Quarterly Commentary

Total Return Bond Fund

DBLTX/DLTNX

March 31, 2017

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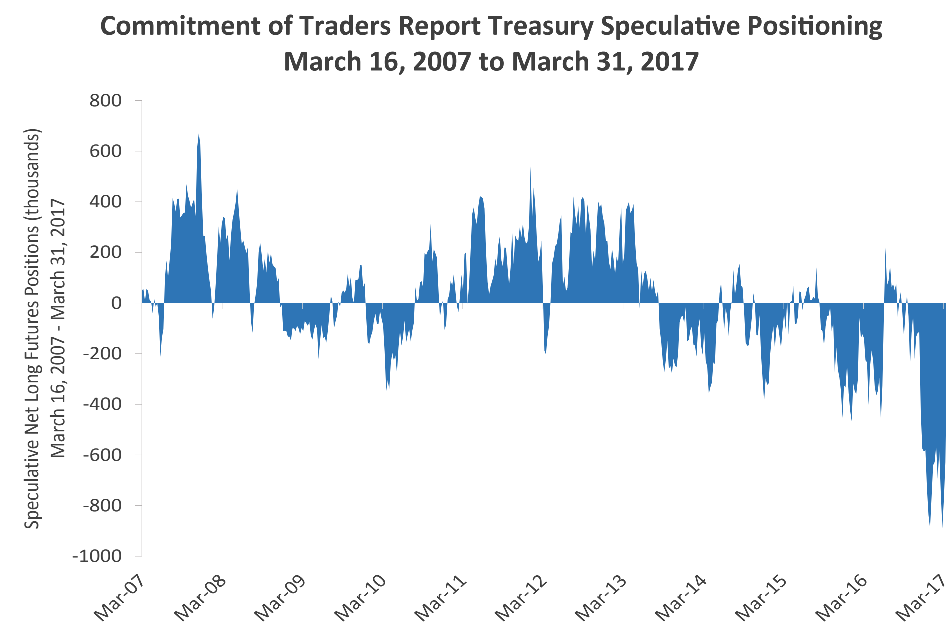
Overview

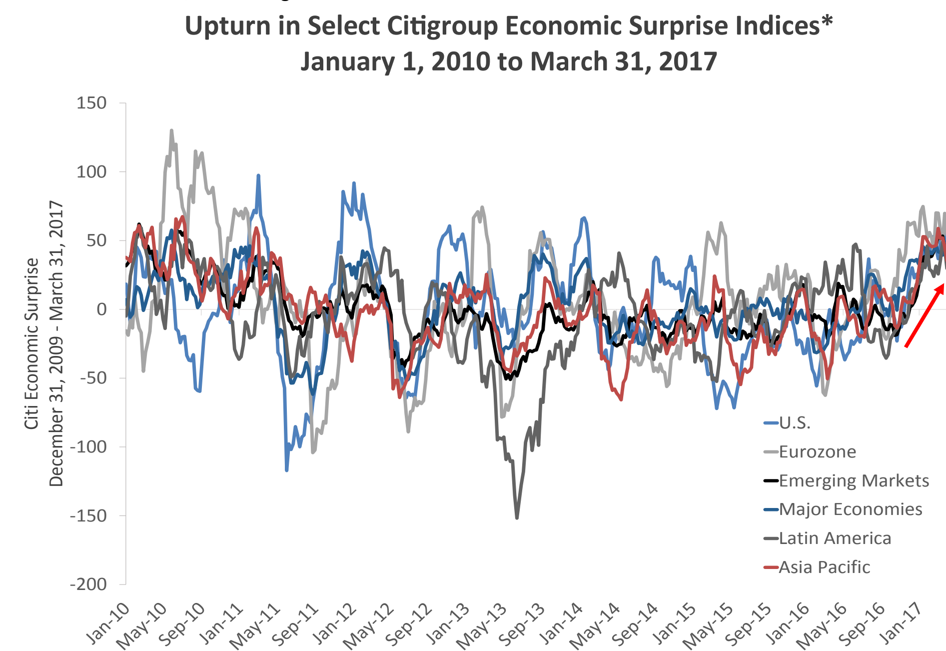
The first two months of the quarter were, for the most part, a continuation of the post-election rally as risk assets continued to see demand from investors. Additionally, several economic indicators such as the Purchasing Manufacturing Indices (PMI) and Citigroup Economic Surprise Indices across developed markets (DM) validated a global economic upturn. However, the month of March introduced the widely anticipated Federal Reserve ("Fed") rate hike, inflation above 2% and a failed healthcare reform bill, leading many to wonder what would follow.

At the start of the year, Mr. Gundlach called for a move lower in the 10-year U.S. Treasury (UST) yield which was likely to be met by at least two if not three rates hikes during 2017. While many economists were calling for increased UST yields, data supported the possibility of a move lower. During the first quarter UST speculative positioning as reported by the Commodity Futures Trading Commission (CFTC), showed that investors were net short Treasury futures at the highest level in years. With investors piling on to a one-sided trade, an unwinding of these positions could only add to demand.

As investors began to take down short positions through March, we have also kept an eye on inflation as it appears to be peaking out over the month of April especially as the base effects from energy begin to roll off. As such, it is our belief that the Headline Consumer Price Index (CPI) could peak around 2.9% and then trend lower as we head into summer months, a move that could also be supportive of lower rates over the near-term. Of course, investors should continue to pay close attention to rhetoric from the Fed and the first quarter's Gross Domestic Product (GDP). A rate hike in June, coupled with a stronger first quarter GDP, could once again push yields higher. As of March 31st, the 10-year UST yield was 2.39%, some 20 basis points (bps) lower than the December 2016 high and we could see yields fall to the 2.20% range.



Source: DoubleLine, Bloomberg



Source: DoubleLine, Bloomberg
*U.S., Eurozone, Emerging Markets, Major Economies, Latin America & Asia Pacific represent subindices of the Citigroup Economic Surprise Index. Please see appendix for index definition.

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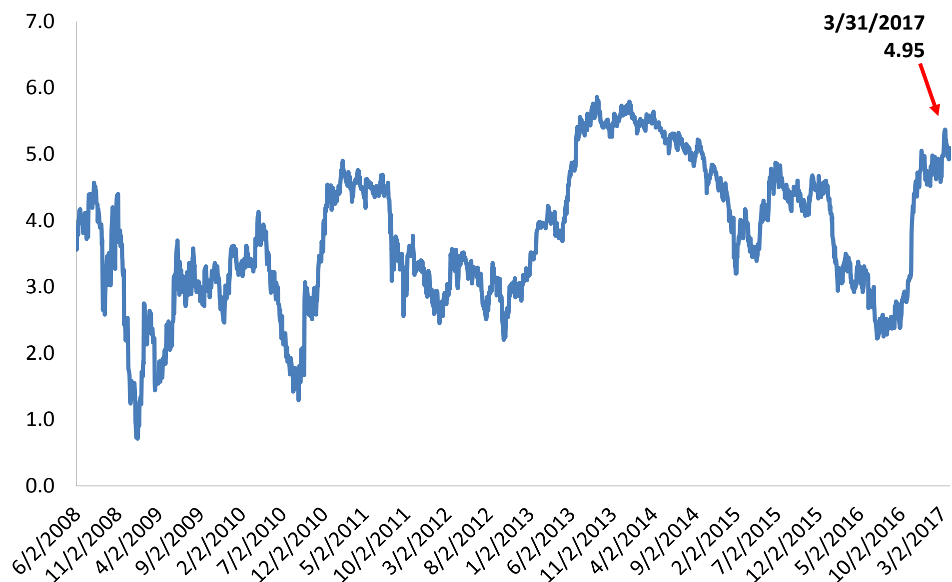
Agency Mortgage-Backed Securities

- During March, aggregate prepayment speeds increased by about 19% month-over-month (MoM). Despite the numbers being high on a percentage basis, prepayments have been range-bound year-to-date (YTD) as aggregate prepayment speeds were approximately 9 conditional prepayment rate (CPR) for the month of February and 11 CPR for the month of March. These slower speeds have been consistent with seasonal factors during the winter months, though we expect them to pick up for spring.
- Total gross issuance for March was roughly $99 billion in the Agency Mortgage-Backed Securities (MBS) space, bringing volumes to just under $350 billion YTD, approximately 20% higher than the issuance seen in the first quarter 2016. One of the main contributors to this higher issuance is higher purchasing activity and higher housing turnover relative to last year.
- The mortgage basis based on current coupon spreads started the year tighter than last year and was range-bound for the first quarter of 2017.

Duration of Barclays U.S. Mortgage-Backed Securities Bond Index
June 2, 2008 to March 31, 2017



Source: DoubleLine, Bloomberg

- Based on the Bloomberg Barclays MBS Index, duration extended from 4.61 at 2016 year-end to 4.95 at the end of March.

Non-Agency MBS

- Non-Agency MBS spreads were flat for the month of March. This was in contrast to corporate and high yield (HY) spreads that widened in the first half of the month. March served as a good example of the relative stability in legacy non-Agency MBS spreads versus corporates and HY spreads. The mismatch of high demand in the sector with low supply has been the biggest driver of the low volatility in spreads. For the first quarter of 2017, non-Agency MBS spreads were tighter, with the most tightening in spreads coming in option adjustable-rate mortgages (ARM)

Conditional Prepayment Rates (CPR) 2017	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Fannie Mae (FNMA)	14.2%	15.0%	16.3%	15.0%	20.0%	18.9%	17.9%	17.0%	15.1%	10.7%	8.6%	10.6%
Freddie Mac (FHLMC)	14.1%	15.0%	16.1%	14.8%	19.8%	18.6%	17.7%	16.6%	14.7%	10.4%	8.6%	13.6%
Ginnie Mae (GNMA)	18.5%	19.6%	21.5%	19.9%	23.8%	22.5%	21.7%	21.2%	18.5%	13.1%	11.8%	10.2%

Bloomberg Barclays Capital U.S. MBS Index	1/31/2017	2/28/2017	3/31/2017	MoM Change
Average Dollar Price	$103.19	$103.40	$103.17	-$0.23
Duration	4.83	4.66	4.95	0.29

Bloomberg Barclays Capital U.S. Index Returns	1/31/2017	2/28/2017	3/31/2017
Aggregate	0.20%	0.67%	-0.05%
MBS	-0.03%	0.48%	0.03%
Corporate	0.34%	1.11%	-0.15%
Treasury	0.23%	0.49%	-0.05%

Source: eMBS, Barclays Capital

Commercial MBS

and subprime. After witnessing the rise in rates during the fourth quarter 2016, investors are starting to take a greater interest in floating rate paper.

- In March, $6.5 billion of non-Agency MBS traded, an 11% increase from the prior month. For the first quarter, $18.2 billion of non-Agency MBS traded, a 20% increase from the prior quarter. The increase in trading volume was due to a combination of the risk-on sentiment that carried over from the prior quarter and depressed trading volume in the fourth quarter due to the uncertainty of the presidential election.
- Prepayment speeds in the March remittance report slowed slightly to 9 CPR for all legacy non-Agency MBS. Prime securities slowed down to 16 CPR, Alt-A slowed down to 11 CPR, option ARMs slowed down to 8 CPR, and subprime slowed down to 6 CPR. As mortgage rates rose over the first quarter, a slowdown in prepayment activity was anticipated. Non-Agency MBS have prepaid slower than Agency MBS, however, due to seasoning and credit problems including late payments, defaults, short sales and foreclosures. The liquidation rate for March was 4 conditional default rate (CDR), with most subsectors flat from the prior month. Loss severities for March were 62% which was flat from the prior month.
- Issuance increased meaningfully in March with five conduit deals totaling $4.8 billion, two single-asset single-borrower (SASB) deals totaling $1.2 billion and four commercial real estate (CRE) collateralized loan obligations (CLOs) totaling $1.7 billion pricing during the month. This equated to a 60% increase in issuance MoM; however, CMBS issuance is still down 32% YTD compared to the first quarter 2016.
- Secondary 2.0/3.0 spreads ended the quarter tighter and were mixed for March. AAA last cash flows (LCF) widened 7 bps in March to swaps +94 bps. Conversely, BBB spreads tightened 5 bps in March to swaps +440 bps. Some of the AAA LCF widening can be attributed to new supply and heavy selling going into quarter-end, coupled with the yield on the 10-year UST rallying. While 2.0 BBB-rated bonds continue to tighten, dispersion is evident as investors and dealers support what are perceived to be higher quality deals; inferior deals with a smaller investor base can trade upwards of 100 bps back. Legacy paper also saw substantial selling in March as investors continued to take advantage of the strong demand for high quality, short duration paper.
- Negative retailer headlines continued to push spreads on the Markit CMBX Indices wider, particularly in CMBX6.BBB and CMBX6.BB as this has been largely affected by cross-over short sellers looking to bet on the demise of the underlying retail-heavy exposure series. The retail landscape faces certain headwinds as a result of changing consumer sentiment and the advent of online shopping; however, some loan defaults are expected to be largely back-ended as a result of low cost of borrowing and sufficient in-place cash flow for the time being to mitigate any near-term issues. We believe these variables, coupled with some well-capitalized sponsors, provide time to reposition their assets to meet changing consumer preferences on properties that make sense. This dynamic makes shorting CMBX an expensive carry trade (3.00% coupon for CMBX6.BBB, 5.00% coupon for CMBX.6BB) while waiting out the potential defaults and varying degree of collateral outcomes.
- The private label CMBS universe fell by $6 billion or 1.3% to $463.1 billion in March. The conduit universe fell to $353 billion, down $10 billion MoM, while the legacy universe is down 58% year-over-year (YoY). The delinquency rate for both legacy and 2.0/3.0 conduits continued to tick higher, with the overall U.S. CMBS Delinquency Rate increasing 6 bps in March to 5.37%, up from 4.22% in March 2016 and 14 bps higher YTD.

Asset-Backed Securities

- There was strong demand for Asset-Backed Securities (ABS) with spreads moving tighter across most sectors with many of the new issue deals being well over subscribed. Investors remained bullish on the sector given the relative strength of the consumer balance sheet and the incremental spread pickup versus other asset classes. The Bloomberg Barclays U.S. ABS Index is up 0.54% YTD with Utilities being the strongest performer.
- Total gross issuance for the first quarter was roughly $63 billion, which is a 42% increase over the first quarter 2016 and a 4% increase on the same period of 2015. ABS issuance was led by Autos, making up 37% of the total issuance, followed by Credit Cards and Student Loans, making up 21.4% and 7.2%, respectively. Non-traditional ABS was roughly 8.1% of the total.
- Declines in used car prices and upticks in auto delinquencies have been a popular topic in the headlines. Recent pricing in the new issue auto market indicates that ABS investors remained comfortable with the collateral quality and high credit enhancement in these deals. The subordinate, BBB-rated tranches in subprime auto deals priced at the tightest level to date for some issuers.

U.S. Government Securities

- Starting the year, market participants had high hopes that interest rates were going to climb higher given President Trump's promises about tax reform and spiked consumer confidence under the new regime. However, the 10-year UST yield went sideways for the most part and eventually ended the first quarter lower, from 2.45% to 2.39%.

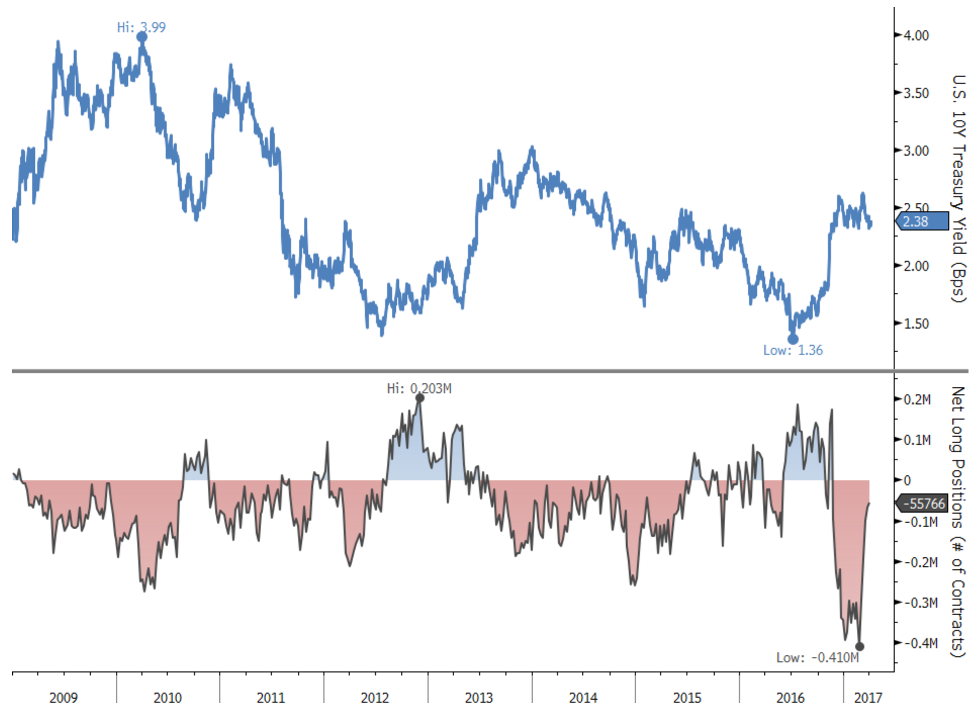
U.S. Treasury Yield Curve

	2/28/2017	3/31/2017	Change
3 month	0.60%	0.75%	0.15%
6 month	0.74%	0.90%	0.16%
1 year	0.82%	1.02%	0.20%
2 year	1.26%	1.25%	-0.01%
3 year	1.52%	1.49%	-0.03%
5 year	1.93%	1.92%	-0.01%
10 year	2.39%	2.39%	0.00%
30 year	3.00%	3.01%	0.01%

Source: Bloomberg

- During January and February, the 10-year largely traded within the narrow range of 2.30% to 2.50%. It broke up to the upper side at the end of February, when the Fed made it clear that a March hike was more likely than the market had anticipated. To adjust to this new guidance, the market sold off for nine consecutive days, pushing 10-year yields upwards. It reached the highest point of the year on March 13th at 2.63% and then turned around to head down after the March Federal Open Market Committee (FOMC) meeting.
- One factor that contributed to the late March rally was extreme market positions. By mid-March, the market had seen substantial short positions on treasuries from speculators. The aggregate short positions reached a historic high point.

U.S. Generic 10-Year Yield
December 31, 2008 to March 31, 2017

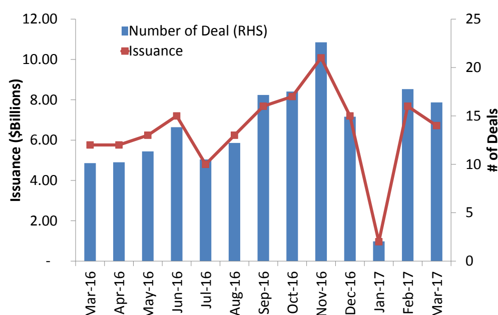


Source: Bloomberg

Then the pendulum swung back. As interest rates didn't go up as expected, speculators were forced to cover their shorts, which in turn supported the rally of the UST market.

Collateralized Loan Obligations

- Collateralized Loan Obligation (CLO) new issuance for March kept up the pace that the market saw in February. In total, 14 new deals came to market for a total size of $7.87 billion. The CLO market has seen $17.38 billion in new issuance YTD. Both March issuance and quarterly issuance was well ahead of the respective issuances of 2016.



Source: S&P Capital IQ
*RHS = Right Hand Side

- Refinancing activity continued to be the main source of supply for the CLO market with $20 billion in CLO refinance deals across 50 deals in March alone. With the current low spread of the loan assets, equity tranches are seeing lower interest payments. Managers and equity investors are taking advantage of the current low cost of financing the debt tranches so there is more residual interest to pass along to the equity.
- In the secondary market, CLO prices remained relatively unchanged and are still trading near their all-time tights. Secondary bids wanted in competition (BWIC) activity slowed during the last week of the month but CLO prices held up even with lower BWIC activity.

DoubleLine®

DoubleLine Total Return Bond Fund
Ticker: DBLTX/DLTNX
As of March 31, 2017

Fund Performance

Month-End Returns March 31, 2017	March	Year-to-Date	1-Year (Annualized)	3-Year (Annualized)	5-Year (Annualized)	Since Inception (4-6-10 to 3-31-17) (Annualized)	1-Yr Std Deviation[2]
I-share	0.23%	1.05%	1.46%	3.26%	3.64%	6.69%	2.30%
N-share	0.31%	0.98%	1.21%	3.04%	3.40%	6.43%	2.24%
Benchmark[1]	-0.05%	0.82%	0.44%	2.68%	2.34%	3.57%	3.52%

Quarter-End Returns March 31, 2017	1Q17	Year-to-Date	1-Year (Annualized)	3-Year (Annualized)	5-Year (Annualized)	Since Inception (4-6-10 to 3-31-17) (Annualized)
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[1]	0.82%	0.82%	0.44%	2.68%	2.34%	3.57%

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

Calendar Year Returns	2016	2015	2014	2013	2012	2011	2010[3]
I-share	2.17%	2.32%	6.73%	0.02%	9.16%	9.51%	16.57%
N-share	1.92%	2.07%	6.47%	-0.23%	9.00%	9.16%	16.40%
Benchmark[1]	2.65%	0.55%	5.97%	-2.02%	4.12%	7.84%	5.25%

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.doubleline.com.

1.Benchmark: Bloomberg Barclays U.S. 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. 2. Standard Deviation = A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Calculated by the square-root of the variance. 3. The Fund's inception date is 4/6/2010, thus the calendar year performance for 2010 is an unannualized partial year return. The performance information shown assumes the reinvestment of all dividends and distributions.

Performance Attribution

For the first quarter of 2017, the DoubleLine Total Return Bond Fund outperformed the Bloomberg Barclays U.S. Aggregate Bond Index return of 0.82%. During this period, the U.S. yield curve flattened with 2-year yields increasing by about 7 bps and 10-year yields declining by about 6 bps; 3-month London Interbank-Offered Rate (LIBOR) ended the quarter at approximately 1.15%. Broadly speaking, Agency Residential Mortgage-Backed Securities (RMBS) contributed positively to performance; passthroughs and fixed-rate Collateralized Mortgage Obligations (CMO) were the top contributors as the sectors benefited from both modest price gains and interest income returns. Inverse interest-only securities were the worst performers amongst Agency RMBS, but totaled less than 1% of the overall Fund's exposure. Within Non-Agency RMBS, higher credit quality sectors, such as Prime and Alt-A, were the best performers. Both sectors benefited from strengthening valuations over the trailing 3-month period and continue to contribute robust interest carry to the Fund. Other structured credit sectors such as CLOs and CMBS were accretive to the Fund's performance as spreads tightened over the quarter, benefiting the sectors from a valuation perspective. ABS were also additive to returns, mainly driven by high coupon returns.

DoubleLine®

DoubleLine Total Return Bond Fund
Ticker: DBLTX/DLTNX
As of March 31, 2017

Fund Statistics

Portfolio Characteristics

# of Issues	2,148
Ending Market Value	$54,220,369,392
Market Price[1]	$97.89
Duration[2]	4.10
Weighted Avg Life[3]	5.72

Sector Breakdown

(Percent of Portfolio)	
Cash	7.1%
Treasury	3.8%
TIPS	1.0%
Agency Pass-Throughs	29.8%
Agency CMO	21.6%
Non-Agency Residential MBS	22.7%
Commercial MBS	7.0%
Collateralized Loan Obligations	4.1%
Asset-Backed Securities	3.0%
Total	**100.0%**

Weighted Average Life[3] Breakdown

(Percent of Portfolio)	
Cash	7.1%
0 to 3 years	13.8%
3 to 5 years	19.2%
5 to 10 years	53.4%
10+ years	6.4%
Total:	**100.0%**

Duration Breakdown[2]

(Percent of Portfolio)	
Cash	7.1%
Less than 0	5.2%
0 to 3 years	22.0%
3 to 5 years	28.4%
5 to 10 years	32.6%
10+ years	4.6%
Total:	**100.0%**

Non-Agency Residential MBS Breakdown[7]

(Percent of Sector)	
Prime	36.5%
Alt-A	32.2%
Subprime	30.8%
N/A	0.5%
Total	**100.0%**

Current Quality Credit Distribution[4]

(Percent of Portfolio)	
Cash	7.1%
Government	5.5%
Agency	51.0%
Investment Grade[5]	14.6%
Below Investment Grade[6]	12.9%
Unrated Securities	8.9%
Total:	**100.0%**

SEC 30-Day Yield	*I-share*	*N-share*
Gross	3.69%	3.44%
Net[8]	3.69%	3.44%

Past performance does not guarantee future results.

1. Market price = The weighted average of the prices of the Fund's portfolio holdings. While a component of the fund's Net Asset Value, it should not be confused with the Fund's NAV. 2. Duration = A commonly used measure of the potential volatility of the price of a debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration. 3. Weighted Average Life = The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Agency ("NRSRO", generally S&P, Moody's and Fitch). DoubleLine chooses to display credit ratings using S&P's rating convention, although the rating itself might be sourced from another NRSRO. 5. Investment Grade = Refers to a bond considered investment grade if its credit rating is BBB– of higher by Standard & Poor's or Baa3 or higher by Moody's. Ratings are based on a corporate bond model. The higher the rating the more likely the bond will pay back par/100 cents on the dollar. 6. Below Investment Grade = Refers to a security that 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. 7. There are no industry standard definitions for non-agency Mortgage securities. These definitions are DoubleLine's based on Vichara and Loan Performance data. Prime is defined as FICO > 725 and LTV < 75 ; Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75 ; Subprime defined as FICO < 675. NA = Not available in Vichara or Loan Performance. 8. If a Fund invested in an affiliate Fund sponsored by the Adviser during the period covered by this report the Adviser agreed to not charge a management fee to the Fund in an amount equal to the investment advisory fees paid by the affiliated Fund in respect of the Fund's investment in the affiliated fund to avoid duplicate charge of the investment advisory fees to the investors.

Sector allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Portfolio holdings generally are made available fifteen days after month-end by calling 1-877-DLine11. The source for the information in this report is DoubleLine Capital, which maintains its data on a trade date basis.

Definitions

Bloomberg Barclays U.S. Aggregate Bond Index - The 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.

Bloomberg Barclays U.S. ABS Index - The ABS component of the Bloomberg Barclays U.S. Aggregate Index. It includes securities whose value and income payments are derived from and collateralized ('or backed") by a specified pool of underlying assets including credit cards, auto loans, etc.

Bloomberg Barclays U.S. Corporate Index -An index designed to be a broad-based measure of the global investment-grade, fixed rate, fixed income corporate markets outside the United States.

Bloomberg Barclays U.S. MBS Index -The Barclays Capital U.S. MBS Index measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of the Government-Sponsored Enterprises (GSEs): Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Treasury Index -The Barclays Capital U.S. Treasury Index is the U.S. Treasury component of the U.S. Government Index. Public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Basis Point -A basis point (bps) equals to 0.01%.

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.

Consumer Price Index (CPI) - A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, fo od and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

Duration - A commonly used measure of the potential volatility of the price of a debt securities, prior to maturity. Securities with a l onger duration generally have more volatile prices than securities of comparable quality with a shorter duration.

Institute for Supply Management Manufacturing Purchasing Managers Index (ISM PMI) - An index made up of data from 300 manufacturing firms collected by the Institute of Supply Management (ISM). It indicates the economic health of the manufacturing sector.

Institute for Supply Management Non-Manufacturing Purchasing Managers Index (ISM PMI) - An index made up of data from 400 non-manufacturing firms collected by the Institute of Supply Management (ISM).

London Interbank Offered Rate (LIBOR) - An indicative average interest rate at which a selection of banks known as the panel banks are prepared to lend one another unsecured funds on the London money market.

Markit CMBX Indices (CMBX.6) - A synthetic tradable index with 6 subindices referencing a basket of 25 commercial mortgage-backed securities offerings issued in 2012.

An investment cannot be made in an index.

Disclaimers

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contains this and other important information about the investment company, and it 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 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 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 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.

While the Fund is no-load, management fees and other expenses still apply.

Please refer to the prospectus for further details.

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The source for the information in this report is DoubleLine Capital, which maintains its data on a trade date basis.

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As of March 31, 2017 DoubleLine Total Return Bond Fund held 25.6% in Fannie Mae (FNMA), 25.9% in Freddie Mac (FHLMC) and 0.9% in Ginnie Mae (GNMA). Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

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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 complimentary copy of DoubleLine’s current Form ADV (which contains important additional disclosure information), 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. 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 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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