



DoubleLine Strategic Commodity Reaches 3-Year Anniversary, Receives 5-Star Overall Morningstar Rating™

(As of 5/31/2018, the DoubleLine Strategic Commodity Fund received 5 stars for the 3-year period out of 106 Morningstar Commodities Broad Basket Funds in the category.)

Mutual Fund Implements a Rules-Based Commodities Strategy

Outperformed Benchmark & Morningstar Peer Group Average over Trailing 3- and 1-Year Periods

LOS ANGELES, June 13, 2018 /PRNewswire/— The DoubleLine Strategic Commodity Fund (“the Fund”) now has a three-year track record and has earned a five-star Morningstar rating for risk-adjusted performance. The Fund is distributed via two share classes: I shares (DBCMX) and N shares (DLCMX).

The approximately \$490 million Fund is benchmarked to the Bloomberg Commodity Index. Jeffrey Sherman is portfolio manager of the Fund. Mr. Sherman also serves as deputy chief investment officer of DoubleLine Capital LP, president of DoubleLine Alternatives LP and head of DoubleLine’s Cross Asset team.

The Fund objective is long-term total return. The Fund implements a rules-based (aka smart-beta) strategy designed by DoubleLine’s Cross Asset team. The Fund maintains a core long-biased commodity weighting while tactically allocating to a market-neutral portfolio of long and short commodities positions when a nearly exclusive long-only exposure to commodities may not be as attractive.

The Fund has exposure to a broad basket of commodities. Examples of commodities to which the Fund may have exposure include, but are not limited to, industrial metals (e.g., copper, nickel); energy products (e.g., crude oil, unleaded gasoline, natural gas); agricultural products (e.g., soybeans, sugar, cotton); and livestock (e.g., live cattle). The Fund gains commodity-related exposure primarily through derivatives contracts. The Fund’s long-only strategy excludes precious metals (e.g., gold, silver) as these are held directly by many investors. The Fund’s market-neutral strategy may take long or short positions on precious metals as well as on other individual commodities.

Rationale for Long-Biased Commodities Investing

Allocation to commodities can serve strategic and tactical roles. Broadly speaking, strategic investments are held over full market cycles or longer while tactical trades are aimed at timely opportunities. Two strategic reasons for holding commodities are portfolio diversification and inflation hedging. A broad basket of commodities historically has exhibited low correlation to the traditional asset classes of stocks, bonds and cash. Commodities can hedge against dollar weakness – in other words, hedge against inflation. Examples of tactical trades include the buying or shorting of commodities based on relative valuation or some other input.

As its name signifies, the DoubleLine Strategic Commodity Fund aims to serve the strategic roles of portfolio diversification and inflation hedging. The Fund aims to do this by giving investors long-*biased*



exposure to the broad commodities markets while seeking lower volatility and downside risk than would be incurred under passive indexation.

Passive, long-*only* exposure to commodities can serve the same objectives of portfolio diversification and inflation hedging. However, the asset class can be quite volatile. Passive indexation can subject investors to the full downside and upside of this volatility. In particular, market swings to the downside confront investors with the difficult decision of whether to ride out “paper losses” in hope of a market recovery or to close out positions, realizing actual losses. The emotional stress during such episodes can test people’s ability to make rational decisions.

Standardized Performance

| Periods Ended March 31, 2018 | 1Q2018 | 1-Year | Since Inception Annualized (5-18-15 to 3-31-18) |
|--|--------|--------|---|
| I-share | -0.49% | 14.03% | 2.38% |
| N-share | -0.40% | 13.79% | 2.10% |
| Bloomberg Commodity Index (Benchmark) | -0.62% | 3.71% | -5.63% |
| Morningstar Commodities Broad Basket Fund Average | 0.20% | 6.10% | -4.49% |

| | I-Share | N-Share |
|---------------------|---------|---------|
| Gross Expense Ratio | 1.84% | 2.30% |

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.

Trailing 3-Year Performance

| Through May 31, 2018 | Total Return (Annualized) | Standard Deviation (Annualized) | Maximum Drawdown |
|--|------------------------------|---------------------------------------|---------------------|
| I-share | 4.08% | 13.56% | -17.01% |
| Bloomberg Commodities Index (Benchmark) | -4.09% | 15.39% | -30.61% |
| Morningstar Commodities Broad Basket Fund Average | -2.63% | 15.95% | -30.62% |

For the 3-year period ended May 31, 2018, the Fund's I shares delivered an annualized total return of 4.08% versus -4.09% for the Bloomberg Commodity Index. Morningstar categorizes the Fund as a Commodities Broad Basket fund. The average annualized total return for the category, I shares, was -2.63% for the same period.

Risk-Adjusted Return

The Fund generated its since-inception excess return over the benchmark and peer-group average while incurring less volatility as measured by standard deviation and less downside volatility as measured by maximum drawdown.

Investment Process and Portfolio Allocation

The Fund seeks to generate returns through long exposures to a broad basket of commodities and through a market-neutral portfolio of equally weighted long and short positions on individual commodities. The portfolio construction occurs monthly under a rules-based or smart-beta strategy.

Portfolio allocation varies between the long-only and market-neutral portfolios. When conditions for commodities prices appear most bullish, virtually 100% of the portfolio will be long commodities. When conditions for commodities prices appear most bearish, the Fund will allocate as little as 50% of assets to the long-only portfolio and 50% of assets (25% long individual commodities, 25% short individual commodities) to the market-neutral portfolio. Thus the Fund will always have net long exposure to the broad commodities market.

For example, the Fund was allocated 90.13% long (strategic), 9.87% market neutral (tactical) at the end of April 2018. By comparison, the Fund was allocated 80.2% long, 19.8% market neutral at the end of December 2016; 52.9% long, 47.2% market neutral at the end of December 2015.

Morningstar Fund Categories

Morningstar Inc., an independent investment research company, classifies each mutual fund and exchange-traded fund (ETF) into one of more than 100 categories based on each fund's portfolio holdings. As of the end of May 2018, the DoubleLine Strategic Commodity Fund was one of 106 mutual funds and ETFs comprising Morningstar's Commodities-Broad Basket category.

Morningstar Rating™

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next



35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of 5/31/2018 the DoubleLine Strategic Commodities Fund received a five-star Morningstar Rating for the 3 -year period out of 106 Commodities-Broad Basket funds. Ratings may differ per share class.

For more information on the DoubleLine Strategic Commodity Fund, please click on the following link:

<https://doublelinefunds.com/strategic-commodity-fund/>

Terms and Definitions

Smart beta indexation is defined by DoubleLine and some others as a rules-based investing strategy which deviates from market capitalization-weighting or stock price-weighting, popularly known as passive indexation.

Bloomberg Commodity Index (BCOM) is an index calculated on an excess return basis that reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule. It is not possible to invest directly in an index.

Correlation is a measure of the interdependence of two random variables that ranges in value from -1 to +1, indicating perfect negative-correlation at -1, absence of correlation at zero and perfect positive-correlation at +1.

Maximum drawdown is a measure of downside return volatility. Maximum drawdown is an index or asset's largest peak-to-trough decline over a given time period, calculated as a percentage.

Standard Deviation is a measure of the variation or dispersion of a set of data from its mean or expected/budgeted value. A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data is spread out over a large range of values. A measure of an investment's volatility.

About DoubleLine Alternatives LP and DoubleLine Capital LP

DoubleLine Alternatives LP and DoubleLine Capital LP are registered investment advisers under the Investment Advisers Act of 1940. DoubleLine Alternatives LP is also a registered commodity pool operator



and commodity trading adviser with the U.S. Commodity Futures Trading Commission, and is a member firm of the National Futures Association.

DoubleLine Capital and its related companies ("DoubleLine") managed \$118 billion in assets across all vehicles, including open-end mutual fund, closed-end fund, exchange-traded fund, hedge fund, variable annuity, UCITS, collective investment trust and separate accounts as of the December 31 end of the fourth quarter of 2017. DoubleLine's offices can be reached by telephone at (213) 633-8200 or by e-mail at info@doubleline.com. Media can e-mail DoubleLine at media@doubleline.com. DoubleLine® is a registered trademark of DoubleLine Capital LP.

The Fund's 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 carefully before investing.

DoubleLine Alternatives LP is the investment adviser to the DoubleLine Strategic Commodity Fund. DoubleLine Capital LP is the investment adviser to the other DoubleLine Funds which are distributed by Quasar Distributors, LLC.

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 commodities or commodity-linked derivative instruments may involve additional costs and risks such as changes in commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Investing in derivatives could lose more than the amount invested. Investing in foreign securities involves political, economic, currency risks, greater volatility and difference in accounting methods. These risks are greater for investments in emerging markets. Any index used by the Fund may not be widely used and information regarding its components and/or its methodology may not generally be known to industry participants, it may be more difficult for the Fund to find willing counter parties to engage in total or excess return swaps or other derivative instruments based on the return of the index. ETF and ETN 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. 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 Fund is non-diversified meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

Morningstar Commodities Broad Basket Fund Category represents an average of all of the funds in the Morningstar Commodities Broad Basket Fund Category.

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