



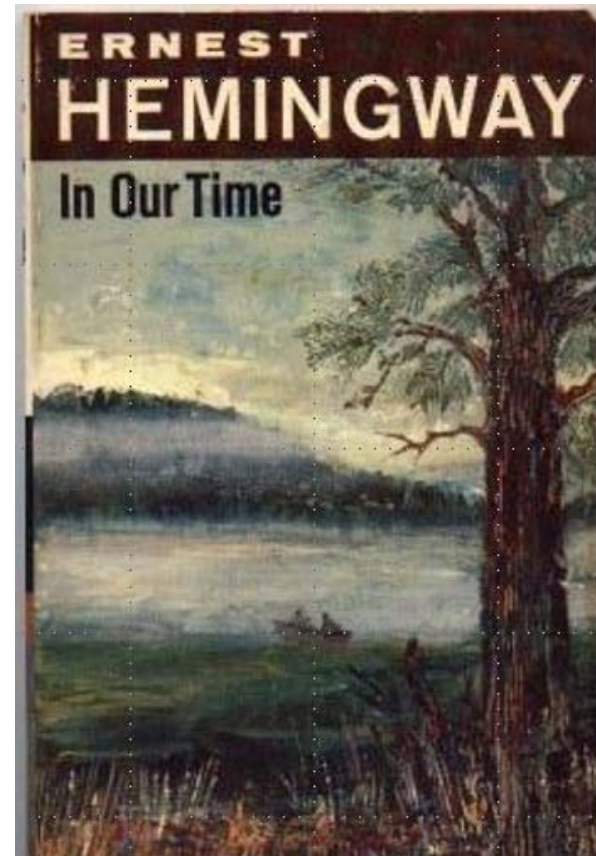
# In Our Time

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**September 8, 2015**



# Fund Offerings



## Total Return Bond Fund

Retail and Institutional Class No Load Mutual Fund		
	Retail N-share	Inst. I-share
Ticker	<u>DLTNX</u>	<u>DBLTX</u>
Min Investment	\$2,000	\$100,000
Min IRA Investment	\$500	\$5,000
Gross Expense Ratio	0.72%	0.47%

The Funds’ investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory prospectus and summary prospectus (if available) contains this and other important information about the Funds, and it may be obtained by calling 1 (877) 354-6311/ 1 (877) DLINE11, or visiting [www.doublelinefunds.com](http://www.doublelinefunds.com). Read it carefully before investing.

*Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in Asset-Backed and Mortgage-Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.*

*The Fund may use certain types of investment derivatives. Derivatives involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. Derivatives may involve certain costs and risk such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. The Fund may also invest in securities related to real estate, which may decline in value as a result of factors affecting the real estate industry.*

*The DoubleLine Total Return Bond Fund intends to invest more than 50% of its net assets in mortgage-backed securities of any maturity or type. The Fund therefore, potentially is more likely to react to any volatility or changes in the mortgage-backed securities marketplace. These risks are greater for investments in emerging markets.*

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

DoubleLine Funds are distributed by Quasar Distributors, LLC.

While the Funds are no-load, management fees and other expenses still apply. Please refer to the prospectus for further details.

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

# Performance



## DoubleLine Total Return Bond Fund – Quarter Ending June 30, 2015

Quarter End June 30, 2015	2Q 2015	Year-to-Date 2015	1-Year	3-Year Annualized	5-Year Annualized	Since Inception Annualized (4-6-10 to 6-30-15)
I-share	-0.51%	1.10%	3.27%	4.03%	6.83%	8.11%
N-share	-0.66%	0.89%	2.92%	3.74%	6.56%	7.84%
Barclays U.S. Aggregate Index	-1.68%	-0.10%	1.86%	1.83%	3.35%	3.98%

As of June 30, 2015	I-Share	N-Share	Barclays U.S. Aggregate Index
1-Yr Std Deviation <sup>1</sup>	2.05%	2.12%	3.27%
Gross Expense Ratio	0.47%	0.72%	

1. Standard deviation is a measure of the variation or dispersion of a set of data from its mean or expected/budgeted value. A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data is spread out over a large range of values. A measure of an investment's volatility.

**Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 213-633-8200 or by visiting [www.doublelinefunds.com](http://www.doublelinefunds.com).**

Barclays US Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest in an index.

**Past Performance does not guarantee future results. Index performance is not illustrative of fund performance.**

# Upcoming Webcast Announcements

## Strategic Commodity Fund – September 29, 2015

Jeffrey Sherman will discuss

### **Strategic Commodity Fund**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## Emerging Markets – October 6, 2015

Luz Padilla will discuss

### **Emerging Markets**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## Rising Rate Funds – October 20, 2015

Phil Barach, Robert Cohen and the EM Team will discuss

### **Emerging Markets Fund & Low Duration Emerging Markets Fund**

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

2015 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## **To Receive Presentation Slides:**

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



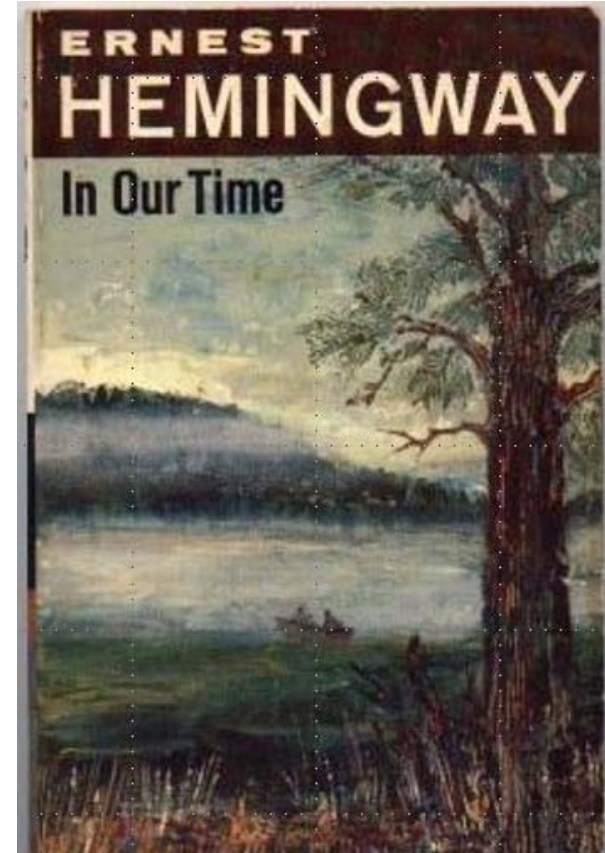
# In Our Time

**Live Webcast hosted by:**

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Chief Executive Officer

**September 8, 2015**

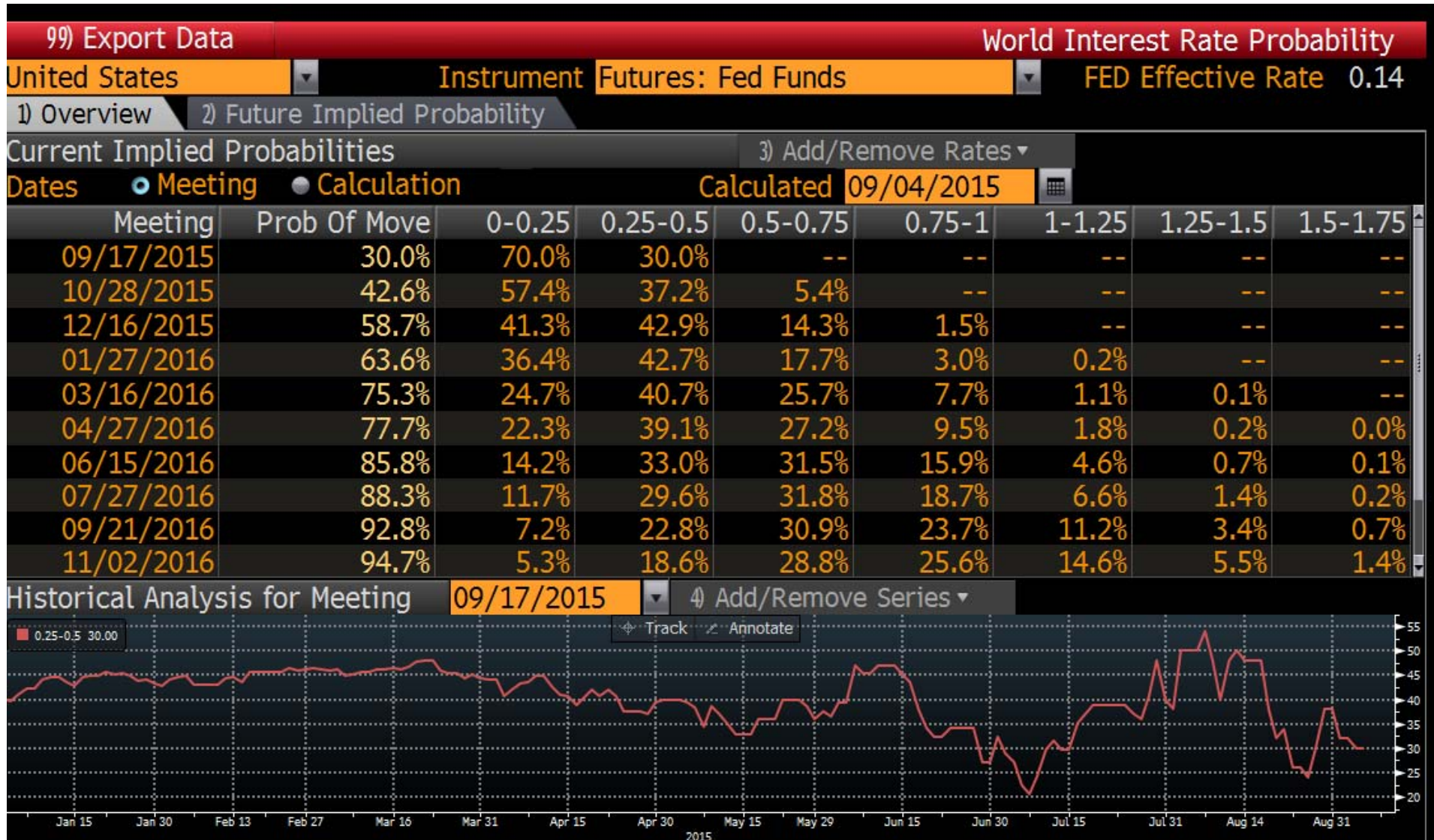


# TAB I – The Fed

“Dammit, Janet!”



# Probability of a Federal Reserve Hike

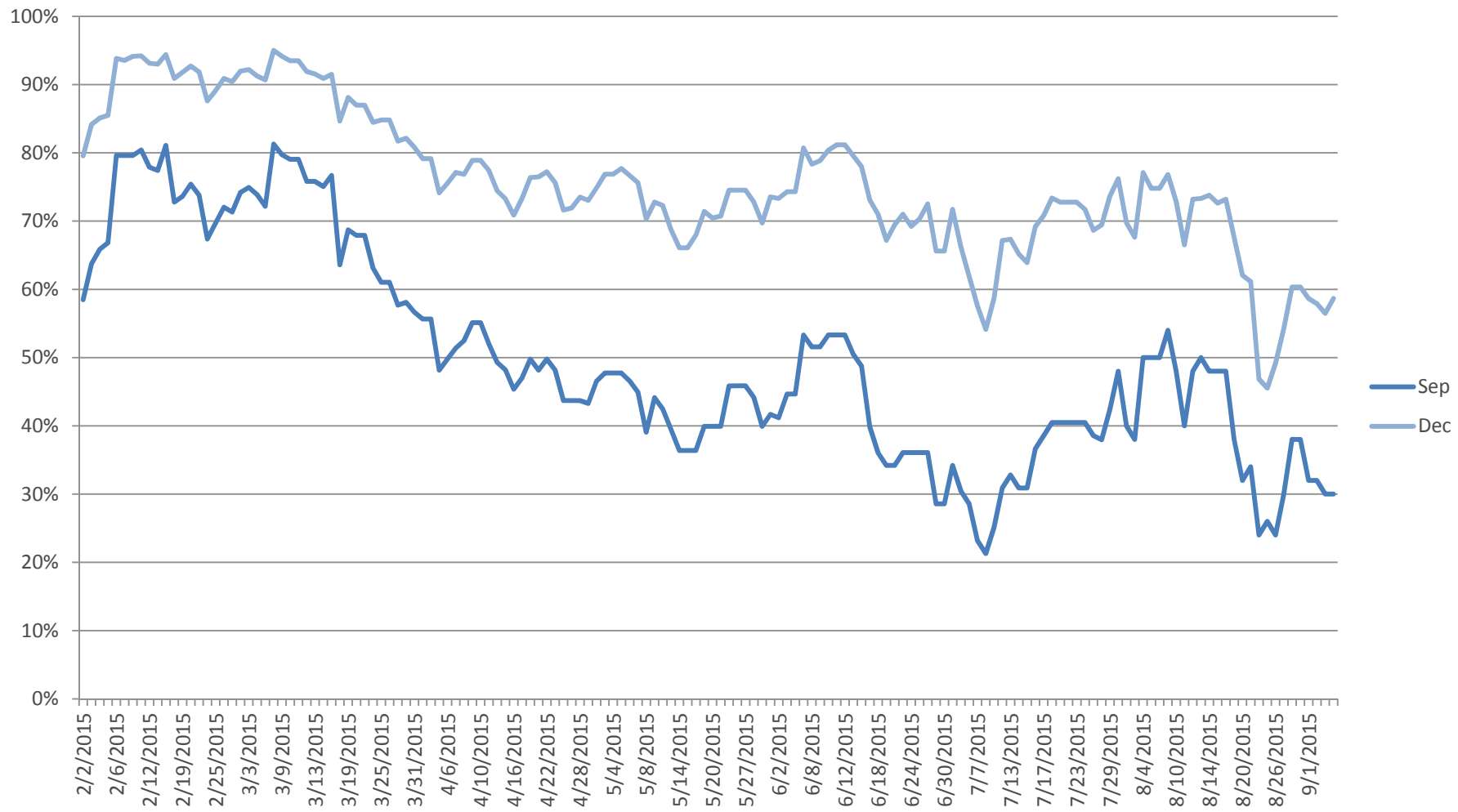


Source: Bloomberg. Probability calculated using Fed Funds futures data.  
You cannot invest directly in an index.

# Probability of Rate Hike

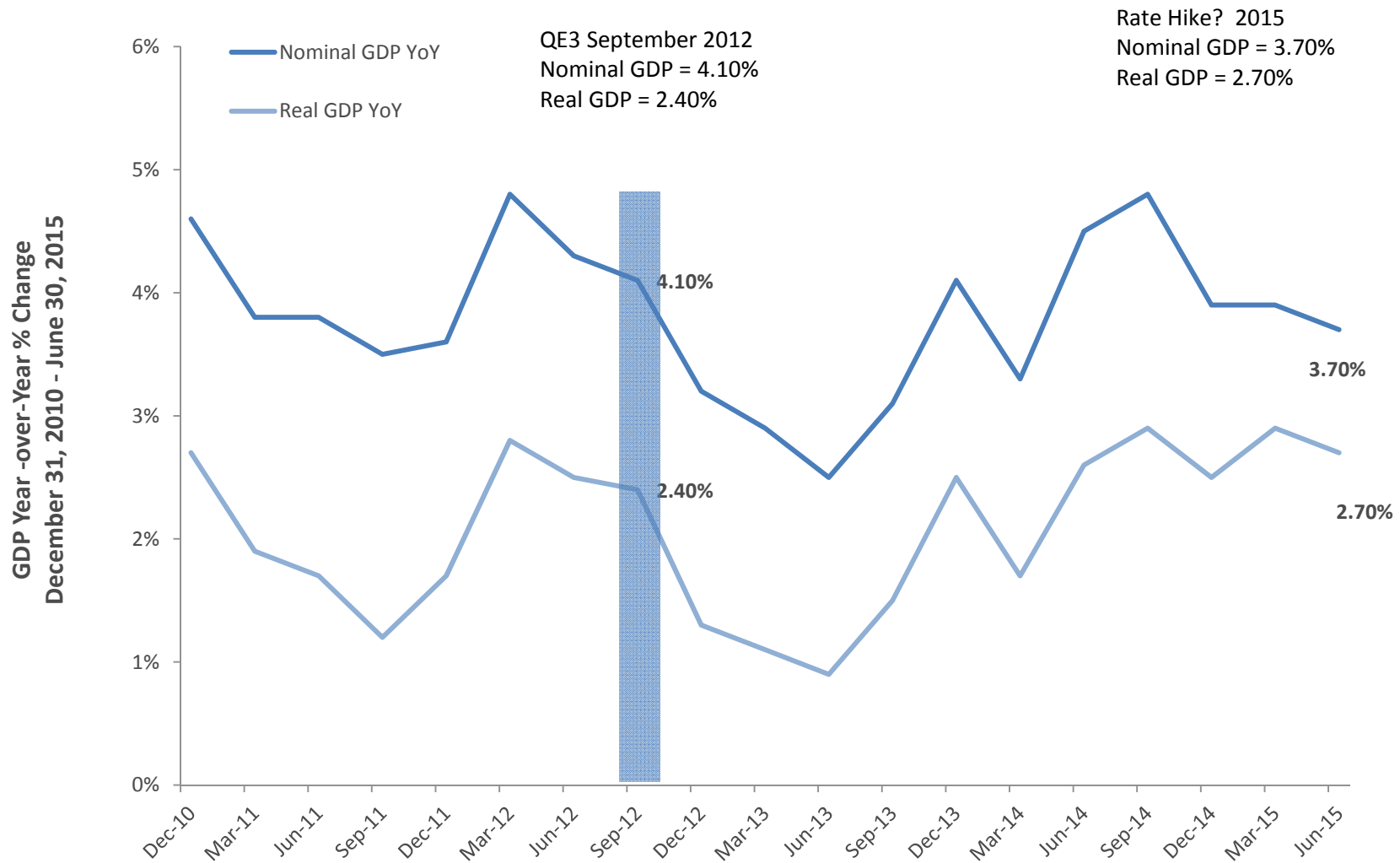
February 2, 2015 through September 4, 2015

**Probability of Rate Hike**  
\*based on Fed Fund Futures



Source: Bloomberg; Doubleline  
Calculation implied by the prices of the Fed Funds futures.

# Why Hike Now? Nominal GDP vs. Real GDP



Source: DoubleLine, Bianco, Bloomberg

YoY – year-over-year. GDP = the amount of goods and service produced within a given country/ territory. QE3 = Quantitative Easing 3 program. Nominal GDP is the gross domestic product but has not been adjusted for inflation. Real GDP is a macroeconomic measure of the value of economic output adjusted for price changes or inflation. This adjustment transforms the money-value measure, nominal GDP, into an index fro quantity of total output. You cannot invest directly in an index..

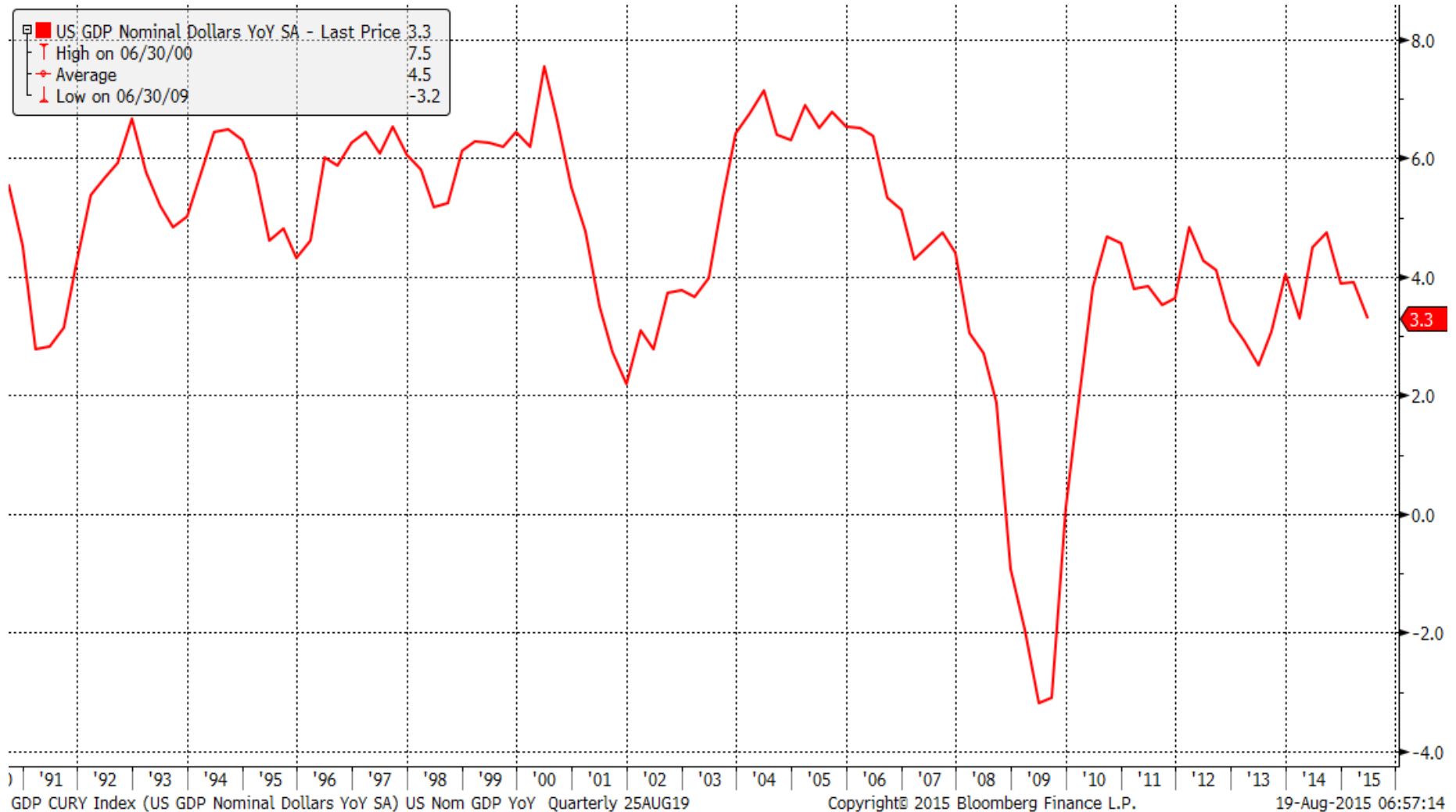
# Probability of a Federal Reserve Hike

September 3, 2013 to September 3, 2015



Source: Bloomberg  
 GDGCAFJP = Atlanta Fed GPNOW Forecasts that provides an estimate of overall economic activity in an economy. GDP CQQQ Index = Atlanta Fed GPNOW Forecasts. GDP US Chained 2009 Dollars QoQ.  
 GDP = Gross Domestic Product is the amount of goods and services produced within a given country. You cannot invest directly in an index.

# U.S. Nominal GDP YoY September 30, 1990 to August 19, 2015



Source: DoubleLine, Bloomberg

GDP = the amount of goods and service produced within a given country/ territory. Yoy = year-over-year. You cannot invest directly in an index..

# Why Hike Now? – Commodity Prices

September 8, 2005 to September 8, 2015



Source: DoubleLine, Bloomberg  
CRY = Thompson/Rueters CRB Excess Return Index is an arithmetic average of commodity futures process with monthly rebalancing. You cannot invest directly in an index.

# Why Hike Now? – Junk Bonds September 8, 2010 to September 8, 2015



Source: DoubleLine, Bloomberg

JNK = SPDR Barclays High Yield Bond ETF in an exchange-traded incorporated in the U.S. It seeks investment results that correspond to the price and yield of the Barclays High Yield Very Liquid Bond Index. Please see the appendix for prospectus link, description, expenses, etc. for JNK. DoubleLine Total Return Bond Fund owns 0% JNK as of September 8, 2015. You cannot invest directly in an index.

# Why Hike Now? – Emerging Market Equities

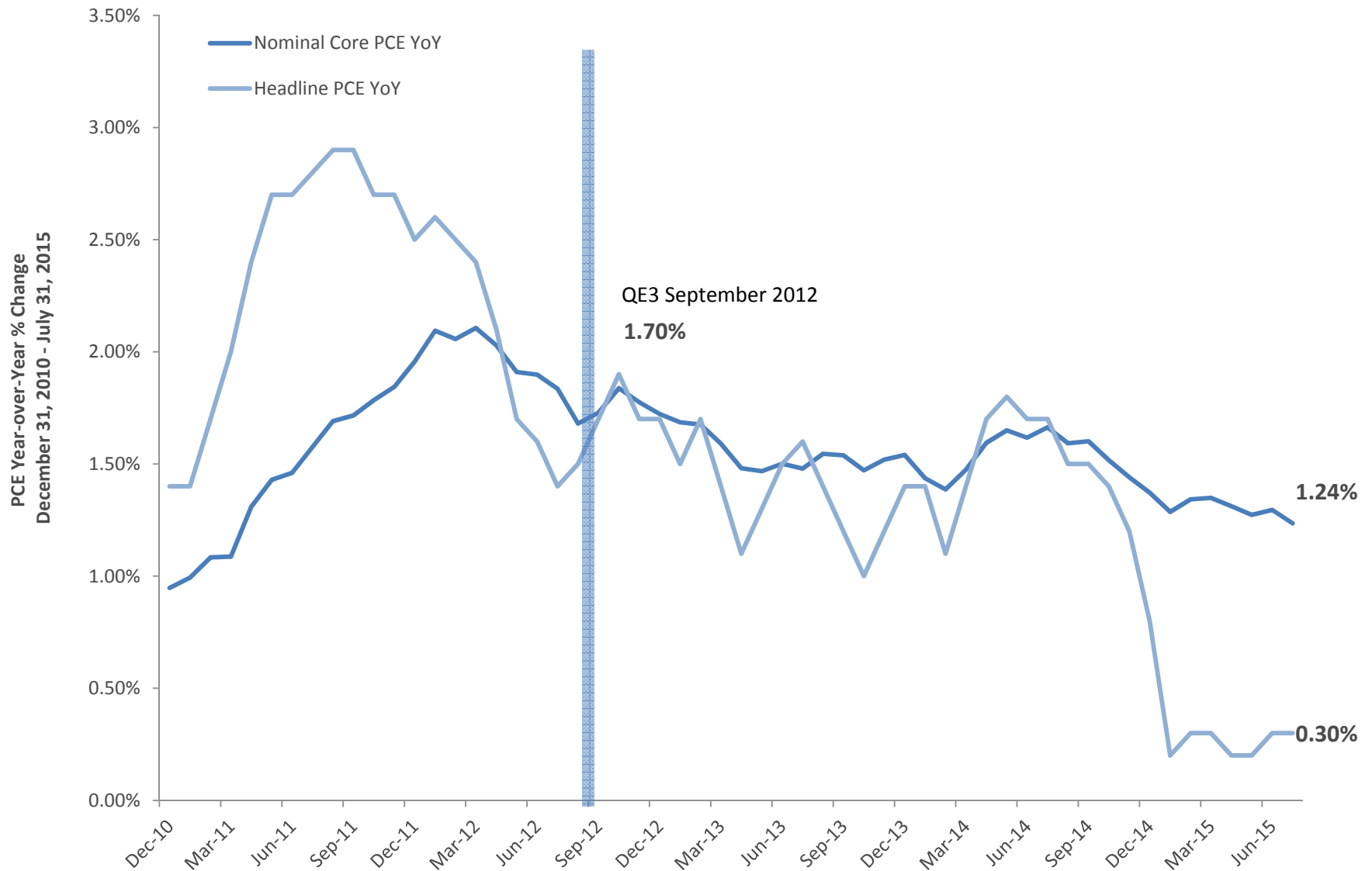
September 3, 2005 through September 1, 2015



Source: DoubleLine, Bloomberg

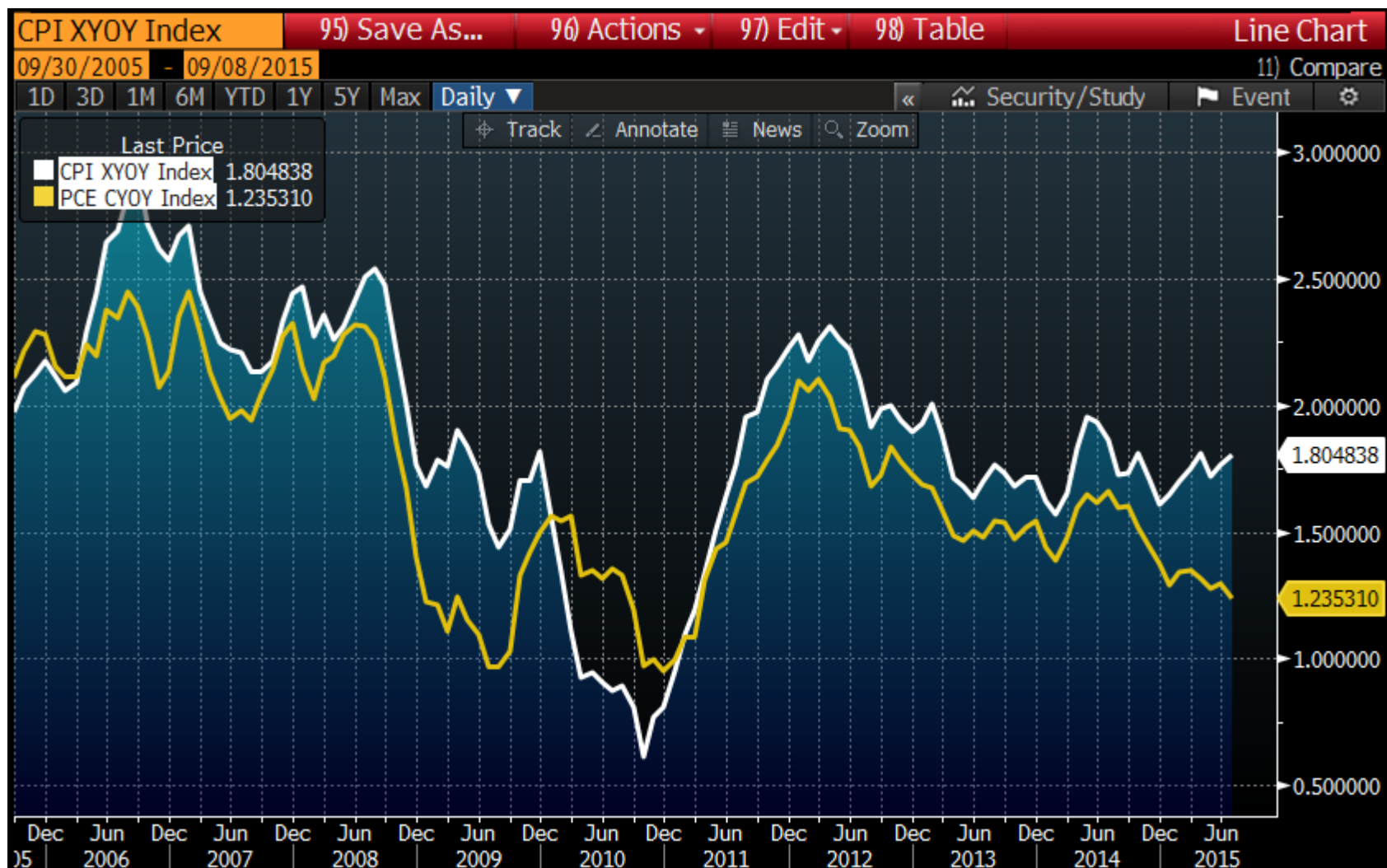
EM Equities (MXEF Index)= The MSCI Emerging Markets Index is a free-float weighted equity index. You cannot invest directly in an index.

# Why Hike Now? PCE



Source: DoubleLine, Bianco, Bloomberg  
PCE = personal consumption expenditures. YoY = year-over-year. You cannot invest directly in an index. .

# Core CPI and Core PCE September 30, 2005 to September 8, 2015



Source: DoubleLine, Bloomberg

CPI XYOY Index = consumer price index less food and energy year-over-year measures the prices paid by consumers for a market basket of consumer goods and services. Yearly growth rates represent the inflation rate. PCE CYOY Index = US CPI Urban Consumers less food and energy measures PCE deflators tracks overall price changes for goods and services purchased by consumers. You cannot invest directly in an index..

# CPI & PCE Weightings

As of May 31, 2015

FIGURE 2  
Differences in PCE and CPI weights

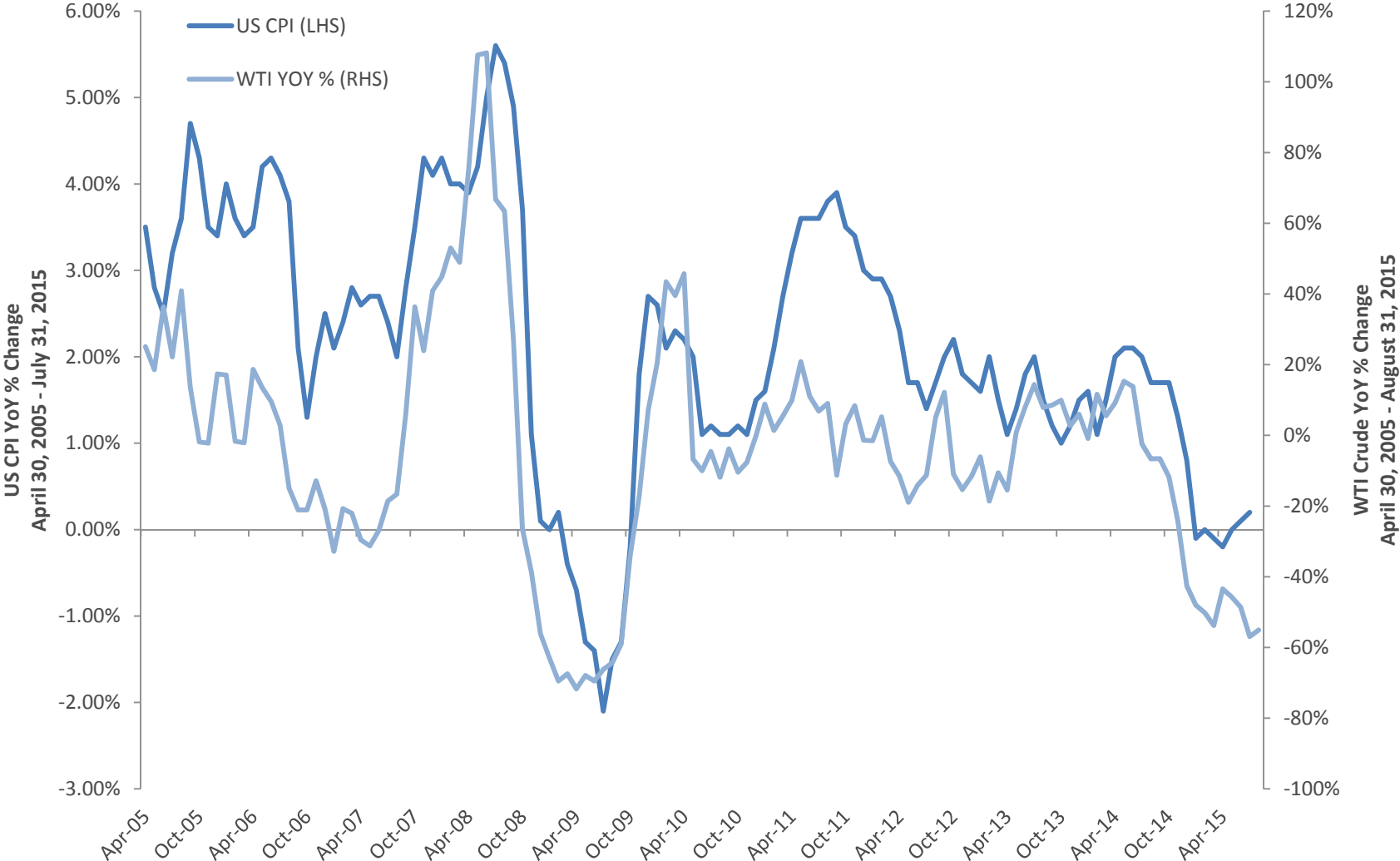
	CPI %	PCE %
Food	14.2	7.3
Energy	7.7	4.2
Core (all items ex food, energy)	78.1	88.5
Core services	58.6	65.8
Rent	7.2	4.1
OER	24.4	11.5
Medical care services	6.0	17.1
Other core services	21.0	33.1
Core goods	19.6	22.6
Apparel	3.4	3.0
New vehicles	3.6	2.2
Other core goods	12.6	17.4

Source: BLS, BEA, Haver Analytics, Barclays Research

CPI = consumer price index. PCE = personal consumption expenditures. OER = Owner's Equivalent Rent. You cannot invest directly in an index.

# WTI Crude and CPI

April 30, 2005 through July 31, 2015



CPI = consumer price index. WTI = West Texas Intermediate crude oil. YoY = Year-over-year. LHS = left hand side. RHS = right hand side. You cannot invest directly in an index.

# U.S. Crude Oil Production vs. WTI Price

September 8, 2010 through September 8, 2015

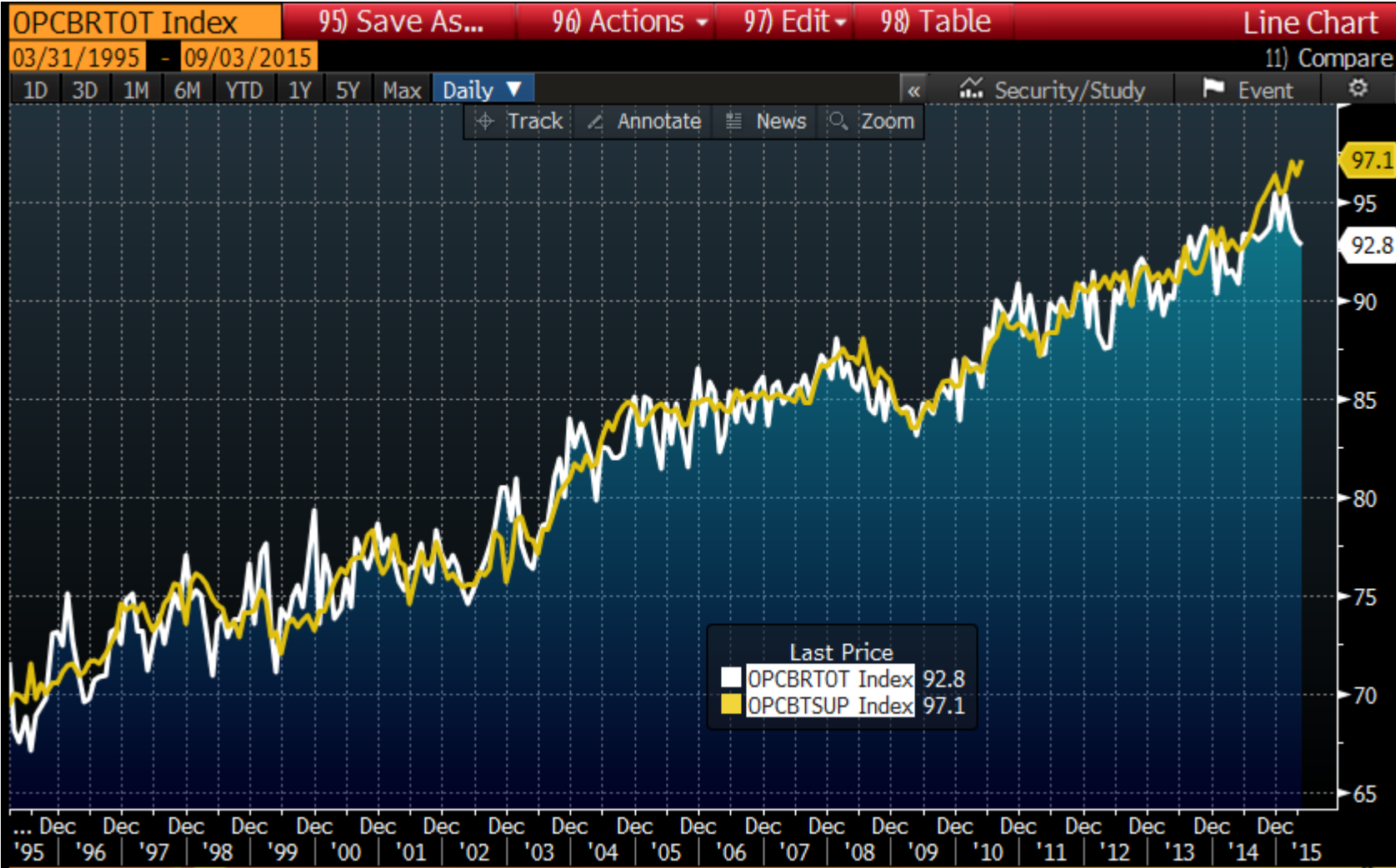


Source: DoubleLine, Bloomberg

DOETCRUD Index = DCE Crude Oil Total Production data tracks weekly barrels of petroleum status released by the Energy Information Administration. CL1 Comdty = generic crude oil futures current contract. You cannot invest directly in an index.

# Global Oil Supply and Demand Mismatch

March 31, 1995 through September 3, 2015

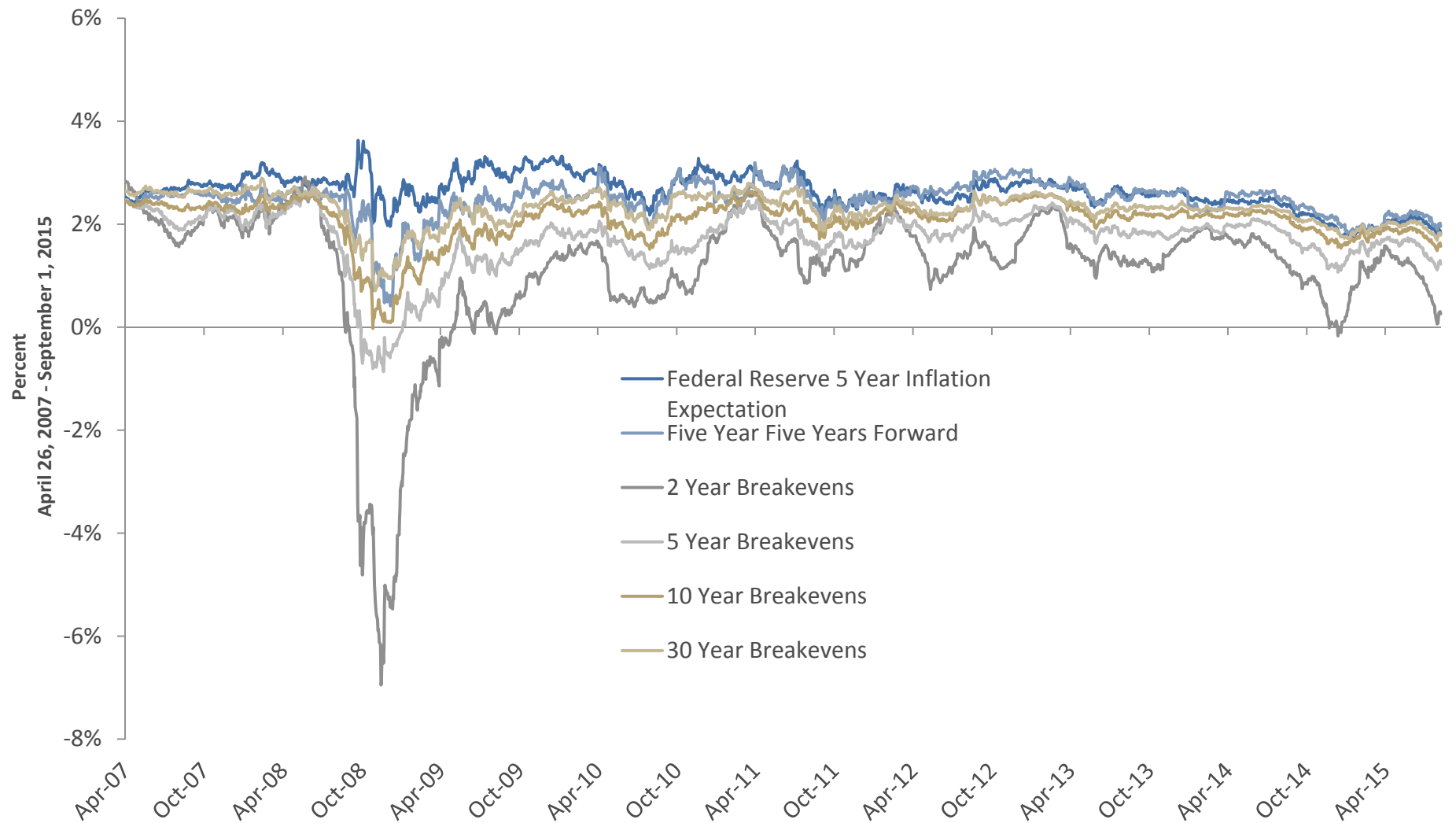


Source: DoubleLine, Bloomberg

OPCBRTOT Index = Data is obtained by the Energy Intelligence Group's Oil Market Intelligence Publication and quotes the minimum barrels per day to calculate a monthly aggregate. OPCBTSUP Index = Data is obtained by the Energy Intelligence Group's Oil Market Intelligence Publication and quotes the minimum barrels of total supply. You cannot invest directly in an index.

# Why Hike Now? - Inflation Expectations

April 26, 2007 through September 1, 2015

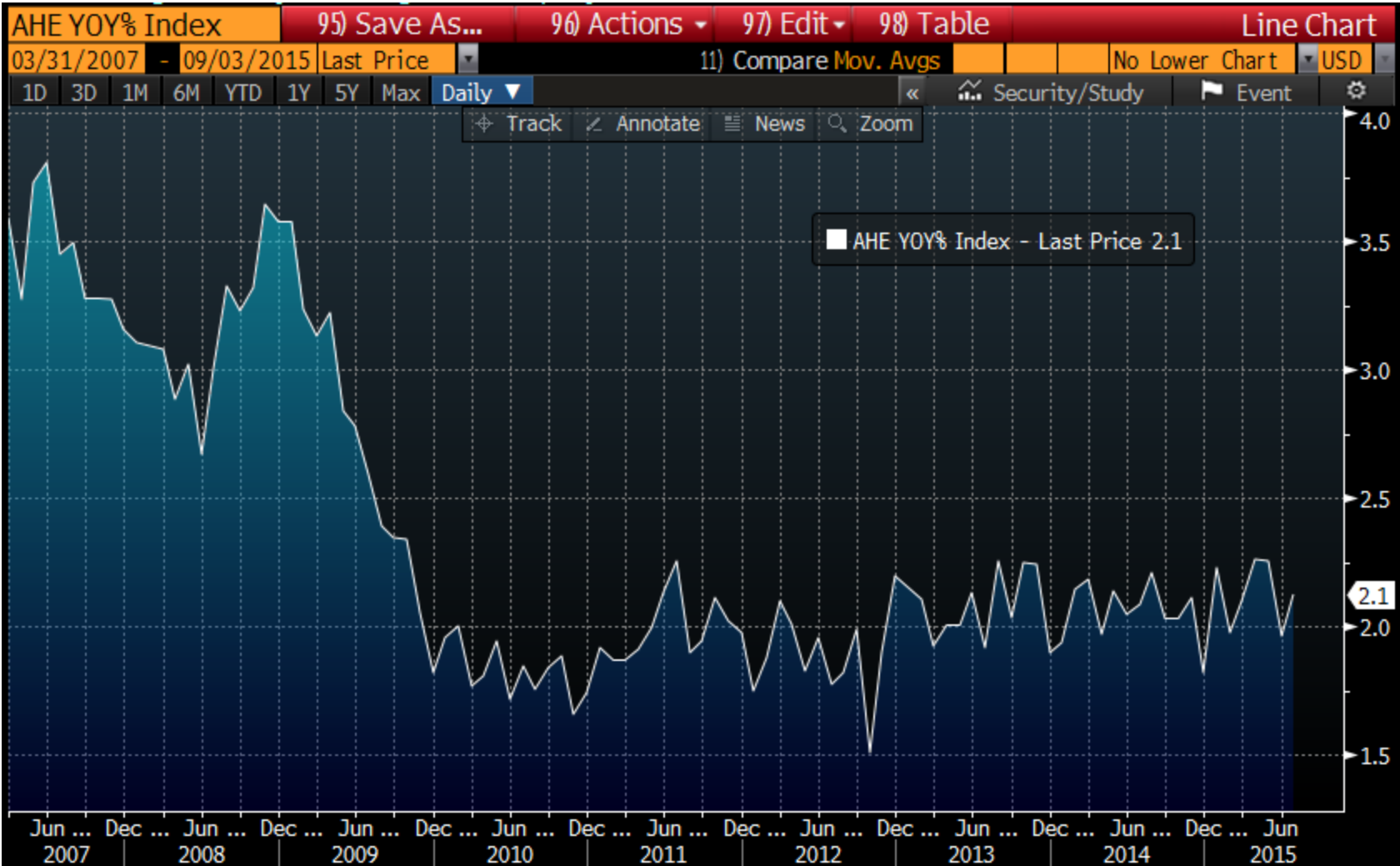


Source: Bloomberg Financial Services, DoubleLine Capital LP

USGGBE02 Index = U.S. Breakeven Index for years indicated (02= 2 Yr). USGGB05 = U.S. Breakeven Index for years indicated (05= 5 Yr). USGGB10 = U.S. Breakeven Index for years indicated (10= 10 Yr). USGGB30 = U.S. Breakeven Index for years indicated (30= 30 Yr). Yields are yield-to-maturity and pre-tax. The rates are United States breakeven inflation rates. They are calculated by subtracting the real yield of the inflation linked maturity curve from the yield of the closest nominal Treasury maturity. You cannot invest directly in an index.

# Why Hike Now? - US Average Hourly Earnings

March 31, 2007 through September 3, 2015

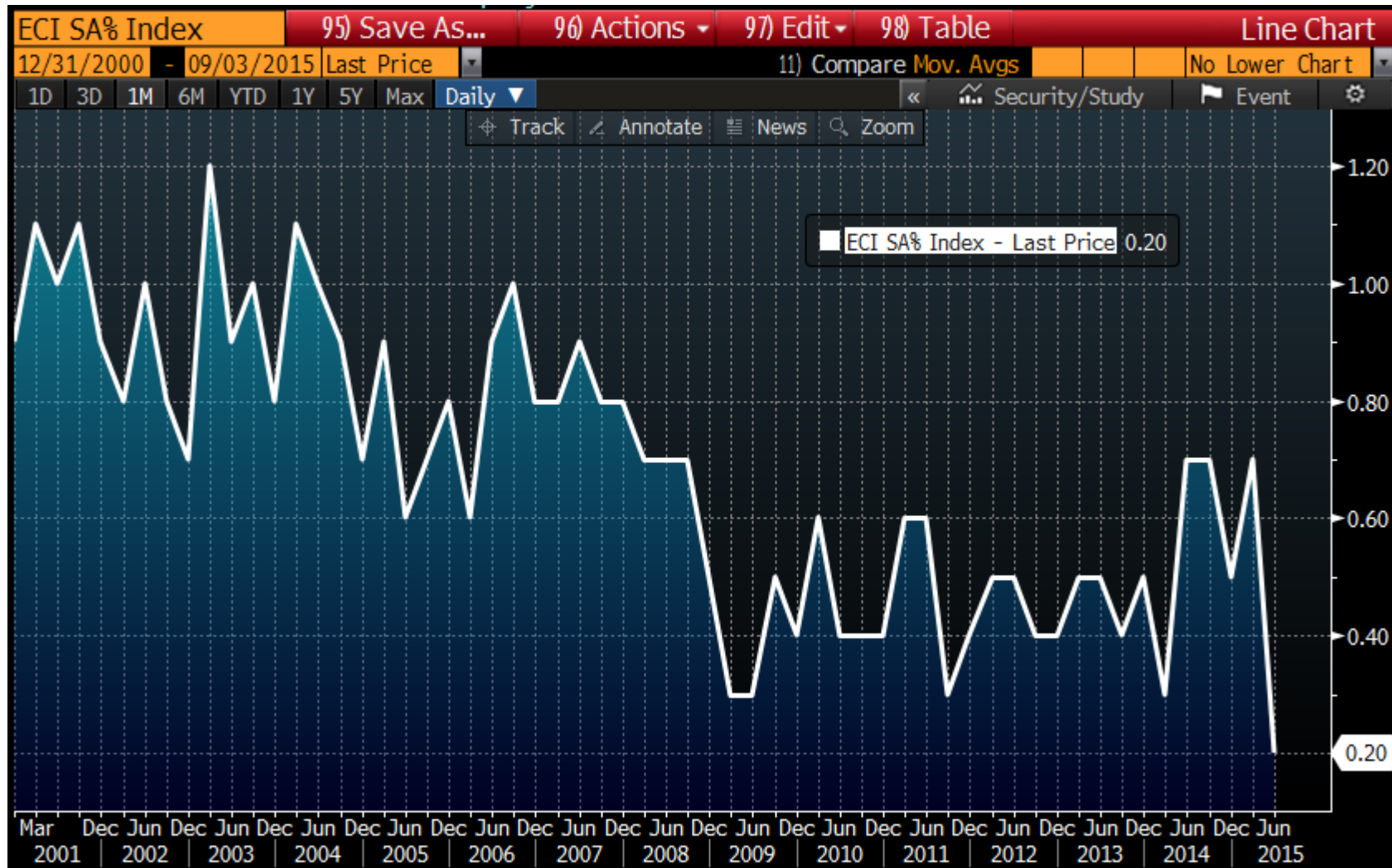


Source: DoubleLine, Bloomberg

AHE YOY% Index = Average Hourly Earnings all employees total private yearly percentage change tracks total hourly remuneration paid to employees in return for work done. You cannot invest directly in an index.

# Why Hike Now? –U.S. Employment Cost Index

December 31, 2000 through September 3, 2015



Source: DoubleLine, Bloomberg

ECI SA% Index = The employment cost index measures changes in employee compensation costs. These include direct costs (wages, bonuses, benefits) as well as indirect costs (social security contributions, training costs, medical benefits, taxes). You cannot invest directly in an index.

# Why Hike Now? - U.S. Dollar Index Spot

December 31, 2007 through September 8, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP

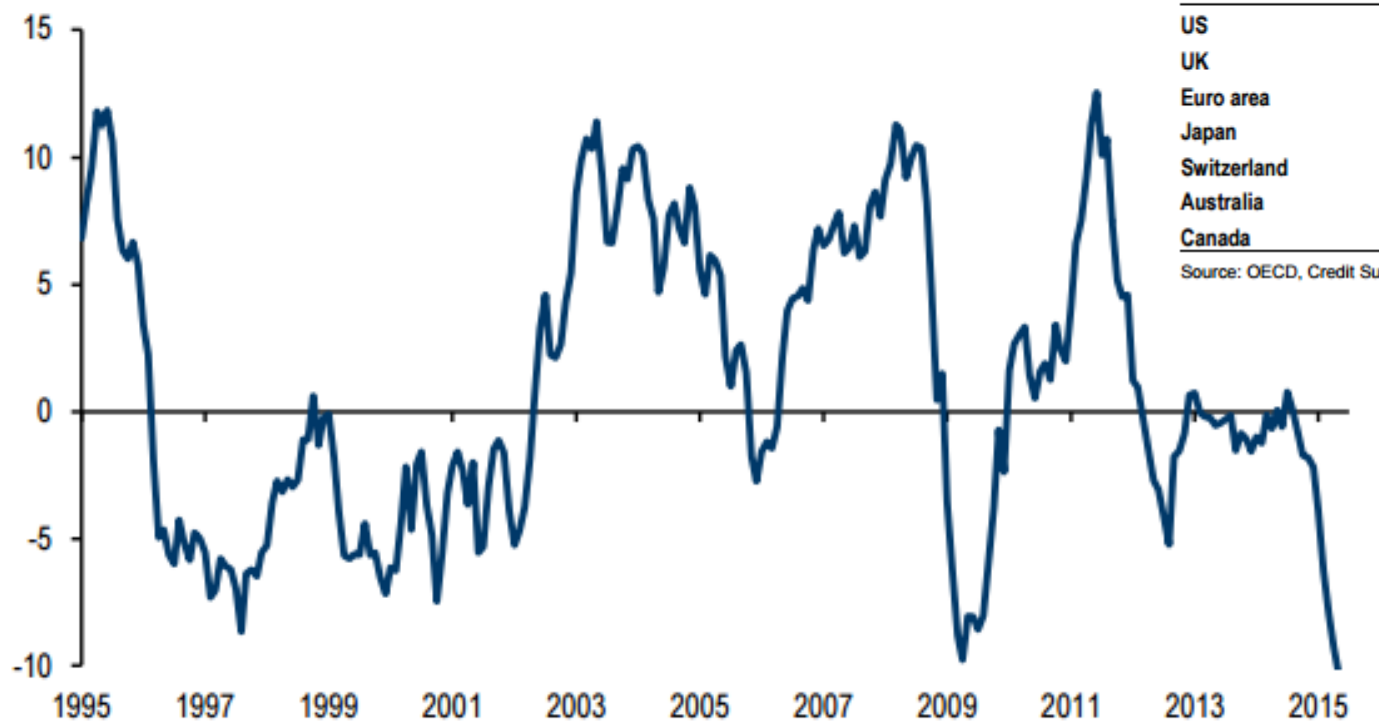
DXY = DXY is the US Dollar Index (USDX) indicates the general value of the US dollar. Average exchange rates between the US dollar and six major world currencies. An investment cannot be made directly in an index.

# Value-Added Imports from Asia and Trade Prices

December 31, 2005 through May 31, 2015

## Exhibit 3: Trading deflation

Global manufactured goods trade prices, USD, y/y%, data to May 2015



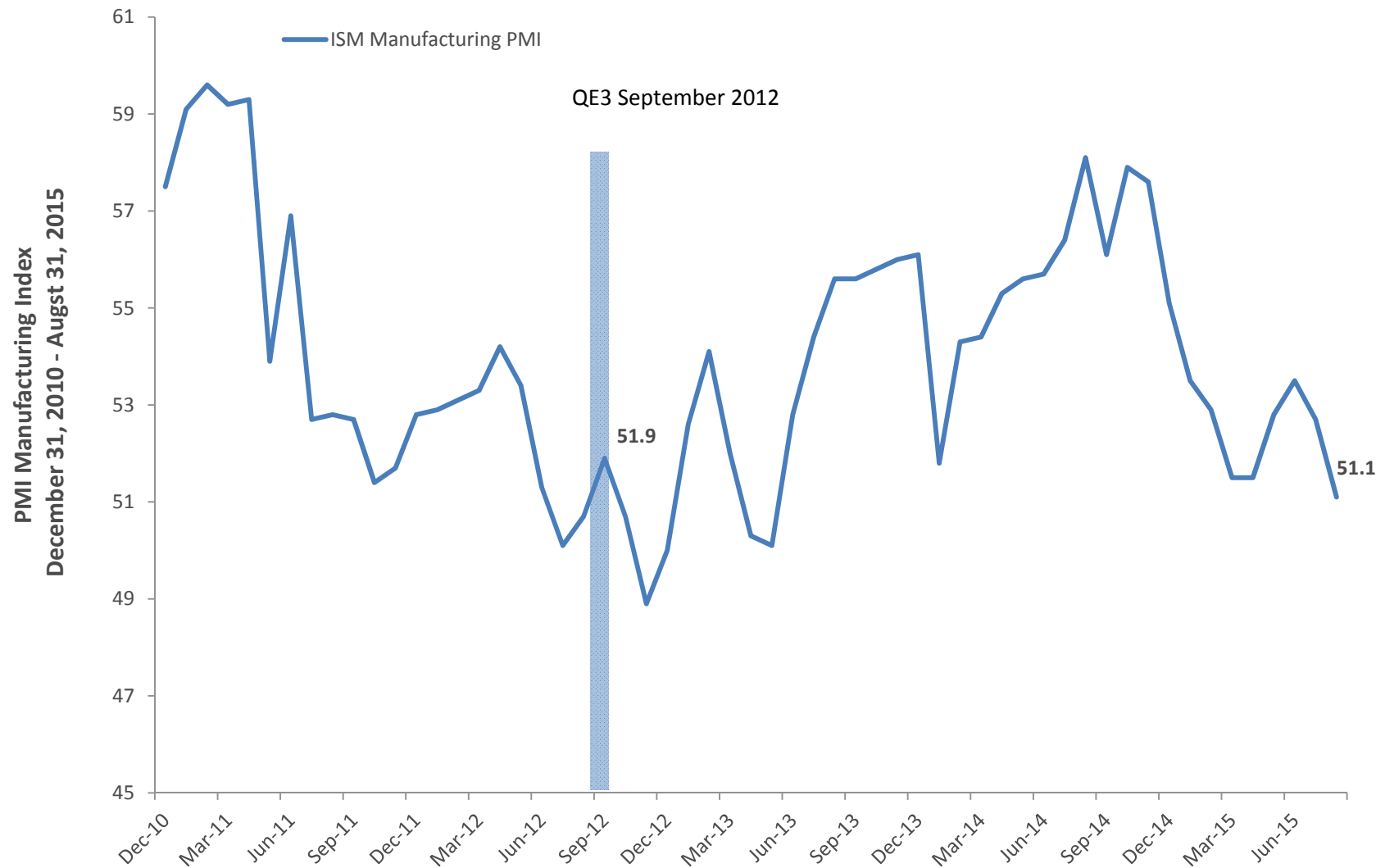
Source: CPB, Credit Suisse

## Exhibit 2: Share of domestic demand satisfied by value-added imports from Asia

	China	Rest of Asia	Total
US	1.8%	1.5%	3.3%
UK	1.6%	1.7%	3.3%
Euro area	1.3%	1.2%	2.5%
Japan	2.2%	2.2%	4.4%
Switzerland	1.0%	1.2%	2.2%
Australia	2.3%	3.3%	5.6%
Canada	2.1%	1.5%	3.6%

Source: OECD, Credit Suisse

# Why Hike Now? – Purchase Managers Index (PMI)

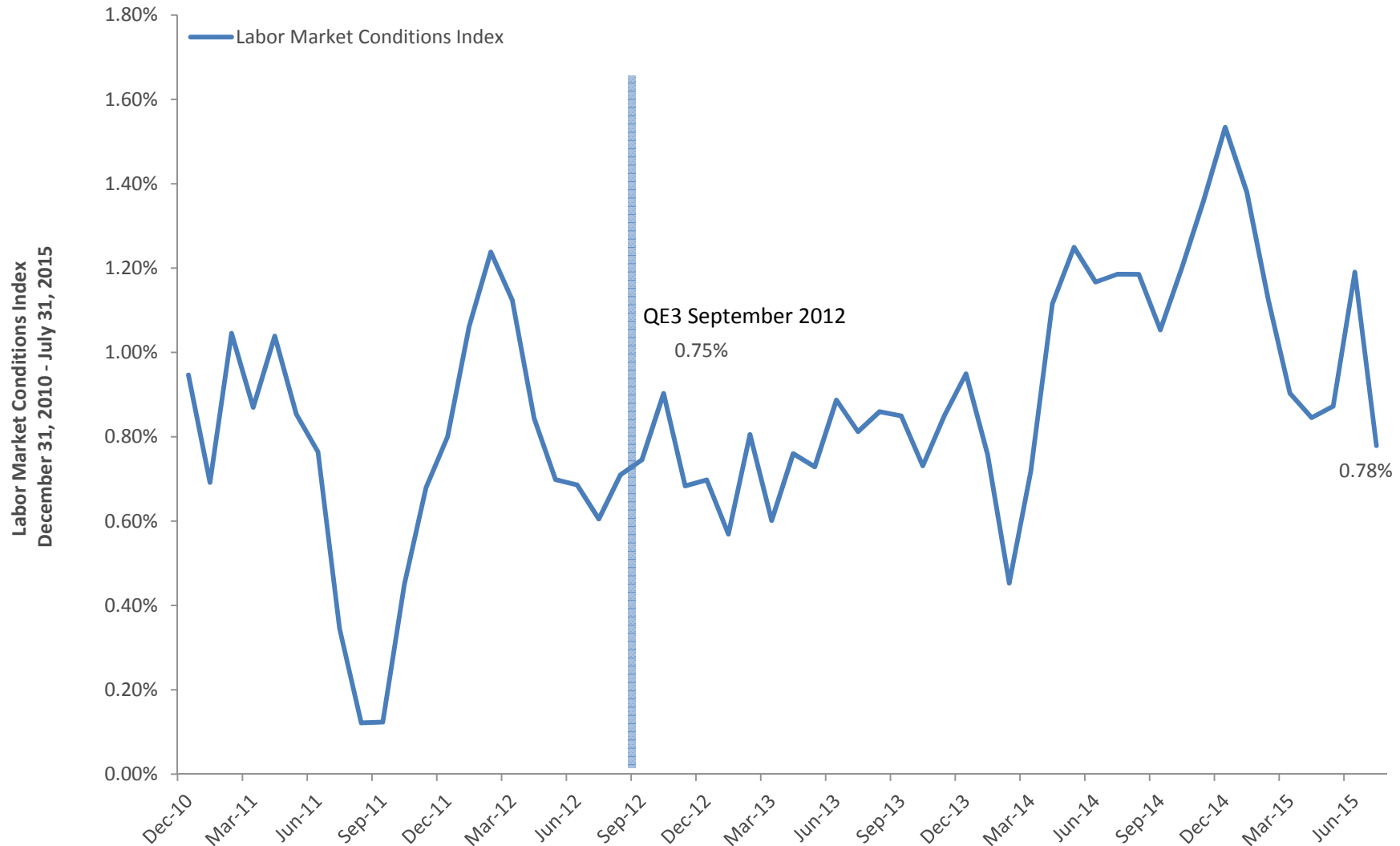


Source: DoubleLine, Bianco, Bloomberg

ISM Manufacturing PMI= Purchase Managers Index indicates the economic health of the manufacturing sector. You cannot invest directly in an index. .

# Why Hike Now? Labor Market Conditions

December 31, 2010 to July 31, 2015

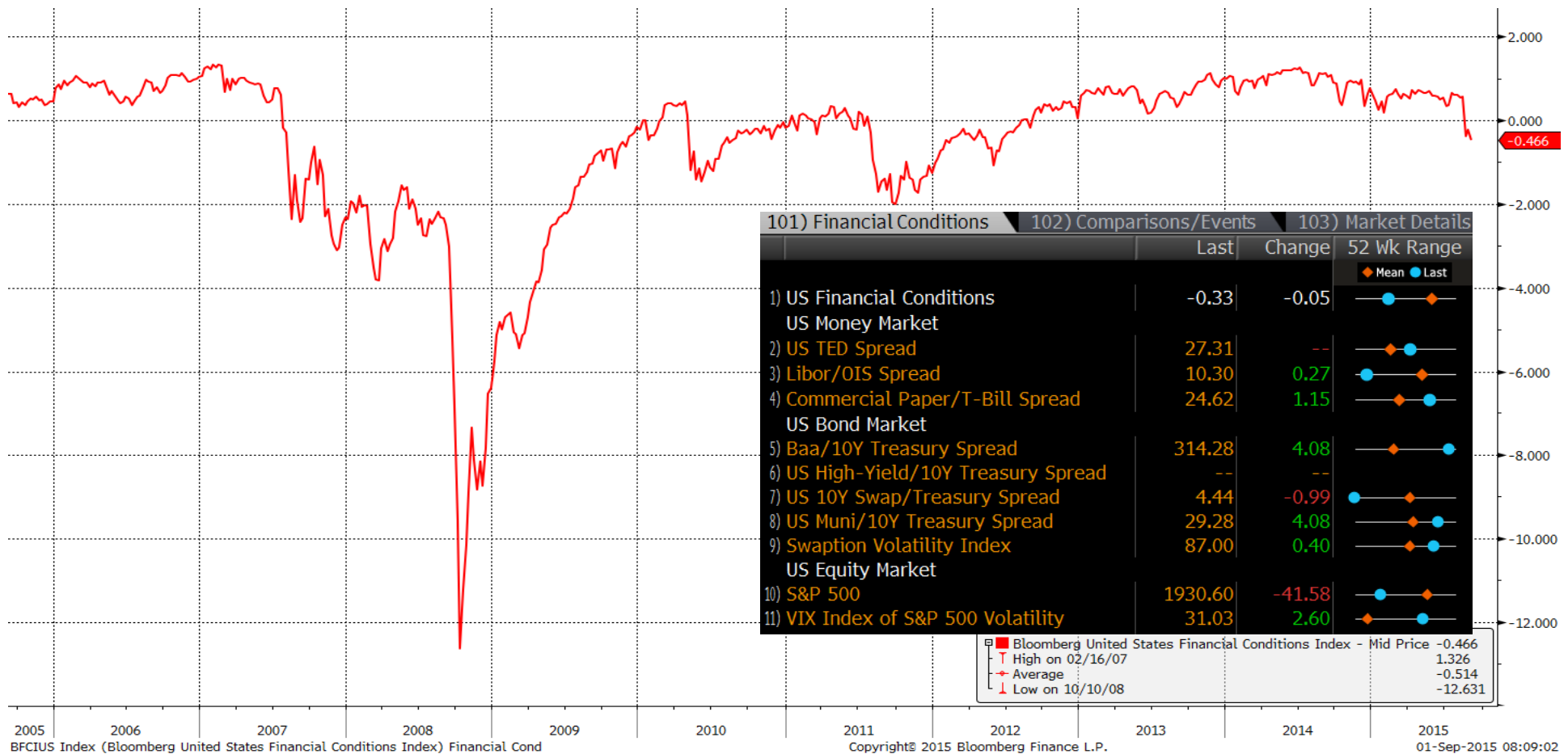


Source: DoubleLine, Bianco, Bloomberg

Labor Market Conditions index (LMCI) is a relatively recent indicator developed by Federal Reserve economists to assess changes in the labor market conditions. It's primary source of common variation among 19 labor market indicators placing greater weight on indicators whose movements are highly correlated with each other. You cannot invest directly in an index.

# Bloomberg Financial Conditions Dips to Negative

September 30, 2005 to September 1, 2015



The Bloomberg U.S. Financial Conditions Index tracks the overall level of financial stress in the U.S. money, bond, and equity markets to help assess the availability and cost of credit. A positive value indicates accommodative financial conditions, while a negative value indicates tighter financial conditions relative to pre-crisis norms. TED spread = the difference between the interest rates on interbank loans and a non short-term U.S. government debt. OAS = Option Adjust Spreads. Muni = Municipal Bonds. VIX = volatility index. S&P 500 = Standard & Poor's 500 is an index based on the market capitalization of 500 large companies listed on the NYSE. LIBOR = London Interbank Offered Rate is a benchmark rate that some of the world's leading banks charge each other for short term loans. OIS = overnight indexed swap where the periodic floating payment is generally based on a return calculated from a daily compound interest investment. US High Yield = BofA/ML High Yield Index (JOAO), US Muni = BofA/ ML Municipal Securities Index. Baa = Below Investment Grade rating it's a sub-sector of the Barclays High Yield Index. Below Investment Grade = **Below Investment Grade** = Also known as "junk bond" is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar. Please see the appendix for index definitions. You cannot invest directly in an index.

# GS Financial Conditions Index

September 8, 2000 through September 8, 2015

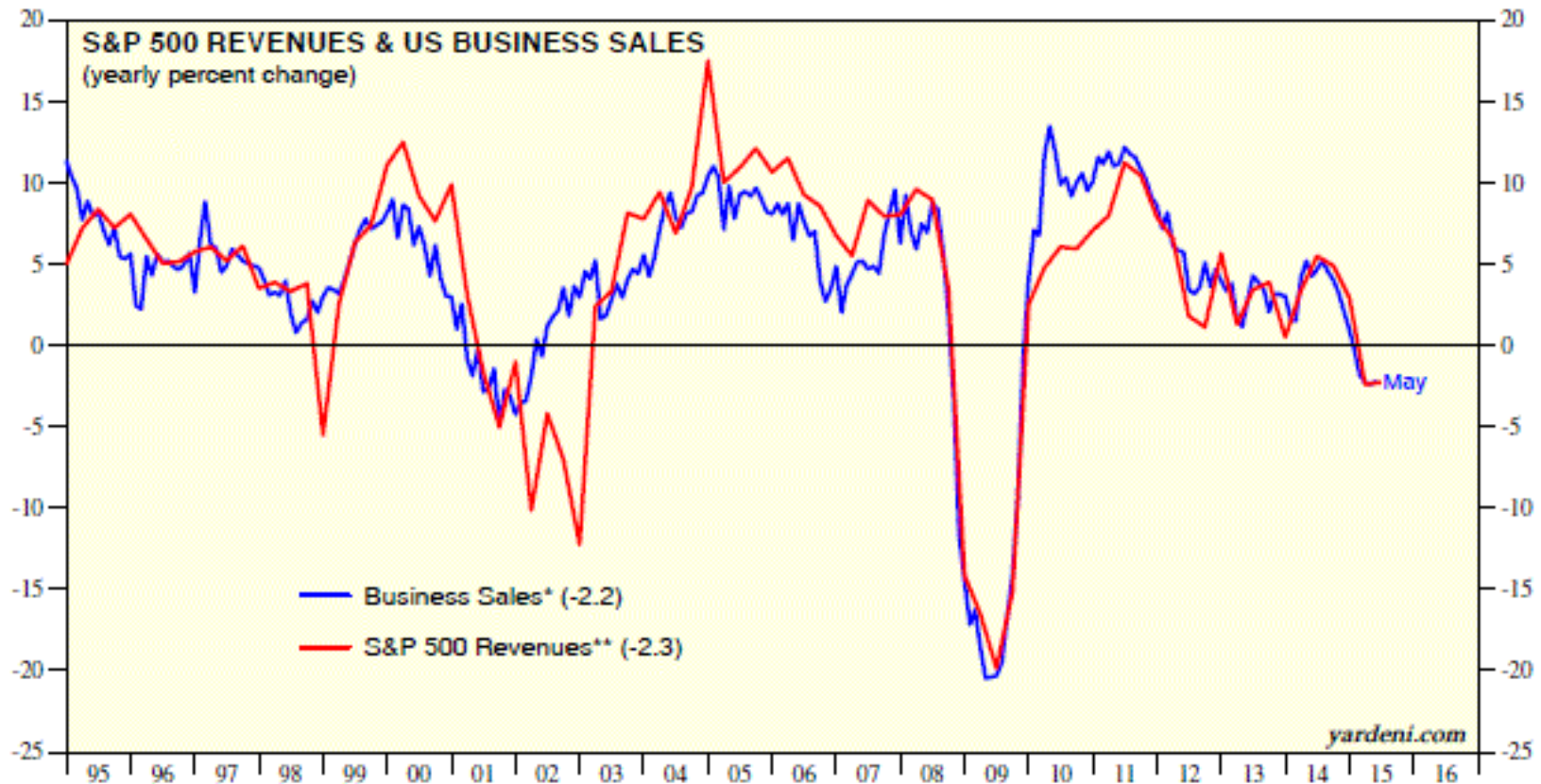


**Definition:** Our US Goldman Sachs Financial Conditions Index (GSFCI) is a weighted average of six variables: the federal funds rate, the 10-year Treasury yield, the TED spread, the iBoxx domestic nonfinancials BBB 15Y+/10-year T-note spread, the ratio of the S&P 500 to a 10-year average of earnings per share and the broad GS trade-weighted dollar index. Our oil-adjusted US GSFCI adds the real Brent oil price but is otherwise identical. You cannot invest directly in an index.

# S&P Revenues and U.S. Business Sales (YoY%)

September 5, 1995 through May 31, 2015

The YoY change of US business sales has fallen from over 5% a year ago to less than -2% recently



\* Manufacturing and trade sales.

\*\* Using US dollars per share and based on companies in the S&P 500 index at the start of each quarter.

Source: US Department of Commerce, Bureau of the Census and Standard & Poor's Corporation.

YoY = year-over-year. You cannot invest directly in an index.

## TAB II

### China's Impact

“I’m going to stay with you. If you go to jail, we might as well both go”

-Ernest Hemingway, *In Our Time, Out of Season*

### China Arrests Nearly 200 Over 'Online Rumors'

AUGUST 30, 2015 4:21 PM ET

NPR <http://www.npr.org/sections/thetwo-way/2015/08/30/436097645/china-arrests-nearly-200-over-online-rumors>

# Trade Weighted Value of Chinese Yuan

September 8, 2005 through September 8, 2015

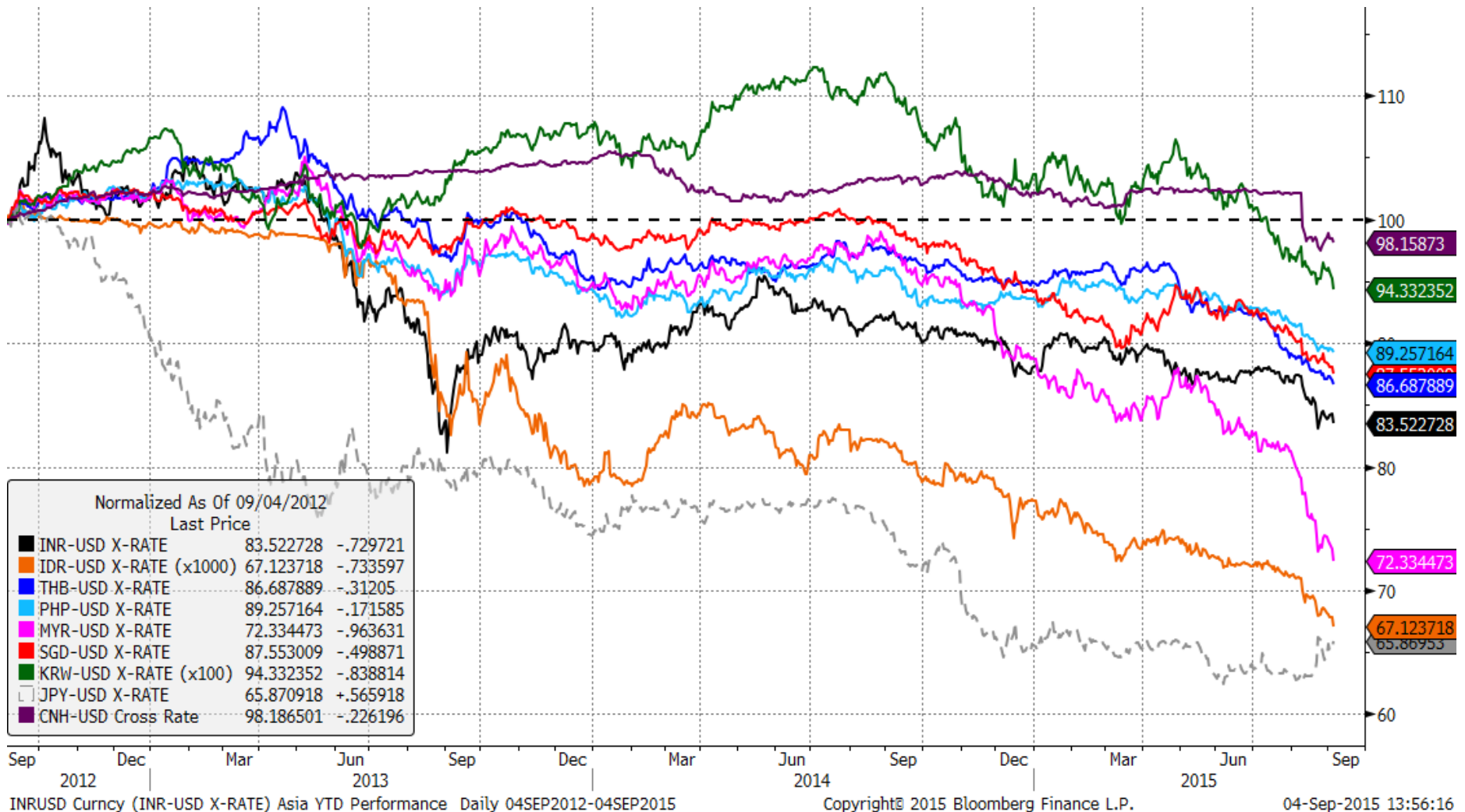


Source: Bloomberg

ATWICNY Index is an increase in the index indicates that the currency is strengthening against its major trading partners and hence becoming less competitive. You cannot invest directly in an index.

# Chinese Renminbi (CNY) Remains Strong While Asia Foreign Exchange has Depreciated

September 4, 2012 to September 4, 2015



Source: Bloomberg

Specified currency minus the US dollar spot price. INR = Indian Rupee spot price, IDR = Indonesian Rupiah spot price, THB = Thai Bhat spot price, PHP = Philippine Peso spot price, MYR = Malaysian Riggit spot price, SGD = Singapore Dollar spot price, KRW = South Korean Won spot price, JPY = Japanese yen spot price, CNH = Chinese Renminbi spot price. You cannot invest directly in an index.

# China's Shanghai Market and Policy Timeline

October 1, 2014 to August 25, 2015

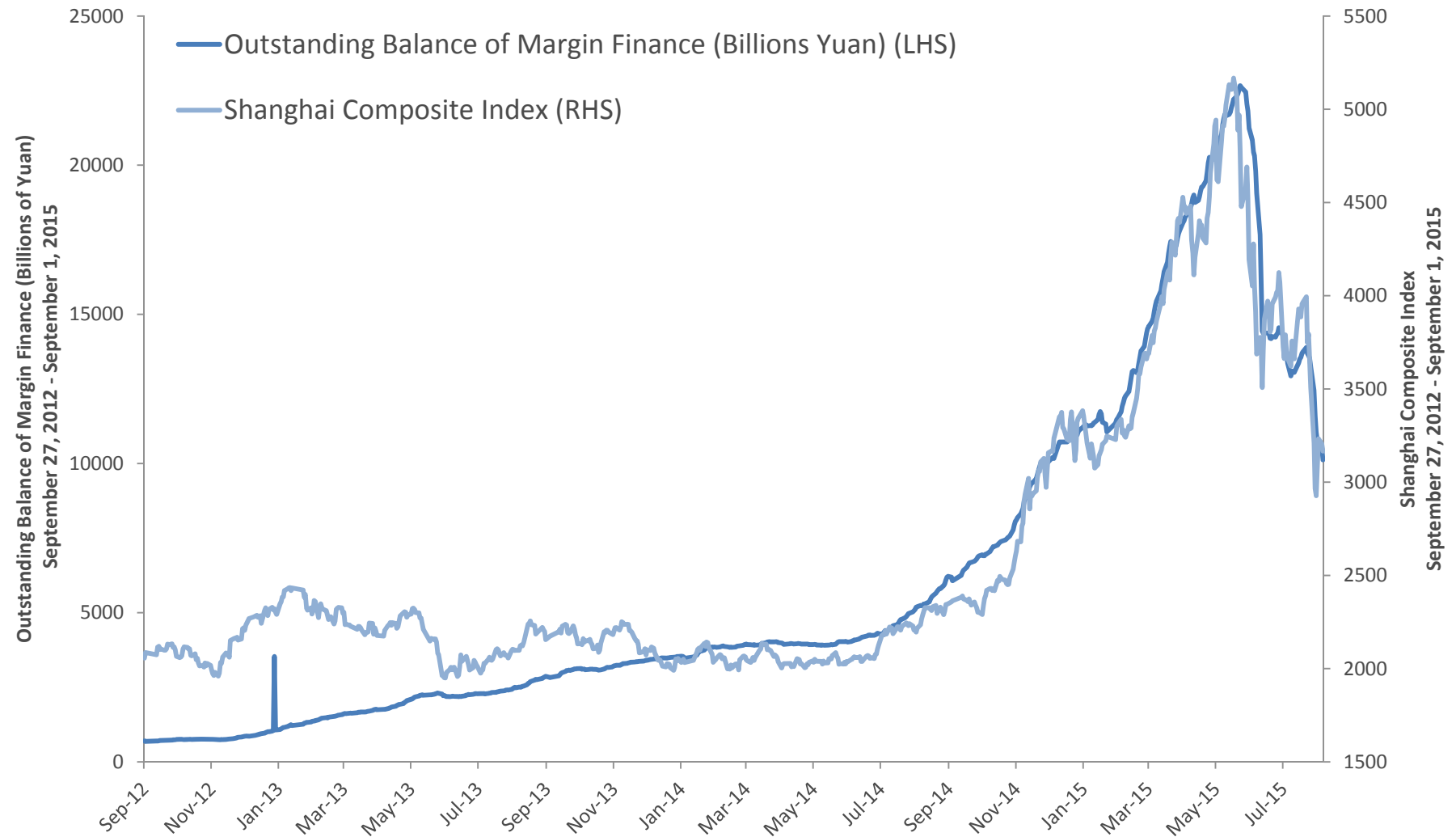


Source: ValueWalk "China's Market And policy Timeline", August 26, 2015

PBOC = People's Bank of China, GDP = All the goods and services produced within a given territory or country. Shanghai Composite = Is a capitalized-weighted index tracks the daily price performance of all A & B-shares on the Shanghai Stock Exchange. RRR = Reserve Requirement Ratio, IPO = Initial Public Offering refers to the first time a company publicly sells shares of its stock on the open market. CSRC = China Securities Regulatory Commission is the main regulatory body in China. Basis point = one hundredth of one percent, used mainly for expressing the differences in interest rates. Rs = right side, Ls = left side. MSCI = MSCI Emerging Markets Index is a free float weighted equity index. You cannot invest directly in an index.

# Margin Finance in Chinese Stock Market

September 27, 2012 through September 1, 2015



Source: Bloomberg

Yuan = the spot price of the Renminbi, Shanghai Composite = Is a capitalized-weighted index tracks the daily price performance of all A & B-shares on the Shanghai Stock Exchange. RHS = right side, LHS = left side. You cannot invest directly in an index.

# China Construction, Floor Space of New Buildings

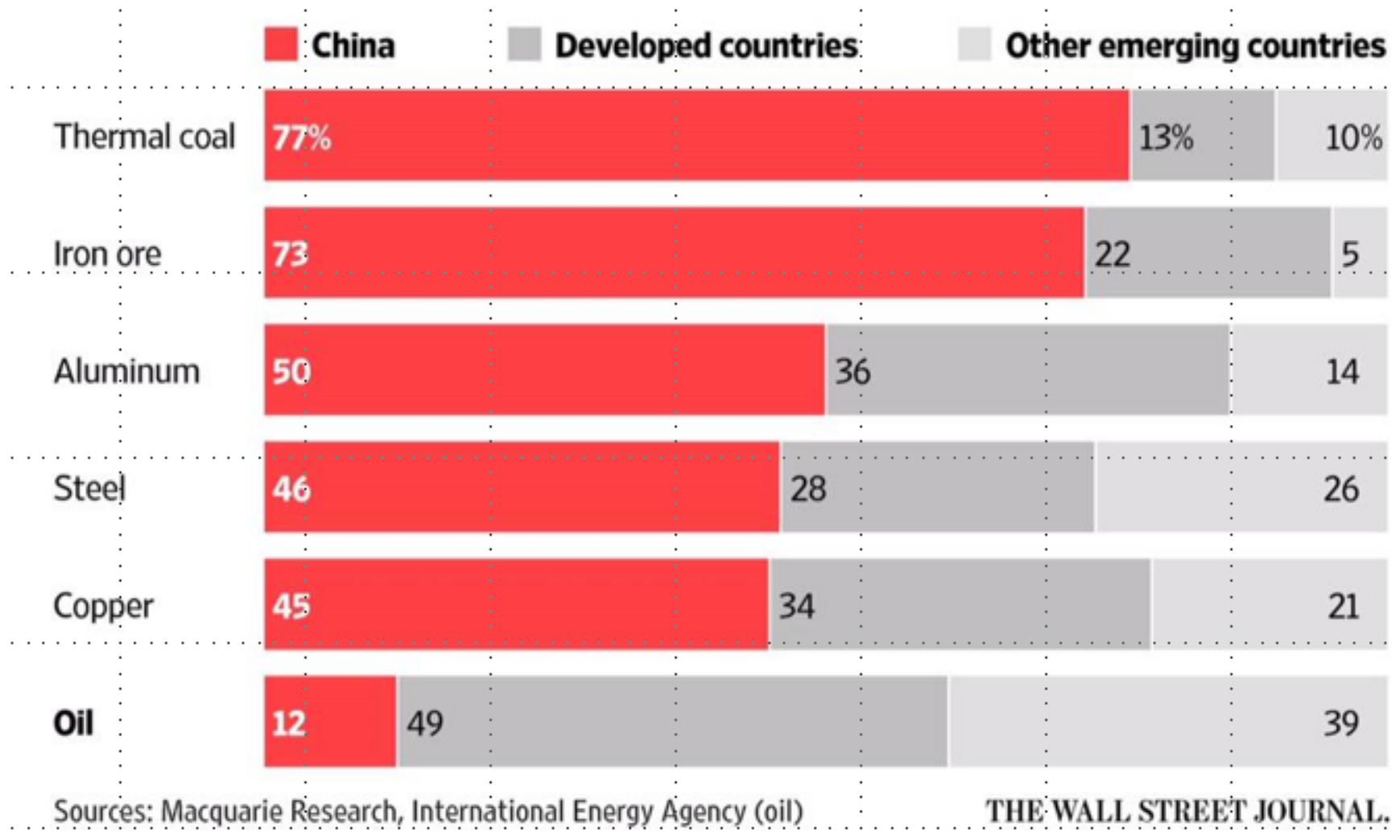
## Cumulative YoY % Change March 31, 2004 through March 31, 2015



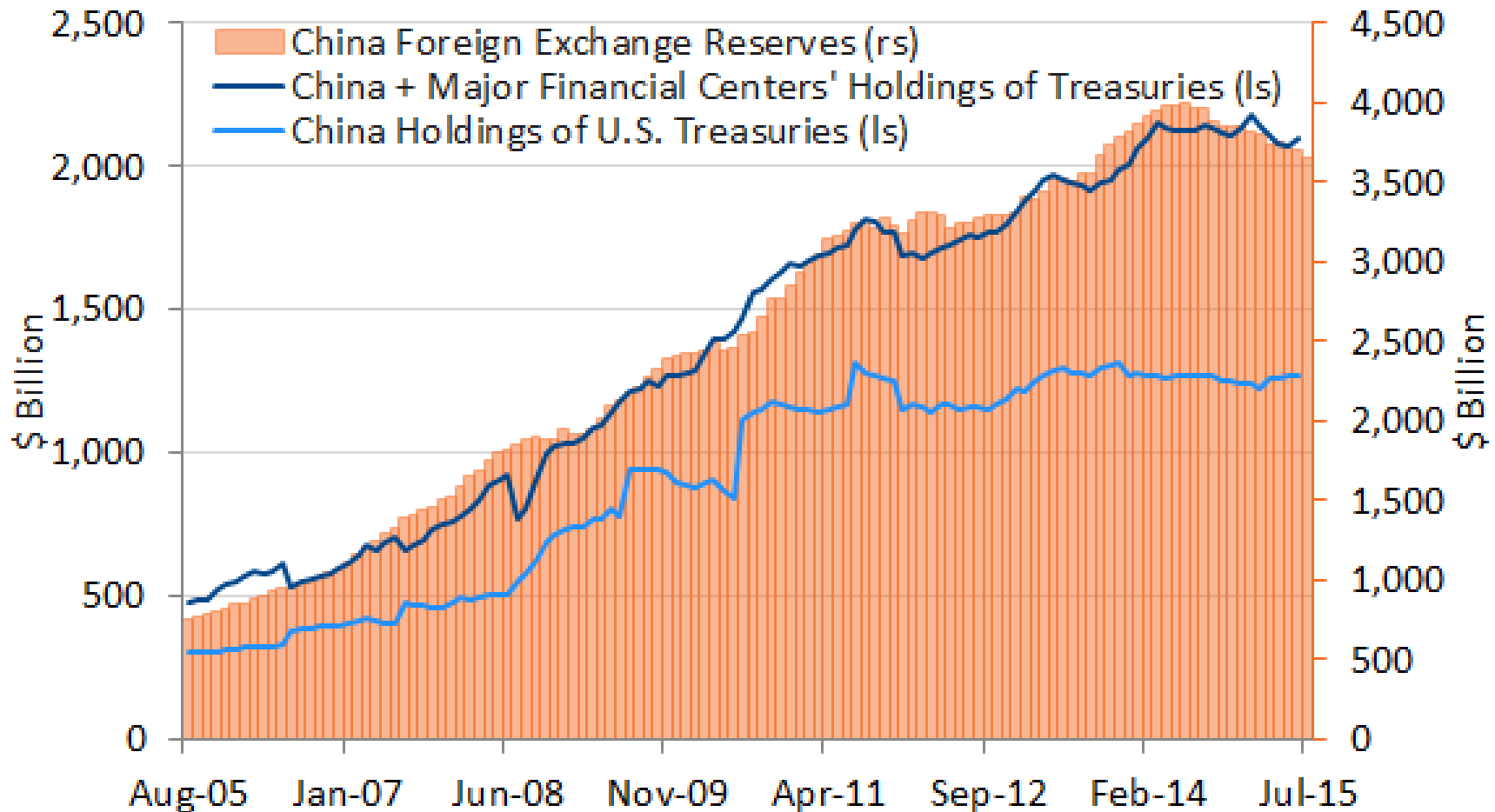
CSTNYFNB = China's construction index based on floor space of new buildings, YoY = year-over-year. You cannot invest directly in an index.

# Country Demand for Commodity Usage 2015 Forecast

As of July 31, 2015



# Chinese Holdings of U.S. Treasuries August 1, 20015 through July 31. 2015



Source: Bloomberg

BloombergBriefs.com

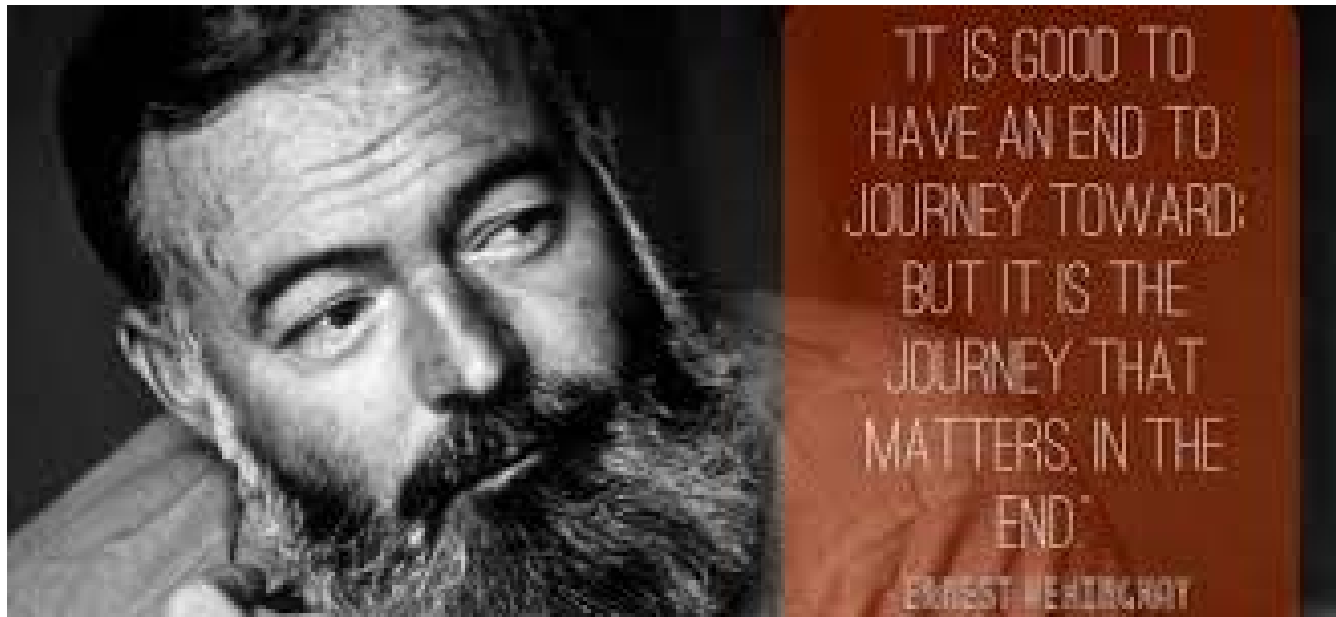
## Foreign Holdings of U.S. Treasury by Maturity

**Table 17b. Maturity structure of foreign official holdings of U.S. long-term debt securities, as of June 30, 2014**  
Percentages

Remaining years to maturity	Total debt	U.S. Treasury	U.S. agency	Corporate
Up to 1 year	15.3	16.8	5.4	5.7
1 to 2 years	18.5	20.6	4.3	7.5
2 to 3 years	17.1	18.7	5.9	10.2
3 to 4 years	9.2	9.8	3.9	10.9
4 to 5 years	7.3	7.8	1.0	10.0
5 to 6 years	6.4	7.1	0.9	5.1
6 to 7 years	5.7	6.2	0.4	6.6
7 to 8 years	2.8	2.9	0.3	5.9
8 to 9 years	2.9	3.0	0.4	7.1
9 to 10 years	3.1	3.2	0.3	7.0
10 to 15 years	1.4	1.3	1.5	3.0
15 to 20 years	0.4	0.1	1.2	3.1
20 to 25 years	1.8	0.3	13.3	6.2
25 to 30 years	8.1	2.1	60.8	7.5
More than 30 years	0.2	0.0	0.4	4.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

# TAB III

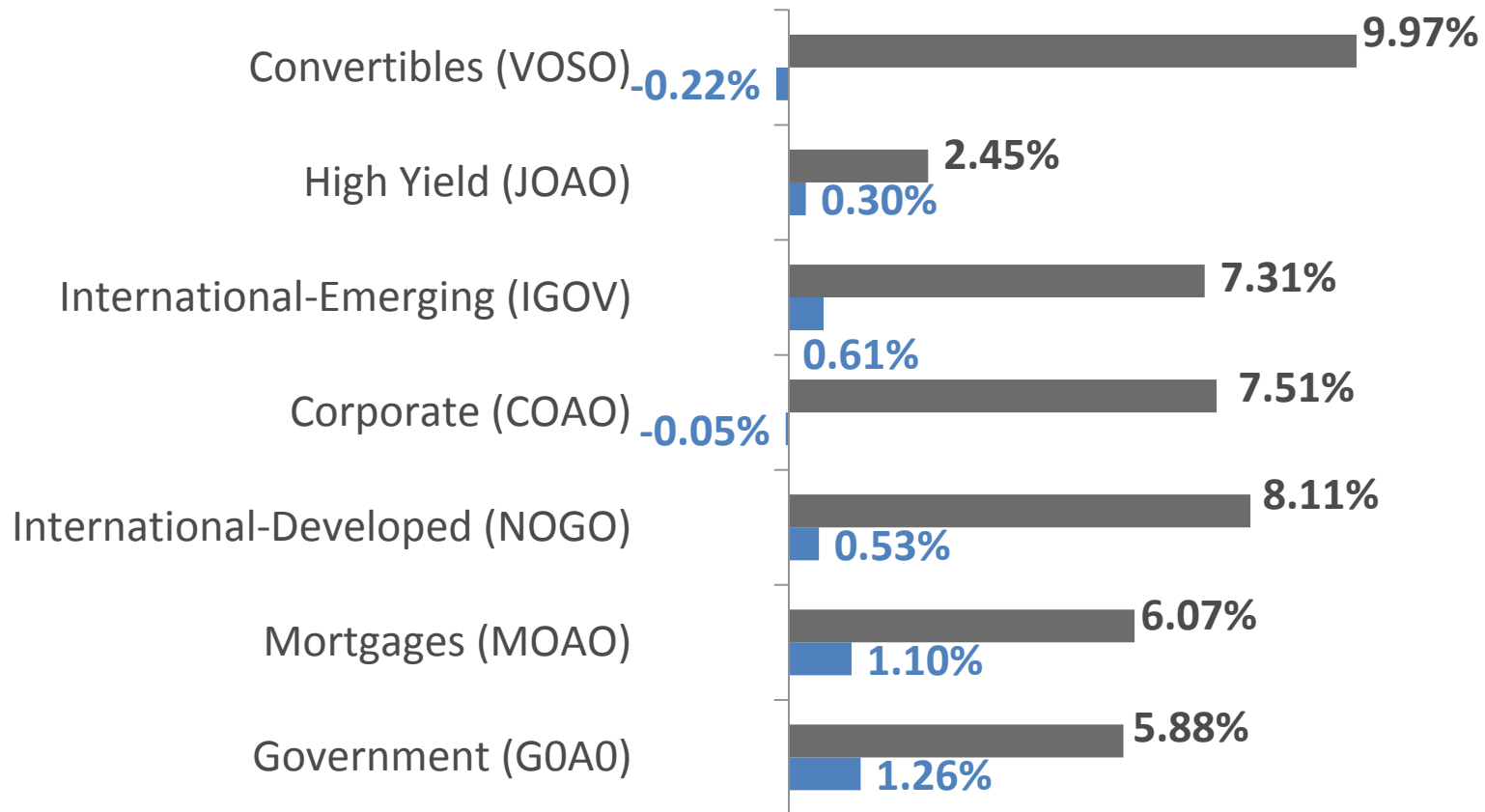
## Bloodless Verdict of the Market



# BofA/Merrill Fixed Income Index Returns

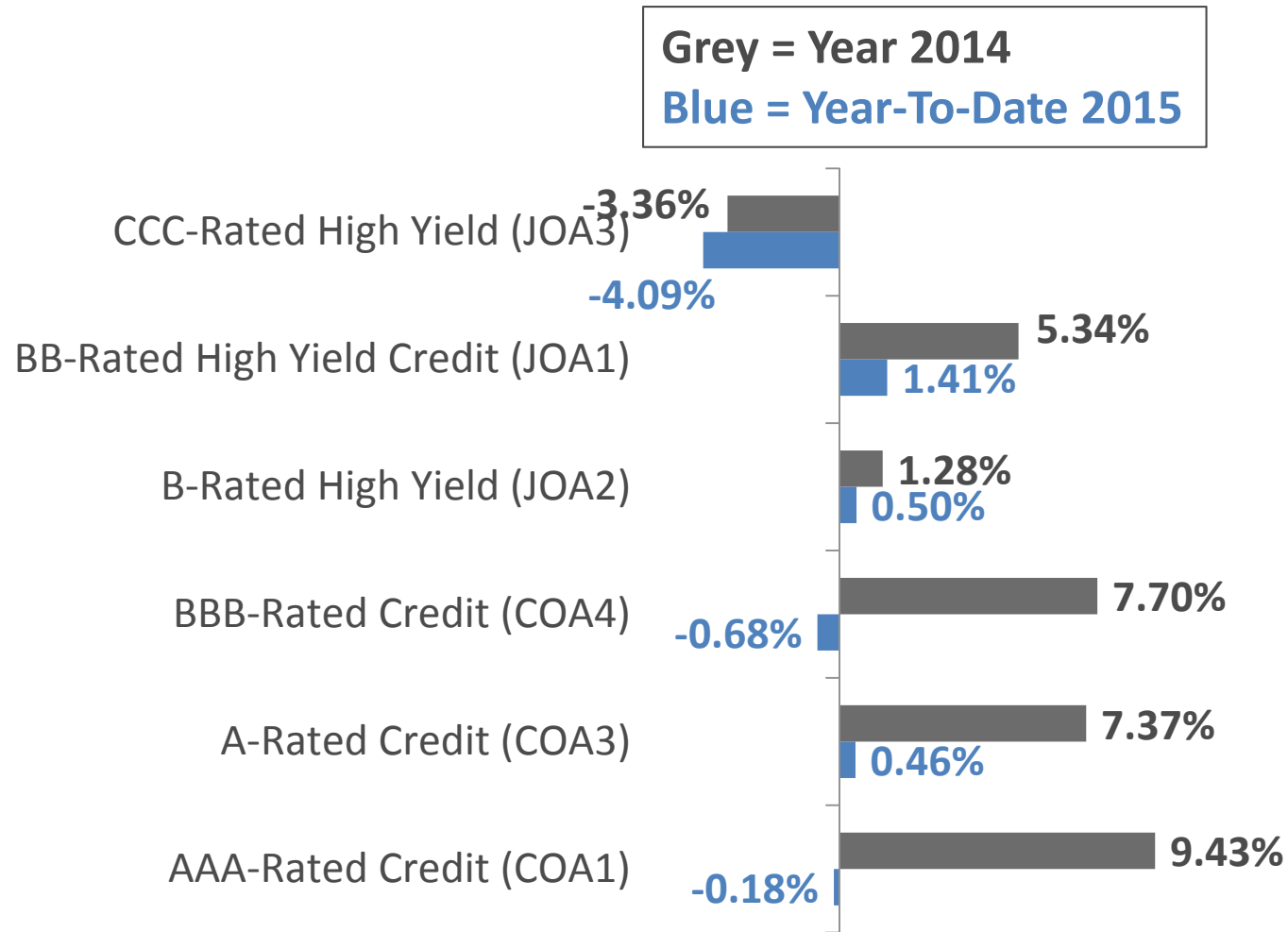


Grey = Year 2014  
Blue = Year-To-Date 2015



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2014 and September 7, 2015 for the respective years indicated. Please see the Appendix for index definitions. An investment cannot be made directly in an index.

# BofA/Merrill Fixed Income Index Returns



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

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

Credit distribution from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moodys, and Fitch).

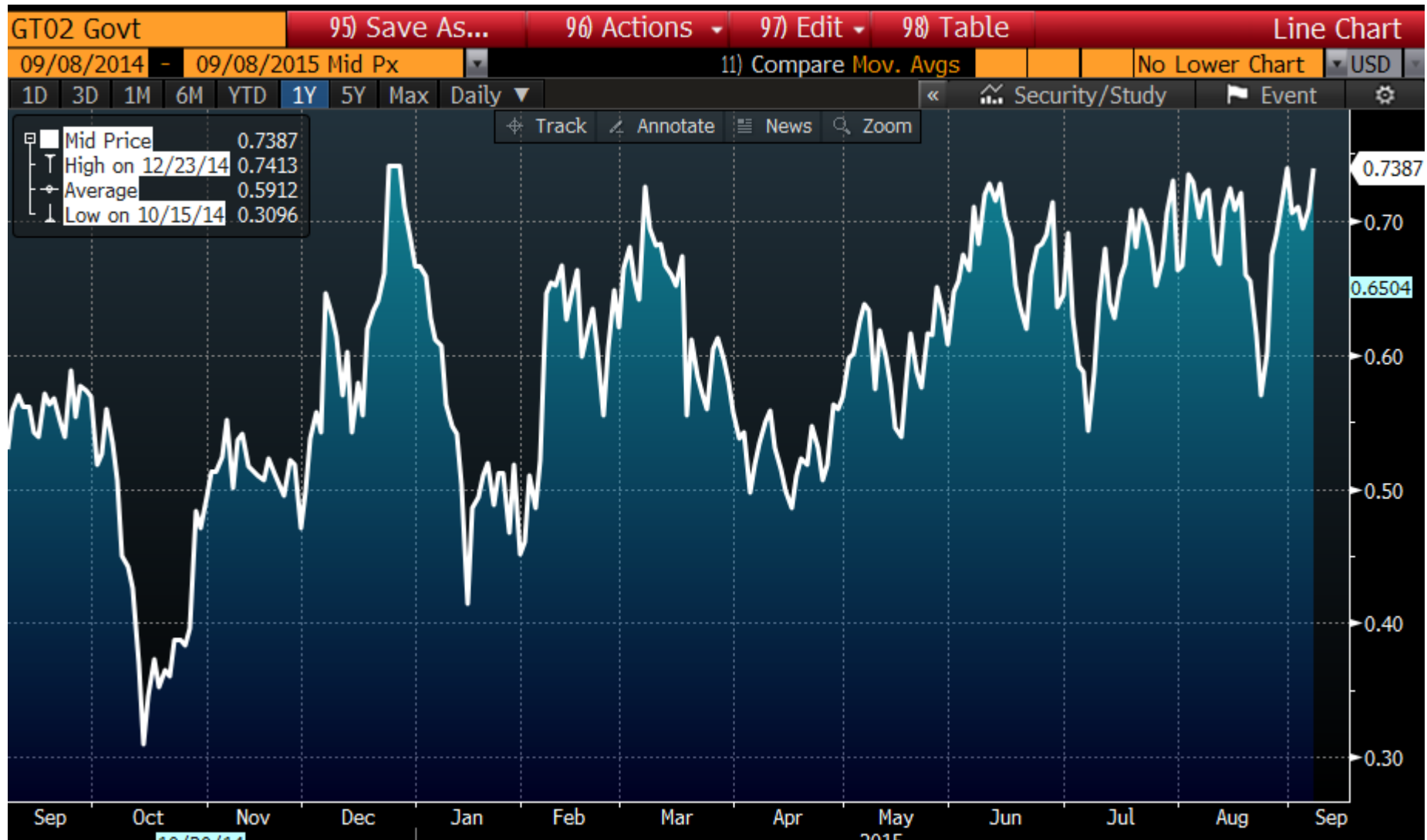
Source: BofA/Merrill Lynch Indices as of December 31, 2014 and September 7, 2015 and for their respective years indicated.

Please see appendix for Index definitions

An investment cannot be made directly in an index.

# U.S. 2-Year Treasury

September 8, 2010 through September 8, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP

GT02 = US 2 Year Treasury Bond. You cannot invest directly in an index. Past performance is no guarantee of future results. You cannot invest directly in an index.

# U.S. 5-Year Treasury

September 8, 2010 through September 8, 2015

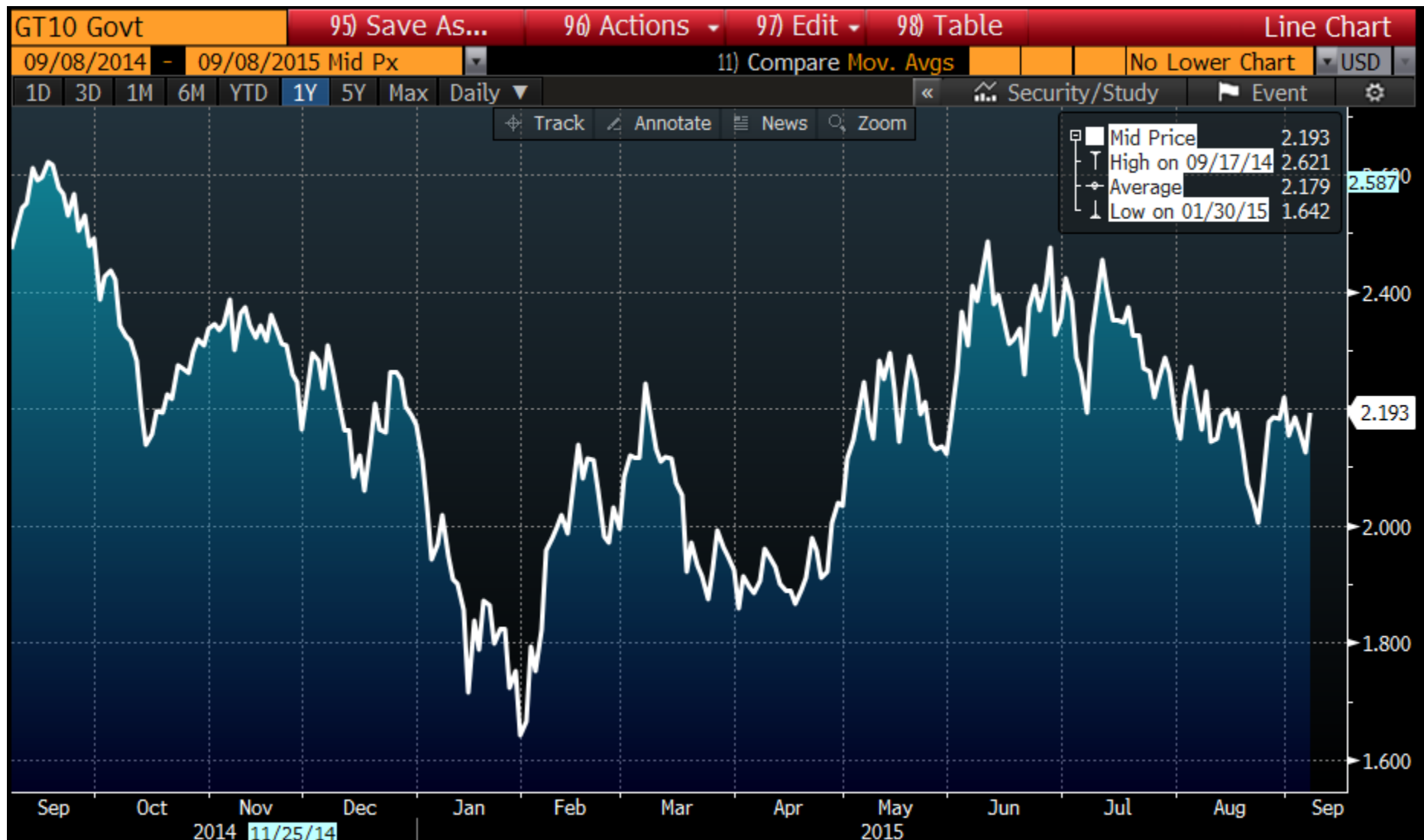


Source: Bloomberg Financial Services, DoubleLine Capital LP

GT5 = US 5 Year Treasury Bond. You cannot invest directly in an index. Past performance is no guarantee of future results. You cannot invest directly in an index.

# U.S. 10-Year Treasury

September 8, 2010 through September 8, 2015



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

# U.S. 30-Year Treasury

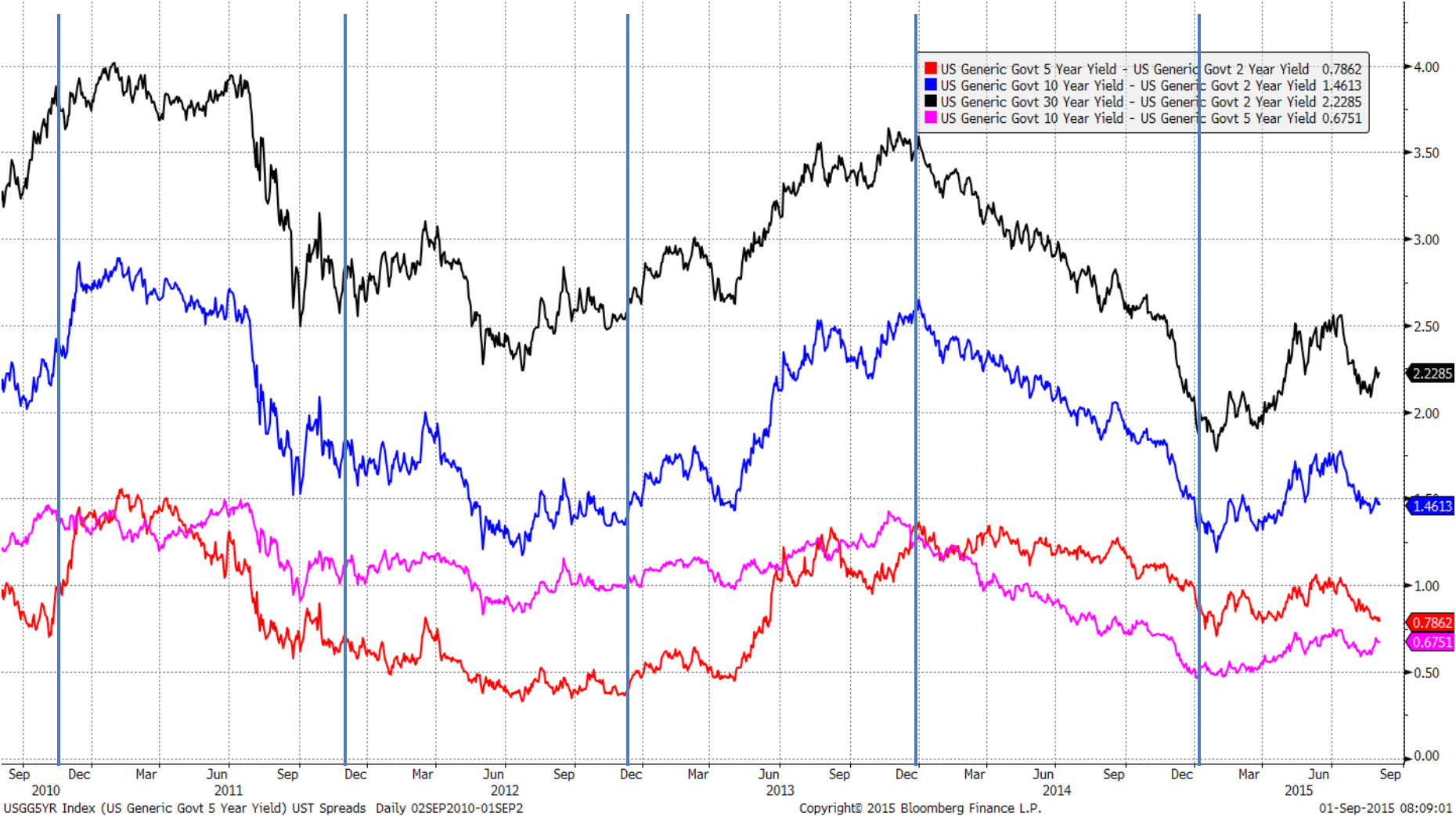
September 8, 2010 through September 8, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
 GT30 = US 30 Year Treasury Bond. You cannot invest directly in an index.

# US Rates: UST 2s5s, 2s10s, 2s30s, 5s10s Spreads

September 2, 2010 through September 1, 2015



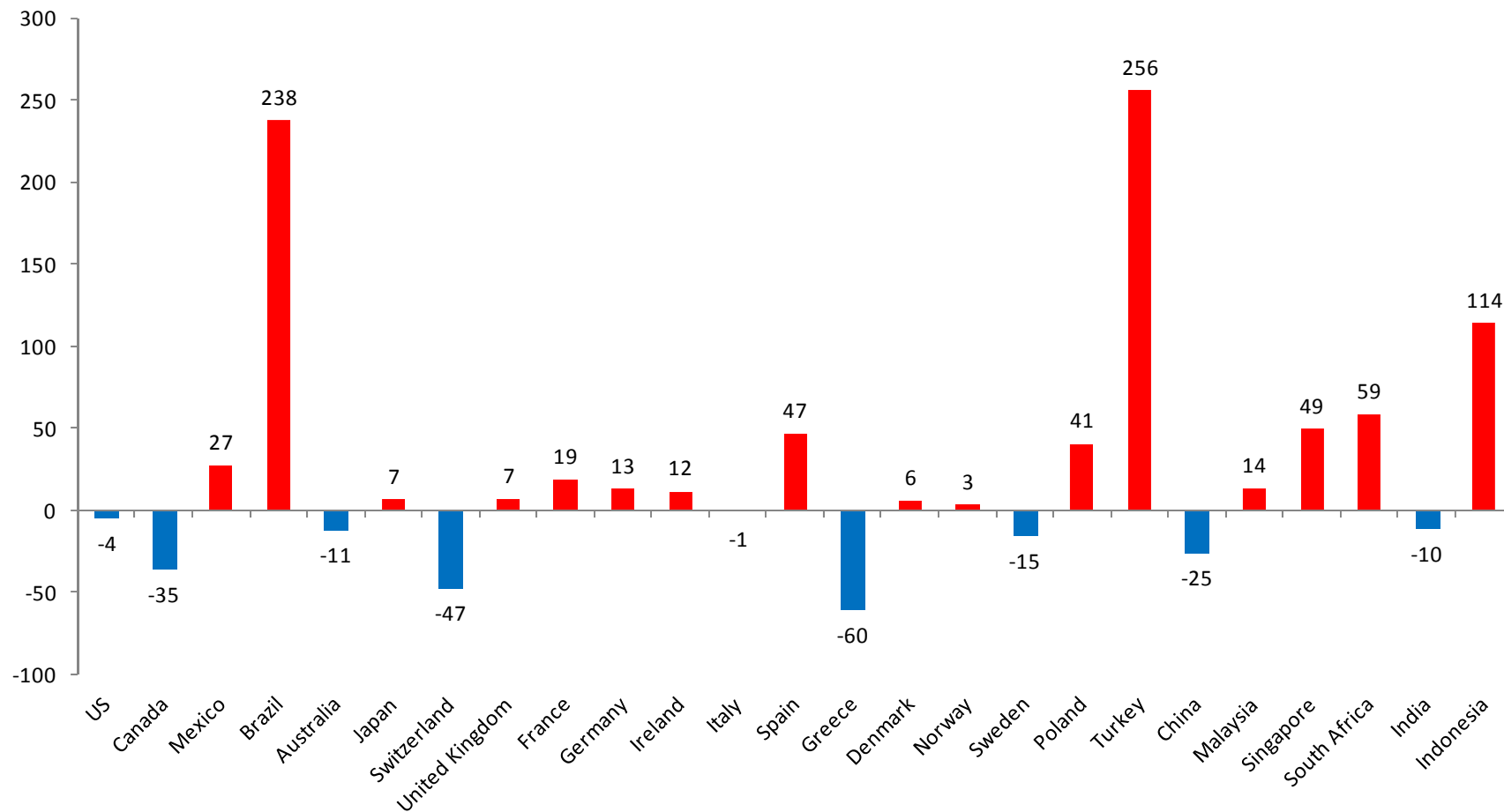
Source: Bloomberg Financial Services, DoubleLine Capital LP

2s5s = 2 year US Treasury rates vs. 5 year US Treasury rates, 2s10s = 2 year US Treasury rates vs. 10 year US Treasury rates, 2s30s = 2 year US Treasury rates vs. 30 year US Treasury rates, 5s10s = 5 year US Treasury rates vs. 10 year US Treasury rates . You cannot invest directly in an index .

# Change in Global 10-year Bond Yields Year-To-Date

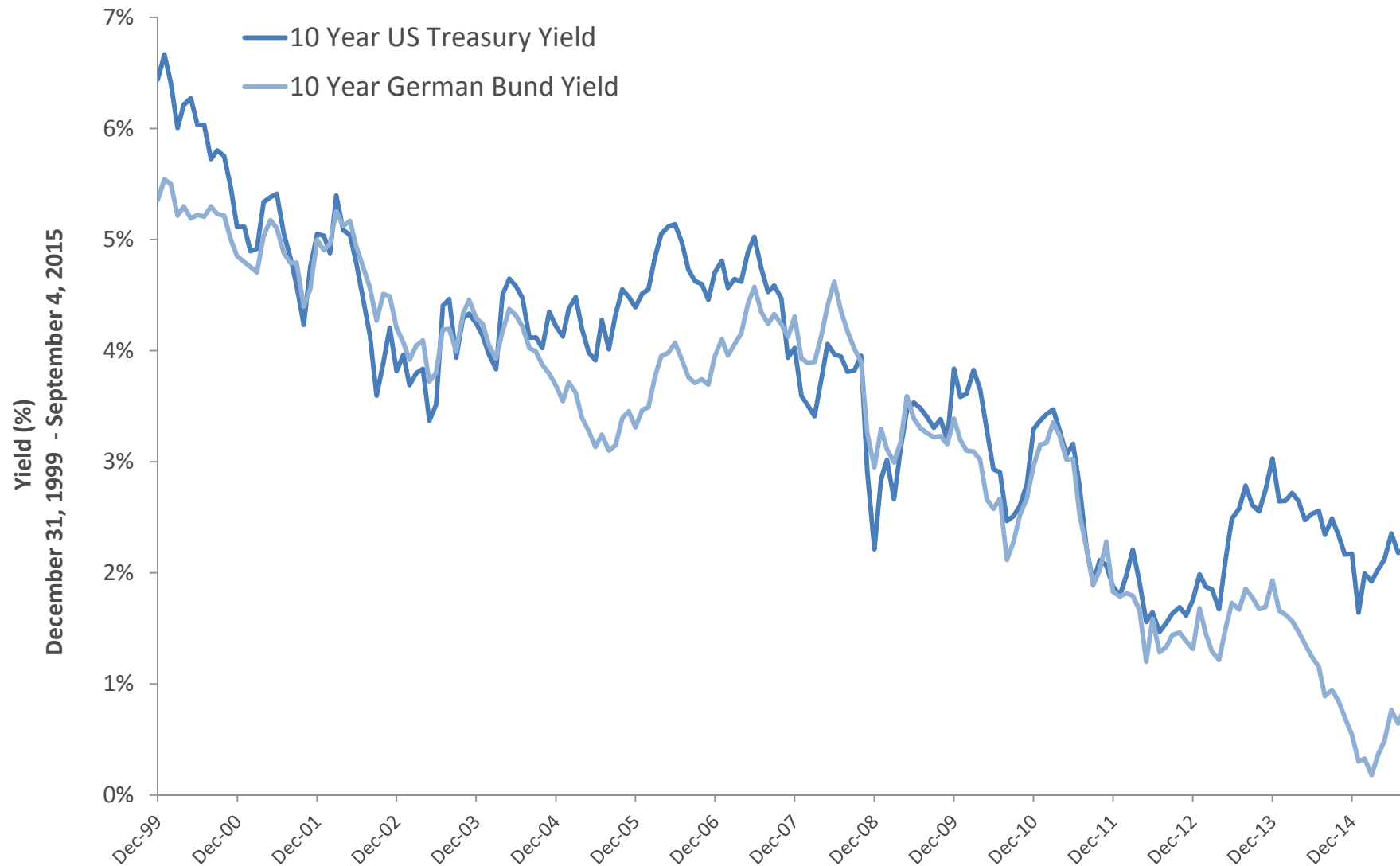
As of September 4, 2015

## Change in Global 10y Bond YTD (BPS)



Source: Bloomberg; Doubleline

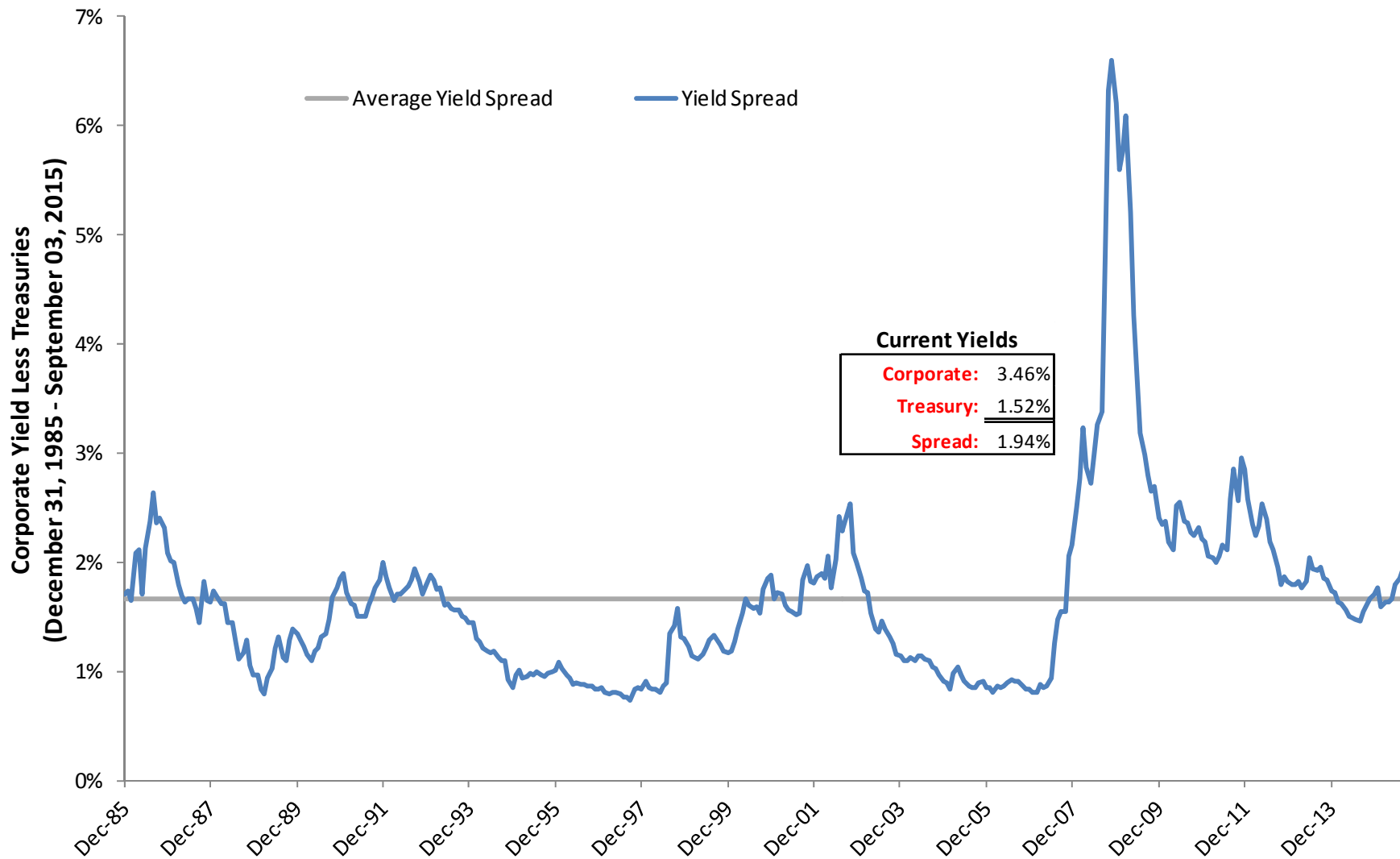
# 10-Year Bund Yield vs. 10-Year U.S. Treasury Yield



Source: Bloomberg, DoubleLine

Yield = The income return on an investment. This refers to the interest or dividends received from a security.

# Relative Growth of Merrill Corporate Index to Merrill Treasury Index



Data Source: Merrill Lynch (COO, CDO) (please see definitions in the Appendix); monthly data with most recent observation appended. You cannot invest directly in an index.

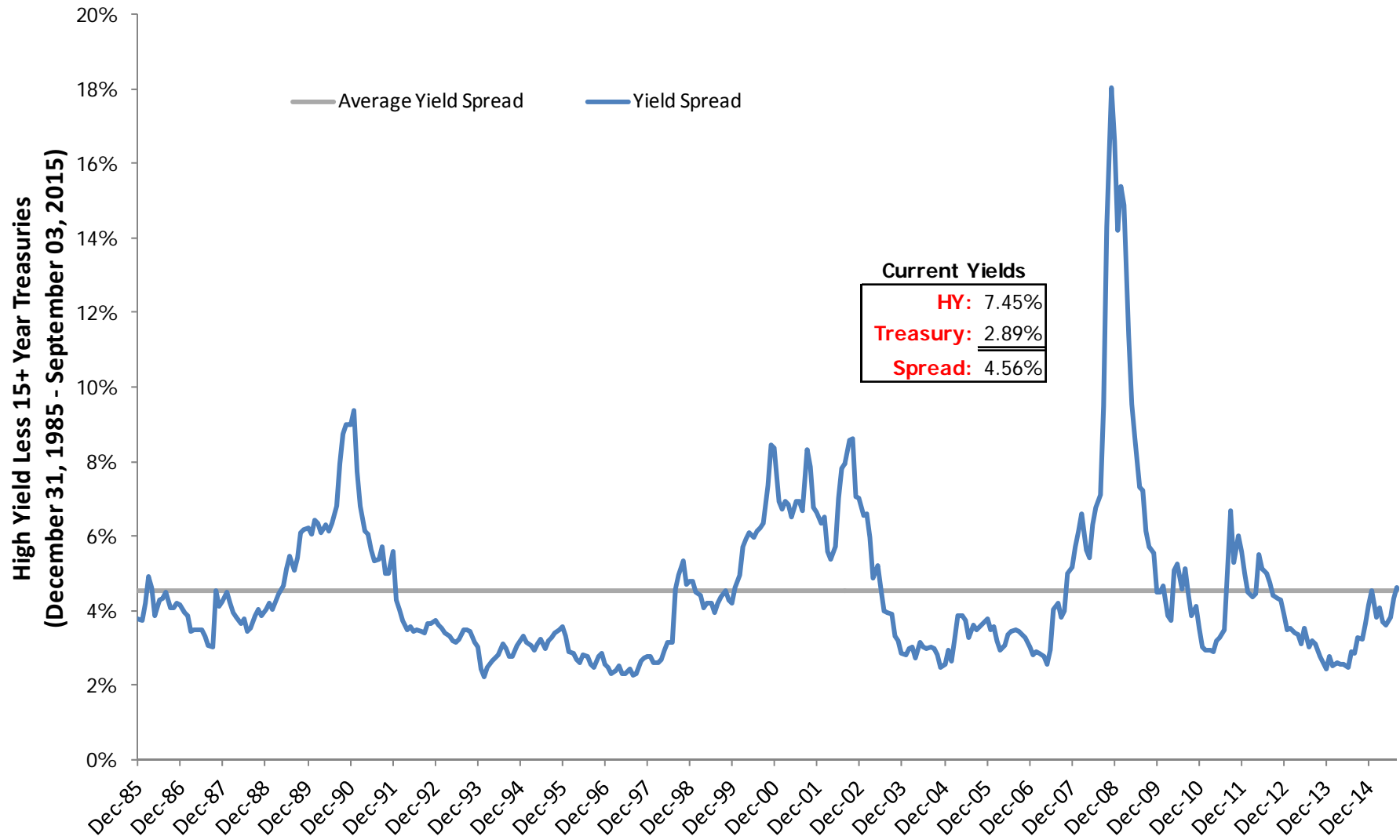
# Barclays US Corporate HY Spread

September 5, 2006 through September 3, 2015



Source: Bloomberg Financial Services, DoubleLine Capital LP  
 LF980AS Index = Barclays U.S. Corporate High Yield Average OAS Index. You cannot invest directly in an index.

# Merrill High Yield Cash Pay Index Yield Spread Relative to Merrill 15+ Year Treasury Index

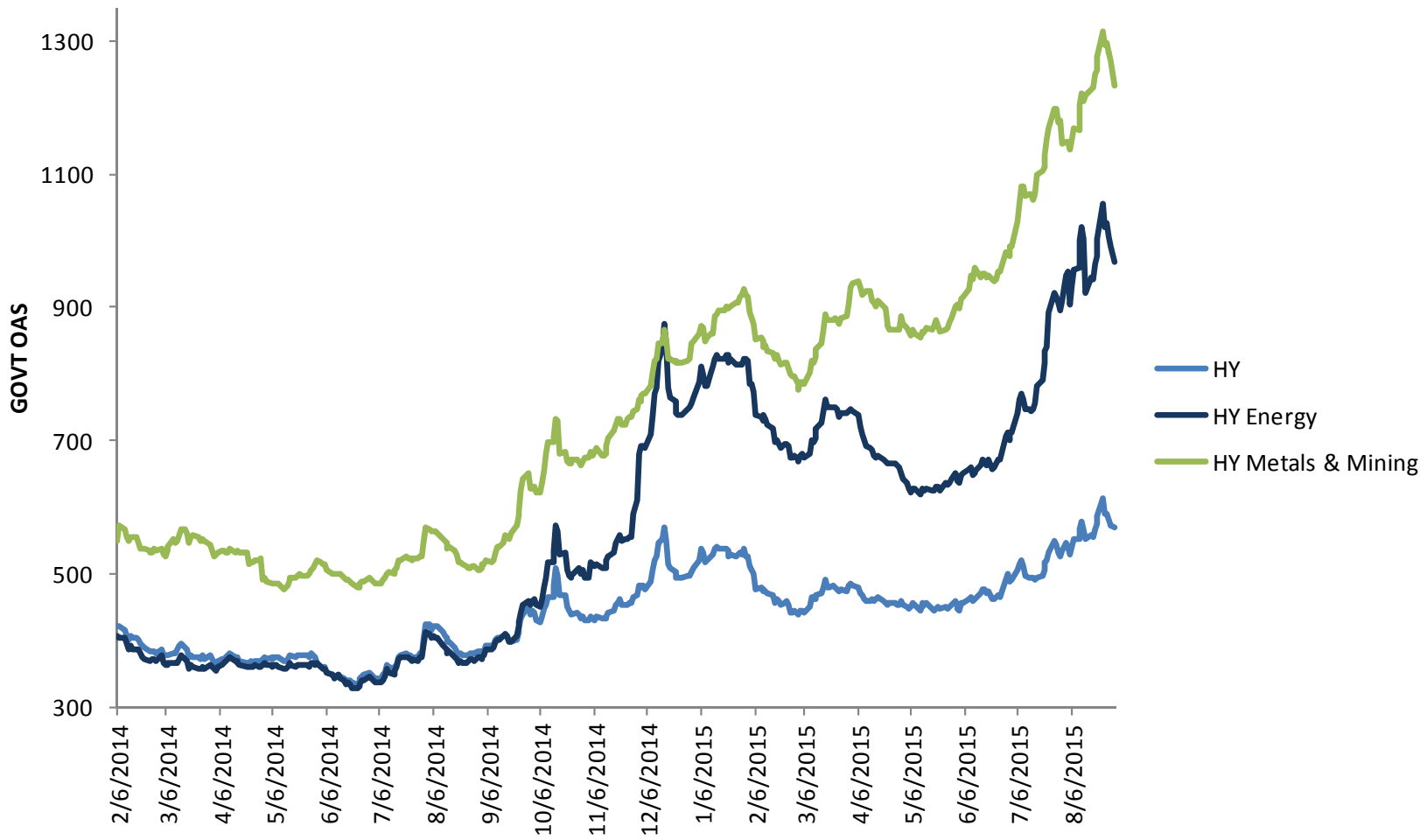


# High Yield, High Yield Energy and High Yield Metals & Mining Spreads

February 6, 2014 through August 31, 2015



## HY and HY Energy Spreads

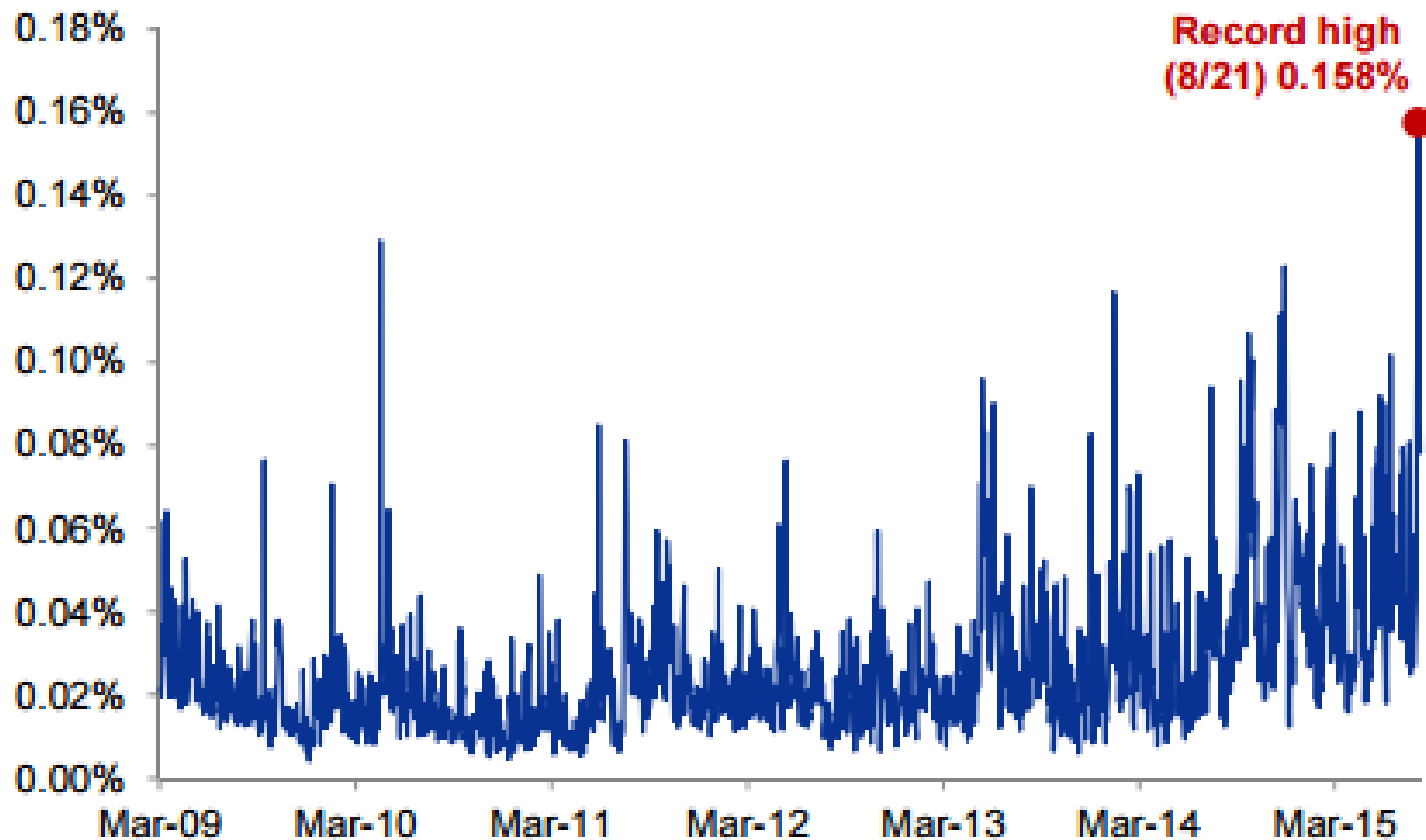


Data Source: Barclays US High Yield Cash Pay Index. Energy and Metals and Mining are separate components of this index. Govt = government, OAS = Option-adjusted spread. You cannot invest directly in an index.

## Record Turnover in HYG ETF

March 1, 2009 through August 21, 2015

**Exhibit 6: Record turnover in HYG ETF in the past week**  
Daily HYG trading volume / (Shares outstanding \* price)]



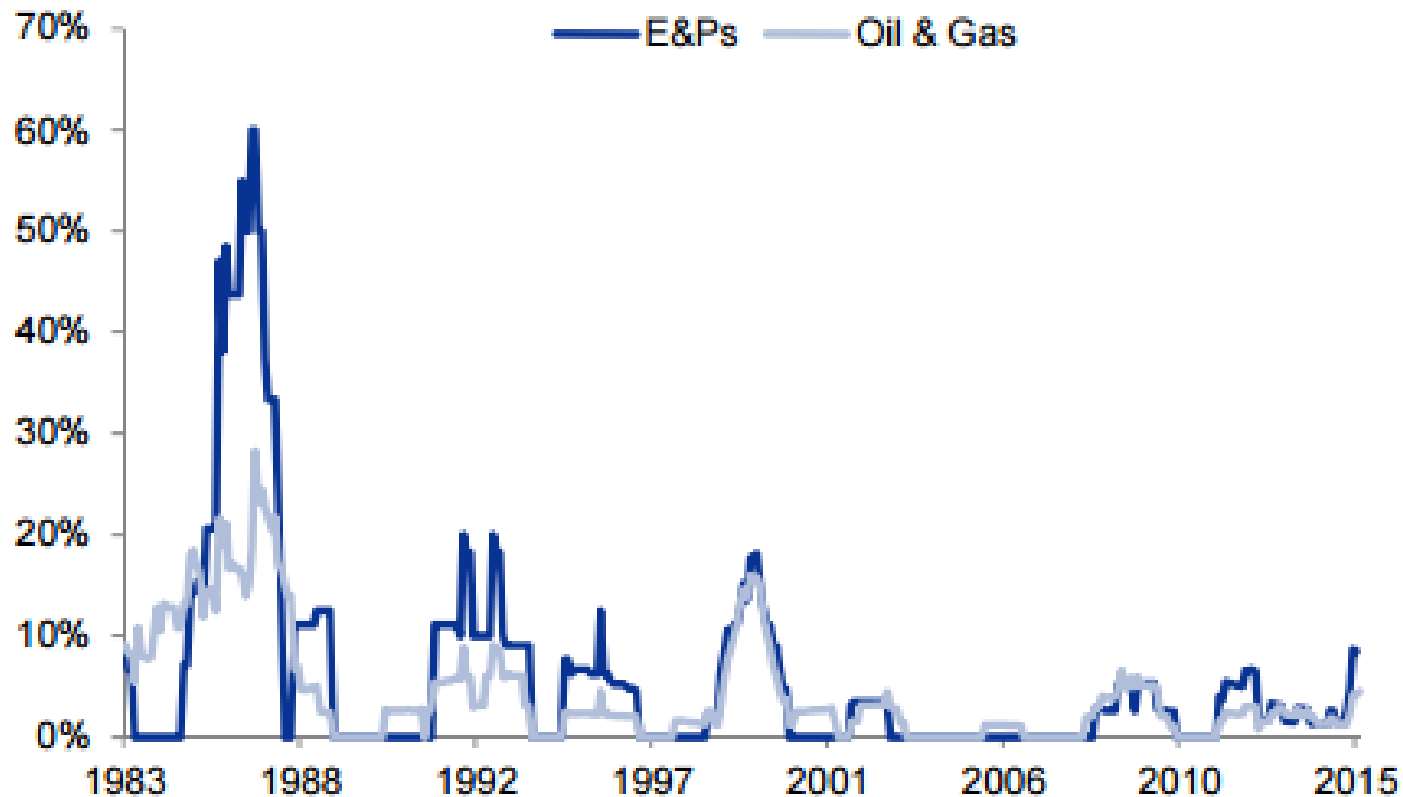
Source: Bloomberg, Goldman Sachs Global Investment Research

HYG ETF = iShares IBOXX High Yield Corporate Bond ETF is an exchange-traded fund incorporated in the US. The ETF seeks to track the investment results of an index composed of U.S. dollar-denominated high yield corporate bonds. Please see the appendix for prospectus link, description, expenses, etc. DoubleLine Total Return Bond Fund owns 0% of HYG ETF as of September 8, 2015. You cannot invest directly in an index.

## High Yield Energy Default Rates – 12 month Trailing Basis

**Exhibit 1: Relative to past episodes of rising defaults, HY Energy issuers have so far proved more resilient to lower oil prices**

12-month trailing default rates on monthly refreshed cohorts of Oil & Gas and E&P issuers



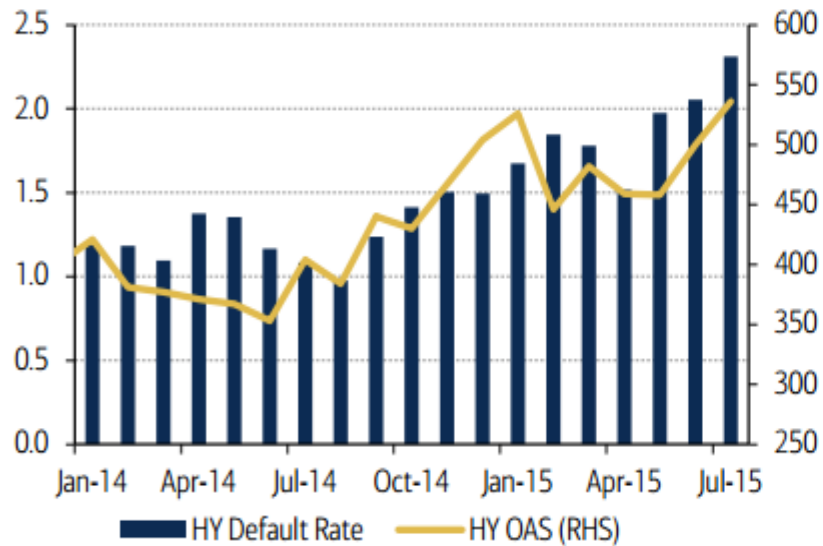
Source: Moody's, Goldman Sachs Global Investment Research

E&P = Exploration and production is a specific sector within the oil and gas industry. You cannot invest directly in an index.

# Defaults Are Rising But Still at Low Levels

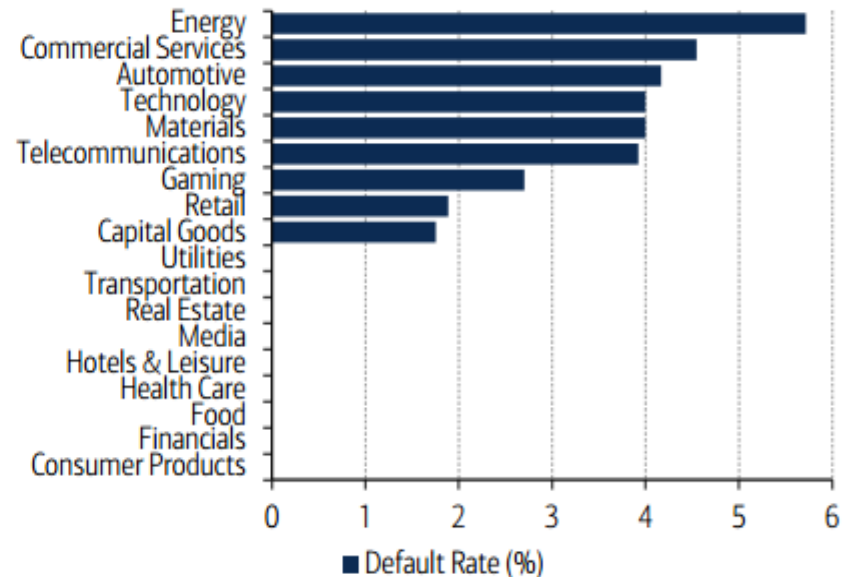
January 1, 2014 through July 31, 2015

**Chart 1: Defaults are increasing, but are still at low levels...**



Source: BofA Merrill Lynch Global Research

**Chart 2: ... as the energy sector currently leads default rates**

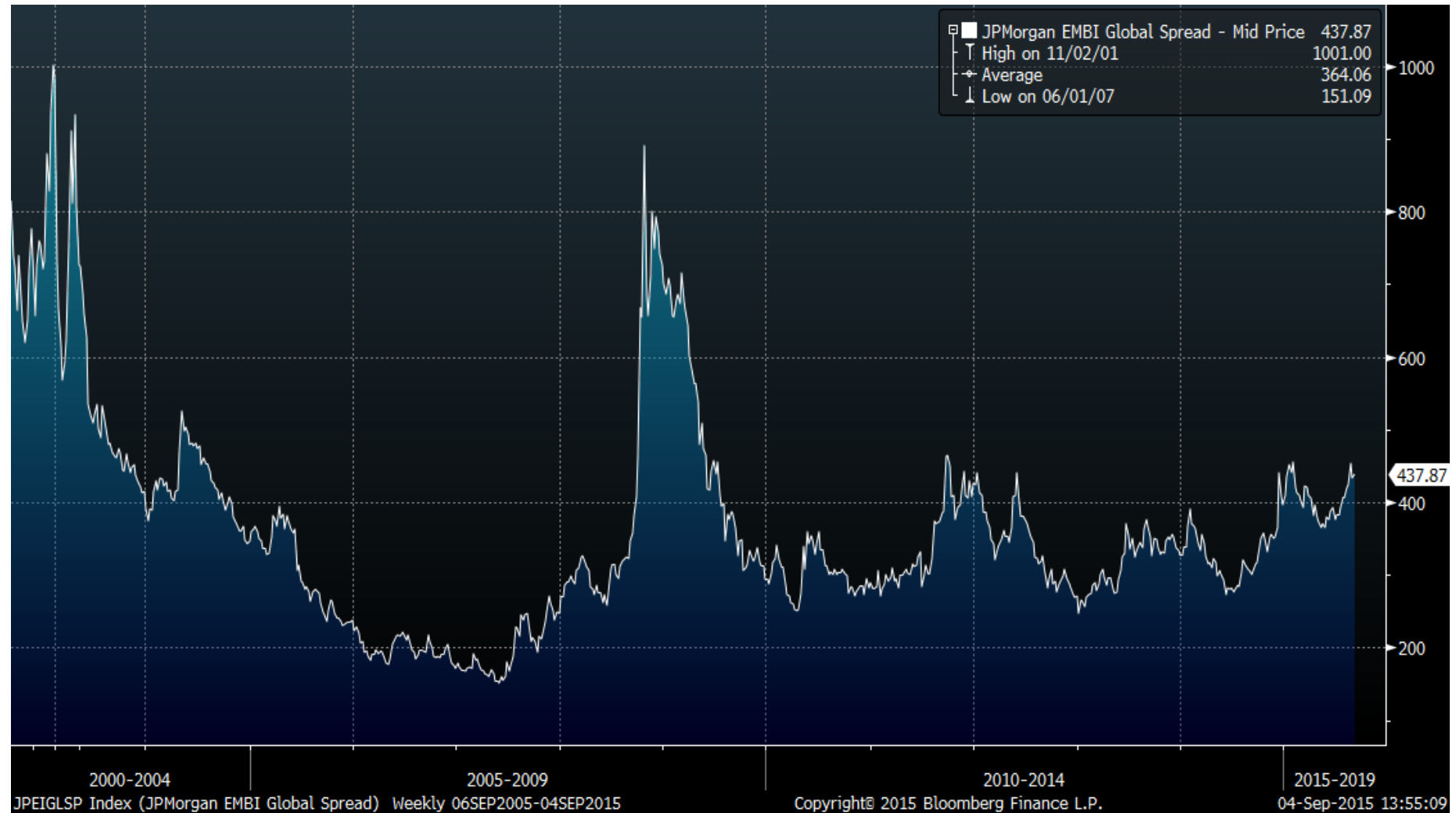


Source: BofA Merrill Lynch Global Research

HY = High Yield, OAS = option adjusted spread, RHS = right hand side. You cannot invest directly in an index.

# JP Morgan EMBI Global Spread

September 4, 2005 to September 4, 2015

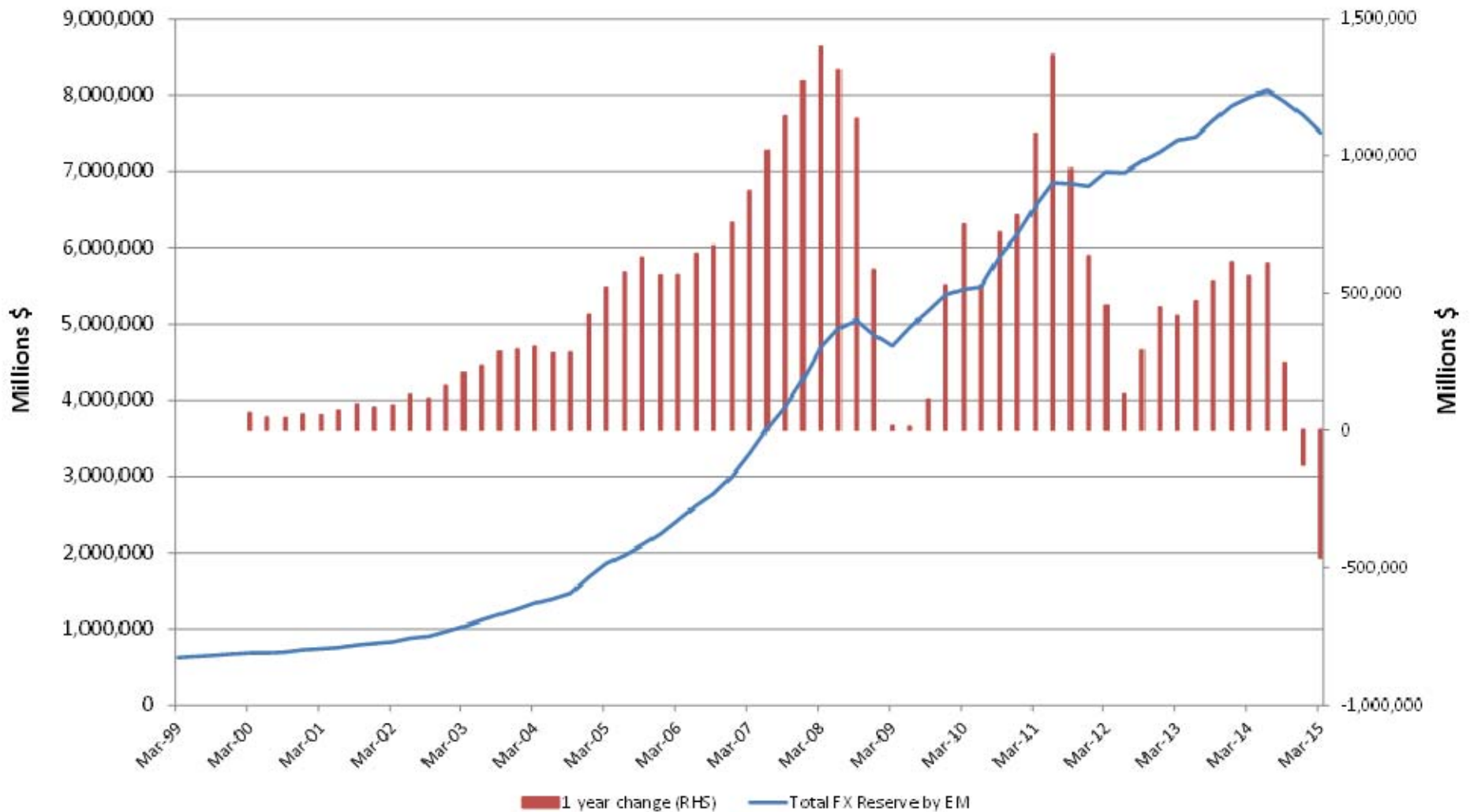


Source: Bloomberg

JP Morgan EMBI Global is an index that tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities. You cannot invest directly in an index.

# 1-Year Change of Emerging Market Foreign Reserve Holdings

March 1, 1999 through March 31, 2015

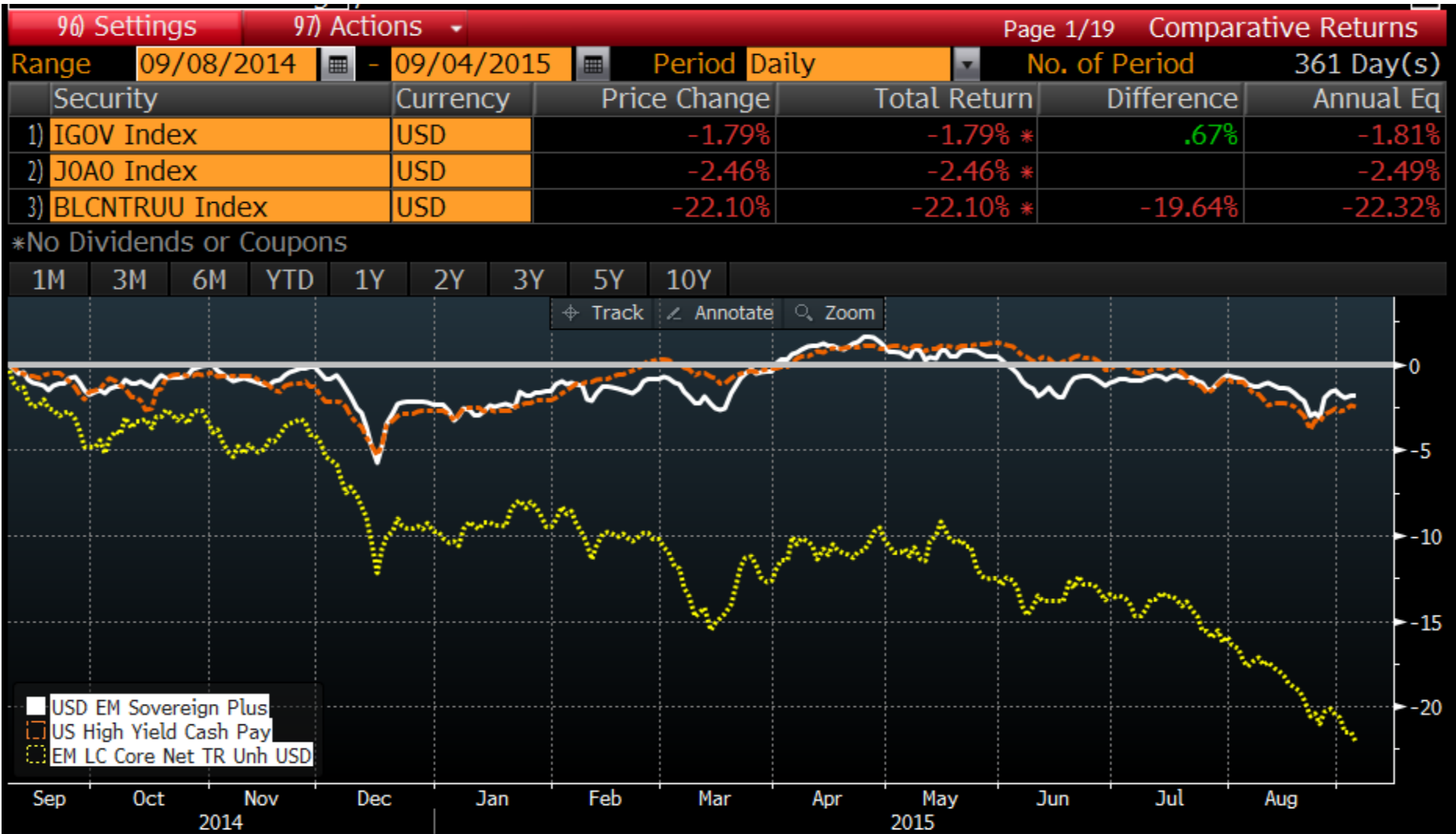


Source: IMF; Doubleline  
FX = Foreign Exchange. You cannot invest directly in an index.

# U.S. Dollar Denominated Emerging Market (EM) Bonds Have Not Reacted to Lower EM Foreign Exchange



September 8, 2014 through September 4 2015



Source: Bloomberg, Doubleline

The chart shows the performance for the indices as indicated. IGOV = BofA/ML US Dollar Emerging Markets Sovereign Plus Index. JOAO = BofA/ML High Yield Cash Pay Index. Please see appendix for full definitions. BLCNTRUU Index = Barclays EM Local Currency Core Net Total Return Unhedged USD Index designed to provide a broad measure of the performance of local currency Emerging Markets debt. You cannot invest directly in an index. Past performance is no guarantee of future results.

# TAB IV

## DoubleLine Total Return Bond Fund

# Total Return Bond Fund Portfolio Statistics



	Total Return Bond Fund	Barclays Capital U.S. Aggregate Index
Average Price	\$99.08	\$104.41
Duration	3.78	5.61
Average Life	5.53	7.88

Portfolio statistics as of July 31, 2015 based on market weighted averages. Subject to change without notice.

**Average price** = A measure of the weighted average price paid for the securities calculated by taking the prices and dividing by the number of securities and does not include cash. Average price should not be confused with net asset value.

**Average Duration** = Duration is used as a risk measure. It measures the price volatility of a security given a change in interest rate movements.

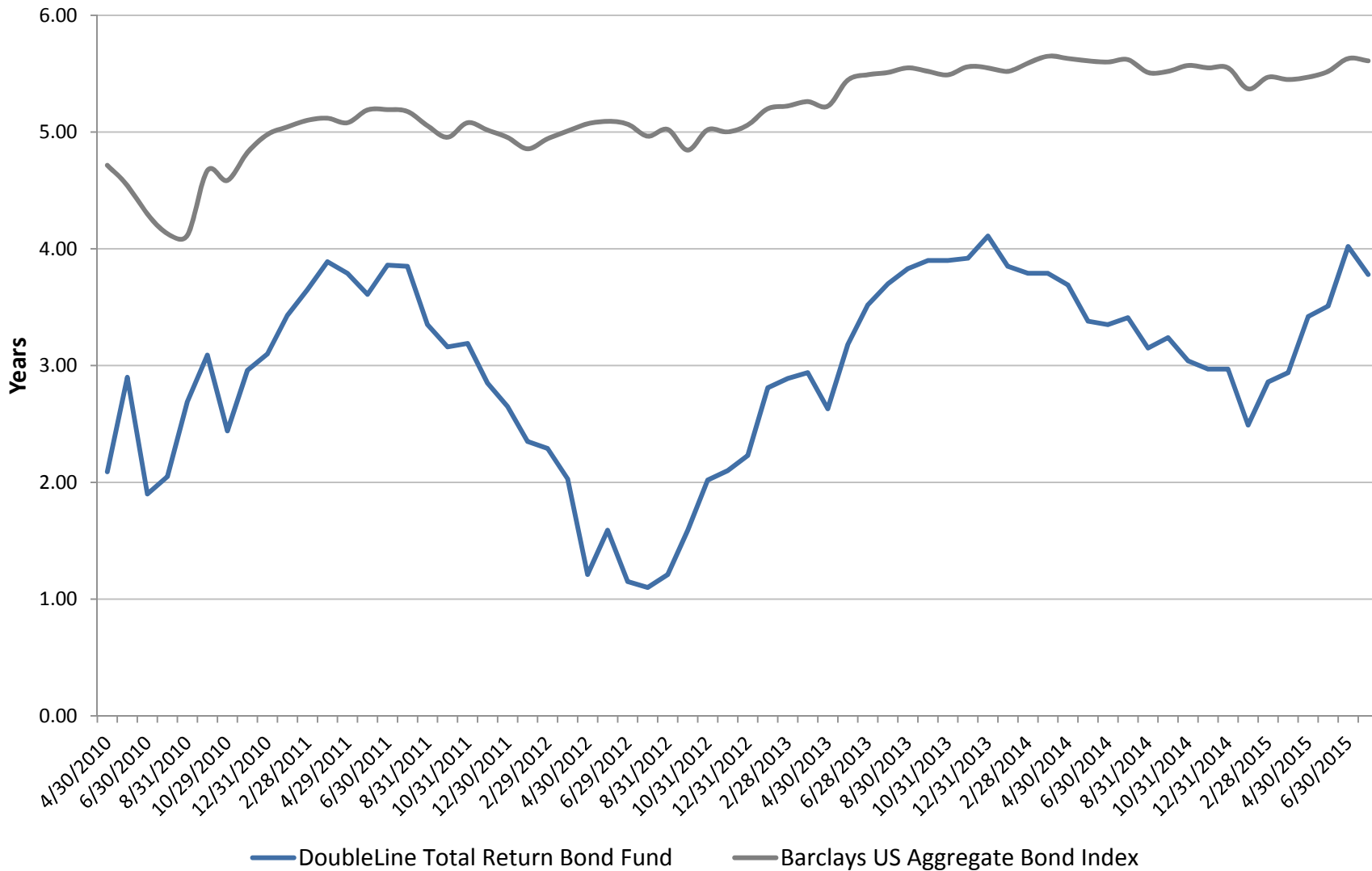
**Average Life** = The average number of years that each dollar of unpaid principal due on the mortgage remains outstanding. Average life is computed as the weighted average time to the receipt of all future cash flows, using as the weights the dollar amounts of the principal paydowns.

Source: DoubleLine Capital LP

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

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

April 1, 2010 through July 31, 2015



Source: DoubleLine, Barclays

Barclays AGG Duration = Barclays US Aggregate Index duration. Duration is a measure of sensitivity of the price of a fixed income investment to a change in interest rates. It's expressed in years

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

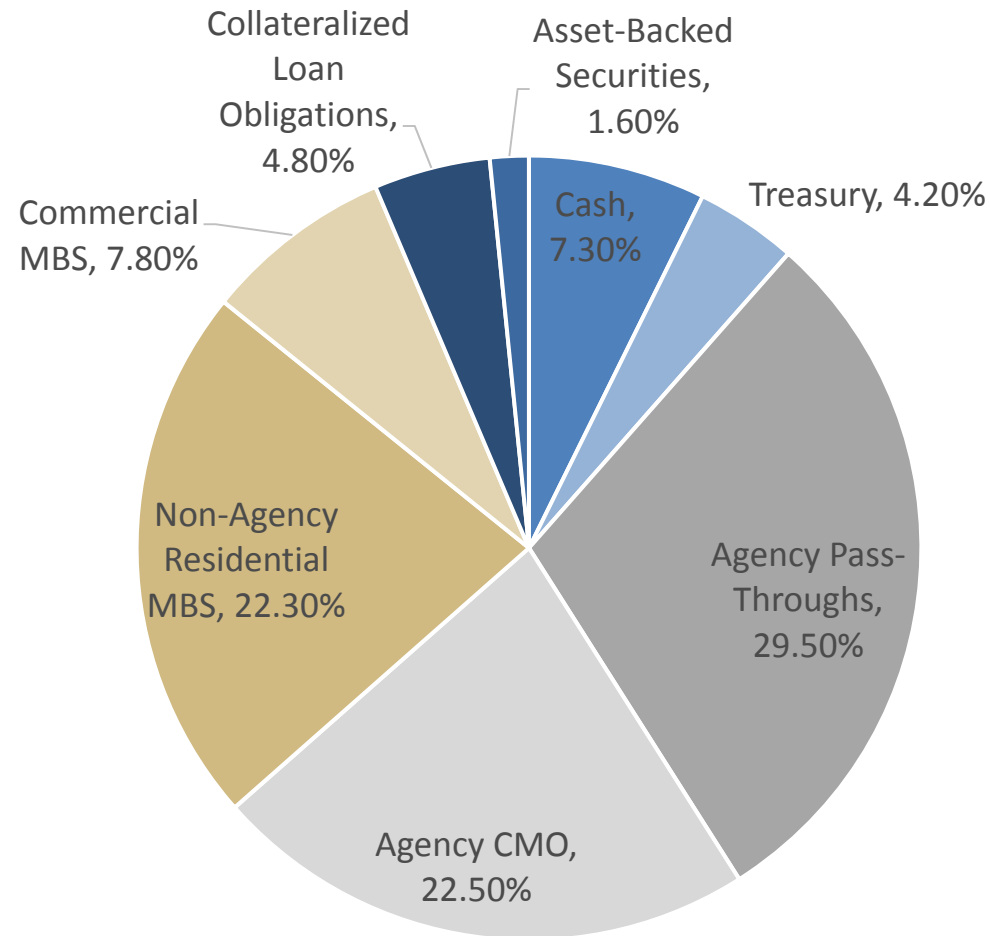
May 31, 2010 through July 31, 2015



Source: DoubleLine, Bloomberg

Duration is a measure of sensitivity of the price of a fixed income investment to a change in interest rates. It's expressed in years.

# Total Return Bond Fund Portfolio Composition – By Security Type



Portfolio composition as of July 31, 2015. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

**Government** – U.S. treasury securities.

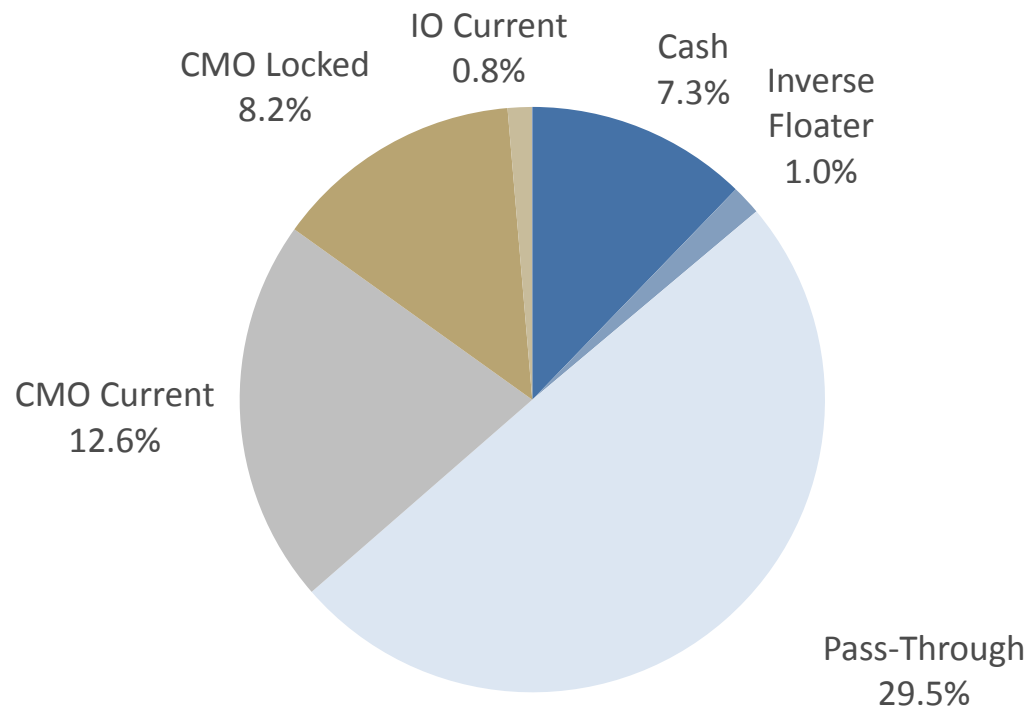
**Agency** = Mortgage securities whose principal and interest guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC).

**Non-Agency** = Residential Mortgages Bond Securities are a type of bond backed by residential mortgages. Non-Agency means they were issued by a private issuer.

**CMBS** = Commercial Mortgage-Backed Securities. Securitized loans made on commercial rather than residential property.

**CLO** = Collateralized Mortgage Obligations

# Total Return Bond Fund Portfolio Composition – By Agency Collateralize Mortgage Obligation (CMO) Security Type



<b>Agency CMO Composition</b>	
Cash	7.3%
Inverse Floater	1.0%
Pass-Through	29.5%
CMO Current	12.6%
CMO Locked	8.2%
IO Current	0.8%
IO Locked	0.0%
<b>Subtotal</b>	<b>59.26%</b>

Portfolio composition as of July 31, 2015. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

**Pass-Through** = Mortgage pass-through securities whose principal and interest guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC) or non-agency private issue with no government guarantee.

**CMO Current** = Collateralized Mortgage Obligation (CMO) is a financial debt vehicle/special purpose entity called a "pool". Investors buy bonds issued by the entity and receive payments according to a defined set of rules. The mortgages themselves are the collateral, the bonds are the tranches (also called classes), and the set of rules that dictates how money is received from the collateral will be distributed is called the structure. The legal entity, collateral and structure are collectively referred to as the deal.

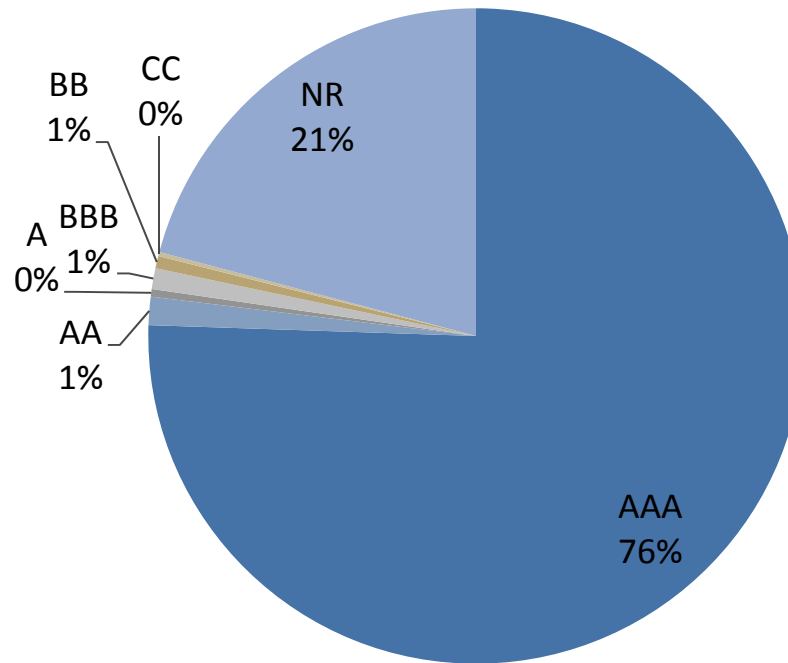
**IO** = Interest Only mortgage pools in which the borrower's monthly payment is only toward the interest on the loan. A non-amortized loan.

**Inverse Floater** = A mortgage pool that has a yield that is inversely related to interest rates.

**IO Current pay** = Loans that are currently receiving principal payments.

**Locked Out/ CMO Locked Out** = Loans that for a set period of time will not receive principal payments.

# Total Return Bond Fund Portfolio – Non-Agency Residential Mortgage-Backed Securities (RMBS) Breakdown By Original Rating



Portfolio composition and credit ratings as of security origination. Portfolio composition is subject to change without notice. There are some non-rated securities in the Fund as shown in the graph above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

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

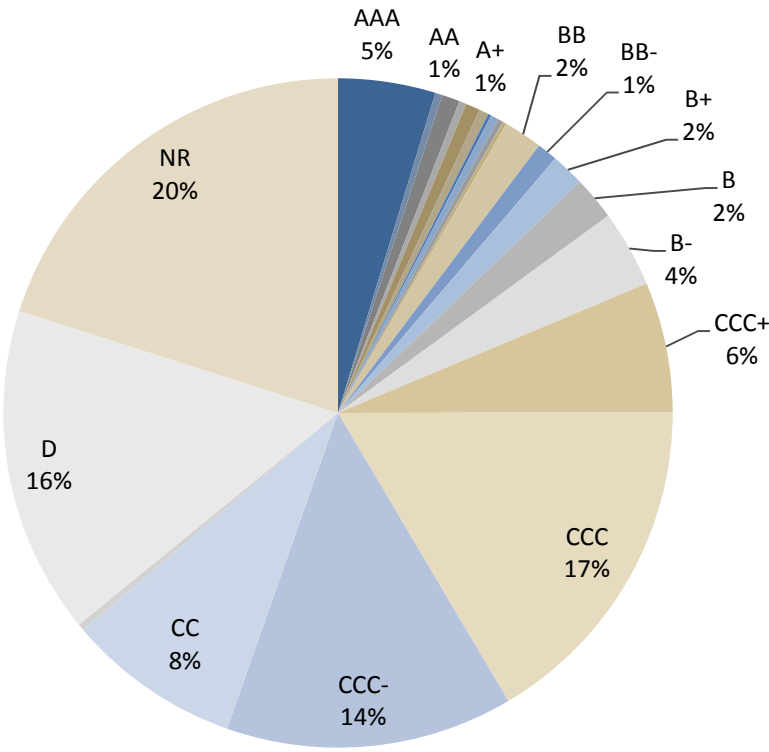
**Below Investment Grade** = Also known as "junk bond" is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive.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

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

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

Source: DoubleLine Capital LP as of July 31, 2015

# Total Return Bond Fund Portfolio – Non-Agency Residential Mortgage-Backed Securities (RMBS) Breakdown By Current Rating



Portfolio composition and credit ratings as of security origination. Portfolio composition is subject to change without notice. There are some non-rated securities in the Fund as shown in the graph above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody’s, and Fitch).

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

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

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

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

Source: DoubleLine Capital LP as of July 31, 2015



# In Our Time

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**September 8, 2015**



# SPDR Barclays High Yield Bond ETF(JNK)



## Investment Objective & Summary

The investment objective of the SPDR Barclays High Yield Bond ETF seeks to provide investment results that, before fees and expenses, corresponds generally to the price and yield performance of the Barclays High Yield Very Liquid Index. The ETF invests in U.S. high yield bonds.

The Barclays High Yield Very Liquid Index is designed to measure the performance of publicly issued U.S. dollar denominated high yield corporate bonds with above-average liquidity. High yield securities are generally rated below investment grade and are commonly referred to as "junk bonds." The Index includes publicly issued U.S. dollar denominated, non-investment grade, fixed-rate, taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality, are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's Investors Service, Inc., Fitch Inc., or Standard & Poor's, Inc. Respectively, and have \$500 million or more of outstanding face value

**Important Risk Information** - In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only. Please see the prospectus for more details.

**Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.**

**Investing in high yield fixed income securities, otherwise known as "junk bonds" is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price change due to potential changes in the credit quality of the issuer. The Fund invests by sampling the Index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics which may cause the fund to experience tracking errors relative to performance of the Index.**

**Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.**

**Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or talk to your financial advisor. Read it carefully before investing.**

JNK is distributed by State Street Global Markets, LLC

# iBOXX High Yield Corporate Bond ETF(HYG)

## Investment Objective

The iShares iBoxx \$ High Yield Corporate Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, high yield corporate bonds.

*Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting the [iShares ETF](#) and [BlackRock Fund](#) prospectus pages. Read the prospectus carefully before investing.*

Investing involves risk, including possible loss of principal. The iShares Enhanced ETFs, iShares Short Maturity Bond ETF, iShares Liquidity Income ETF and the iShares Interest Rate Hedged ETFs are actively managed funds and do not seek to replicate the performance of a specified index. The Funds may have a higher portfolio turnover than funds that seek to replicate the performance of an index. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

The iShares Short Maturity Bond ETF will invest in privately issued securities that have not been registered under the Securities Act of 1933 and as a result are subject to legal restrictions on resale. Privately issued securities are not traded on established markets and may be illiquid, difficult to value and subject to wide fluctuations in value. Delay or difficulty in selling such securities may result in a loss to the iShares Short Maturity Bond ETF. The fund may invest in asset-backed ("ABS") and mortgage-backed securities ("MBS") which are subject to credit, prepayment and extension risk, and react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly reduce the value of certain ABS and MBS. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. Eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. For the prospectus please call 1-800-882-0052.

HJY is distributed by BlackRock

# Index Descriptions

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

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

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

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

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

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

**BofA Merrill Lynch US 15+ Year Treasury Index "Long Treasuries" (G802)**- This index is a subset of the BofA Merrill Lynch US Treasury Index including all securities with a remaining term of final maturity greater than 15 years..

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

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

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

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

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

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

**"Copper"**= Copper Spot Price (HGI) Copper is the world's third most used metal behind iron and aluminum primarily used in highly cyclical industries including construction and industrial machinery manufacturing. Spot price quoted in USD/lb.

**"Gold"**= Gold Spot Price (Golds) The Gold Spot price is quoted as US Dollar per Troy Ounce.

**Crude Oil**= Crude oil varies greatly in appearance depending on its composition. West Texas intermediate (WTI) = Texas light sweet crude is used as a benchmark in oil pricing. It's "light" because of the low density and sweet because of low sulfur. Brent crude = Is a major trading classification of sweet light crude. Brent is the oil maker also known as Brent Blend.

**Volatility Index (VIX)** -The VIX shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge".

# Index Descriptions

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

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

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

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

## **BofA Merrill Lynch International Government Index (NOGO)**

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

## **BofA Merrill Lynch Mortgage-Backed Securities Index (MOA0)**

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

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

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

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

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

**Draw Down** - The peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

**NAV** – A mutual fund's price per share or exchange-traded fund's (ETF) per-share value. In both cases, the per-share dollar amount of the fund is calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding.

**CMO** – A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus

**TIPS**– Treasury Inflation Protection. A treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed.

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

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

# Index Descriptions

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

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

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

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

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

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

**BofA Merrill Lynch US Treasury Index (GOQ0)** -The Merrill Lynch US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.

**BofA Merrill Lynch US 10-15 Year Treasury Index “Long Treasury”**-The Merrill Lynch US 10-15 Treasury Index tracks the performance of US dollar denominated 10-15 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQ0).

**BofA Merrill Lynch Municipal Index**-The Merrill Lynch Municipal

**BofA Merrill Lynch Current 10 year UST Index** — This index is the 10 year component of the US Government index.

**BofA Merrill Lynch Current 30 year UST Index** — This index is the 30 year component of the US Government index.

**JPMorgan Corporate EMBI Broad Diversified Index (JBCDCOMP)** – This index tracks the performance of investment grade corporate debt publically issued across a range of emerging market countries.

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

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

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

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

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

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

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

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

# Index Descriptions

**BofA/Merrill Lynch Inflation Linked Index (GOQ1)** – The BofA Merrill Lynch US Inflation-Linked Treasury Index tracks the performance of US dollar denominated inflation linked sovereign debt publicly issued by the US government in its domestic market.

**Citigroup TIPS (SBUSILSI)** – It measures the returns of the inflation-linked bonds with fixed-rate coupon payments that are linked to an inflation index. The price of each issue in the USLSI is adjusted by using an index ratio. The index ratio is determined by dividing the current inflation index level by the inflation index level at the time of issue of the security. The inflation index is published on a monthly basis, and the intra-month index ratio is calculated using linear interpolation.

**Barclays Capital CMBS Index** – tracks the performance of US dollar-denominated securitized commercial mortgage-backed securities.

**Russell 2000** – measures the performance of the small-cap segment of the US equity universe. Russell 2000 is a subset of the Russell 3000 index representing approximately 10% of the total market capitalization of that index.

**S&P GSCI** – is a composite index of commodity sector return representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

**S&P GSCI Agriculture** – is a composite index of agriculture commodity futures unleveraged, long-only investment.

**Barclays Capital US 30 Year TIPS Index** – Barclays Capital 30-year TIPS on-the-run index quoted in US Dollars traded intraday

**Citigroup Economic Surprise Index** – The Citigroup Economic Surprise Indices are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets.

**DAX** - This index is the German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange.

**CAC 40** – This index the most widely-used indicator of the Paris market, reflects the performance of the 40 largest equities listed in France, measured by free-float market capitalization and liquidity.

**FTSE 100** – Is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

**Mexico IPC** – The Mexican IPC index is a capitalization weighted index of the leading stocks traded on the Mexican Stock Exchange.

**Hang Seng** – The Hang Seng China Enterprises Index is a freefloat capitalization-weighted index comprised of H-shares listed on the Hong Kong Stock Exchange and included in the Hang Seng Mainland Composite Index.

**KOSPI** - This index is a capitalized-weighted index of all common shares on the Korean Stock Exchanges.

**Nikkei 225** – The Nikkei-225 Stock average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

**Australia AORD** – S&P/ASX All Ordinaries represents 500 largest companies in the Australian equities market. Index constitutes are drawn from eligible companies listed on the Australian Stock Exchange.

**Brazil Bovespa Index (IBOV)** -The Bovespa Index is a gross return index weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange. The Bovespa Index has been divided 10 times by a factor of 10 since January 1, 1985.

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

**BSE India Sensitive Index (Sensex)** -The Sensex is a cap-weighted index. The selection of the index members has been made on the basis of liquidity, depth and floating-stock-adjustment depth and industry representation.

**S&P LSTA Lev Loan Index (Bank Loans)**- Created by the Leveraged Commentary & Data (LCD) team at S&P Capital IQ, the review provides an overview and outlook of the leveraged loan market as well as an expansive review of the S&P Leveraged Loan Index and sub-indexes. The review consists of index general characteristics, results, risk-return profile, default/distress statistics, and repayment analysis. It is not possible to invest directly in an index.

**Citigroup 3 Month T-Bill (SBMMTB3)** – 3 Month US T-Bill in US dollars.

# Disclaimer

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# In Our Time

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**September 8, 2015**

