

DoubleLine Shiller Enhanced CAPE® Webcast Recap

“A + B = C”



Originally aired on February 9, 2016

About this Webcast Recap

On February 9, 2016, Portfolio Manager Jeffrey Sherman held a webcast discussing the DoubleLine Shiller Enhanced CAPE® (DSEEX/DSENX) (“The Fund”).

This recap is not intended to represent a complete transcript of the webcast. It is not intended as solicitation to buy or sell securities. If you are interested in hearing more of the team’s views, please listen to the full version of this webcast on www.doublelinefunds.com under the blue “Events” tab. You can use the “Jump To” feature to navigate to each slide.

Month-End January 31, 2016	Jan	1-Year	Since Inception Annualized (10-31-13 to 1-31-16)	Quarter End December 31, 2015	4Q 2015	1-Year	Since Inception Annualized (10-31-13 to 12-31-15)
I-share	-4.16%	1.86%	9.70%	I-share	8.81%	4.65%	12.27%
N-share	-4.18%	1.62%	9.40%	N-share	8.76%	4.32%	11.97%
S&P 500®	-4.96%	-0.67%	6.71%	S&P 500®	7.04%	1.38%	9.52%
Russell 1000 Growth Index	-5.58%	1.32%	8.05%	Russell 1000 Growth Index	7.32%	5.67%	11.25%
Russell 1000 Value Index	-5.17%	-5.00%	3.73%	Russell 1000 Value Index	5.64%	-3.83%	6.44%

Calendar Year Returns	2014	2013 ¹	As of January 31, 2016	I-Share	N-Share
I-share	17.86%	4.20%	Gross Expense Ratio	0.84%	1.09%
N-share	17.70%	4.07%	Net Expense Ratio ²	0.67%	0.92%
S&P 500®	14.71%	5.66%	As of January 31, 2016	I-Share	N-Share
			Gross SEC 30-Day Yield	3.31%	3.06%
			Net SEC 30-Day Yield	3.31%	3.06%

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 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.

Quarter End Returns as of December 31, 2015. Subject to change without notice.

The performance information shown assumes the reinvestment of all dividends and distributions.

1. The Fund’s inception date is 10-31-2013, thus the calendar year performance for 2013 is an unannualized partial year return.
2. The Advisor has contractually agreed to waive its investment advisory fee and to reimburse the Fund for other ordinary operating expenses to the extent necessary to limit ordinary operating expenses to an amount not to exceed 0.65% for Class I shares and 0.90% for Class N shares. Ordinary operating expenses exclude taxes, commissions, mark-ups, litigation expenses, indemnification expenses, interest expenses, Acquired Fund Fees and Expenses, and any extraordinary expenses. These expense limitations are expected to apply until at least July 31, 2016, except that they may be terminated by the Board of Trustees at any time.

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Recap

DoubleLine Shiller Enhanced Cyclically-Adjusted Price-to-Earnings (CAPE®) Structure

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- Fund comprised of two value components
 - Alpha
 - DoubleLine actively manages a fixed income portfolio that seeks returns from the cheapest sectors of the low volatility bond market while seeking to outperform cash.
 - Beta
 - The Shiller Barclays CAPE® U.S. Sector Total Return Index seeks to obtain exposure in the “cheapest” sectors of the U.S. large cap equity market.

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DoubleLine Performance Metrics

- Since inception, Shiller Enhanced CAPE® I-Share (DSEEX) has outperformed the S&P 500.
- Since inception, Shiller Enhanced CAPE® I-Share (DSEEX) has outperformed both value, as measured by the Russell 1000 Value Index, and growth, as measured by the Russell 1000 Growth Index.

The CAPE® and Relative CAPE® Ratio

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- CAPE® Ratio developed by Dr. Robert Shiller.
- The CAPE® Ratio seeks to access longer term equity valuation by using an inflation-adjusted earnings horizon of the S&P 500 by sector. That is 10 times longer than the traditional price-to-earnings (P/E) measure.
 - CAPE® = Equity Share Price/10-Year Inflation-Adjusted Average Earnings
- The Relative CAPE® Ratio accounts for the idiosyncratic differences between sectors by providing a metric for investors to compare sectors based on their relative value. The 20 year rolling average accounts for several market cycles.

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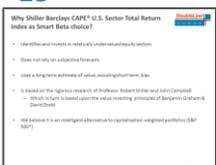
The Shiller Barclays CAPE® U.S. Sector Total Return Index (Monthly Rebalance)

- Systematic process that uses the 10 U.S. sectors of the S&P 500 selecting the 5 most undervalued sectors based on Relative CAPE® Indicator.
- Applies a momentum filter by removing the sector with the lowest 12-month return.
 - Helps to avoid “value traps” or sectors that continue to get cheaper (i.e. Energy).
- The four remaining sectors are equally-weighted.
 - Equal weighting to each sector ensures an allocation on a market cap-weighted basis, thus preserving the large cap nature of the portfolio.
 - Current sectors as of February 2016: Materials, Technology, Healthcare and Industrials

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Why Shiller Barclays CAPE® U.S. Sector Total Return Index?

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- Identifies the cheapest or most undervalued sectors of the market based on a relative value metric.
- Provides a rules-based, long-term estimate of value and an intelligent alternative to capitalization-weighted portfolios.

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Fixed Income Collateral Portfolio

- Asset allocation decisions determined by DoubleLine’s Fixed Income Asset Allocation (FIAA) Committee led by Jeffrey Gundlach. On average, the Committee has worked together for over 15 years.
- Management has de-risked the portfolio over the past year.
 - Reduced Emerging Markets (EM) exposure to 11%
 - Reduced Bank Loans
 - Eliminated High Yield
 - Maintained a healthy 11% Cash position
- Only 17% of the portfolio is below investment grade securities with a majority coming from the non-Agency mortgage-backed securities (MBS) sleeve which remains well bid.
- Characteristics as of January 31, 2016:
 - Duration: 1.5 years
 - 33% Collateralized Loan Obligations (CLOs) and Commercial MBS
 - 16% MBS: non-Agency and Agency
 - 15% U.S. Treasury (UST) securities
 - 11.5% Cash
 - 9.3% Investment Grade Corporates
- Fixed Income portfolio has returned over 2.4% per annum to the fund.

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Question and Answer

- Oil
 - Remains under pressure and looks poor from a technical perspective.
- Counterparty risk
 - Any market changes by the equity market (beta) must be posted from a third party account. DoubleLine’s custodian retains all clients assets which are held in a fixed income portfolio
- DoubleLine believes the Fund would be a compliment to other large-cap value strategies

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Definitions:

Alpha – A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index.

Basis Point (bp) – 1/100th of one percent and is used to denote the change in a financial instrument.

Beta - Beta is the measure of a mutual funds' volatility in relation to the market. By definition, the market has a beta of 1.0, and individual mutual funds are ranked according to how much they deviate from the market. A beta of above 1.0 means the fund swings more than the market. If the fund moves less than the market, the beta is less than 1.0.

Below Investment Grade - A term indicating that a security is rated below investment grade. These securities 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 100 cents on the dollar.

Duration - A measure of the sensitivity of the price of a fixed income investment to a change in interest rates, expressed as a number of years.

Investment Grade - A level of credit rating for stocks regarded as carrying a minimal risk to investors. Ratings are based on corporate bond model. The higher the rating the more likely the bond will pay back par/100 cents on the dollar.

Market Cap - The market price of an entire company, calculated by multiplying the number of shares outstanding by the price per share.

Russell 1000 Growth Index - An index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index - An index that measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

Shiller Barclays CAPE US Sector TR USD Index – A stock market index that incorporates the principles of long-term investing distilled by Dr. Robert Shiller and expressed through the CAPE ratio. It aims to identify undervalued sectors based on a modified CAPE Ratio, and then uses a momentum factor to seek to mitigate the effects of potential value traps.

Shiller Barclays CAPE® Ratio - CAPE® stands for Cyclically Adjusted Price-Earnings. The CAPE® Ratio is a valuation metric that takes the current price of an equity or index divided by its inflation adjusted average of ten years of earnings.

S&P 500 Index - A stock market index designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

One cannot invest directly in an index.

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Disclaimer

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 1 (877) 354-6311/1 (877) DLine11, or visiting www.doublelinefunds.com. Read carefully before investing.

The DoubleLine Shiller Enhanced CAPE may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. In order to achieve its investment objectives, the Fund may use certain types of exchange traded funds or 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 risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. ETF investments involve additional risks such as the market price trading at a discount to its net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares.

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 including credit risk, prepayment risk, possible illiquidity and default, as well as increase 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 also invest in securities related to real estate, which may decline in value as a result of factors affecting the real estate industry.

Equities may decline in value due to both real and perceived general market, economic and industry conditions. The fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested.

Credit Distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's and Fitch).

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

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

While the Funds are no-load, management fees and other expenses still apply.

Any tax or legal information provided is merely a summary of our understanding and interpretation of some of the current income tax regulations and is not exhaustive. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation. Neither the Fund nor any of its representatives may give legal or tax advice.

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