

Four Principles of Core Fixed Income

As of June 30, 2017

By: Ted Hospodar

The DoubleLine Core Fixed Income Fund (“the Fund”) is an open-end intermediate-term bond fund that invests in different sectors of the fixed income universe, including corporate securities, bank debt, collateralized loan obligations, emerging markets debt, municipal bonds and Treasuries as well as mortgage-backed securities (MBS). The Fund has over \$8.9 billion in assets as of June 30, 2017. The Fund has posted annualized returns of 5.66%, outperforming its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index (“ the Agg”), by 228 basis points (bps) on an annualized basis, since its inception on 6/1/2010. The DoubleLine Core Fixed Income Fund (DBLFX) had a percentile rank by Morningstar (based on total return) of 25% for the 1-year out of 990, 8% for the 3-year out of 936, 13% for the 5-year out of 901 and 2% for Since Inception out of 857 U.S. Open Ended Intermediate Term Bond Funds, for the period ending June 30, 2017.

The Fund seeks to deliver better risk-adjusted returns versus the Agg by actively managing the exposures in the portfolio. This involves two distinct management decisions: 1) The mix of government securities and credit sensitive securities 2) The duration of the portfolio, which is managed to be less than that of the Agg to lower interest rate sensitivity. The mix between government and credit varies depending on the market environment. It’s thoughtful active management that combines these two security types, building a barbell portfolio with potentially offsetting risks.

We attribute the Fund’s success to this thoughtful approach of management, in addition to four main principles: the stability of our team, active management, a longer-term investment horizon and no use of leverage or derivatives.

Core Fixed Income Fund	Jun 2017	2Q2017	Year-to-Date	1 Year	3 Year Annualized	5 Year Annualized	Since Inception Annualized (6-1-10 to 6-30-17)
Quarterly Returns - As of June 30, 2017							
I-share (DBLFX)	-0.02%	1.67%	3.03%	1.78%	3.14%	3.43%	5.66%
N-share (DLFNX)	-0.04%	1.60%	2.91%	1.53%	2.86%	3.16%	5.40%
Bloomberg Barclays U.S. Aggregate Index	-0.10%	1.45%	2.27%	-0.31%	2.48%	2.21%	3.38%

	Duration		I-Share	N-Share
Core Fixed Income Fund	4.96	Gross SEC 30-Day Yield	3.01%	2.76%
Bloomberg Barclays U.S. Aggregate Index	6.01	Net SEC 30-Day Yield	2.96%	2.71%

Gross Expense Ratio: I-Share: 0.48%, N-Share: 0.73%

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.

1. Stability of Our Team

Asset allocation decisions within the Fund are made by DoubleLine’s Fixed Income Asset Allocation Committee (“FIAA Committee”), which is led by Jeffrey Gundlach and includes senior portfolio managers from each asset class. The team meets monthly and has worked together for over 16 years on average.

2. Active Management

The FIAA Committee adjusts asset weightings based on the analysis of fundamentals, relative valuation and risk management. This analysis leads to underweighting overvalued sectors with deteriorating fundamentals and overweighting undervalued sectors with improving fundamentals. This gradual sector rotation allows us to actively manage risk and find the best opportunities within the fixed income universe. Security selection is made by specialized teams, who focus on specific asset classes and incorporate their deep experience and research.

3. Longer-Term Investment Horizon

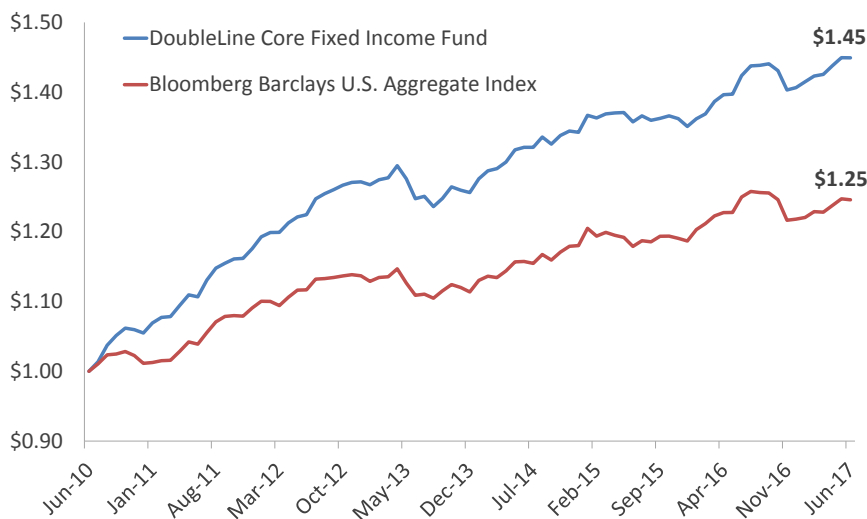
The FIAA Committee uses a longer time horizon when making investment decisions, typically between 18 and 24 months. We believe a longer term horizon can increase the chances of success within the fund and differentiates DoubleLine from competing firms that have become increasingly near sighted. It also reduces portfolio turnover which helps to manage potential liquidity risks.

4. No Leverage, No Derivatives

Generally speaking, the Fund does not use derivatives such as no futures, swaps, etc. We only purchase assets with a CUSIP. This is unlike many of the Funds larger competitors in the Intermediate-term bond category, who are forced to use derivatives due to size. They add unnecessary counterparty exposure to their portfolios.

For more information about the DoubleLine Core Fixed Income Strategy please visit the fund website at www.doublelinefunds.com.

**Figure 1: DoubleLine Core Fixed Income Fund
As of June 30, 2017**



Note: DoubleLine Core Fixed Income Fund inception date was June 1, 2010. Zephyr does not calculate partial months and therefore the start date of the chart above is July 2010. This chart illustrates the performance of a hypothetical \$1 investment made in the Fund. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sale charge or redemption fees. This chart does not imply any future performance.

Source: Zephyr Style Advisor

Past performance is no guarantee of future results.

Definitions

Bloomberg Barclays Capital U.S. Aggregate Bond 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.

Basis points (bps) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument.

Duration is 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.

One cannot invest directly in an index.

Morningstar Disclaimer

© 2017 Morningstar, Inc. All Rights Reserved. The information contained herein (1) is proprietary to Morningstar (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Morningstar Percentile Ranking compares a fund's Morningstar risk and return scores with all the funds in the same category, where 1%= Best and 100% = Worst. Rankings for periods shown are based on Fund total returns with dividends and distributions reinvested and do not reflect any applicable sales charges. Rankings for other share classes differ.

Past performance is not a guarantee of future results.

Disclosures

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus 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 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 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.

The DoubleLine Funds are distributed by Quasar Distributors, LLC.



Important Information Regarding This Report

Issue selection processes and tools illustrated throughout this presentation are samples and may be modified periodically. Such charts are not the only tools used by the investment teams, are extremely sophisticated, may not always produce the intended results and are not intended for use by non-professionals.

DoubleLine has no obligation to provide revised assessments in the event of changed circumstances. While we have gathered this information from sources believed to be reliable, DoubleLine cannot guarantee the accuracy of the information provided. Securities discussed are not recommendations and are presented as examples of issue selection or portfolio management processes. They have been picked for comparison or illustration purposes only. No security presented within is either offered for sale or purchase. DoubleLine reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available. This material may include statements that constitute “forward-looking statements” under the U.S. securities laws. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to a client’s account, or market or regulatory developments.

Important Information Regarding Risk Factors

Investment strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision-making, economic or market conditions or other unanticipated factors. The views and forecasts expressed in this material are as of the date indicated, are subject to change without notice, may not come to pass and do not represent a recommendation or offer of any particular security, strategy, or investment. All investments involve risks. Please request a copy of DoubleLine’s Form ADV Part 2A to review the material risks involved in DoubleLine’s strategies. Past performance is no guarantee of future results.

Important Information Regarding DoubleLine

To receive a complimentary copy of DoubleLine Capital’s current Form ADV (which contains important additional disclosure information, including risk disclosures), a copy of the DoubleLine’s proxy voting policies and procedures, or to obtain additional information on DoubleLine’s proxy voting decisions, please contact DoubleLine’s Client Services.

Important Information Regarding DoubleLine’s Investment Style

DoubleLine seeks to maximize investment results consistent with our interpretation of client guidelines and investment mandate. While DoubleLine seeks to maximize returns for our clients consistent with guidelines, DoubleLine cannot guarantee that DoubleLine will outperform a client’s specified benchmark 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 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.

DoubleLine Group is not a registered investment adviser with the Securities Exchange Commission (SEC).

DoubleLine® is a registered trademark of DoubleLine Capital LP.

© 2017 DoubleLine Capital LP