Infrastructure Debt:

The Road Less Traveled

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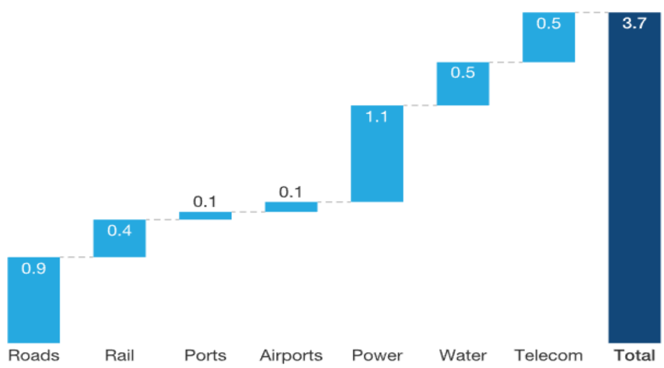
Infrastructure Debt: The Road Less Traveled

Infrastructure debt is linked to tangible assets that provide essential services to society, including projects that support economic and strategic expansion such as roads, bridges and airports. According to the McKinsey Global Institute, an estimated $3.7 trillion of global investment in economic infrastructure is needed every year from now until 2035 (Figure 1). In the United States, the current Administration has trumpeted a $1.5 trillion infrastructure spending plan. Meanwhile, fast-growing emerging markets with expanding middle classes, such as China and India, are expected to account for the bulk of global infrastructure investment.

Figure 1: Average Annual Need, 2017-35

($ trillion, constant 2017 dollars)



	Roads	Rail	Ports	Airports	Power	Water	Telecom	Total
Annual spending, % of GDP	1.0	0.4	0.1	0.1	1.3	0.5	0.6	4.1
Aggregate spending, 2017–35, $ trillion	18.0	7.9	1.6	2.1	20.2	9.1	10.4	69.4

Note: Figures may not sum, because of rounding.

Source: GWI; IHS Global Insight; ITF; national statistics; McKinsey Global Institute analysis

At DoubleLine, we believe infrastructure debt has advantages as a core fixed income holding that can not only increase diversification but also has the potential for incremental yields over similarly rated traditional corporate bonds.

Infrastructure Income Fund

Quarter-End Returns June 30, 2019	Jun	2Q2019	Year-to-Date	Annualized 1-Year	Annualized 3-Year	Annualized 5-Year	Annualized Since Inception (4-1-16 to 6-30-19)
I-share (BILDX)	1.04%	2.84%	5.80%	7.60%	3.64%	-	4.05%
N-share (BILTX)	1.12%	2.88%	5.77%	7.51%	3.45%	-	3.82%
Bloomberg Barclays U.S. Agg Index	1.26%	3.08%	6.11%	7.87%	2.31%	-	2.84%

Expense Ratio (Gross): I-share 0.59%, N-share 0.84%

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.

Historically during economic downturns, infrastructure debt has maintained lower default rates (Figure 2), less credit rating volatility, and higher recovery rates. Backed by long-lived tangible assets, the cash flows have a higher degree of predictability than comparable investment-grade corporate debt due to project contracts. Thus, we believe infrastructure debt should be considered when constructing a diversified fixed income portfolio.

Figure 2: Lower Historical Default Rates

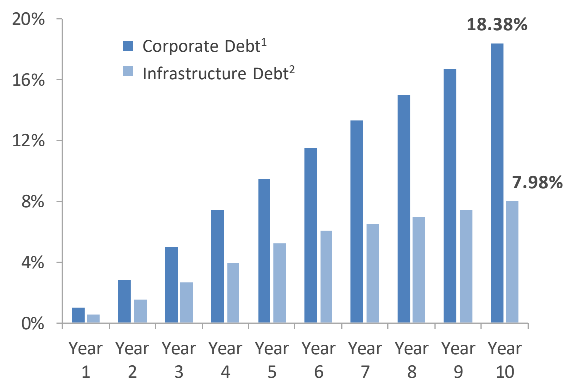
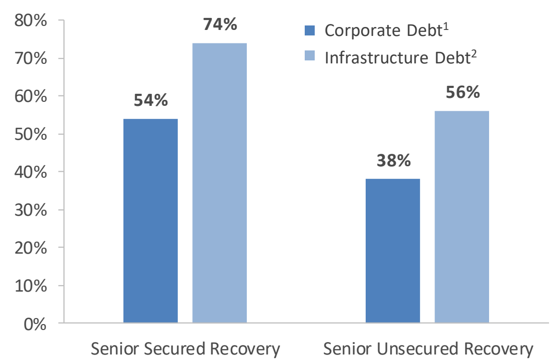


Figure 3: Higher Historical Recovery Rates



In the past, many investors have viewed infrastructure debt as an esoteric fixed income asset class that has traditionally only been available to institutional or private equity investors. At DoubleLine, our team has been actively managing infrastructure debt securities within multi-sector and asset allocation portfolios for institutional clients since August 2015. Leveraging infrastructure debt's diversification benefits, relative value opportunities, and attractive credit profiles, we believe investors can gain access to the road less traveled and potentially benefit from infrastructure debt's favorable attributes.

Led by portfolio managers Damien Contes, CFA and Andrew Hsu, CFA, DoubleLine provides retail investors with a solution giving them exposure to the growing investment-grade dollar-denominated global infrastructure debt market: the DoubleLine Infrastructure Income Fund (BILDX/BILTX). With an average of over 15 years industry experience, the portfolio managers have built a team whose collective knowledge-base, along with DoubleLine's emphasis on a value-oriented research-driven process, combines bottom-up research with the firm's macroeconomic views to thoroughly analyze infrastructure deals.

The Case for Infrastructure Debt vs. Corporate Bonds

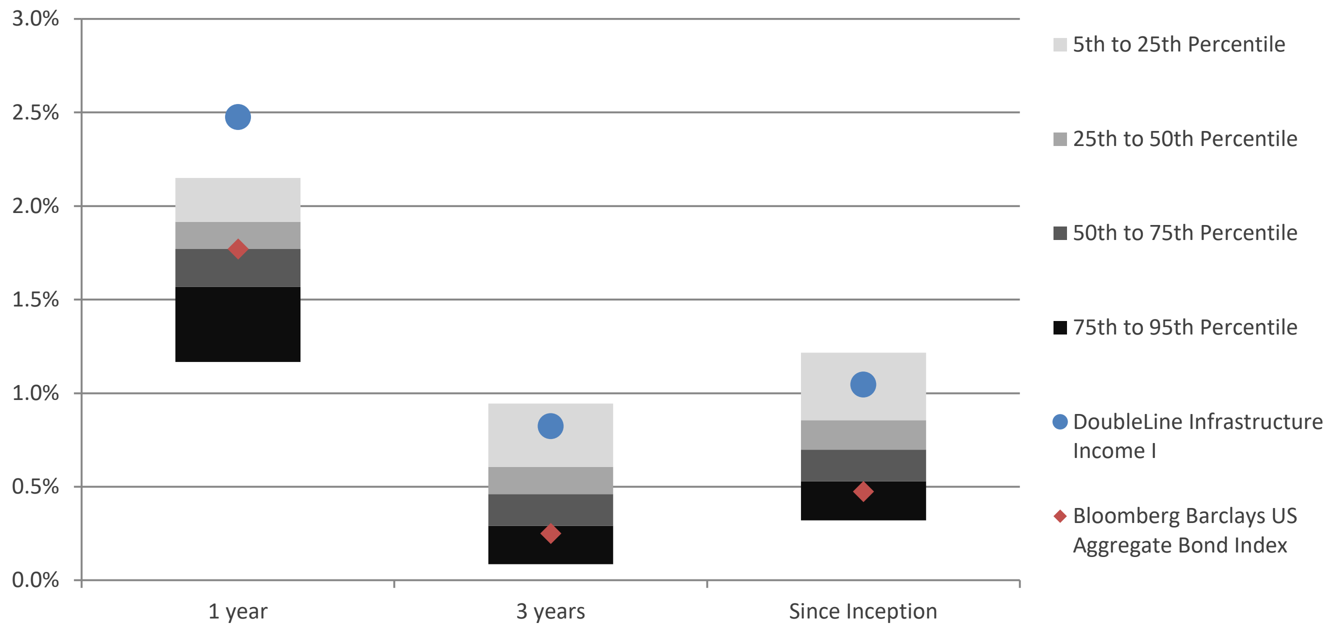
- Historically lower default rates than traditional corporate bonds;
- Historically higher recovery rates than traditional corporate bonds;
- Credit ratings that are typically less volatile compared to other fixed income sectors; and
- Strong underlying fundamentals with:
    - High barriers to entry; often monopolistic assets
    - Inelastic demand for essential services
    - Cash flows that have a higher degree of predictability, than comparable investment-grade corporate debt, due to project contracts

Source: Moody's, "Infrastructure Default and Recovery Rates, 1983-2015."

[1] Corporate Debt = Non-Financial Corporate Issuers as measured by Moody's

[2] Infrastructure Debt = Corporate Infrastructure Debt Securities as measured by Moody's

Better Risk Adjusted Returns: BILDX has consistently produced better risk-adjusted returns, as measured by the Sharpe ratio, than its benchmark over the 1-year, 3-year, and since inception time frames. According to Zephyr, BILDX ranks in the top decile of the 592 mutual fund and ETF managers in the Core-Plus space as of July 31, 2019 since inception.



<u>Definitions</u>

Bloomberg Barclays U.S. Aggregate Index - An index that represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. 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.

Cash flows - Assessing the amounts, timing and uncertainty of cash flows is one of the most basic objectives of financial reporting.

Investment Grade - Description of a bond considered eligible for bank investment. Such bonds are rated Baa or above by Moody's or BBB or above by Standard & Poor's.

Sharpe Ratio - A measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment.

It is not possible to invest directly in an index.

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

Zephyr StyleADVISOR uses returns-based style analysis to determine managers' investment styles and to create a style benchmark for evaluating manager performance. StyleADVISOR also tests for style consistence. Zephyr StyleADVISOR is a third party vendor, whose data is believed to be accurate, but cannot be guaranteed.

Morningstar rankings represent a fund's total-return percentile rank relative to all funds that have the same Morningstar category. The highest percentile rank is 1 and the lowest is 100. It is based on Morningstar total return, which includes both income and capital gains or losses and is not adjusted for sales charges or redemption fees. Morningstar Rankings (Absolute) represent a fund's total-return rank relative to all funds that have the same Morningstar Category. The highest rank is 1 and the lowest is based on the total number of funds ranked in the category. Past performance is not a guarantee of future results.

Mutual fund investing involves risk; Principal loss is possible. Investments in debt securities typically decrease when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present a great 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 including credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. Investments in foreign securities involve political, economic, and currency risks, greater volatility, and differences in accounting methods. These risks are greater for investments in emerging markets. The Infrastructure Income Fund may use certain types of investment derivatives. 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. The Fund may use leverage which may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the Fund to be more volatile than if leverage was not used. The value of the Fund's infrastructure investments may be entirely dependent upon the successful development, construction, maintenance, renovation, enhancement or operation of infrastructure-related projects. Accordingly, the Fund has significant exposure to adverse economic, regulatory, political, legal, demographic, environmental, and other developments affecting the success of the infrastructure investments in which it directly or indirectly invests. The Fund is non-diversified meaning it may concentrate its assets in fewer individual holdings than a diversified fund.

Infrastructure Debt, Corporate Bonds, and other investment products have different risk-return profiles, which should be considered when investing. All investments contain risk and may lose value.

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

Important Information Regarding This Material

Issue selection processes and tools illustrated throughout this presentation are samples and may be modified periodically. Such tools 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.

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Important Information Regarding DoubleLine

In preparing the client reports (and in managing the portfolios), DoubleLine and its vendors price separate account portfolio securities using various sources, including independent pricing services and fair value processes such as benchmarking.

To receive a copy of DoubleLine's current Form ADV (which contains important additional disclosure information, including risk disclosures), a copy of 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 clients' 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 comparison of 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 information, 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.