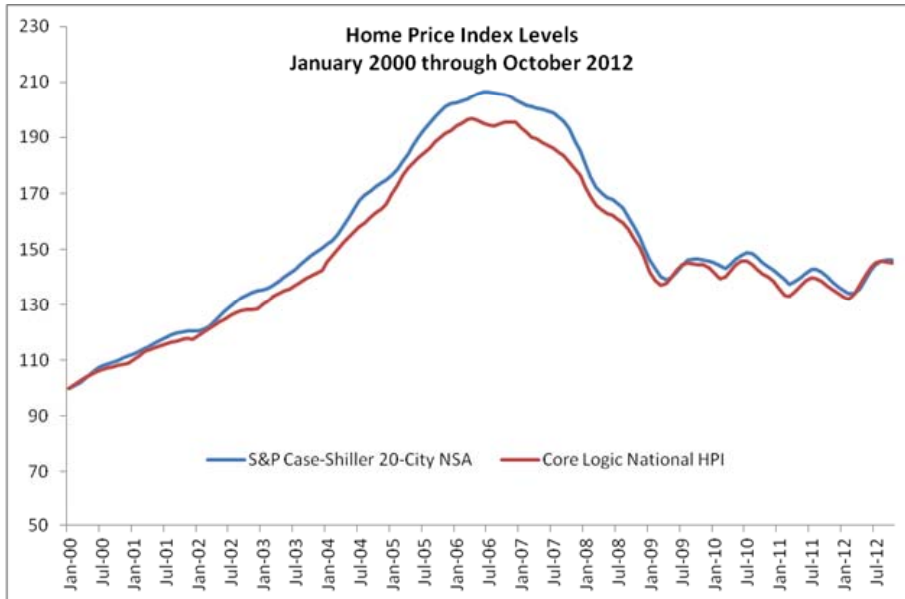
30-Year U.S. Mortgage Rates



Source: Bloomberg Financial Services, Bankrate.com

ILM3NAVG = The Overnight National Average of the U.S. 30 year Treasury interest rate. They help consumers see the movement of rates day-to-day. Subject to one day lag.

Home Price Index Levels and Year-Over-Year Change



Source: Bloomberg Financial Services, Case-Shiller

S&P/Case-Shiller Home Price Index is comprised of price changes within the following subset of 20 metropolitan markets: 10 –City Index Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. In addition to the 10-City Index it includes: Atlanta, Charlotte, Cleveland, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle, and Tampa.

Core Logic National Housing Price Index (HPI) = Core Logic is a leading provider of information and analytics. This index covers 6,208 zip codes, 572 statistical areas and 1,027 counties located in all 50 states and District of Columbia. It is a national average.

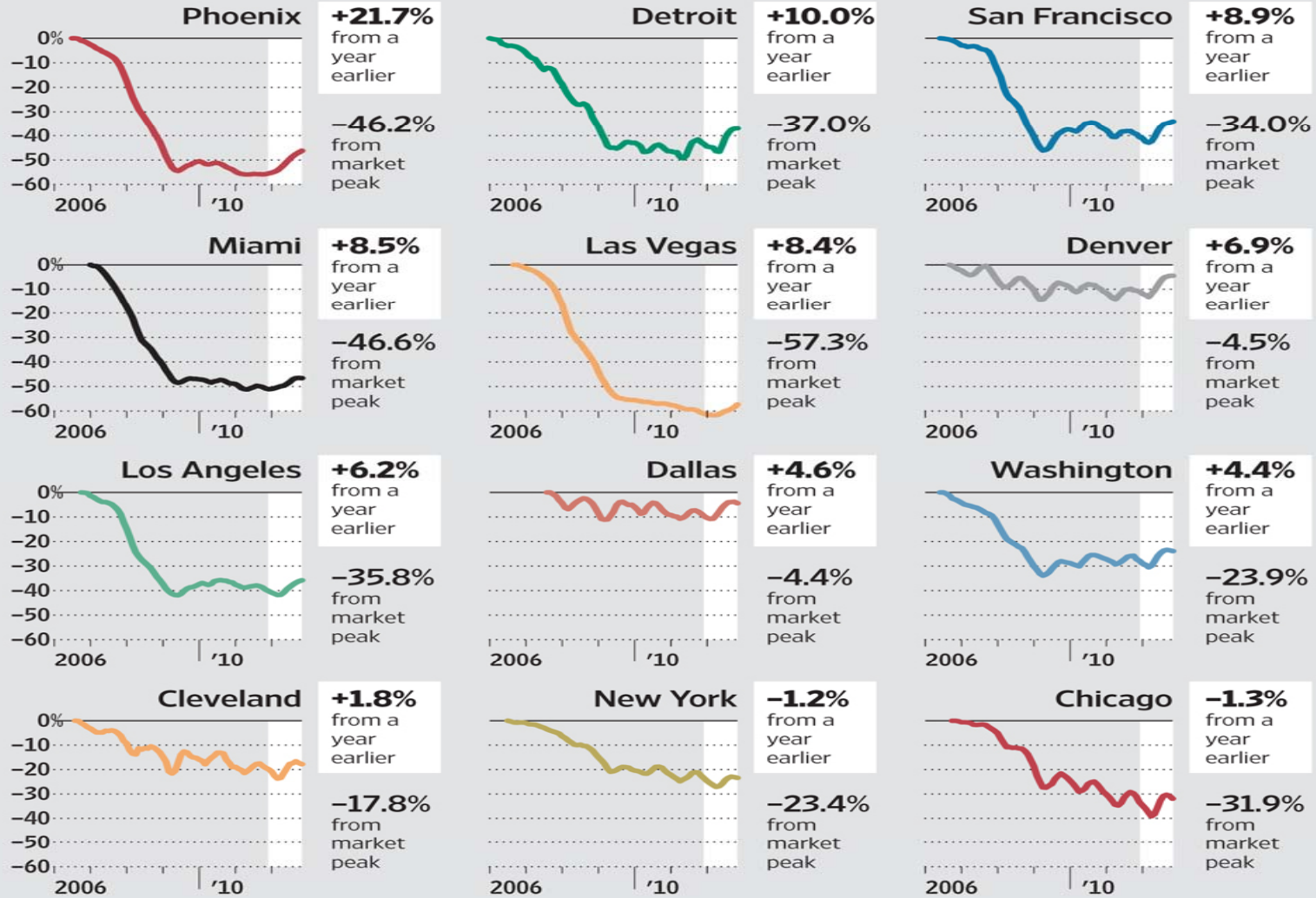
An investment cannot be made directly in an index.

Home Prices in Major US Metropolitan Areas



Gaining, but a Ways to Go

Home prices since market's peak in some U.S. metropolitan areas based on the Case-Shiller indexes



Source: S&P Dow Jones Indices and Fiserv

The Wall Street Journal

ABX AAA 07-1 Index

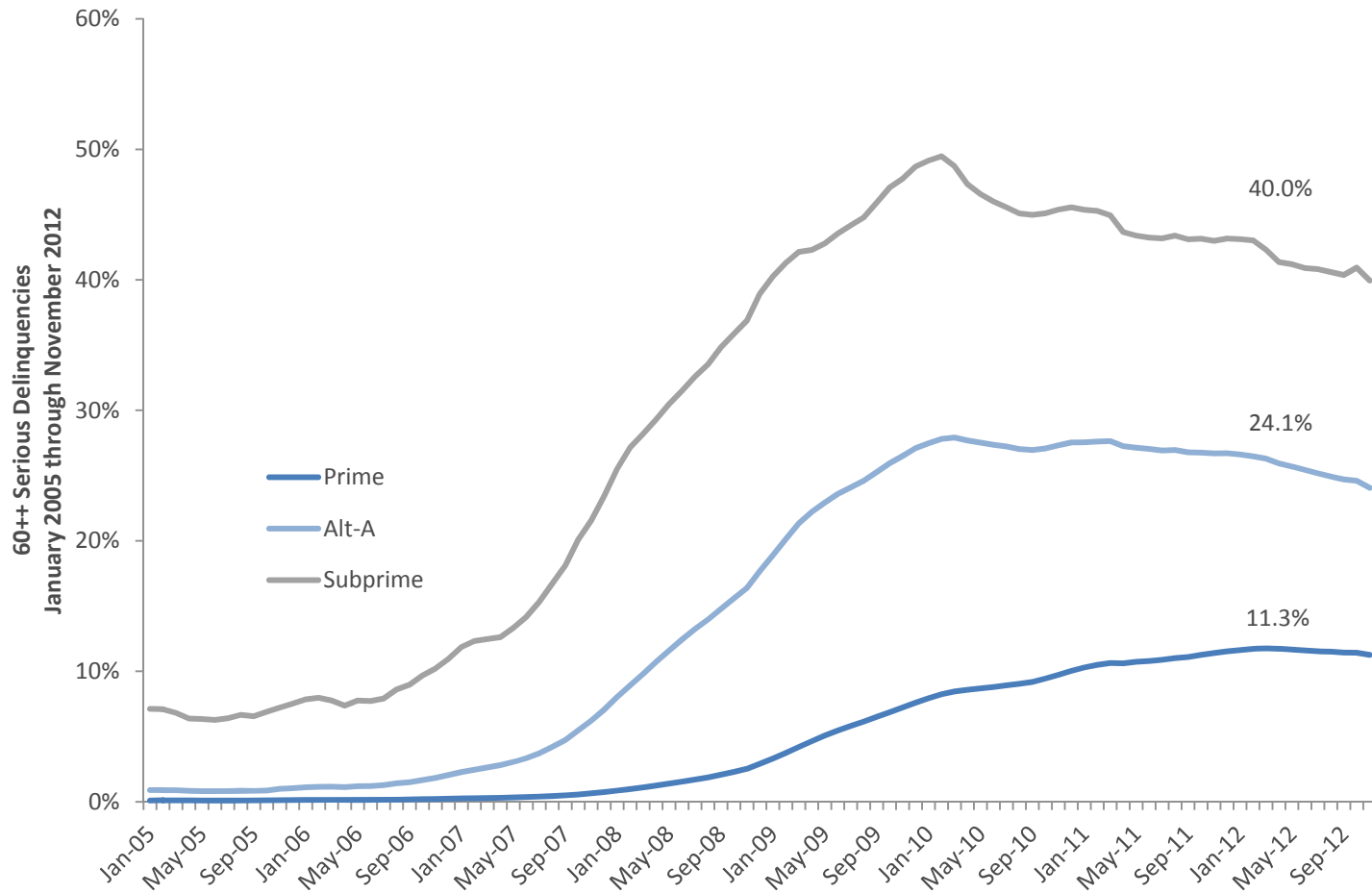


Source: Bloomberg Financial Services, DoubleLine Capital LP

The ABX 07-1 AAA Index is a basket of home equity. Constituted from reference obligations issued by 20 issuers of residential mortgage-backed securities. An investment cannot be made directly in an index.

Non-Agency RMBS 60++ Delinquency Rate

January 31, 2005 through November 30, 2012



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

Prime defined as FICO > 725 and LTV < 75

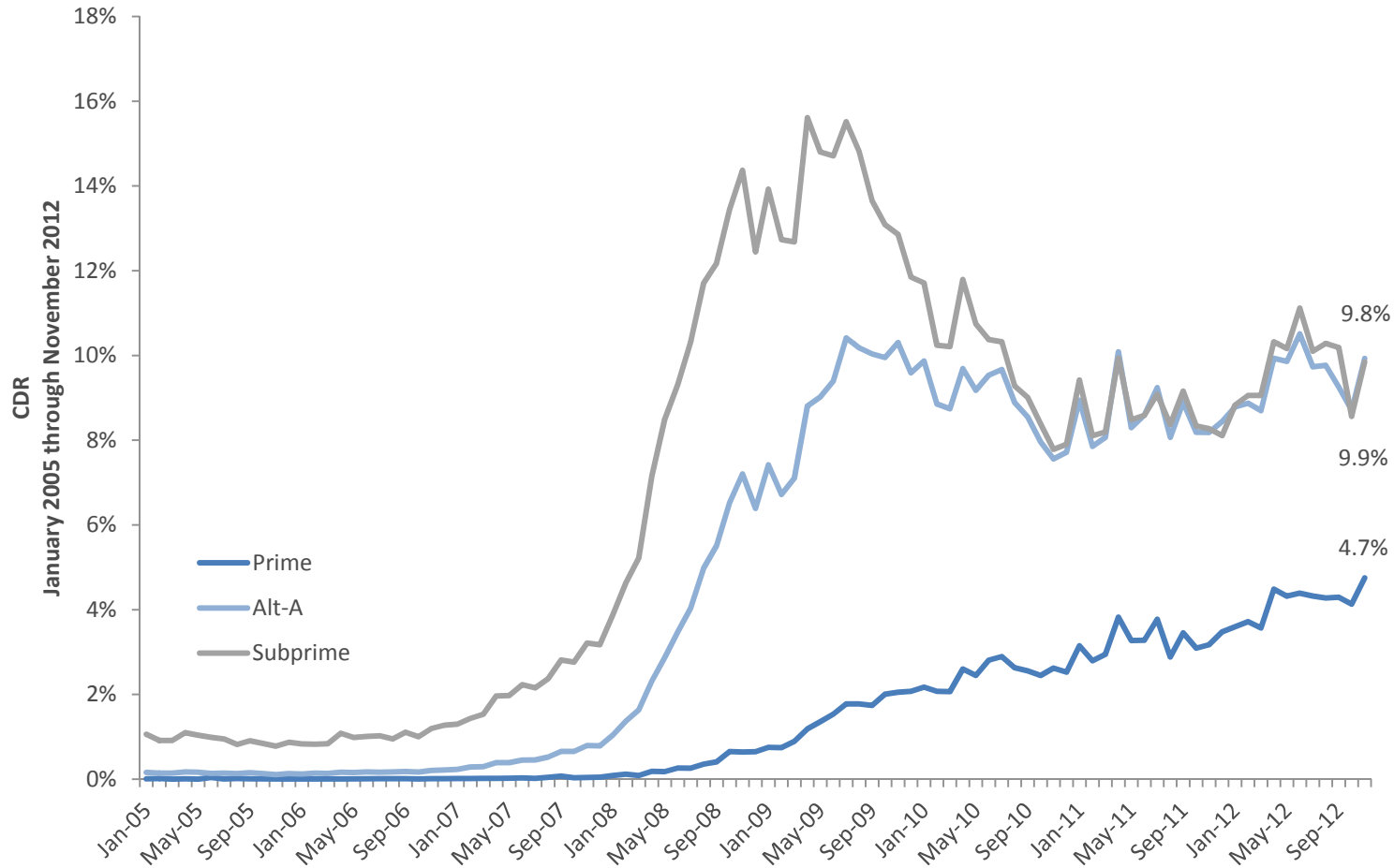
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of October 31, 2012.

Non-Agency RMBS Conditional Default Rate

January 31, 2005 through November 30, 2012



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

Prime defined as FICO > 725 and LTV < 75

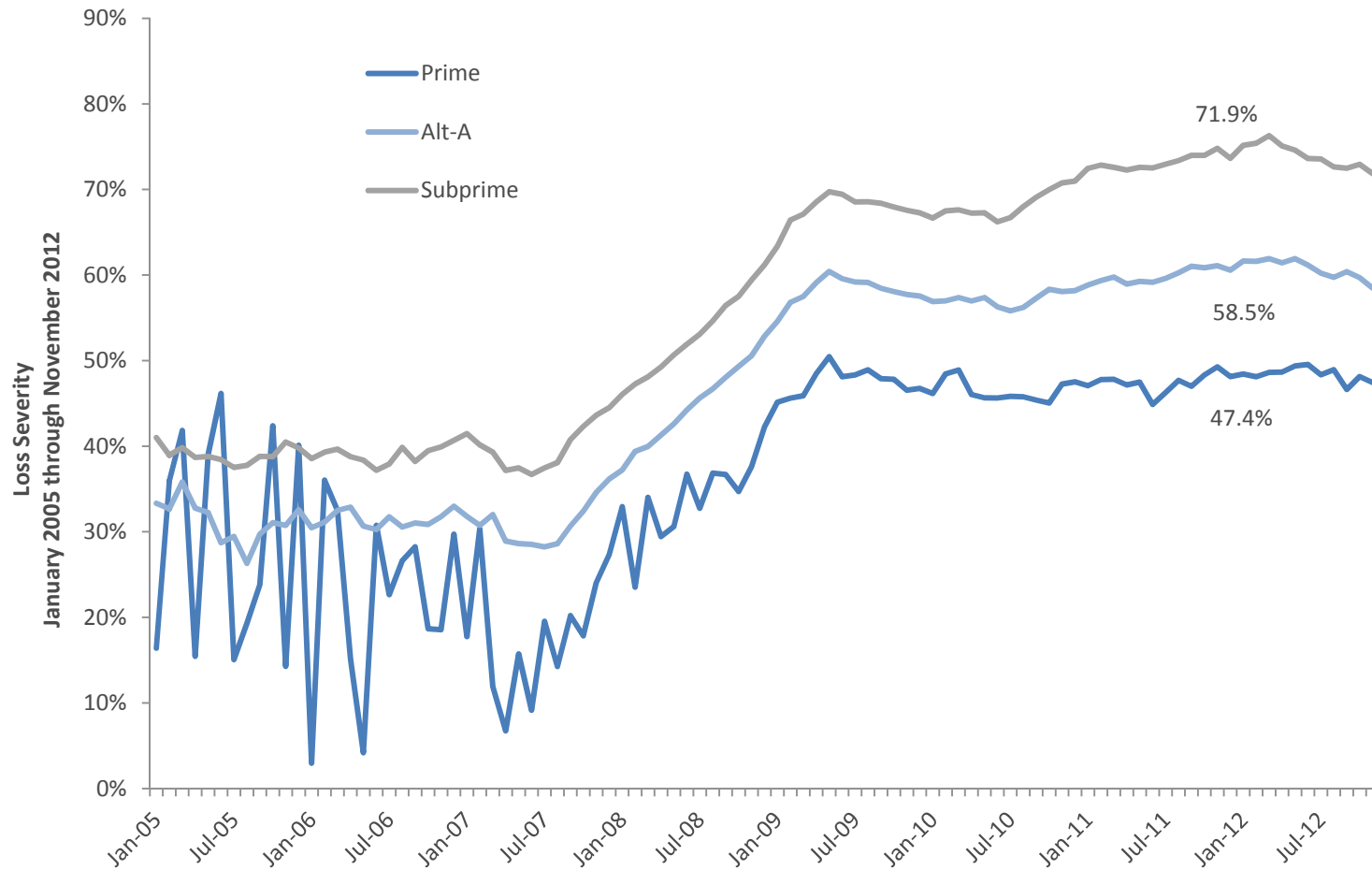
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of October 31, 2012.

Non-Agency RMBS Loss Severity

January 31, 2005 through November 30, 2012



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

Prime defined as FICO > 725 and LTV < 75

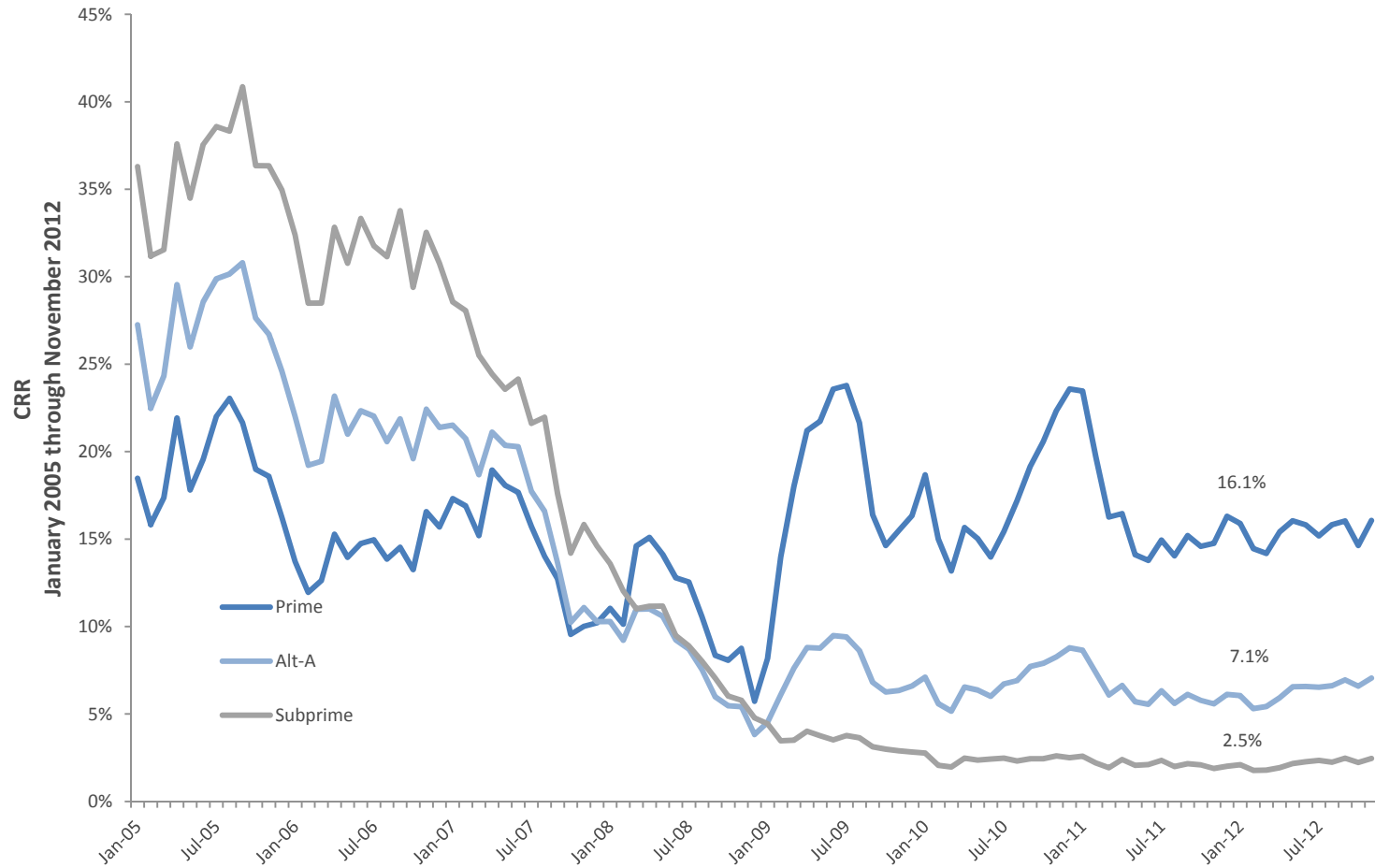
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of October 31, 2012.

Non-Agency RMBS Conditional Repayment Rate

January 31, 2005 through November 30, 2012



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

Prime defined as FICO > 725 and LTV < 75

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

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of October 31, 2012.

2013 Market Outlook “Year of the Snake”

Live Webcast hosted by:

Jeffrey Gundlach

Chief Executive Officer

January 8, 2013





Announcements

Webcast News –

Philip Barach – January 22, 2013

Low Duration – “Building Portfolio Horizons”
1:15 pm PDT/4:15 pm EDT

Luz Padilla – February 5, 2013

Emerging Markets
1:15 pm PDT/4:15 pm EDT

Jeffrey Gundlach – March 5, 2013

Total Return & Core
1:15 pm PDT/4:15 pm EDT

To Receive Presentation Slides:

You can email

info@doubleline.com



TAB VI

Appendix

Index Descriptions



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

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

Barclays Capital US Treasury 2 Year Index - This index is the 2 year component of the US Government index.

Barclays Capital US Treasury 5 Year Index - This index is the 5 year component of the US Government index.

Barclays Capital US Treasury 7 Year Index - This index is the 7 year component of the US Government index.

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

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

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

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

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

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

BofA Merrill Lynch Municipal Master Index (UOAO) - The Merrill Lynch US Municipal Securities Index tracks the performance of US dollar denominated investment grade tax-exempt debt publically issued by US states and territories, and their political subdivisions, in the US domestic market.

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

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

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

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

BofA/Merrill Lynch Mexican Government Index (GDMX) – The index tracks the performance of USD denominated sovereign debt publicly issued by the Mexican government in the Mexican domestic market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch United Kingdom Government Index (GOLO) – The index tracks the performance of GBP denominated sovereign debt publicly issued by the UK⁶⁷ government in its domestic market. Fixed rate securities with minimum one-year maturity remaining.

Index Descriptions

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

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

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

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

BofA Merrill Lynch International Government Index (NOGO)

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

BofA Merrill Lynch Mortgage-Backed Securities Index (MOA0)

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

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

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

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

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

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

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

BofA/Merrill Lynch French Government Index (GOFO) – The index tracks the performance of EUR denominated sovereign debt publicly issued by the French government in the French domestic or eurobond market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch German Government Index (GODO) – The index tracks the performance of EUR denominated sovereign debt publicly issued by the German government in the German domestic or eurobond market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch Russian Government Index (GDRU) – The index tracks the performance of USD denominated sovereign debt publicly issued by the Russian government in the Russian domestic market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch Japan Government Index (GOYO) – The index tracks the performance of JPY denominated sovereign debt publicly issued by the Japanese government in the Japanese domestic market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch Brazilian Government Index (GDBR) – The index tracks the performance of USD denominated sovereign debt publicly issued by the Brazilian government in the Brazilian domestic market. Fixed rate securities with minimum one-year maturity remaining.

Index Descriptions

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

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

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

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

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

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

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

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

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

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

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

Dow Jones Industrial Average – Also known as the “DOW” is a stock market index that includes 30 large publically owned companies based in the U.S. have traded during a standard trading session in the stock market.

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

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

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

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

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

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

Disclaimer

Important Information Regarding This Report

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.

Important Information Regarding Risk Factors

Investment strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision-making, economic or market conditions or other unanticipated factors. The views and forecasts expressed in this material are as of the date indicated, are subject to change without notice, may not come to pass and do not represent a recommendation or offer of any particular security, strategy, or investment. Past performance is no guarantee of future results.

Important Information Regarding DoubleLine

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 (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.

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

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



Announcements

Webcast News –

Philip Barach – January 22, 2013

Low Duration – “Building Portfolio Horizons”
1:15 pm PDT/4:15 pm EDT

Luz Padilla – February 5, 2013

Emerging Markets
1:15 pm PDT/4:15 pm EDT

Jeffrey Gundlach – March 5, 2013

Total Return & Core
1:15 pm PDT/4:15 pm EDT

To Receive Presentation Slides:

You can email

info@doubleline.com