



# Small Change

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**June 13, 2017**



# 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.**

*Mutual fund investing involves risk; Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt 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. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. The Fund may use certain types of investment derivatives. Derivatives involve risks different from, and in certain cases, greater than the risks presented by higher-rate securities. 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.*

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 March 31, 2017

Fund Performance							
		Annualized					1-Yr Std Deviation <sup>1</sup>
Month-End Returns		Year-to-Date	1-Year	3-Year	5-Year	Since Inception (4-6-10 to 5-31-17)	
May 31, 2017	May						
I-share	0.79%	2.62%	2.73%	3.17%	3.71%	6.76%	2.37%
N-share	0.76%	2.52%	2.48%	2.91%	3.45%	6.50%	2.31%
Benchmark*	0.77%	2.38%	1.58%	2.53%	2.24%	3.71%	3.51%

		Annualized				
Quarter-End Returns		Year-to-Date	1-Year	3-Year	5-Year	Since Inception (4-6-10 to 3-31-17)
March 31, 2017	1Q17					
I-share	1.05%	1.05%	1.46%	3.26%	3.64%	6.69%
N-share	0.98%	0.98%	1.21%	3.04%	3.40%	6.43%
Benchmark*	0.82%	0.82%	0.44%	2.68%	2.34%	3.57%

SEC 30-Day Yield	I-Share	N-Share
Gross	3.63%	3.38%
Net	3.63%	3.38%

Expense Ratio	I-Share	N-Share
Gross	0.47%	0.72%

**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).**

1. Standard deviation measures the amount of variation or dispersion of a set of data values.

\* Bloomberg 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.

# Announcements

## Webcasts:

### [Rising Rates – June 27, 2017](#)

Philip Barach and Phil Kenney will discuss DoubleLine's Low Duration and Floating Rate Funds

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

1:15 pm PDT/4:15 pm EDT

### [Emerging Markets Webcast – July 11, 2017](#)

Luz Padilla will discuss DoubleLine's Emerging Markets and Low Duration Emerging Markets Funds

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

1:15 pm PDT/4:15 pm EDT

**[View the 2017 Webcast Schedule to register for more.....](#)**

[www.doublelinefunds.com](http://www.doublelinefunds.com)

**To Receive Today's Presentation Slides:**

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

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**Sherman Show Podcasts** – Available on [doubleline.com](http://doubleline.com), itunes, Sound Cloud and Google Play

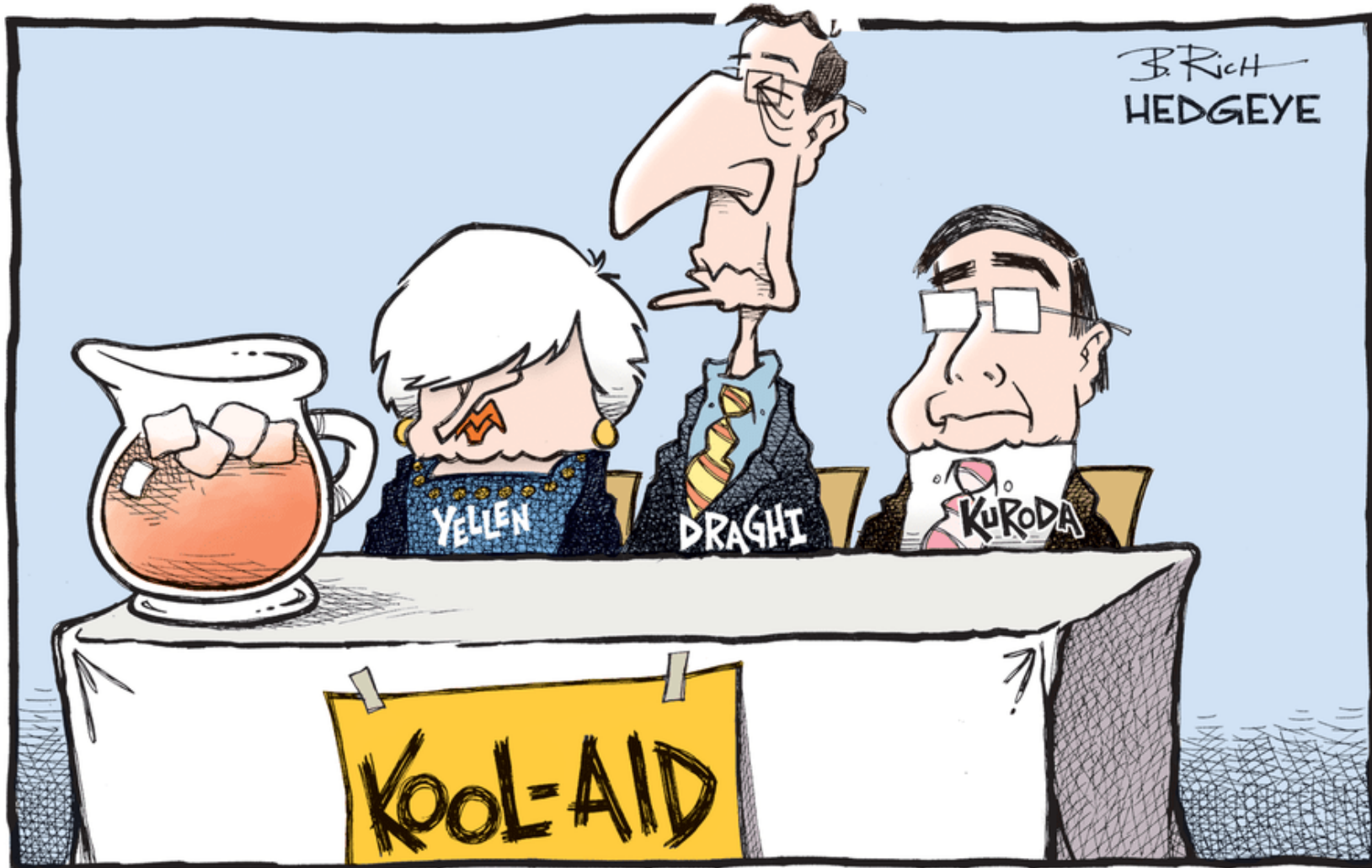
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**Advisor Use Only Webpage** [Now Available on doublelinefunds.com](#)

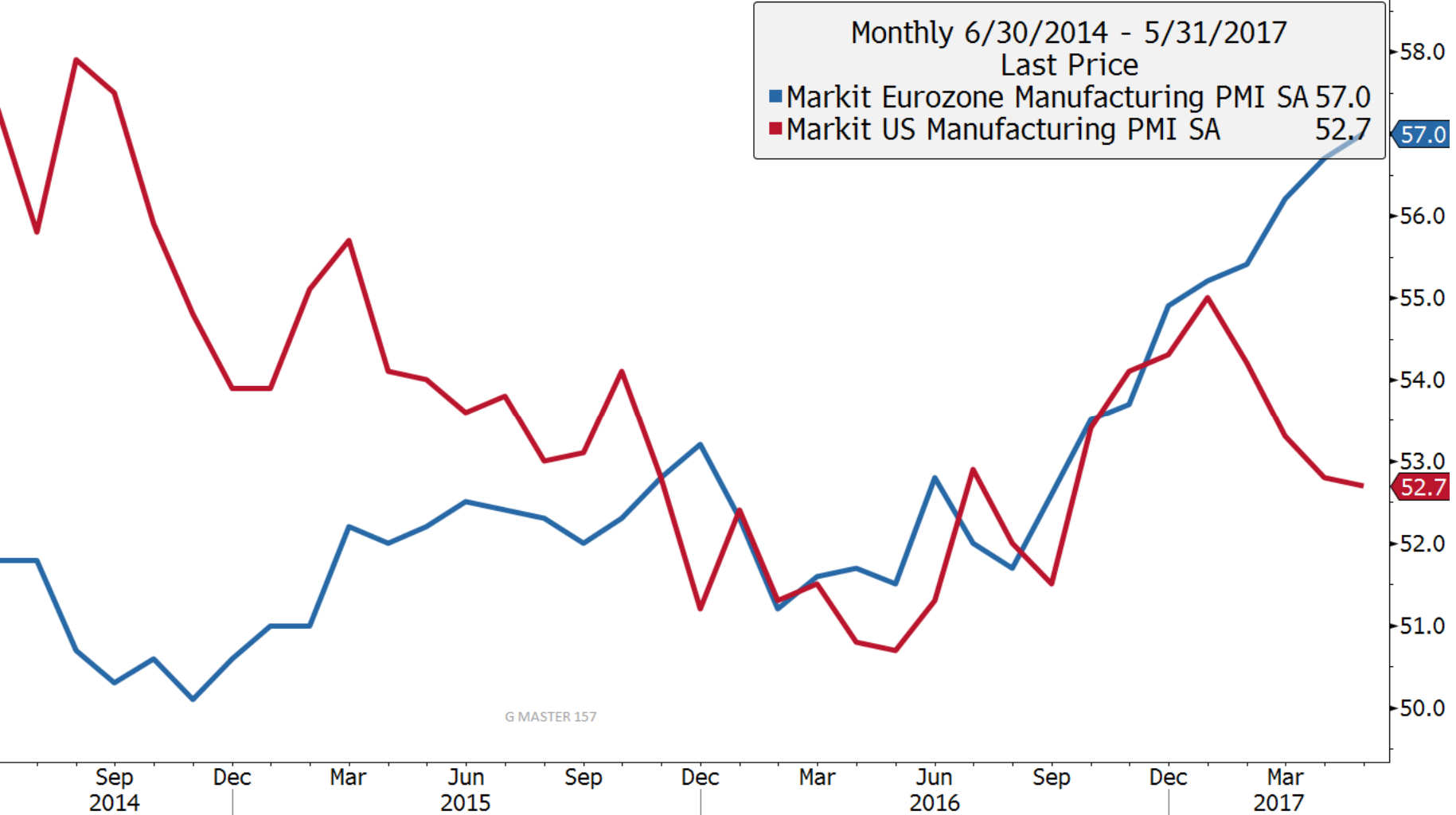
Sign up and a password will be sent to you once we have verified you are a registered rep

# TAB I

## Global Economy



# PMI – Eurozone vs. U.S.



MPMIEZMA Index (Markit Eurozone Manufacturing PMI SA) PMI Euro v US Monthly 31M

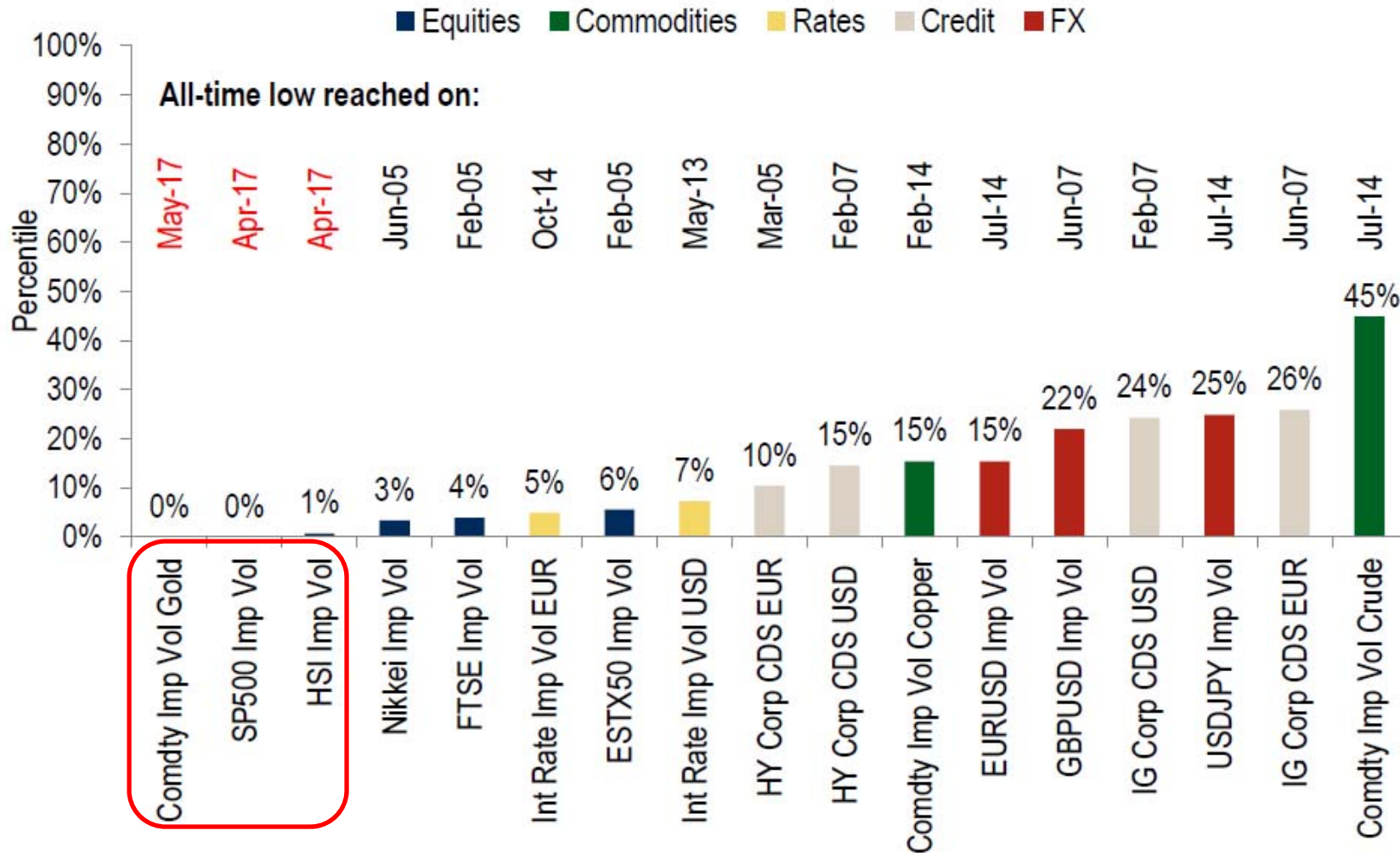
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13-Jun-2017 10:05:44

Source: Citigroup, Bloomberg  
Markit Eurozone Manufacturing PMI (Purchase Managers Index – seasonally adjusted). PMI is an indicator of the economic health of the manufacturing sector based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. You cannot invest directly in an index. .

# Low Volatility is Common Across Most Assets & Markets

As of May 17, 2017

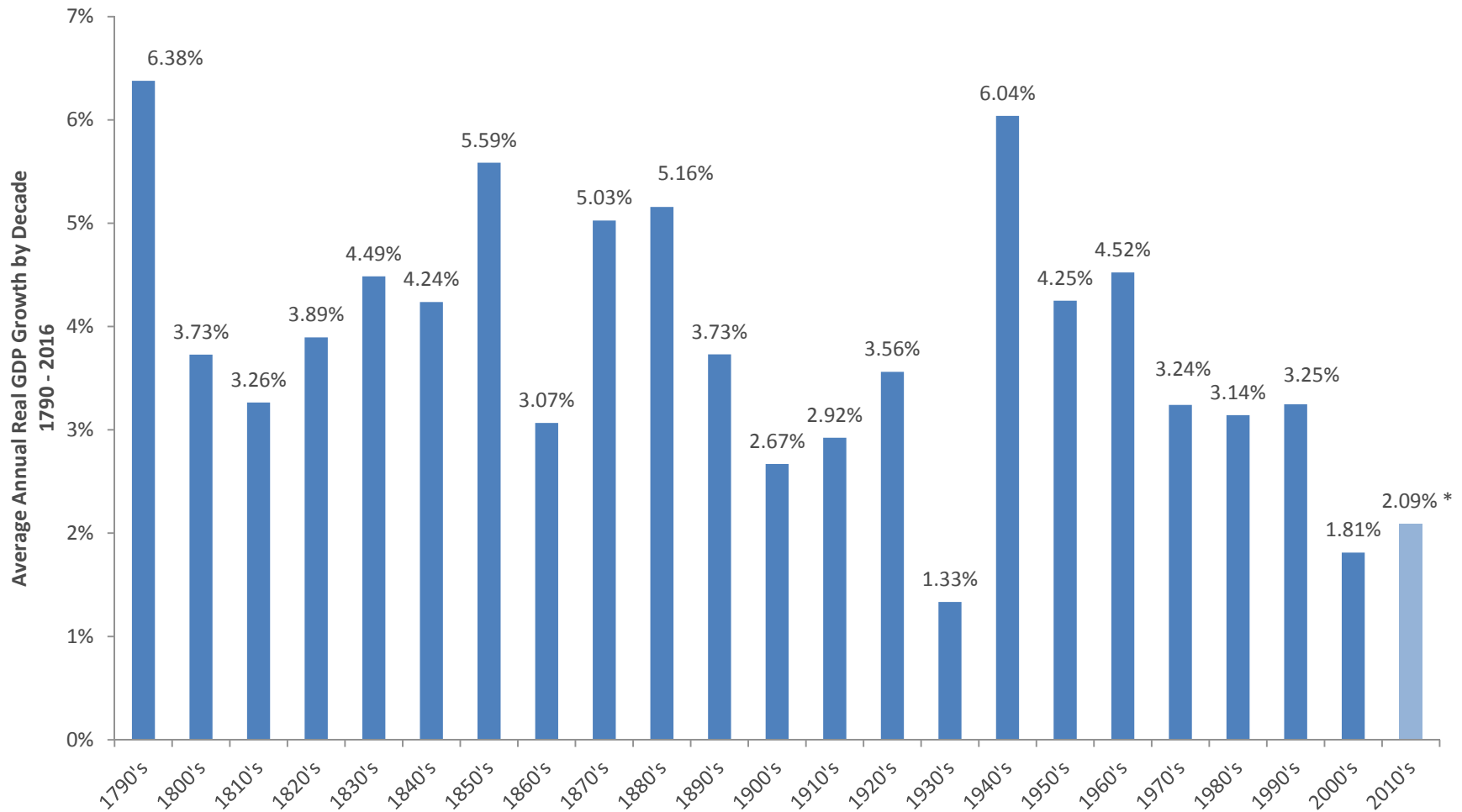


Source: BAML

FX = Foreign Exchange, Comdty = Commodity, Imp = Implied, HY = High Yield, IG = Investment Grade, EURUSD = Euros in US dollars, GBPUSD = British pound sterling in US dollars, USDJPY = US dollars in Japanese yen, CDS = credit default swap. Please see appendix for index definitions (SP500, Nikkei, FTSE, ESTX50). You cannot invest directly in an index.

# TAB II – U.S.

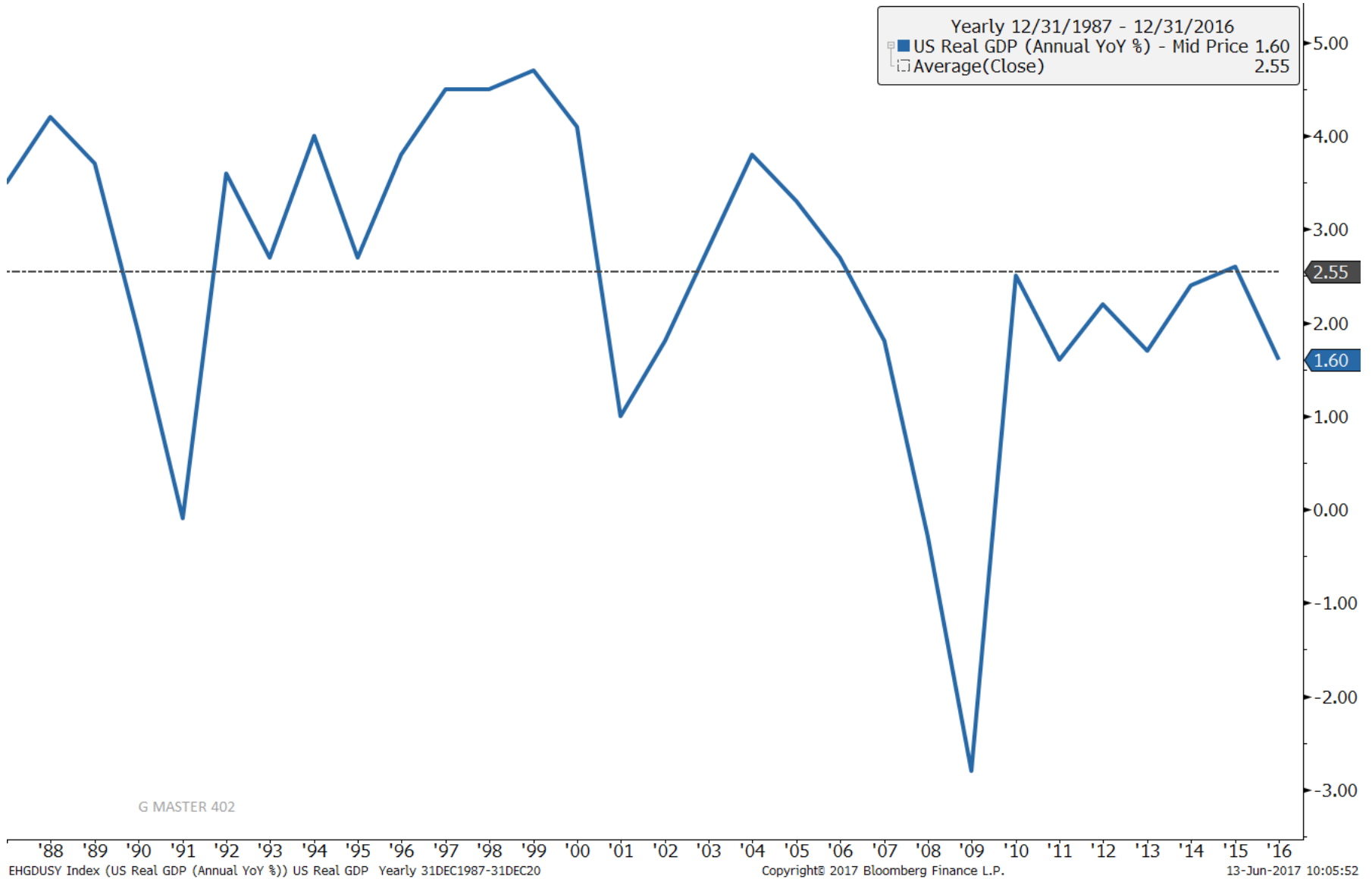
# Real GDP Growth by Decade



Data Source: Measuring Worth \*2010-2016

GDP = Gross Domestic Product measures the overall amount of goods and services produced within a given territory/country. You cannot invest directly in an index.

# U.S. Real GDP: “Noisy ?!?!”

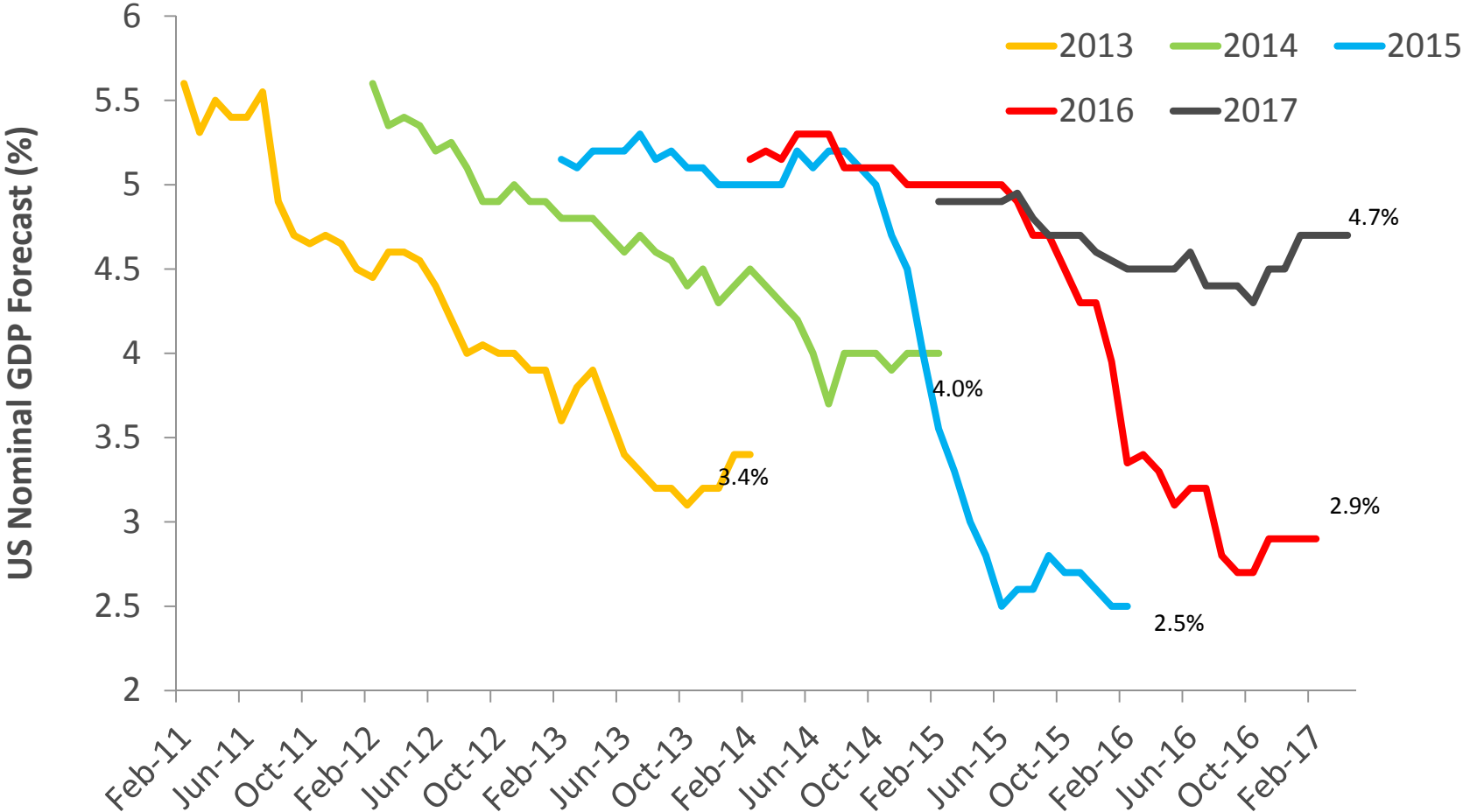


Source: Bloomberg

GDP = Gross Domestic product is the amount of goods and services produced within a given country. Real GDP is inflation adjusted. YoY = year-over-year. You cannot invest directly in an index.

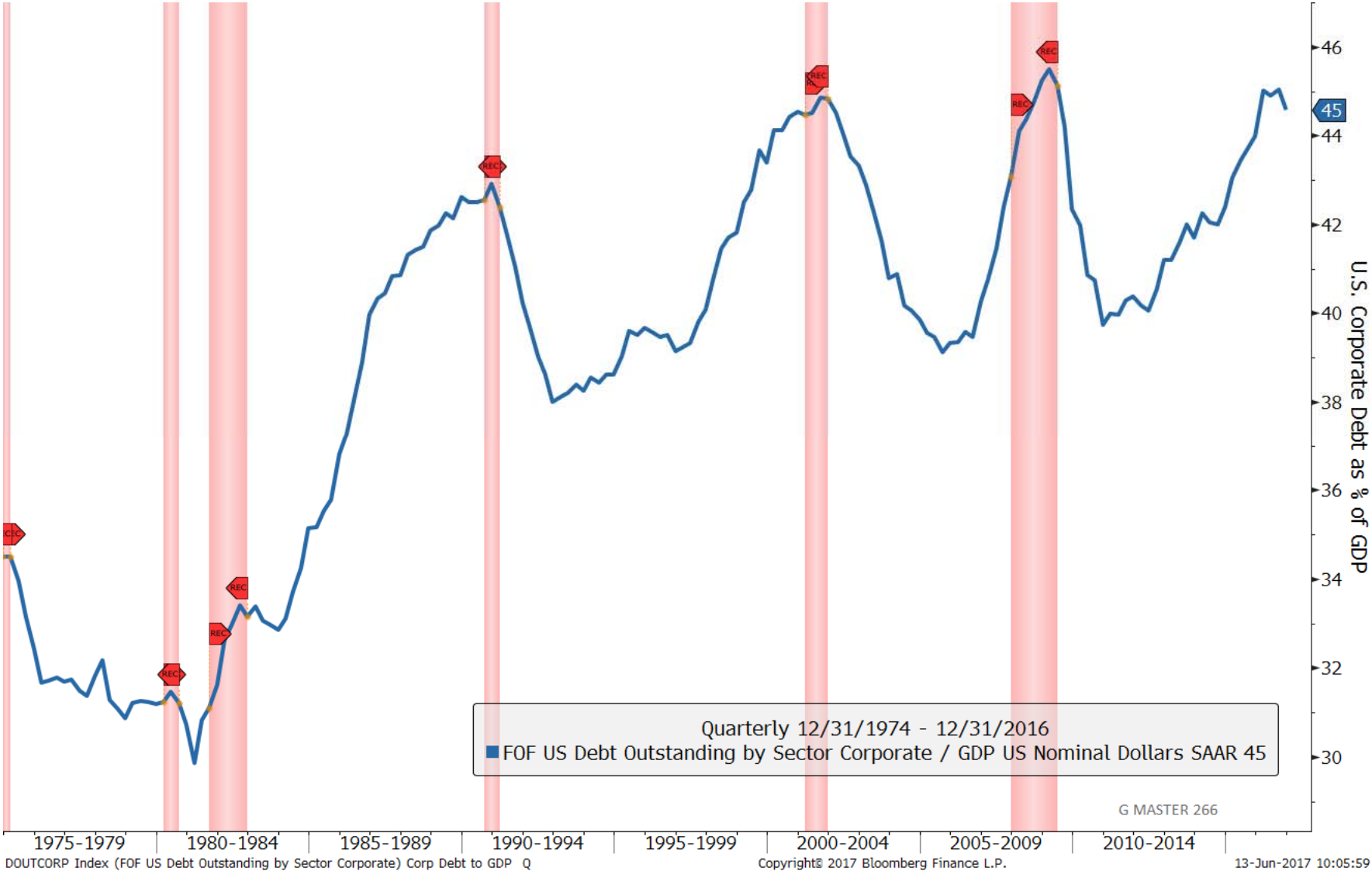
# U.S. Nominal GDP Forecasts

January 1, 2011 through April 30, 2017



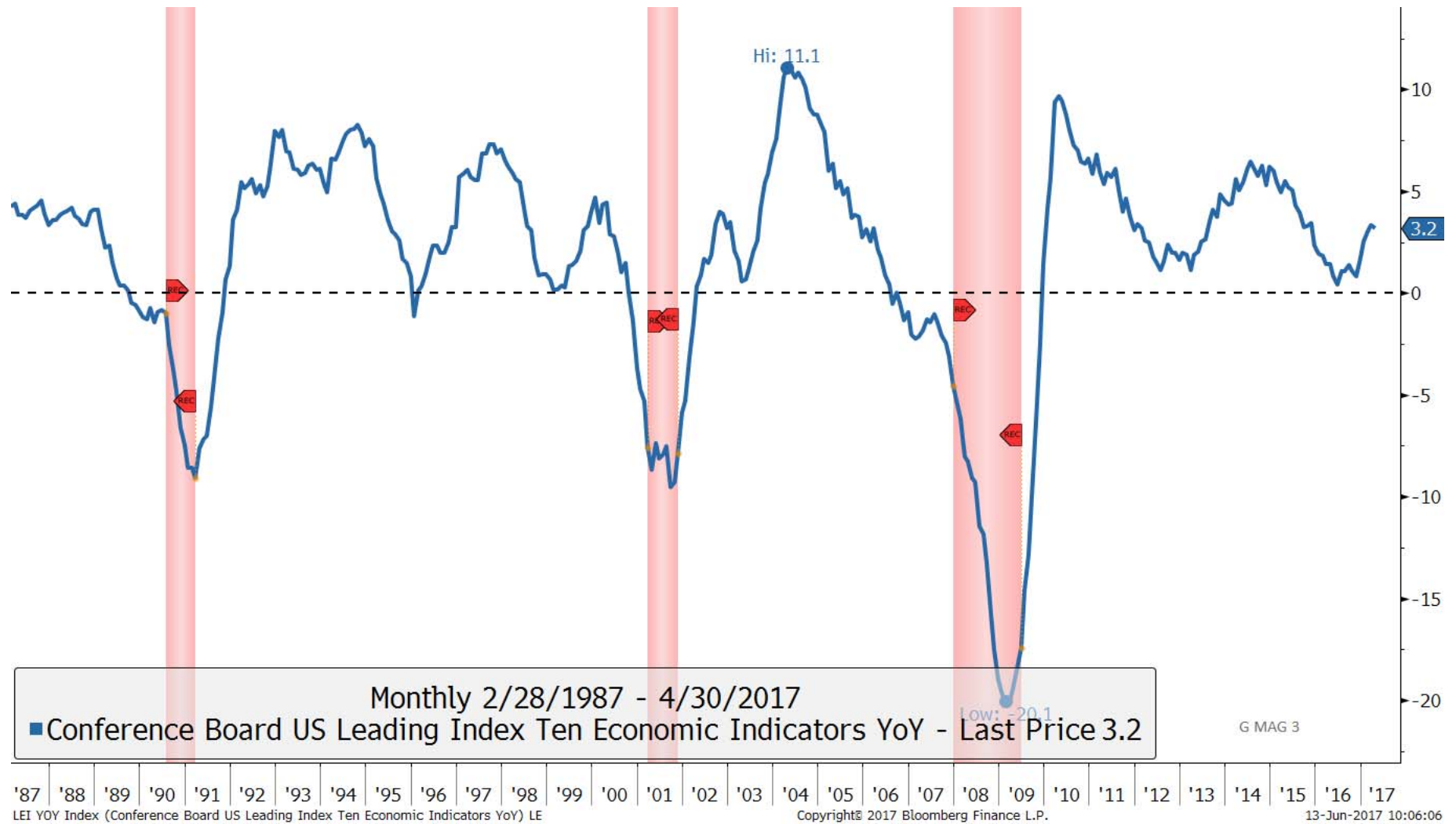
Source: Bloomberg  
 GDP = Gross Domestic product is the amount of goods and services produced within a given country. Nominal GDP is not adjusted for inflation. You cannot invest directly in an index.

# Corporate Debt to GDP



Source: Bloomberg  
 GDP = Gross Domestic product is the amount of goods and services produced within a given country. Nominal GDP is not adjusted for inflation. SAAR = Seasonally adjusted annual rate.  
 FOF = Flow of funds.  
 You cannot invest directly in an index.

# U.S. Conference Board Leading Economic Indicator



Source: Bloomberg, DoubleLine

Conference Board U.S. Leading Index = Leading indicators include economic variables that tend to move before change in the overall economy. These indicators give a sense of the future state of an economy. You cannot invest directly in an index.

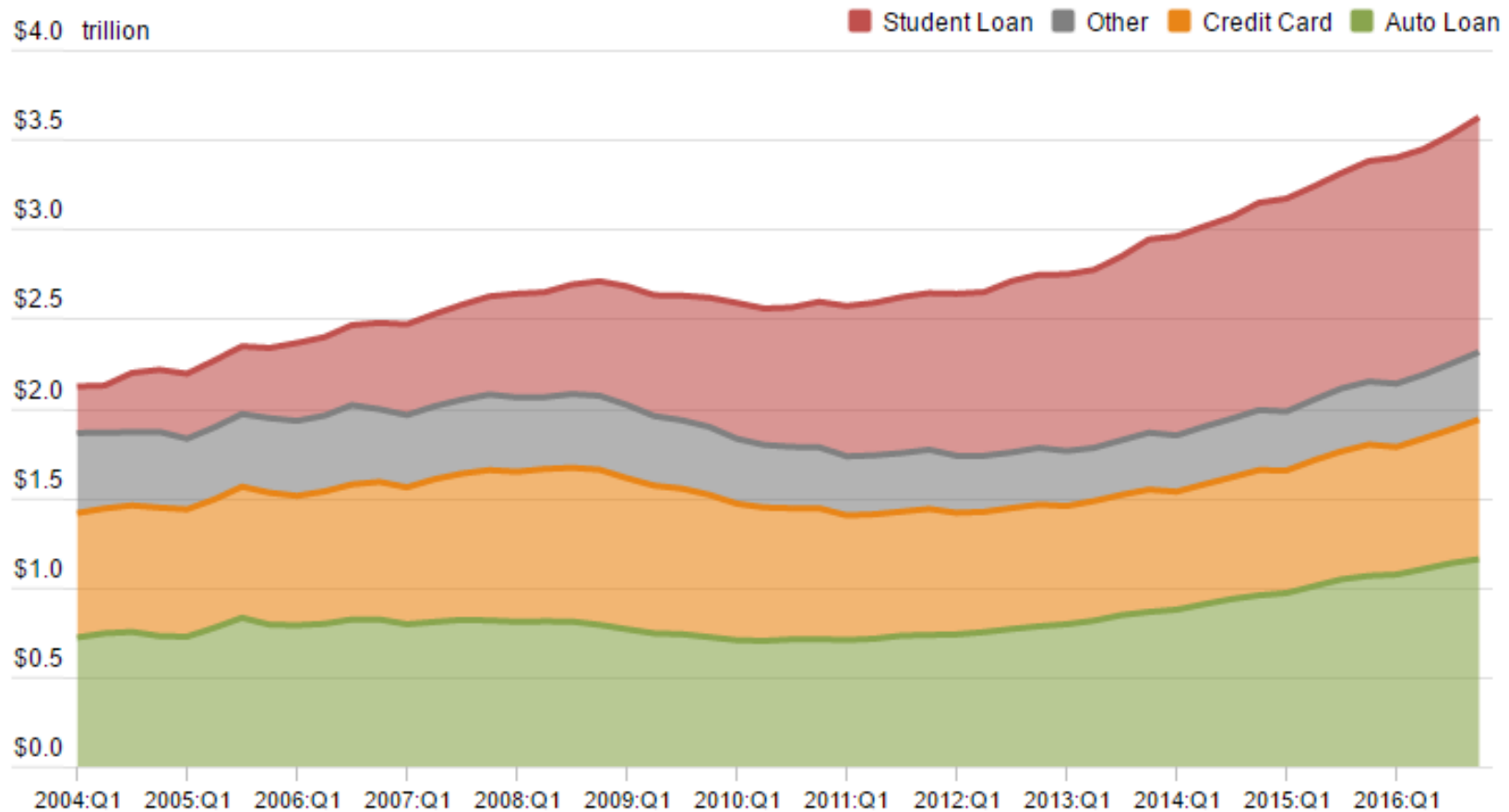
# Consumer Debt

December 31, 2004 to March 31, 2017



- Americans owe more than \$4.1 trillion in non-mortgage debt. \$2.09 in credit card and student loans.
- Even more than mortgage debt records set at the height of the housing bubble

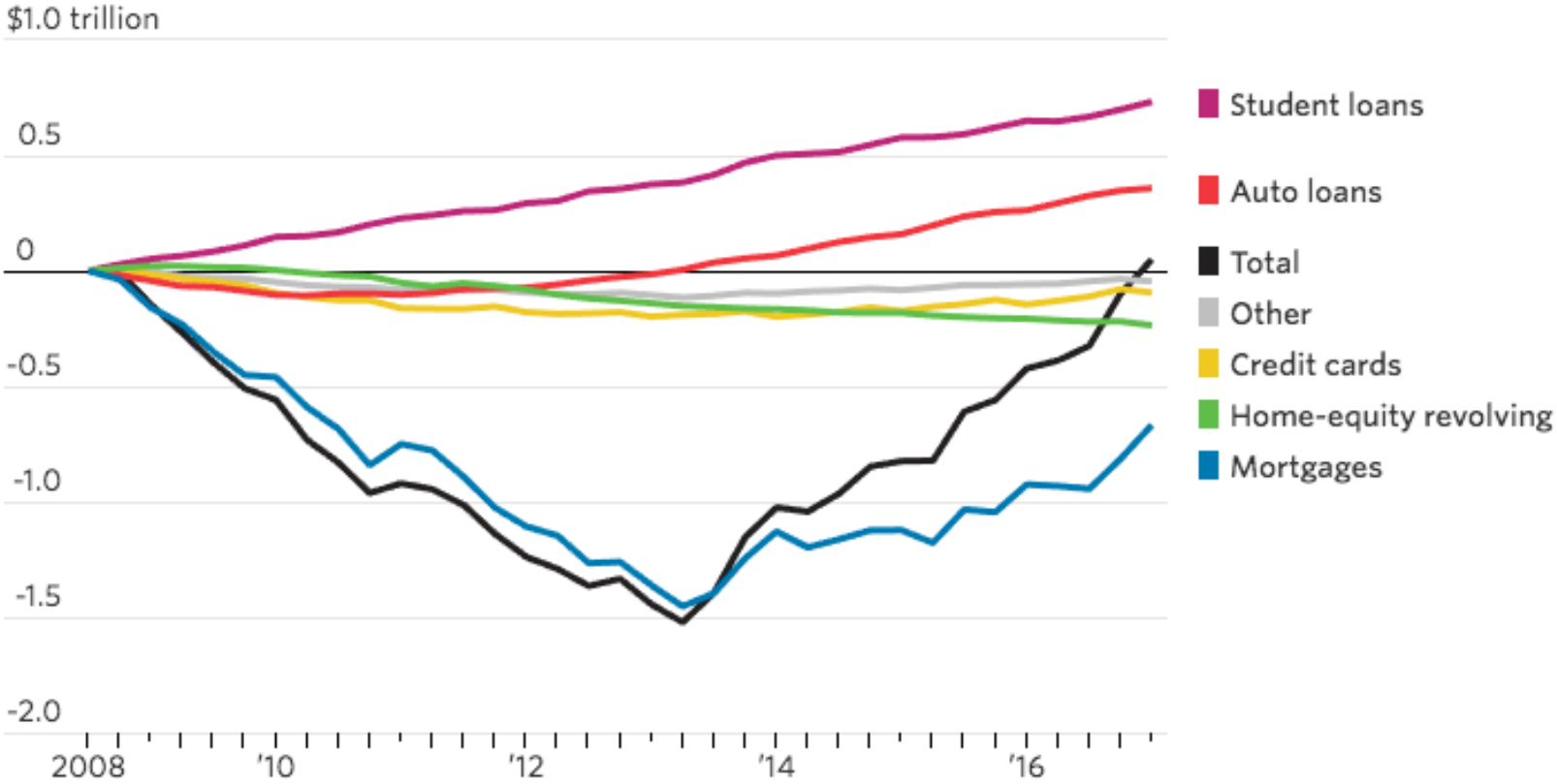
## Non-Housing Debt Balance



Source: 60 Second Statistics  
You cannot invest directly in an index. .

# U.S. Household Debt Since 2008

Americans' debt has returned to levels last seen before the recession in nominal terms, but the makeup of that debt has changed significantly. *Change in total debt balance, by type since its previous peak in 2008:*



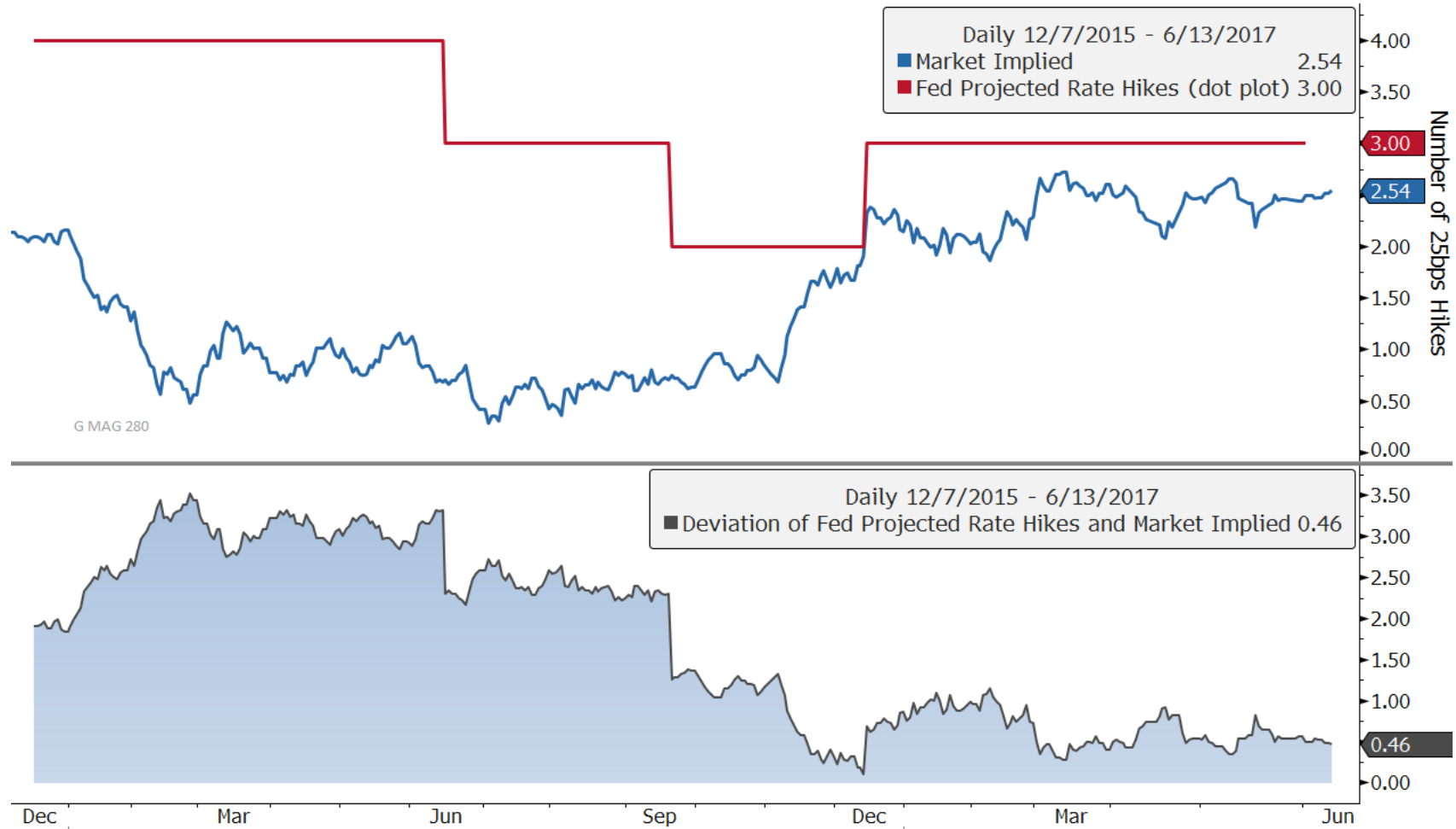
Source: Federal Reserve Bank of New York

# TAB III

## Fed Policy



# Fed Dots vs. Market Implied

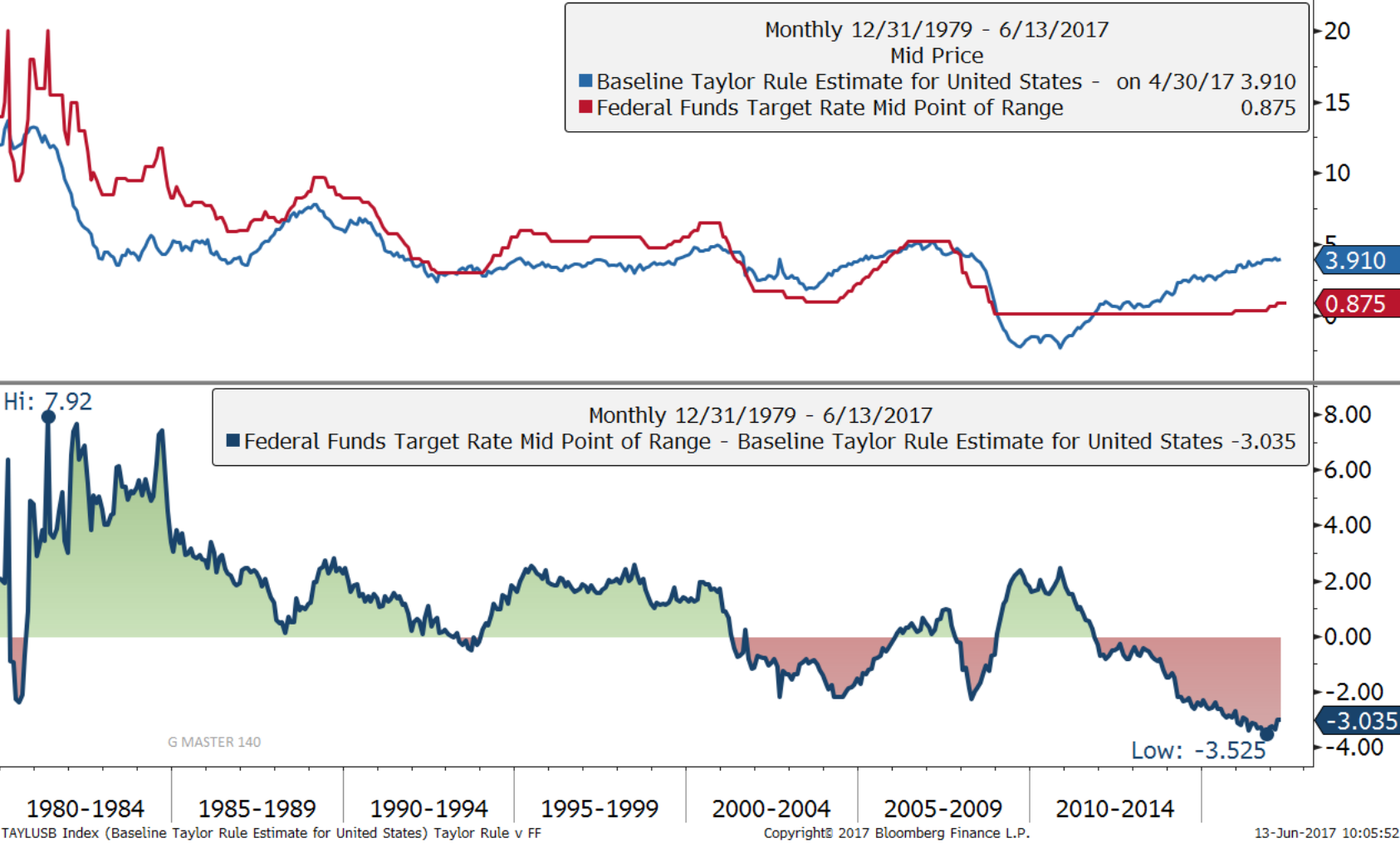


.HIKES F Index (Num. of Hikes (implied from Fe) Fed Hikes Daily 07DEC2015-13JUN

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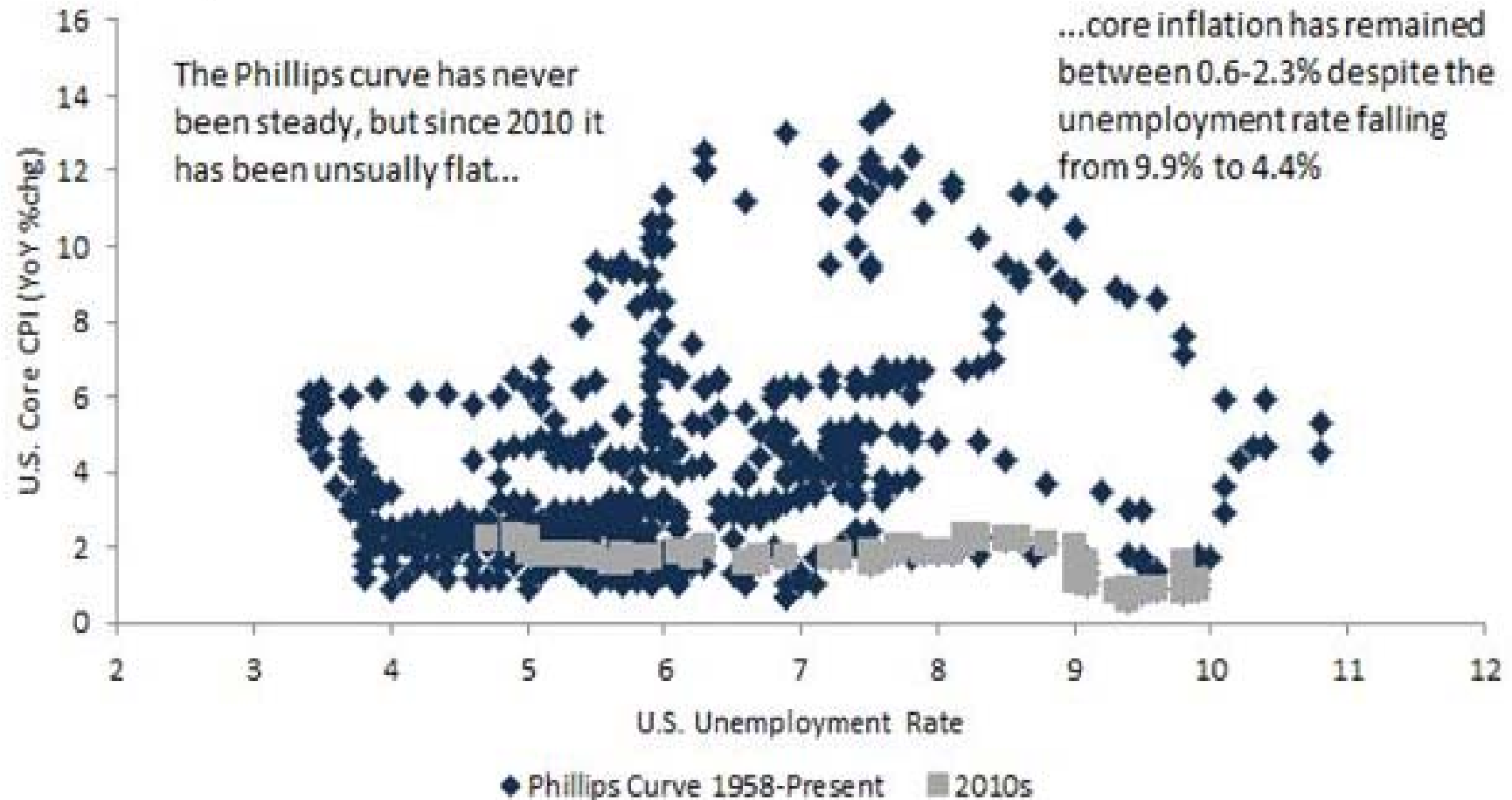
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# Taylor Rule vs. Fed Funds Rate



Source: Bloomberg  
A Taylor rule is a reduced form approximation of the responsiveness of the nominal interest rate, as set by the central bank, to changes in inflation, output, or other economic conditions. You cannot invest directly in an index.

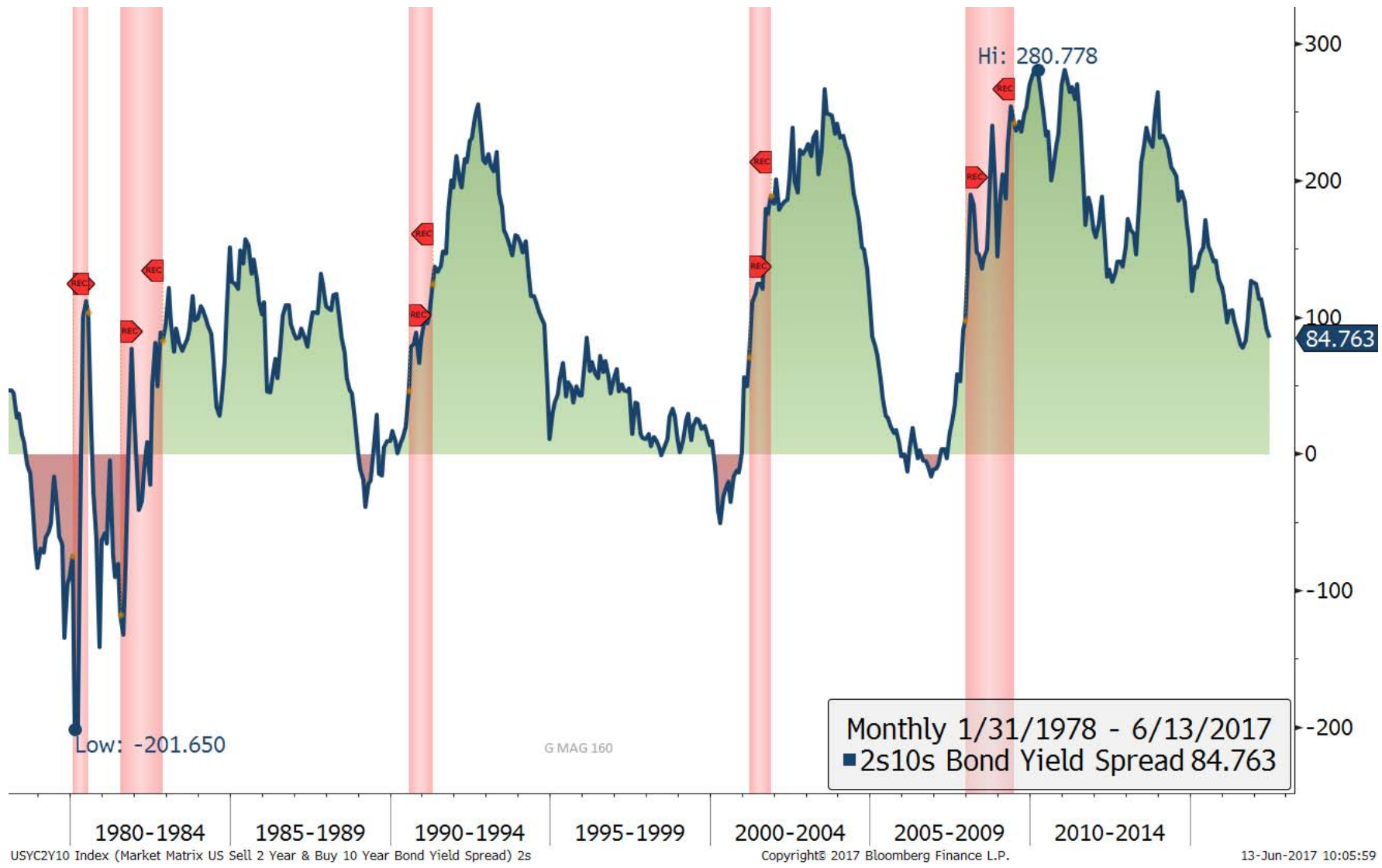
# Where's Waldo? Find the Phillips Curve in this picture...



Source: ISI

The Phillips curve is a supposed inverse relationship between the level of unemployment and the rate of inflation. You cannot invest directly in an index.

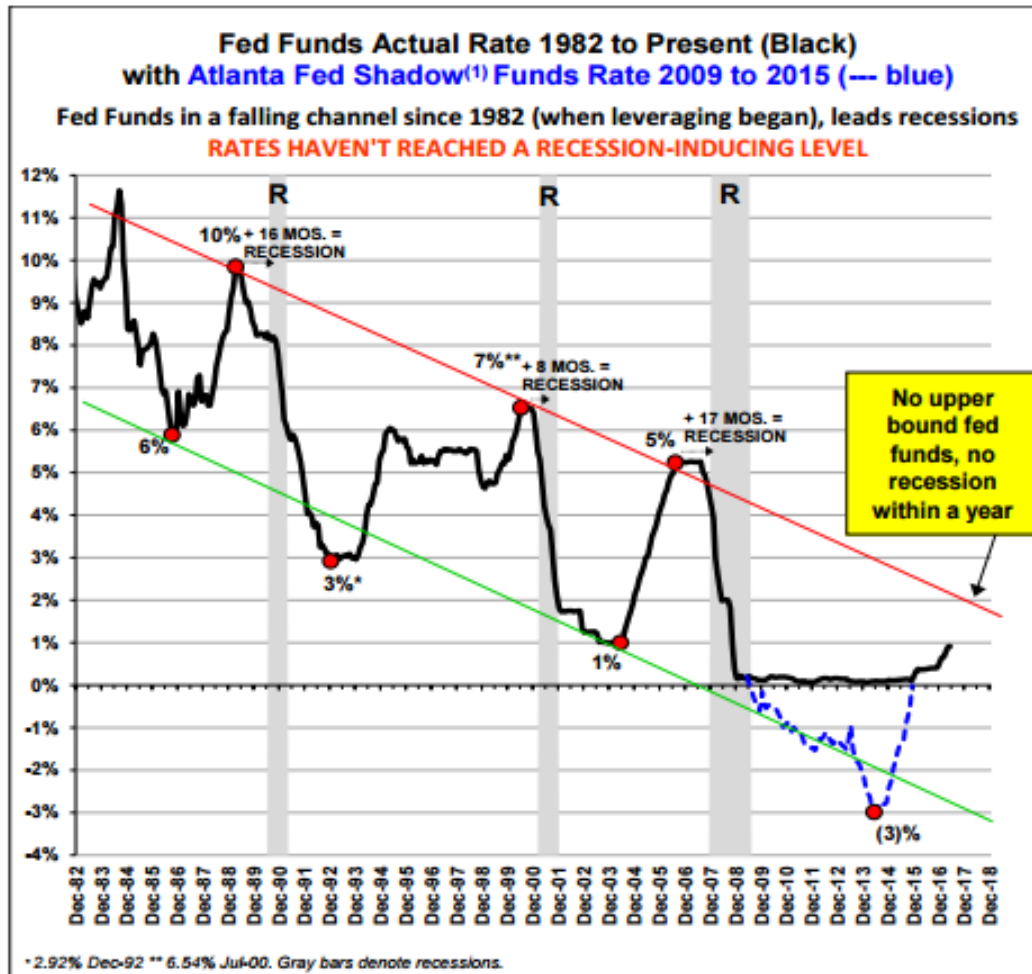
# Fed Hikes Almost Always Flatten the Yield Curve: 2s10s and Fed Hiking Cycles



Source: DoubleLine; Bloomberg  
2s10s = 2-year US Treasury vs. 10-year US Treasury

# Fed Funds

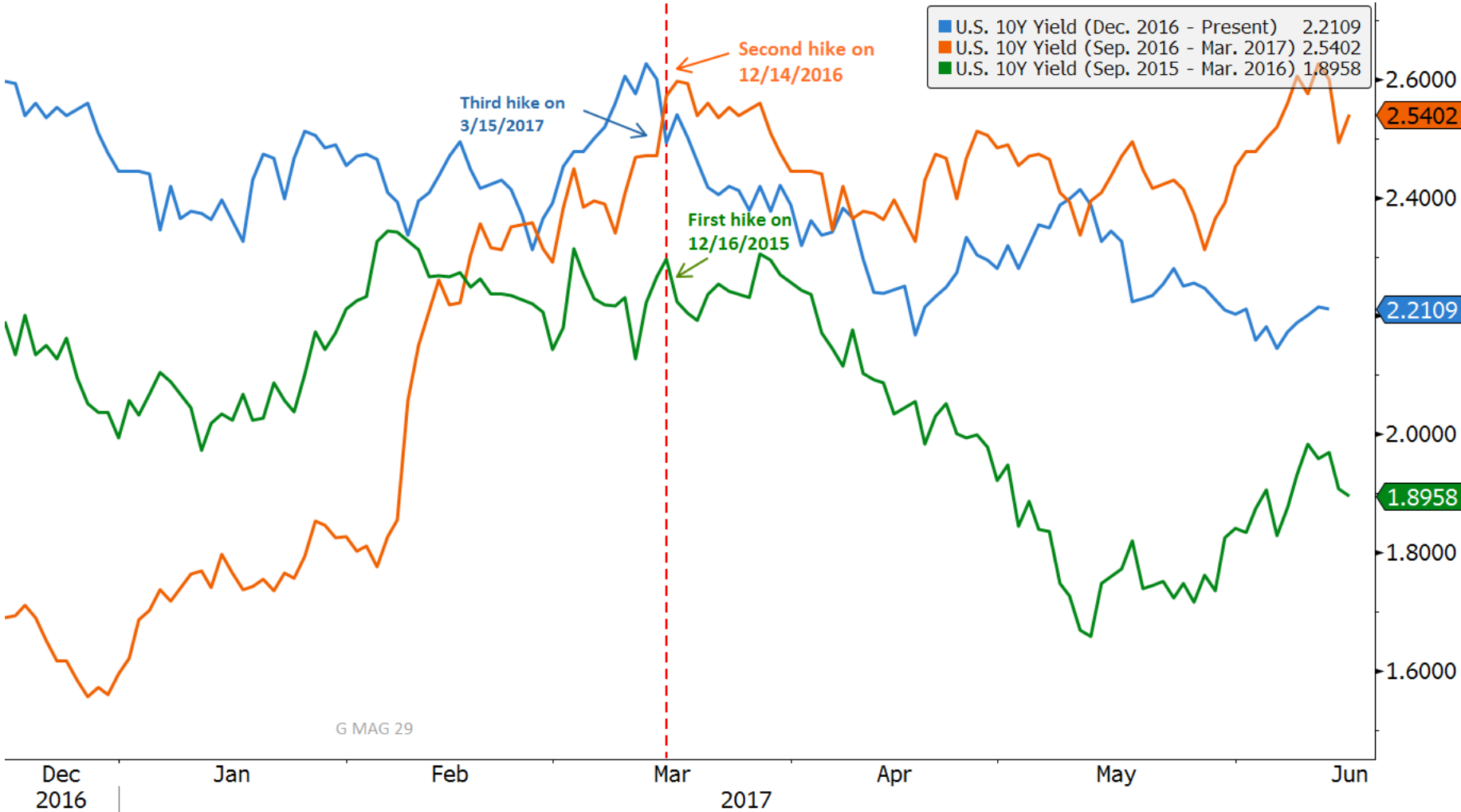
December 31, 1982 to December 31, 2016



Source: U.S. Federal Reserve, national central banks, Bloomberg, Stifel format.

You cannot invest directly in an index.

# Recent Fed Hikes vs. U.S. Treasury 10-Year Yield



USGG10YR Index (US Generic Govt 10 Year Yield) UST10yr\_current\_Fei Daily 15DEC2

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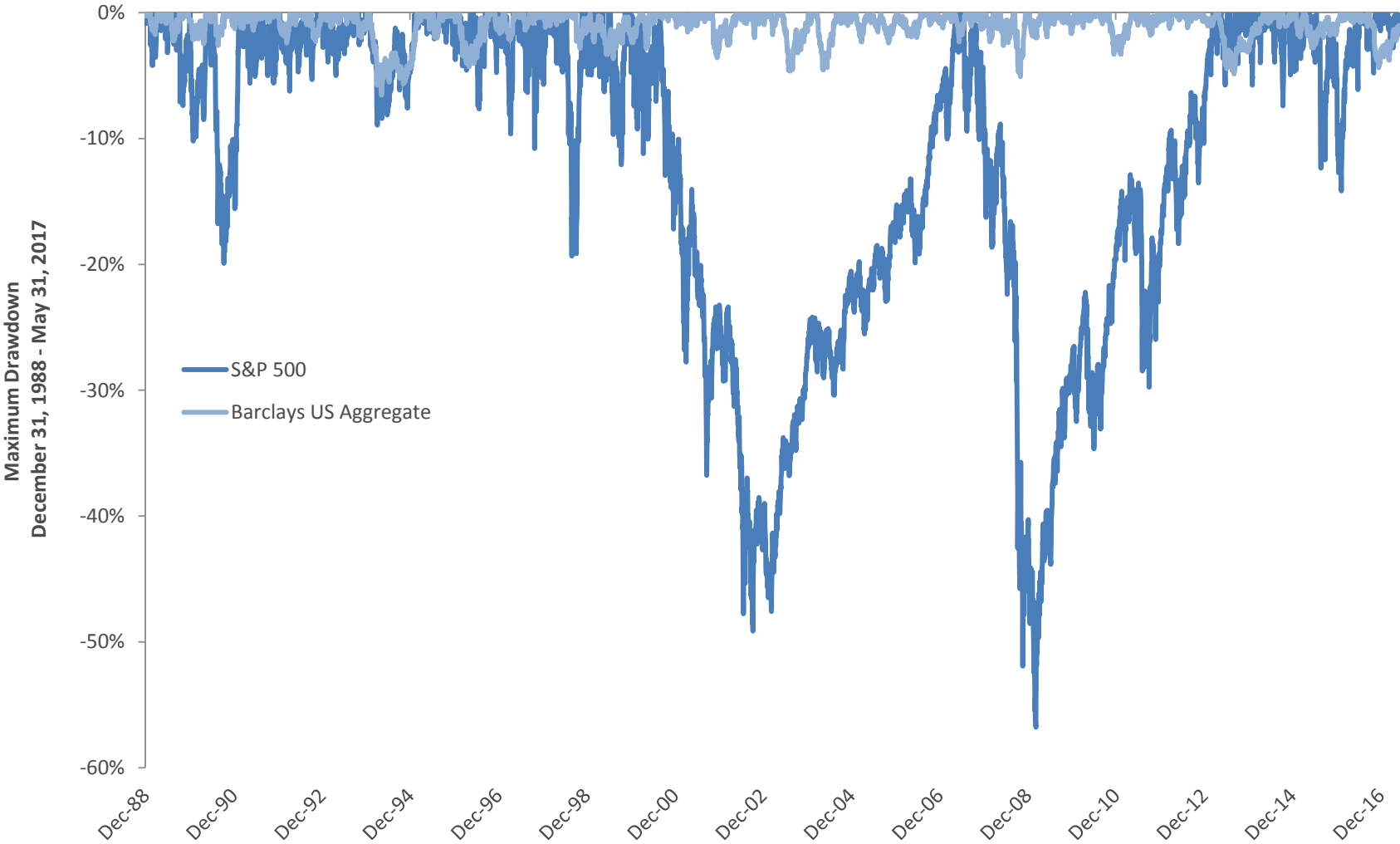
Source: Bloomberg, DoubleLine  
You cannot invest directly in an index.

# TAB IV

## Bloodless Verdict of the Markets

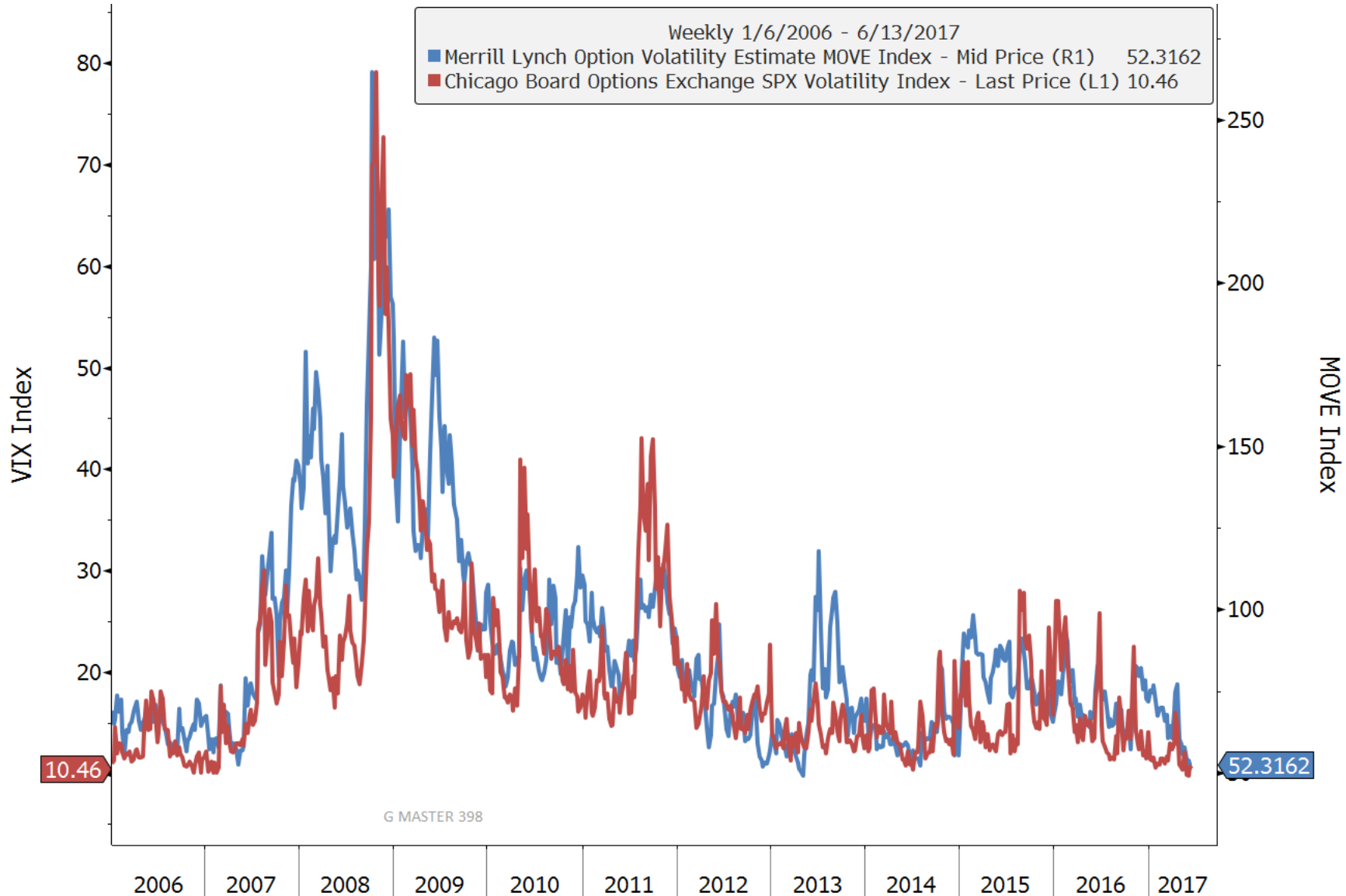


# Maximum Drawdown of Equity and Bond Markets



Data Source: Bloomberg  
 Drawdown = Is the peak-to-trough decline during a specific recorded period of an investment, fund or commodity. Please see appendix for index definitions.  
 You cannot invest directly in an index.

# Implied Volatility of Equity and Bond Markets

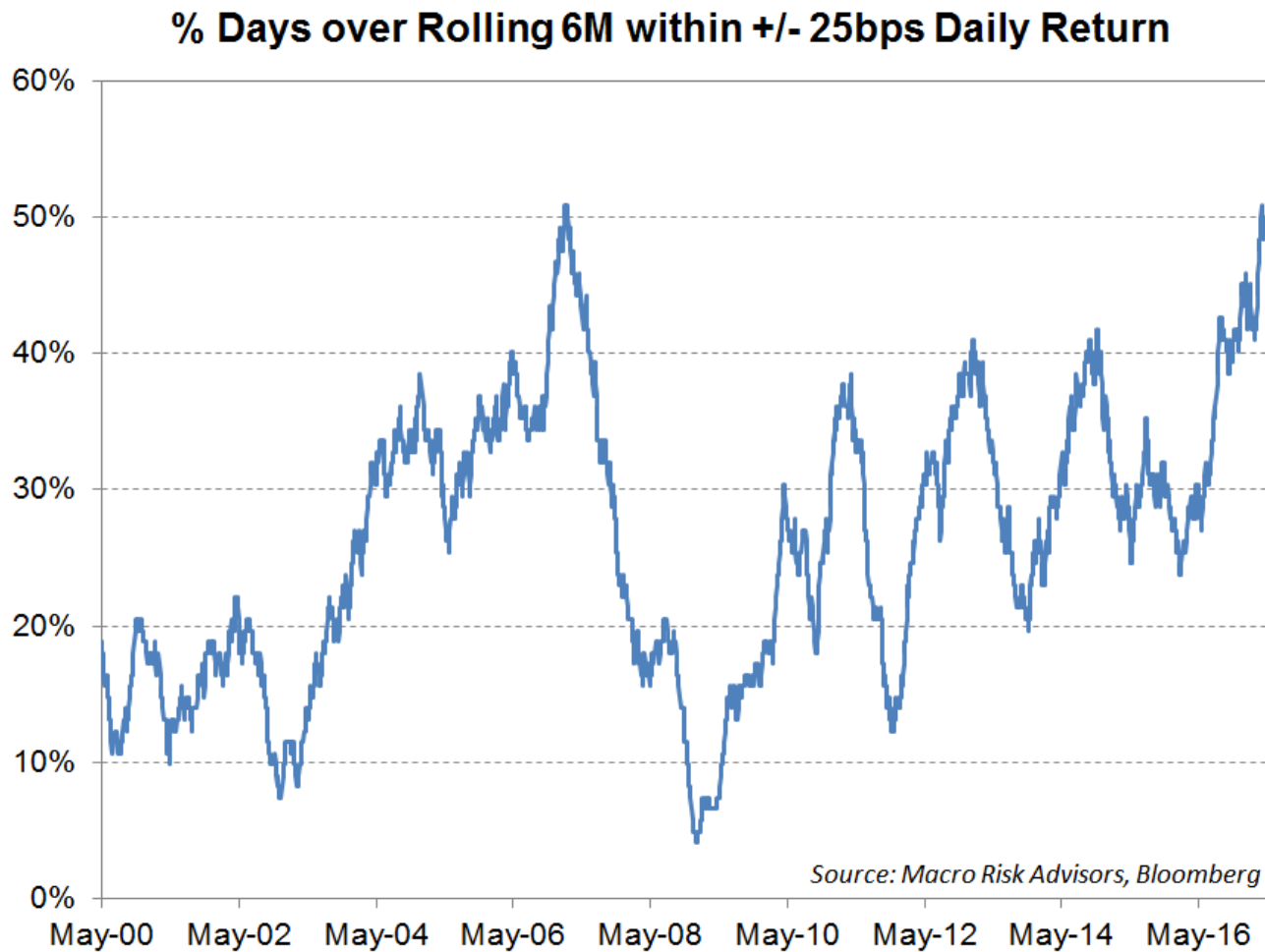


Data Source: Bloomberg

VIX = Volatility Index. MOVE Index is the Merrill Option Volatility Estimate. It's a yield curve weighted index of the normalized implied volatility on 1-month Treasury options. Chicago Board of Options Exchange SPX Volatility Index reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes. SPX = S&P 500. Please see appendix for index definitions. You cannot invest directly in an index.

# Near Record Low Volatility

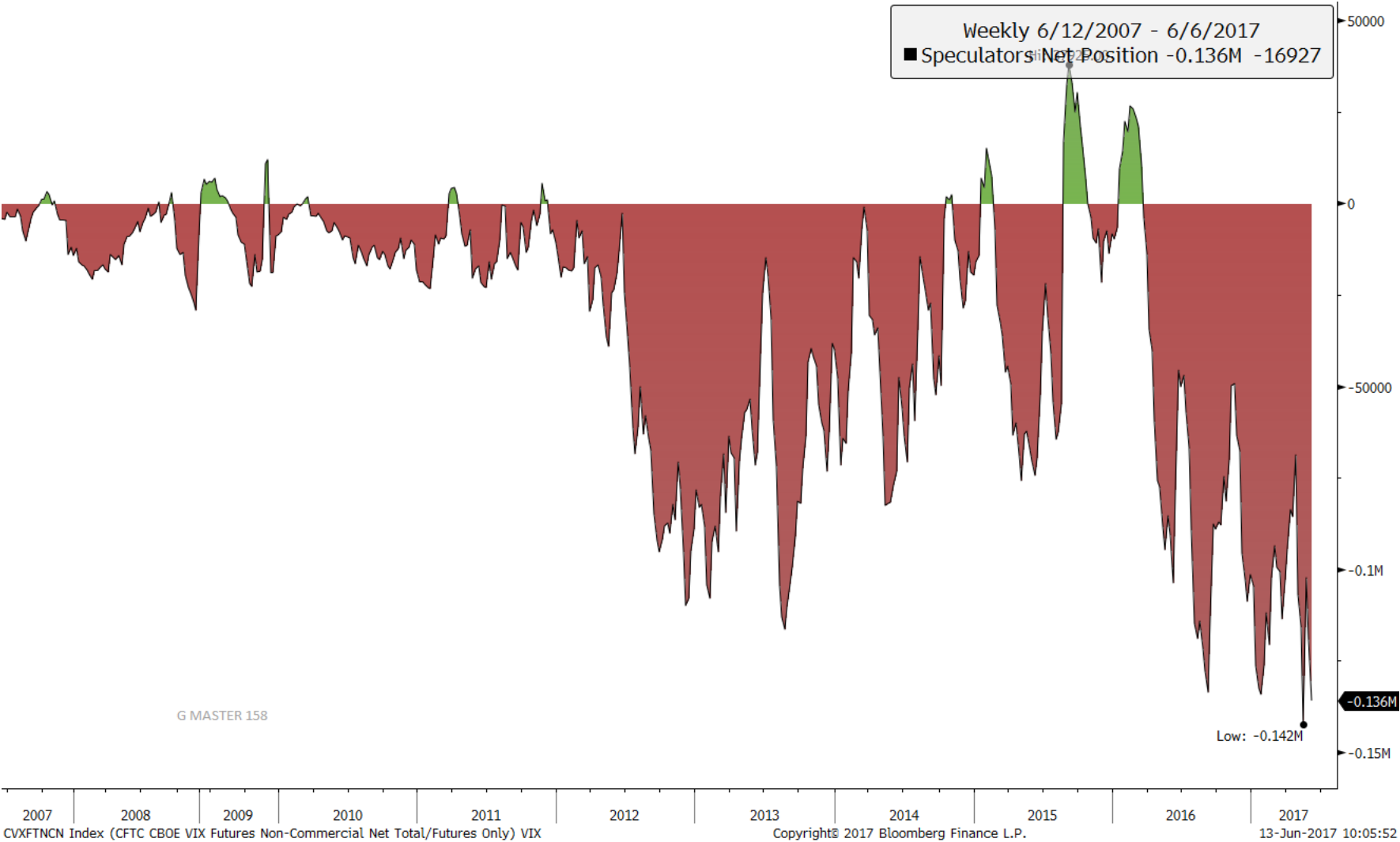
- Chart shows percent of days over a rolling 6 month period that S&P 500 daily returns have been within a +/- 25bps range.



As of May 2, 2017

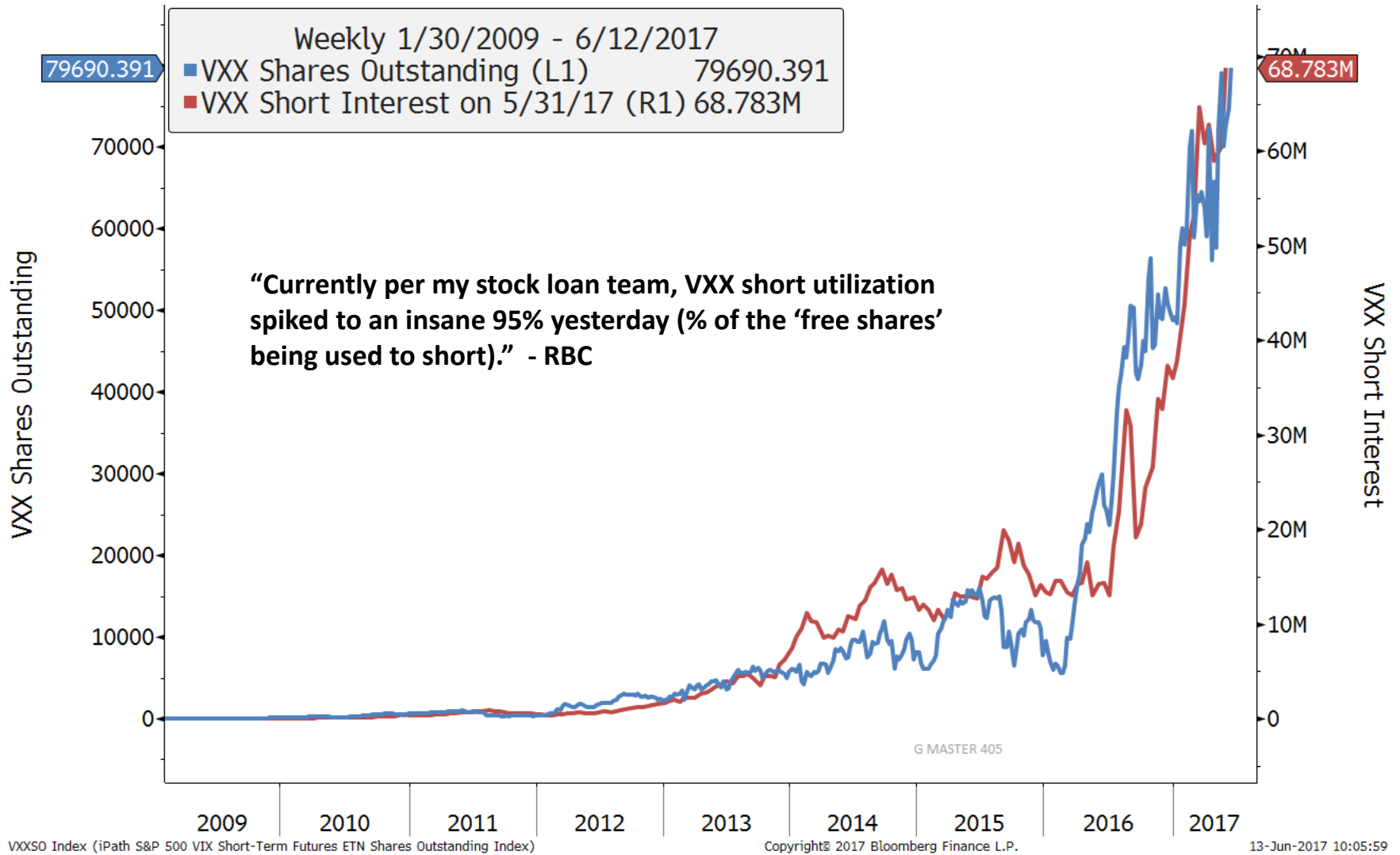
Source: Bianco. Bps = basis points. Please see appendix for index definitions. You cannot invest directly in an index.

# VIX Net Speculative Position



Source: Bloomberg. Please see appendix for index definitions. VIX = Volatility Index. You cannot invest directly in an index.

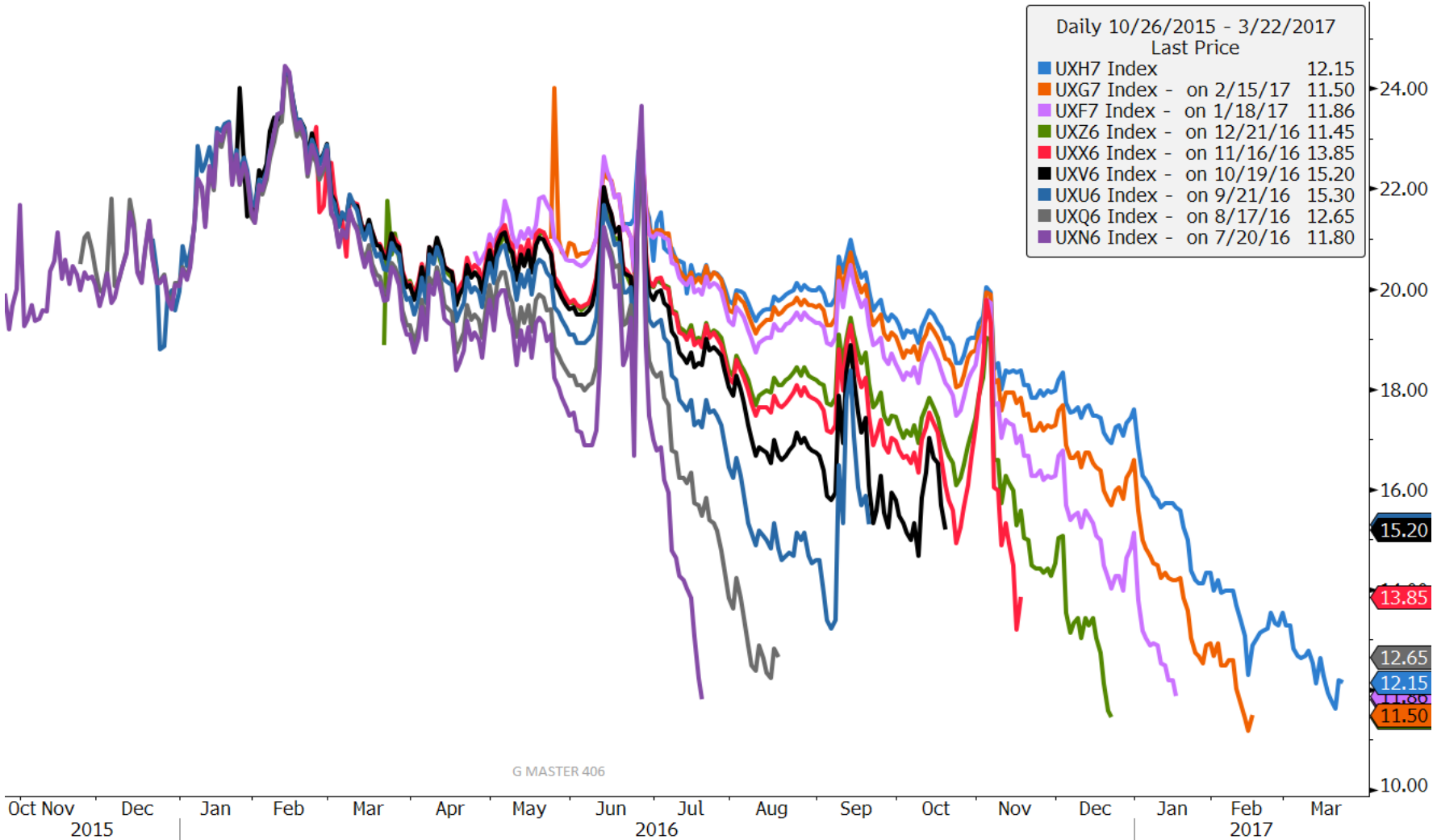
# VXX Shares Outstanding



Source: Bloomberg.

VXX =iPath S&P 500 VIX Short-Term Futures ETN in an exchange-traded note issued in the US. You cannot invest directly in an index.

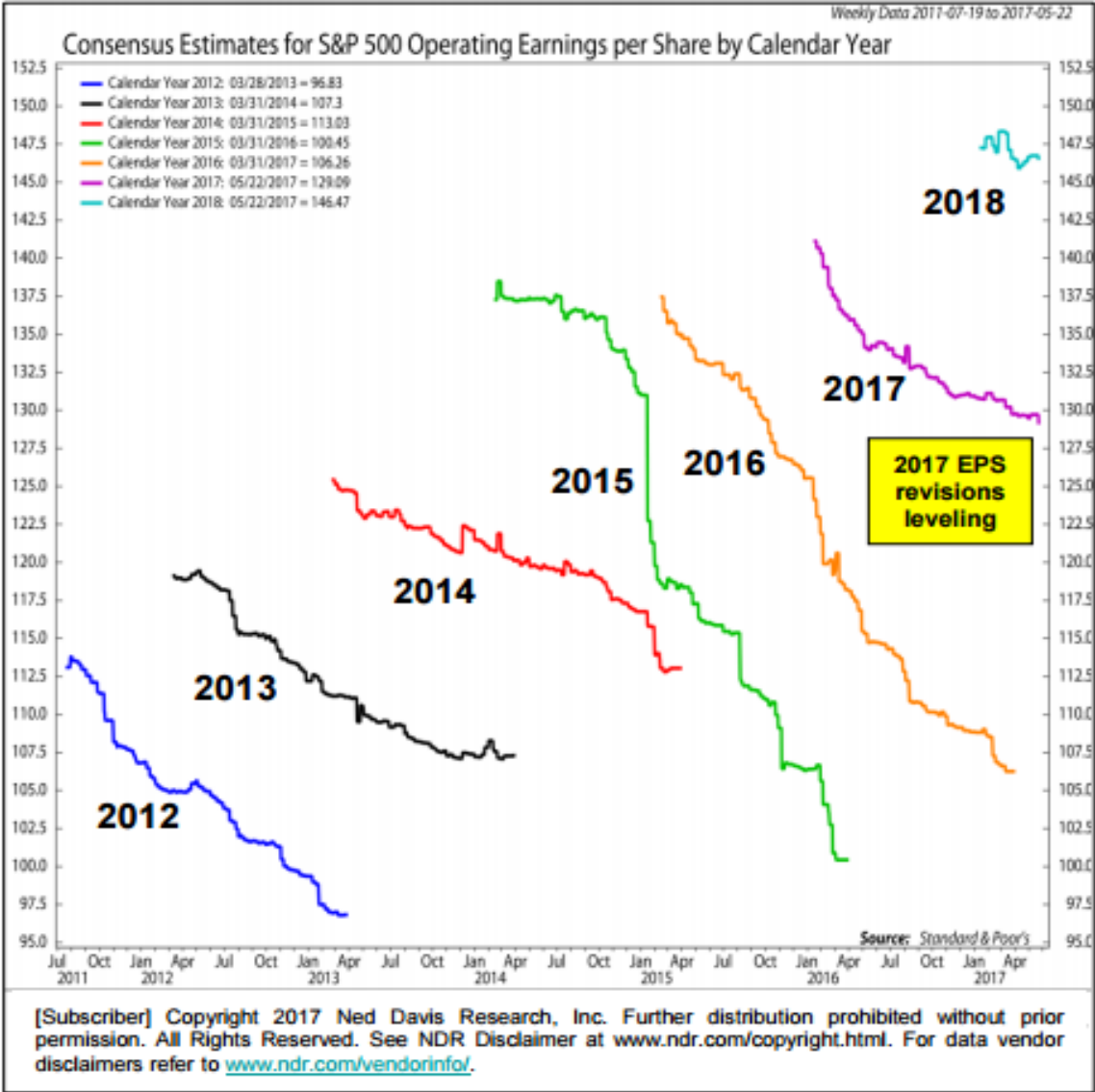
# Performance of VIX Futures Contracts Over Time



Source: Bloomberg.

VIX = Volatility Index. UXH7, UXG7, UXF7, UXZ6, UXX6, UXV6, UXU6, UXQ6, UXN6 are all CBOE Volatility Index futures with different ending contract dates. CBOE Volatility Index (VIX) Futures is the Chicago Board of Exchange tracks levels of volatility. The futures provide a pure play on implied volatility independent of the direction and level of stock prices. It's based on real time prices of options on the S&P 500 Index. You cannot invest directly in an index.

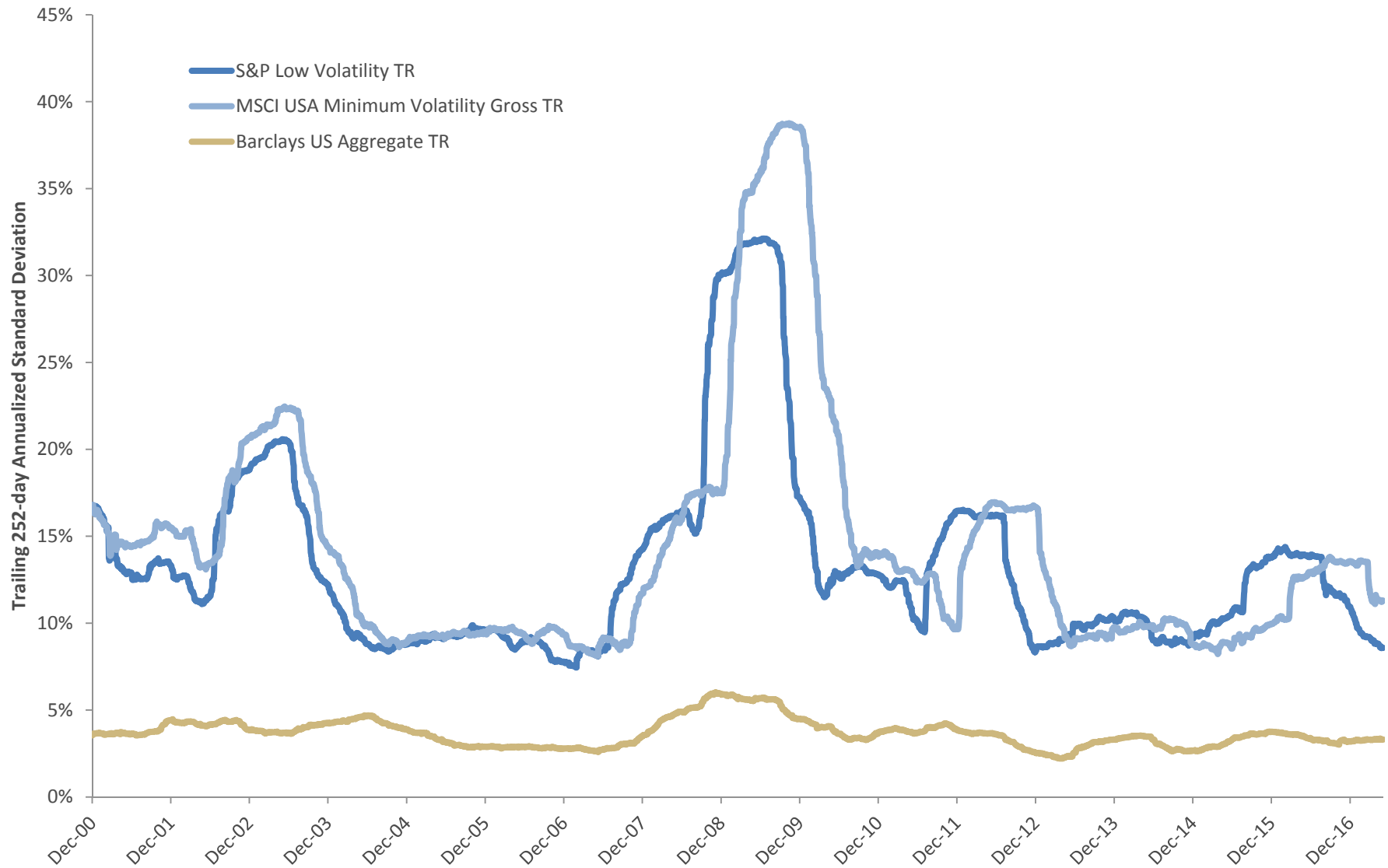
# S&P 500 Operating Earnings



Source: Bloomberg.  
S&P 500 is a capitalization-weighted index of 500 stocks. It's designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. VIX = Volatility Index. EPS = Earnings per share. You cannot invest directly in an index.

# U.S. Low Volatility Equity Indices are not Always Low Volatility

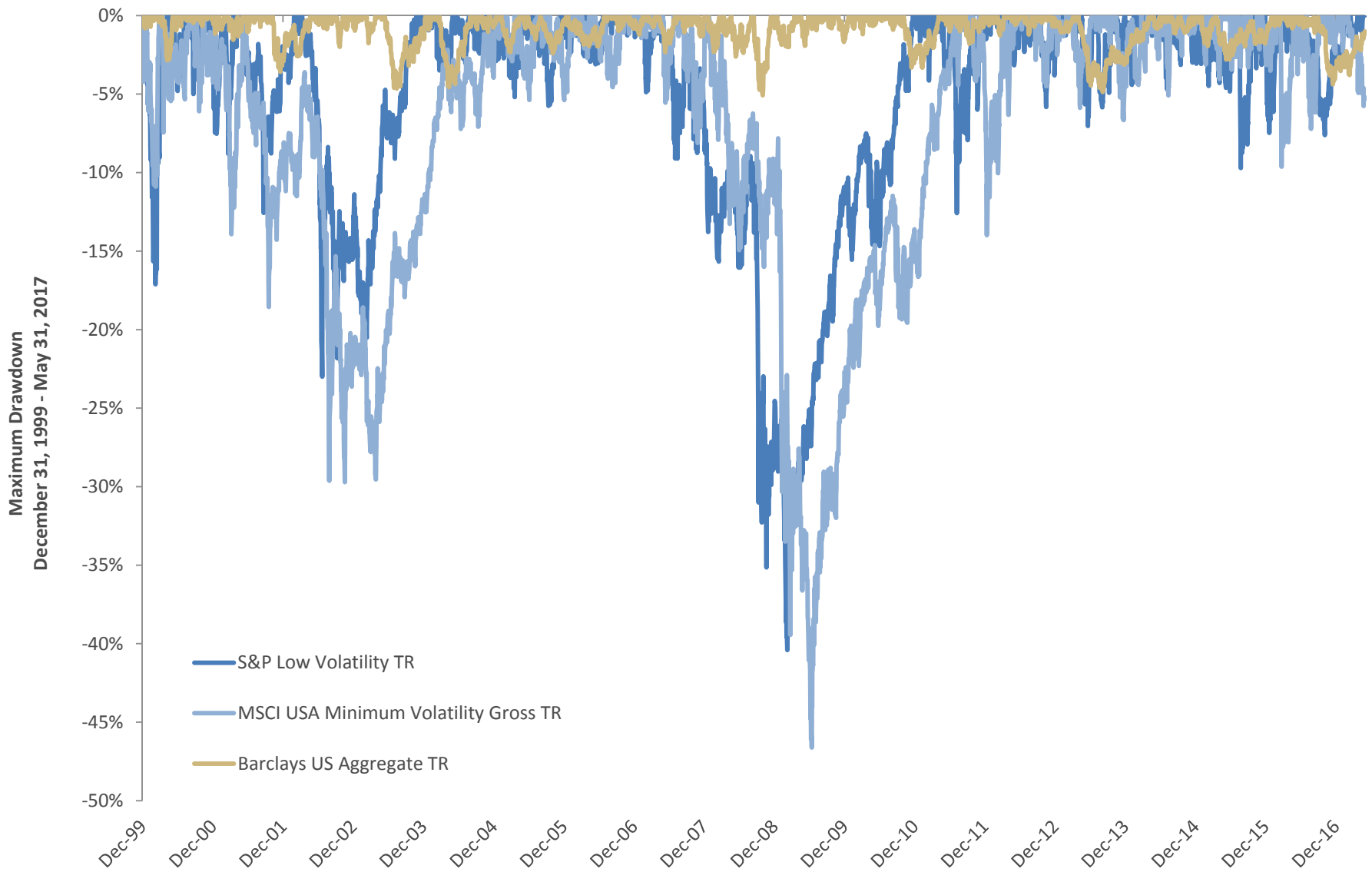
December 31, 2000 through May 31, 2017



Data Source: Bloomberg  
Please see the appendix for index definitions. TR = Total return. You cannot invest directly in an index.

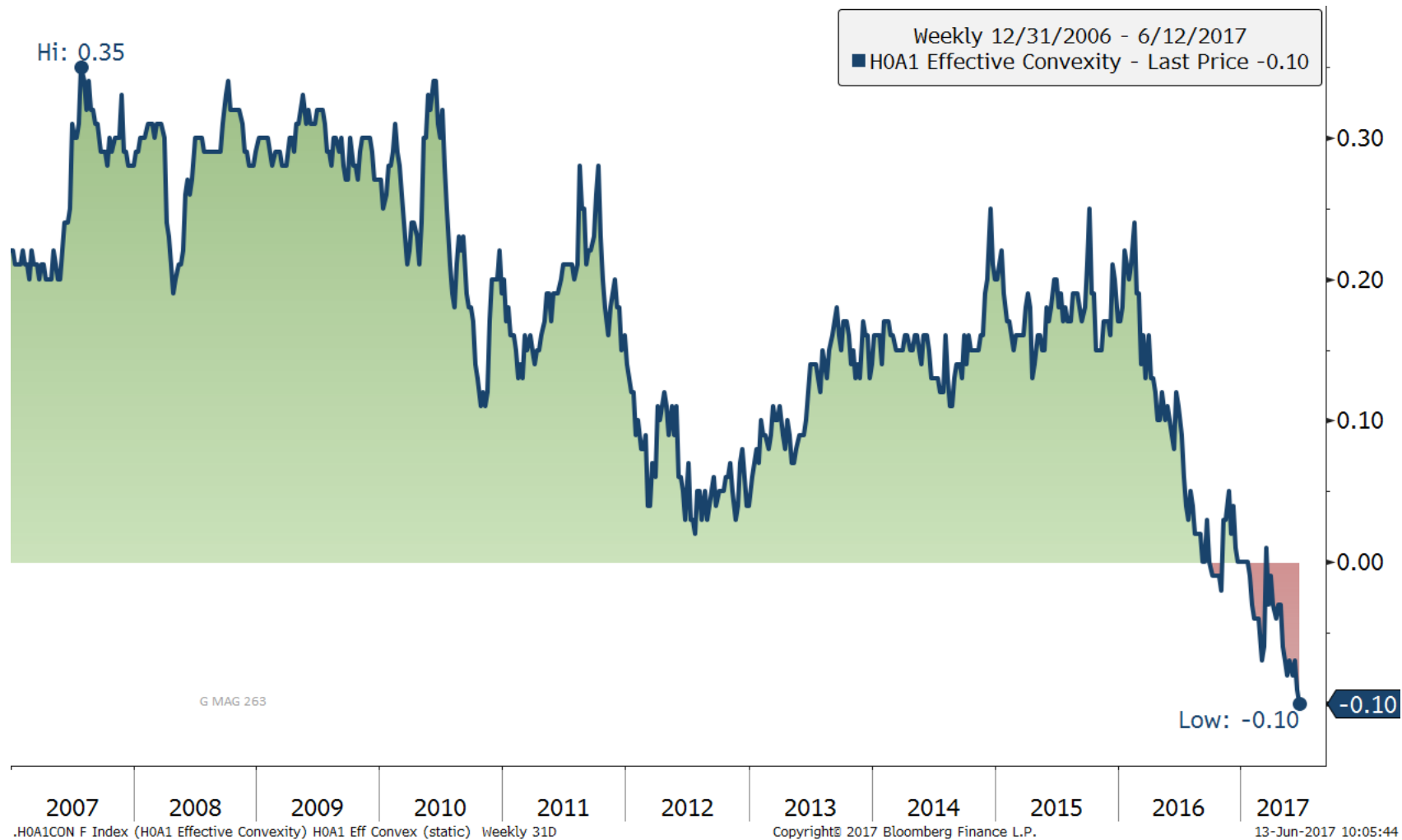
# U.S. Low Volatility Equity Indices are not Always Low Volatility

## Volatility December 31, 2000 through May 31, 2017



Data Source: Bloomberg  
Please see the appendix for index definitions. TR = Total return. You cannot invest directly in an index.

# BofA ML BB US High Yield - Effective Convexity

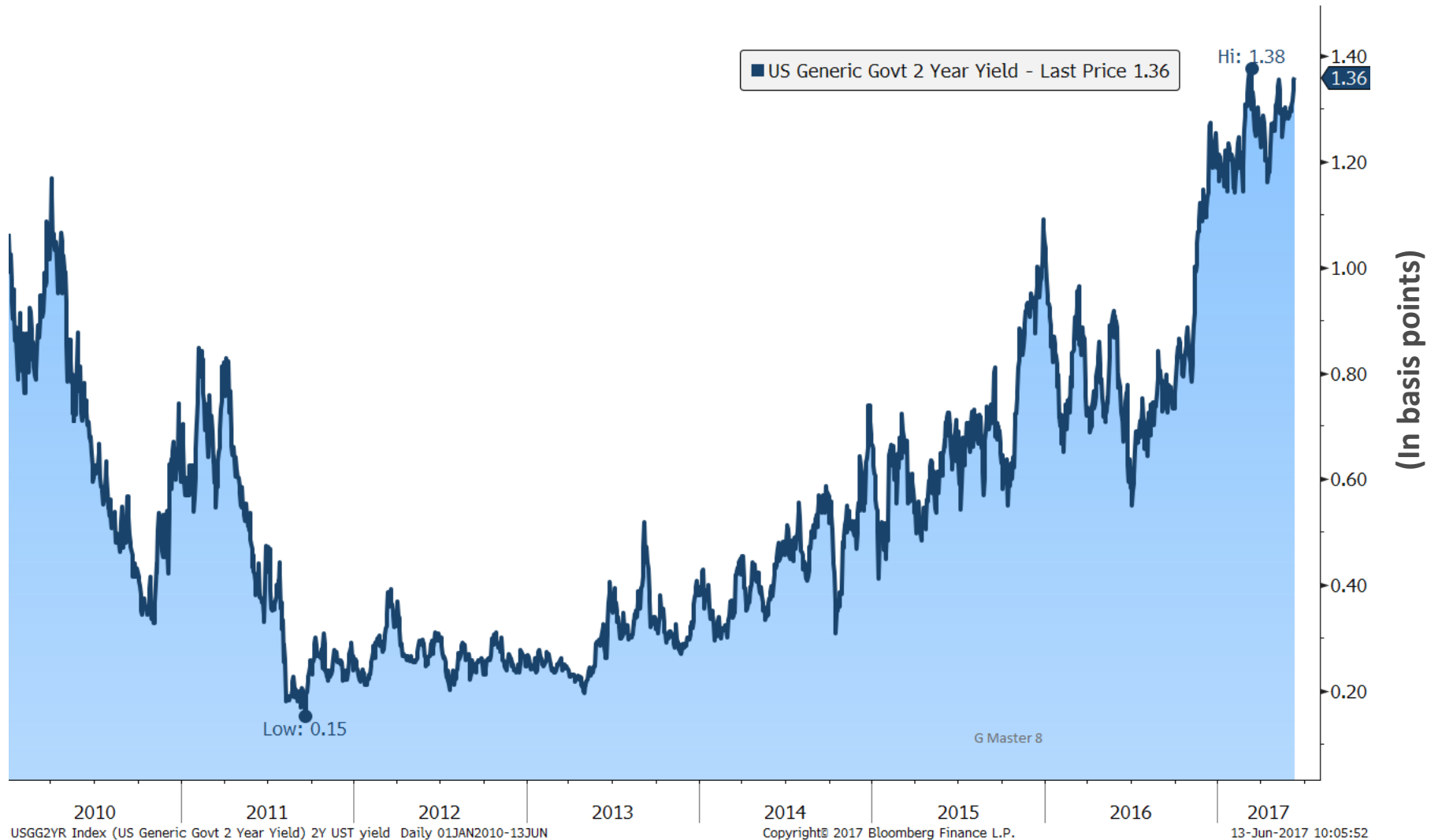


Data Source: Bloomberg

Convexity is a measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. You cannot invest directly in an index.

# U.S. 2-Year Treasury

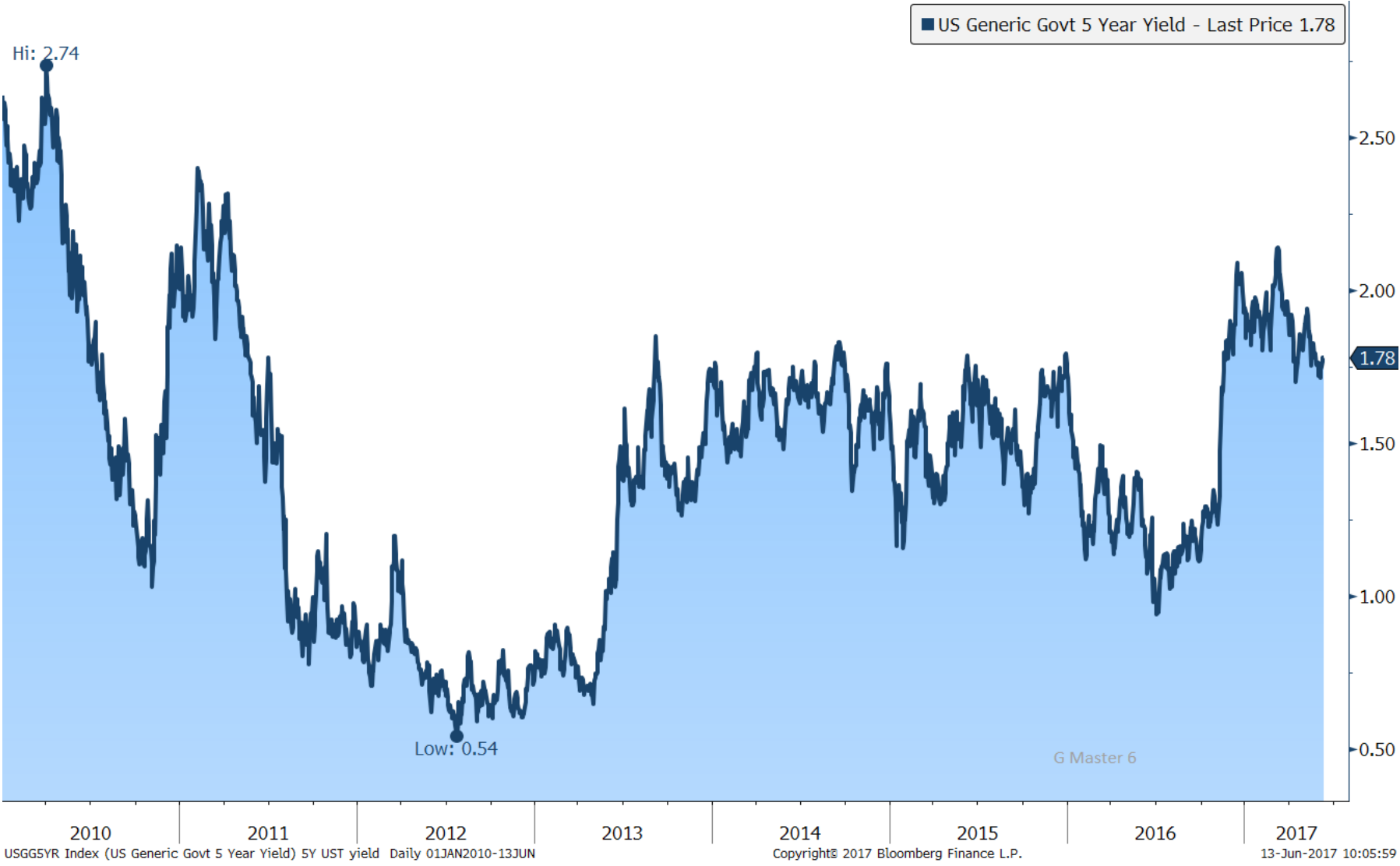
January 1, 2010 through June 13, 2017



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT02 = US 2 Year Treasury Bond. You cannot invest directly in an index.

# U.S. 5-Year Treasury

January 1, 2010 through June 13, 2017



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT5 = US 5 Year Treasury Bond. You cannot invest directly in an index.

# U.S. 10-Year Treasury

January 1, 2010 through June 13, 2017



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT10 = US 10 Year Treasury Bond. You cannot invest directly in an index.

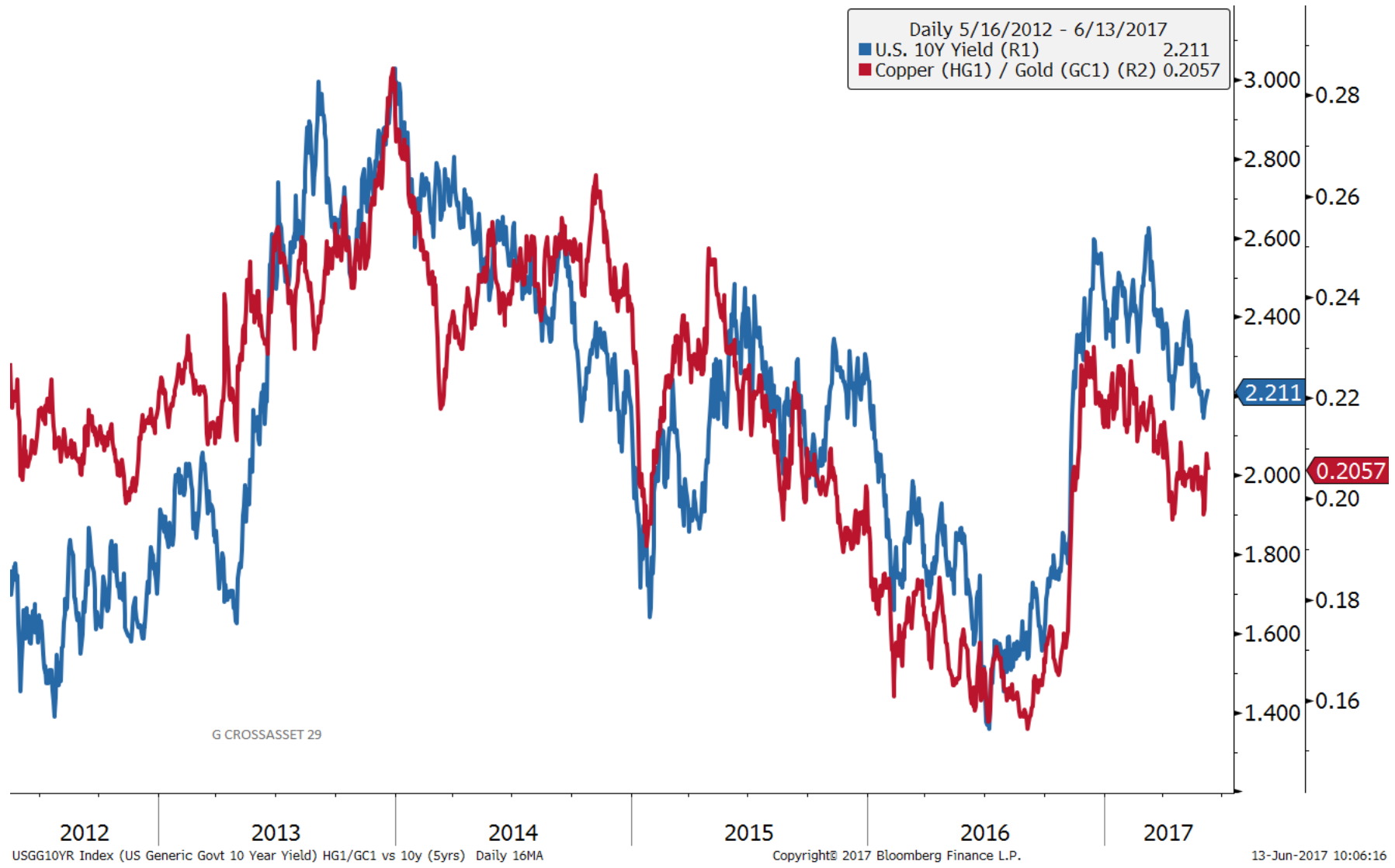
# U.S. Rates: U.S. Treasury 10y Yield Forecast

August 4, 2011 to June 13, 2017



Source: Bloomberg  
 You cannot invest directly in an index.

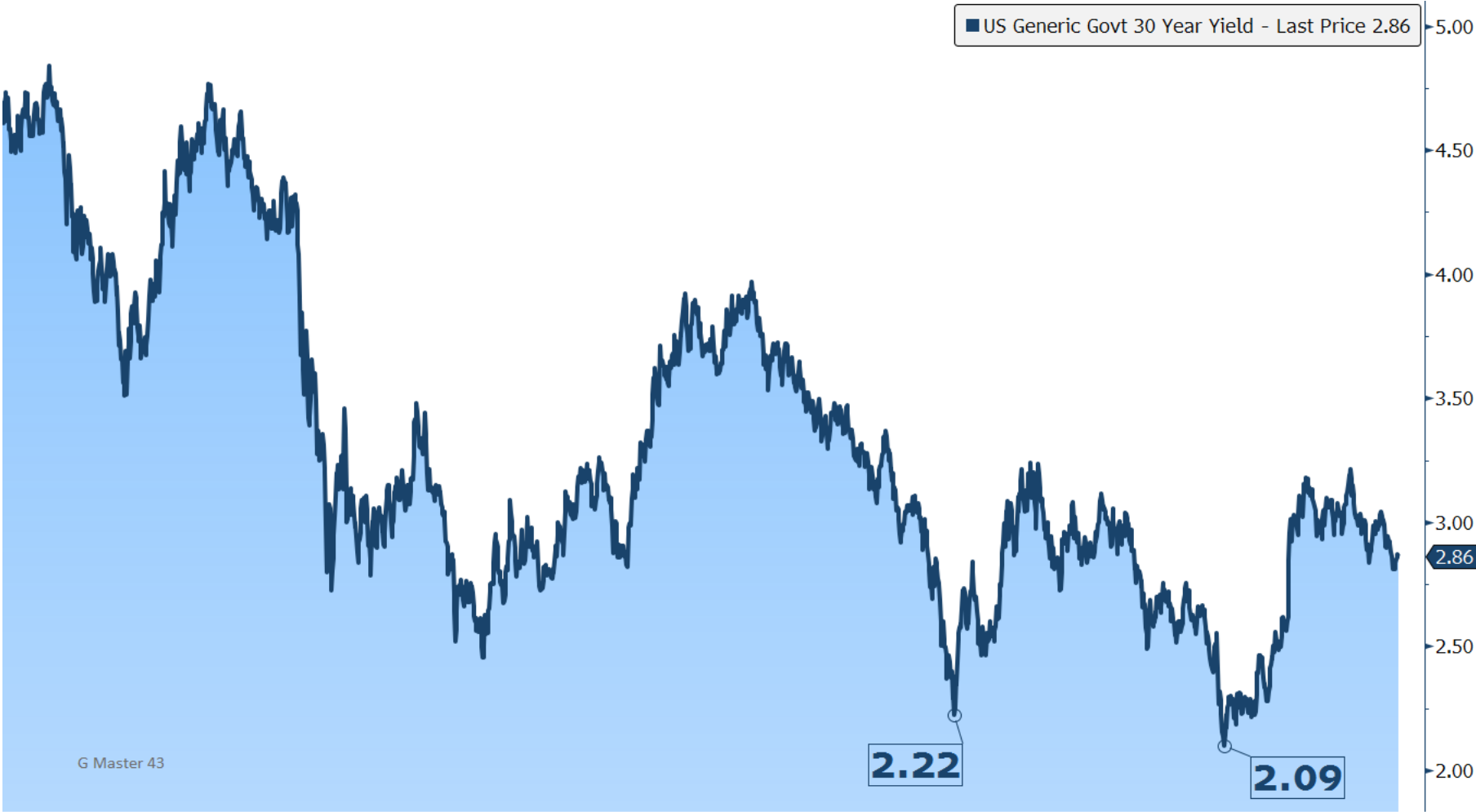
# Copper/Gold Ratio vs. U.S. Treasury 10-year Yield (5-year chart)



Source: Bloomberg  
USGG10Yr Index = U.S. 10-year Treasury. HG1 Comdty = Copper. GC1 = Gold futures. You cannot invest directly in an index.

# U.S. 30-Year Treasury

January 1, 2010 to June 13, 2017



G Master 43

USGG30YR Index (US Generic Govt 30 Year Yield) 30Y UST yield Daily 01JAN2010-13

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

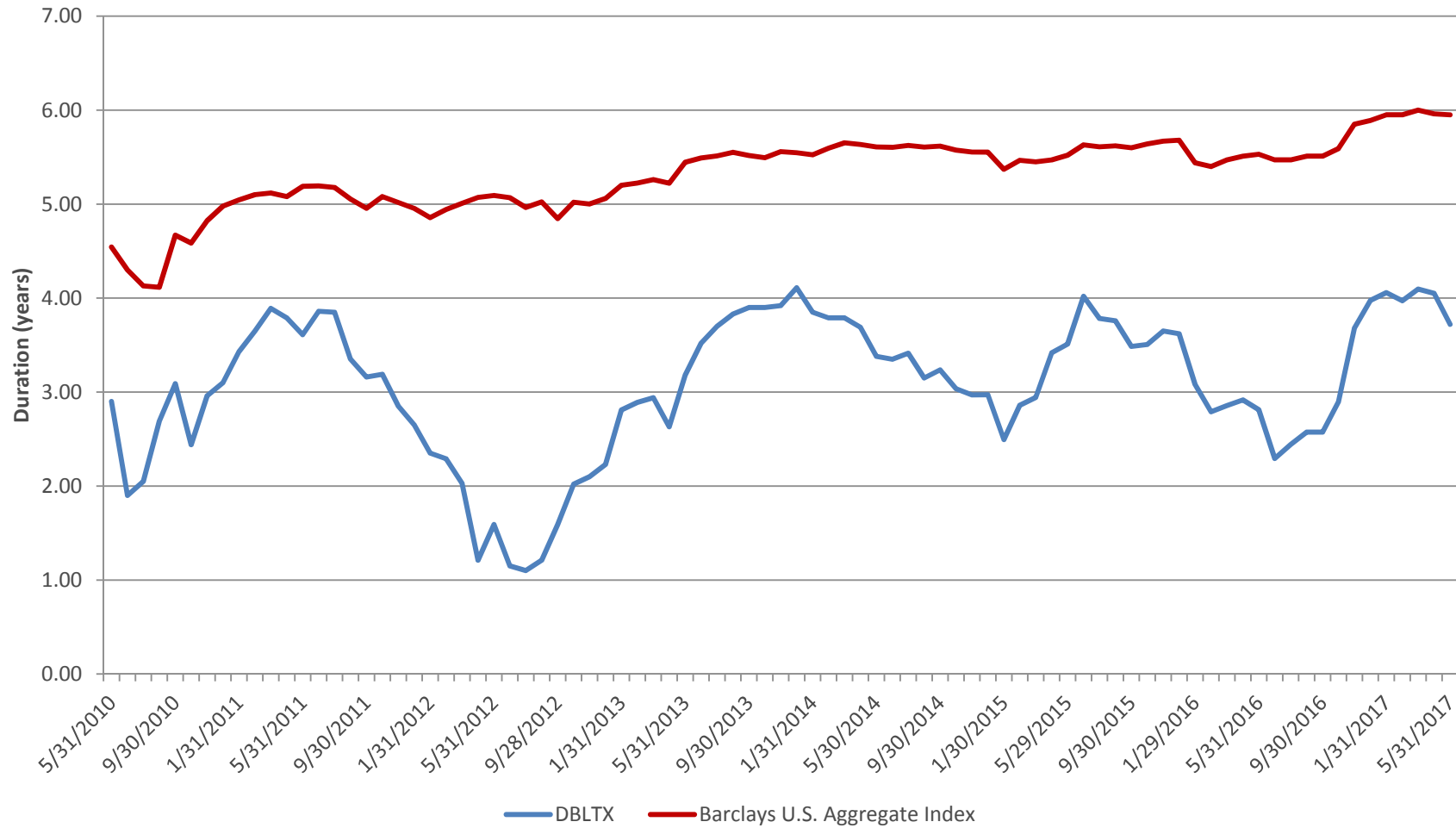
# TAB V

## DoubleLine Total Return Bond Fund

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



May 31, 2010 through May 31, 2017



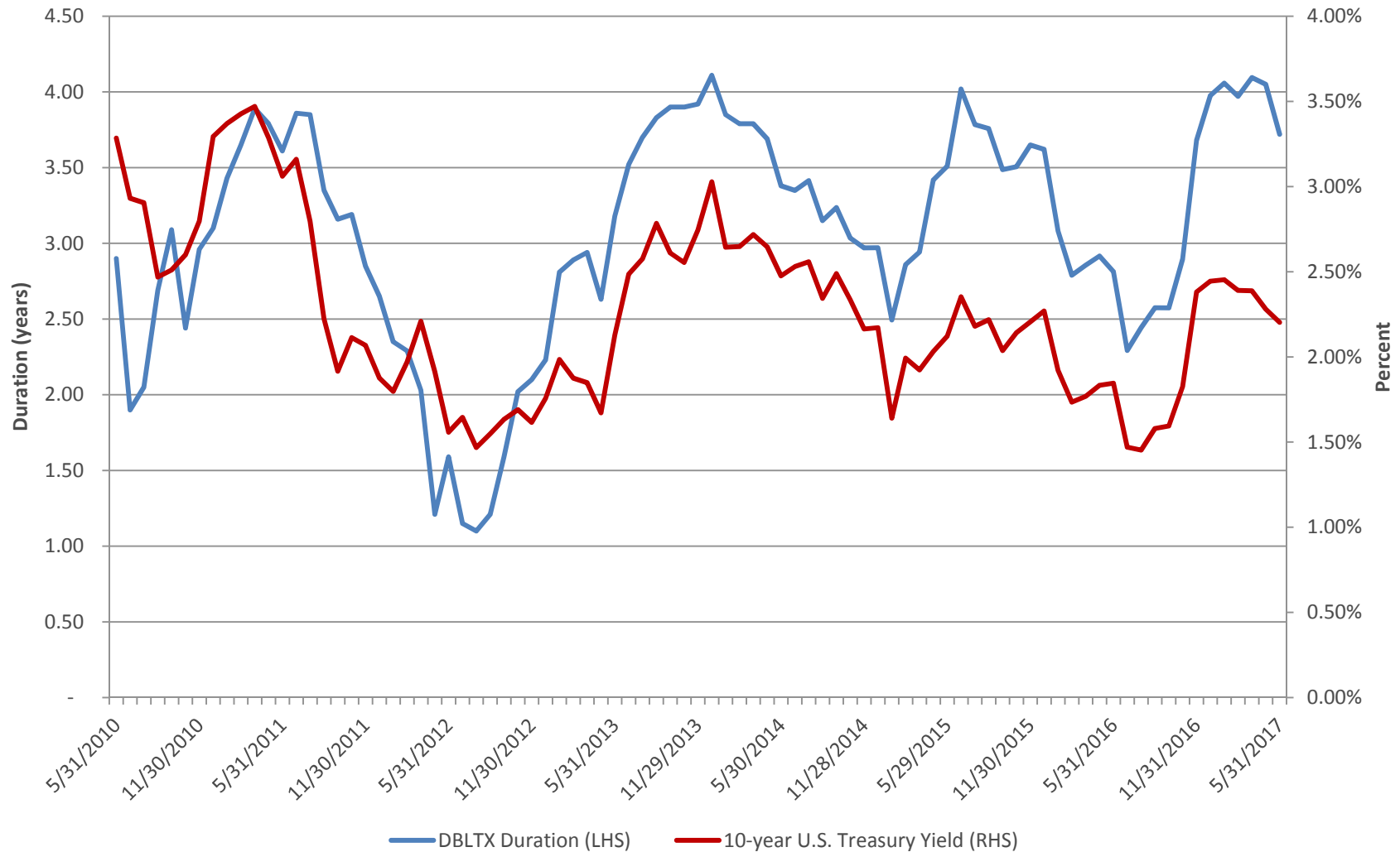
Source: DoubleLine, Barclays

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 May 31, 2017



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 Statistics

As of 5/31/2017



	Total Return Bond Fund	Barclays Capital U.S. Aggregate Index
Average Price	\$98.83	\$103.74
Duration	3.72	5.95
Average Life	5.27	8.18

Portfolio statistics as of May 31, 2017 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.

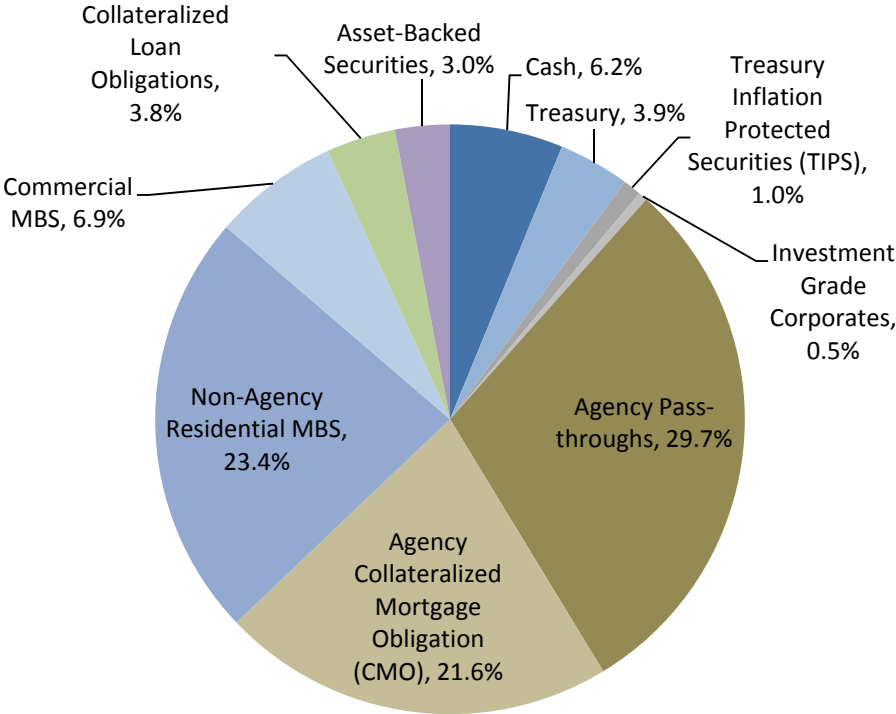
**Average Duration** = Duration is used as a risk measure. It measures the price volatility of a security given a change in interest rate movements.

**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.

# Total Return Bond Fund Portfolio Composition By Security Type



Portfolio composition as of May 31, 2017. 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



# Small Change

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**June 13, 2017**



# IPATH S&P 500 VIX Short-Term Futures ETN (VXX)

## Investment Objective & Summary

The investment objective of the IPATH S&P 500 VIX Short-Term Futures ETN is designed to provide investors with exposure to one or more maturities of futures contracts on the CBOE Volatility Index® (the “VIX Index”).

The return on each series of ETNs is linked to the performance of the relevant Index. Each Index seeks to provide investors with exposure to one or more maturities of futures contracts on the VIX Index, which reflect implied volatility of the S&P 500® at various points along the volatility forward curve. The calculation of the spot level of the VIX Index is based on prices of put and call options on the S&P 500®. Futures on the VIX Index allow investors the ability to invest in forward volatility based on their view of the future direction of movement of the VIX Index. Each index is intended to reflect the returns that are potentially available through an unleveraged investment in the futures contract or contracts on the VIX index plus the rate of interest that could be earned on reinvestment into the Index of the return on the notional value of the Index based on the 3-month U.S. Treasury rate. The S&P 500 VIX Short-Term Futures™ Index TR targets a constant weighted average futures maturity of 1 month. The S&P 500 VIX Mid-Term Futures™ Index TR targets a constant weighted average futures maturity of 5 months. The Indices were created by S&P Dow Jones Indices LLC (“S&P Dow Jones Indices” or the “index sponsor”). The index sponsor calculates the level of the relevant Index daily when the Chicago Board Options Exchange, Incorporated (the “CBOE”) is open.

The VIX Index Is a Theoretical Calculation and Is Not a Tradable Index The VIX Index is a theoretical calculation and cannot be traded on a spot price basis. The settlement price at maturity of the VIX futures contained in the Index is based on this theoretically derived calculation. As a result the behavior of the futures contracts may be different from futures contracts whose settlement price is based on a tradable asset.

**Important Risk Information** -The ETNs do not guarantee any return of principal at maturity and do not pay any interest during their term. Instead, you will receive a cash payment at maturity or upon early redemption based on the performance of the Index to which your series of ETNs is linked, less an investor fee (and, in the case of early redemption, a redemption charge). You may lose some or all of your principal if you invest in the ETNs. Any payment on the ETNs at or prior to maturity is subject to the creditworthiness of Barclays Bank PLC and is not guaranteed by any third party. See “Risk Factors” beginning on page PS-10 of this pricing supplement for risks relating to an investment in the ETNs.

**Barclays Bank PLC has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus and other documents Barclays Bank PLC has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting [www.iPathETN.com](http://www.iPathETN.com) or EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, Barclays Bank PLC will arrange for Barclays Capital Inc. to send you the prospectus if you request it by calling 212-528-7990, or you may request a copy from any other dealer participating in the offering.**

VXX is distributed by Barclays Bank PLC  
 DoubleLine Total Return Bond Fund owns 0% of VXX as of June 13, 2017.

# Definitions



**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 data 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".

**Spread** – Spread is the percentage point difference between yields of various classes of bonds compared to treasury bonds.

**Yield-to-Maturity (YTM)** - The discount rate at which the sum of all future cash flows from the bond (coupons and principal) is equal to the price of the bond. The YTM calculation takes into account the bond's current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupon payments are reinvested at the same rate as the bond's current yield.

# Definitions

## **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 U.S. High Yield Index (HOA0)**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on average of Moody's, S&P and Fitch) at least 18 months to final maturity at time of issue of issuance, a final maturity, a fixed coupon schedule and a minimum amount outstanding of \$100 MM.

## **BofA Merrill Lynch U.S. High Yield Excluding Energy, Metals and Mining Index (HXNM)**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market excluding energy, metals and mining.

## **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.

# Definitions



**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 (G0Q0)** -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 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.

**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.

**ISM** = ISM Manufacturing Index is based on a survey of 300 manufacturing firms by the Institute of Supply Management.

**DXY** = U.S. dollar spot index indicates the general international value of the US dollar by averaging the exchange rates between the USD and major world currencies.

**PE** = price/ earnings ratio is the ratio of valuing a company that measures its current share price relative to its per-share earnings

**S&P Low Volatility TR** = The S&P 500 Low Volatility Index is designed to measure the performance of the 100 least volatile stocks of the S&P 500 Index Volatility is defined as the standard deviation of the security computed using the daily price returns over 252 trading days.

**MSCI USA Minimum Volatility Gross TR** Index is designed to reflect the performance of a minimum variance equity strategy by optimizing a traditional cap weighted “parent MSCI Index” to attain the lowest level of volatility for a set of constraints.

# Definitions



**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.

**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.

**ESTX50** – EuroSTOxx 50 index is Europe’s leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the Eurozone.

**Merrill Lynch Option MOVE Index** – Merrill Lynch Option Volatility Estimate is a weighted index of the normalized implied volatility on 1-month Treasury options.

**MSCI USA Minimum Volatility** – The index is calculated by optimizing the MSCI USA index, its parent index, in USD for the lowest absolute risk (within given constraints).

**Barclays U.S. High Yield Index** – An index that is composed of fixed-rate, publicly issued, non-investment grade debt.

**Barclays Euro Corporate Index** – A subset of the Barclays EuroAgg measures the investment grade, euro-denominated, fixed rate bond market, including treasuries, government-related, corporate and securitized issues.

**Barclays Euro High Yield Index** – Measures the market of non-investment grade, fixed-rate corporate bonds denominated in Euro. Inclusion is based on the currency of issue, and not the domicile of the issuer.

**JPMorgan Corporate EMBI Broad Diversified Index (JBCDCOMP)** – This index tracks a broad basket of performance of investment grade corporate debt, including smaller issues covering a wider array of publically issued across a range of emerging market countries.

**JPMorgan Corporate Emerging Market Index (JCMHCOR)** – This index is a liquid basket of emerging markets corporate issues which include 80 bonds, representing 60 issuers and 16 countries. It has strict liquidity criteria for inclusion in order to provide replicability, tradability, robust pricing and data integrity.

**JPMorgan Global Bond Index ex-EM (JGAGGUSD)** – is a comprehensive global investment grade benchmark excluding emerging markets.

**JPMorgan EM Bond Index Global Diversified** – tracks total returns for traded external debt instruments in the emerging markets limiting the weights of those index countries with larger debt stocks by only including a specified portion of these countries eligible current face amounts of debt outstanding..

**Barclays U.S. Corporate Index** – Is a subset of the Barclays U.S. Aggregate index which is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed rate taxable bond market. IT includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS. This subset represents the investment grade portion of that index.

# Disclaimer



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# Disclaimer



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DoubleLine seeks to maximize investment results consistent with our interpretation of client guidelines and investment mandate. While DoubleLine seeks to maximize returns for our clients consistent with guidelines, DoubleLine cannot guarantee that DoubleLine will outperform a client's specified benchmark or the market or that DoubleLine's risk management techniques will successfully mitigate losses. 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 sector or security. The construction of DoubleLine portfolios may differ substantially from the construction of any of a variety of bond market indices. As such, a DoubleLine portfolio has the potential to underperform or outperform a bond market index. Since markets can remain inefficiently priced for long periods, DoubleLine's performance is properly assessed over a full multi-year market cycle.

## Important Information Regarding Client Responsibilities

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

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# Small Change

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**June 13, 2017**



# Announcements

## Webcasts:

### [Rising Rates – June 27, 2017](#)

Philip Barach and Phil Kenney will discuss DoubleLine’s Low Duration and Floating Rate Funds

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

1:15 pm PDT/4:15 pm EDT

### [Emerging Markets Webcast – July 11, 2017](#)

Luz Padilla will discuss DoubleLine’s Emerging Markets and Low Duration Emerging Markets Funds

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

1:15 pm PDT/4:15 pm EDT

**[View the 2017 Webcast Schedule to register for more.....](#)**

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