DoubleLine®

Global Bond Fund FAQ

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1. What is the investment objective of the DoubleLine's Global Bond Fund?

The DoubleLine Global Bond Fund seeks to generate strong risk-adjusted returns from the global bond markets. The strategy focuses on selecting securities with attractive valuations in countries with stable to improving structural outlooks and growth trajectories. DoubleLine believes that combining bond and currency investments across countries creates a well diversified portfolio that can take advantage of different markets, business and economic cycles that are generally less correlated to other traditional asset classes.

2. What is the benchmark of the Global Bond Fund and why was this benchmark chosen?

The DoubleLine Global Bond Fund is benchmarked to the Citi World Government Bond Index (WGBI), which tracks the returns of local currency, investment grade government bonds across the globe. Similar to the benchmark, the portfolio will be primarily invested in sovereign bonds, denominated in their local currency, but will maintain the flexibility to opportunistically add credit exposure if there is a compelling reason to do so. Sovereign and currency investments will allow the fund to directly participate in global macro and country specific trends that are at the core of DoubleLine's investment process.

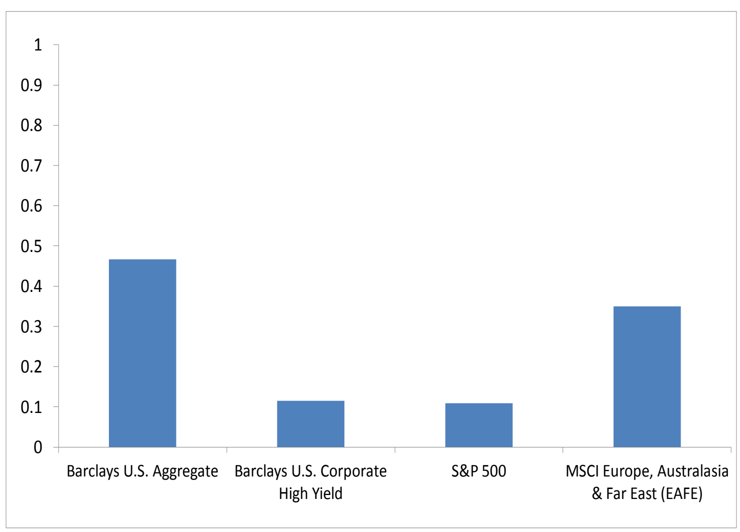
3. What is the motivation for offering a Global Bond Fund?

After several years of the markets anticipating the US Federal Reserve diverging from other global central bank policies by turning more hawkish, we believe that an opportunity has opened to take advantage of this theme being overpriced into currency markets. The Fed first changed their monetary policy stance in 2013 when they started to taper their purchases of US Treasuries. The divergence trade continued into 2015 with the Fed finally hiking at the end of the year. We believe that the Fed's hawkish rhetoric became too aggressive given the global economic conditions, and that some currency markets had become extended, creating an attractive entry point to add non-dollar exposure.

4. Why should an investor consider global bonds in their asset allocation mix?

Historically, global fixed income has generally shown lower correlation to other traditional asset classes. Global bonds allow investors to gain exposure to countries that are at different stages in their economic, market and development cycles. This helps investors access differentiated sources of return and will lower the volatility from any one country. Global bonds also allow investors to participate in idiosyncratic events. These can range from political transitions, to cross-border relations, to bilateral trade agreements or natural resource discoveries, to name just a few. These developments can opportunistically provide the portfolio with independent sources of return that are uncorrelated to general macro trends.

Figure 1: Correlation of Asset Classes to Citi Non-U.S. World Government Bond Index (WGBI)



Source: Bloomberg
Monthly data from December 31, 1990 through October 31, 2015

5. Can the fund invest in below investment grade securities?

The DoubleLine Global Bond Fund may invest in below investment grade securities, but it is limited to a maximum of 25%. DoubleLine will keep the focus of the investments in the fund in developed markets and exposures to emerging markets will be in the most liquid emerging markets. As such, we anticipate the majority of the time the Global Bond Fund will predominantly be invested in investment grade instruments.

6. Is this a U.S. dollar-denominated fund?

No. This fund will have the majority of its investment in non-dollar denominated securities. The goal of the Global Bond Fund is to provide investors access to local fixed income markets in countries with liquid bond markets.

7. Can you describe your use of derivatives in the Global Bond Fund?

The Global Bond Fund will primarily gain portfolio exposure through direct investments in the government's local currency bonds. However, the fund may opportunistically use derivative securities to hedge out currency risk in sovereign bond exposures. Derivatives may also be used on occasion to gain exposure to markets where operational issues might exist in the local cash bond market.

8. How will DoubleLine's Global Bond Fund compare to other global bond funds?

DoubleLine aims to offer investors a traditional global bond fund that will have significant developed market exposure over time. Emerging markets will be used tactically to attempt to outperform the index, but DoubleLine's Global Bond Fund expects to have a large portion of its portfolio in developed markets. Emerging markets have historically exhibited higher volatility and their returns have historically had a higher correlation to global equity markets.[1] DoubleLine focuses on providing its investors the best risk adjusted returns over time, and as such, allocations to developed markets will be at the core of the strategy with tactical allocations to emerging markets when DoubleLine believes the investment rationale is compelling.

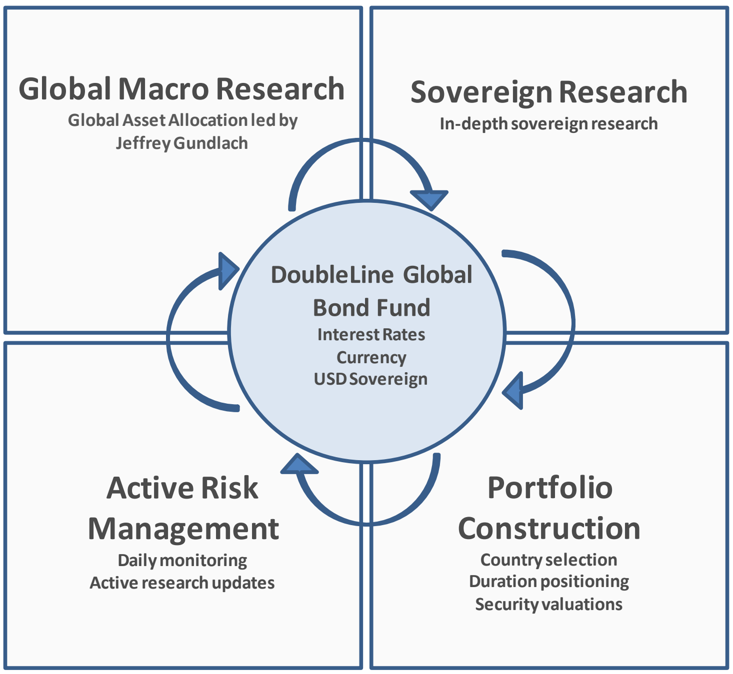
9. How does DoubleLine manage the currency risk and interest rate risk of the fund?

Currency risk and interest rate risk are two of the risk premia in the international fixed income market where investors should be rewarded for over time. As such, Doubleline takes currency and duration positions in countries consistent with the forward looking assessment of potential return and risk for each country. These views are driven by both DoubleLine's global macro outlook as well as the country specific research conducted on all countries in the global bond universe. Countries whose currency and interest rates have the best total potential return and risk outlook are countries for which Doubleline is likely to enter into an investment position.

10. Can you describe your investment process?

The investment process starts with a top down macro assessment of the global economy that provides the macro economic backdrop for our country specific research and asset class outlooks. Next, we conduct a in-depth bottom-up fundamental analysis for each country within the Global Bond Fund universe. Our fundamental analysis looks at all aspects of a country's current economic health including the drivers of growth, inflation dynamics, policies and structural outlook. Combining the top down macro assessment with the country specific analysis helps us identify which countries will benefit from global risk drivers, as well as identify the best sources of risk adjusted return within each country. The portfolio is dynamically managed on a daily basis, to assess if the portfolio positioning and fundamental outlook are consistent with the latest news and economic data.

Figure 2: DoubleLine Global Bond Fund Investment Process



Source: DoubleLine
Investment Process subject to change without notice.

Global Bond Fund FAQ

Authors

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International Fixed Income

Mr. Campbell joined Doubleline in 2013 as an International Fixed Income sovereign analyst. He covers Developed Markets, Central & Eastern Europe, Middle East and Africa (CEEMEA), and China. Prior to joining DoubleLine, Mr. Campbell worked for Peridiem Global Investors as a Global Fixed Income Research Analyst and Portfolio Manager. Previous to that, he spent over 5 years with Nuveen Investments, first as a Quantitative Analyst in their Risk Management and Portfolio Construction Group, then as a Vice President in their Taxable Fixed Income Group. Mr. Campbell also worked at John Hancock Financial as an Investment Analyst. Mr. Campbell received his BS in Business Economics and International Business, as well as his BA in English, from Pennsylvania State University. He received his MA in Mathematics, with a focus on Mathematical Finance, from Boston University.

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Ms. Ho joined DoubleLine in 2009 as an International Fixed Income sovereign analyst. She covers Latin America and Emerging Asia excluding China. Prior to DoubleLine, Ms. Ho was an Assistant Vice President at TCW for three years. At TCW, her responsibilities included Multi-Strategy Fixed Income analytics and managing the analytics for the group's CDO investments. Prior to TCW, Ms. Ho worked as a Paraplanner for Ameriprise Financial. She holds a BS in Mathematics/Economics, and a Specialization in Computer Programming from University of California at Los Angeles. She is a CFA charterholder.

Footnotes

1. From January 2003 to August 2015, the correlation of emerging markets, as represented by the JP Morgan Government Bond Index-Emerging Markets (GBI-EM), to global equity markets, as represented by the S&P 500 Index, was 0.63. From January 2003 to August 2015, the volatility of global equity markets, as represented by the S&P 500 Index, was 48.1% and the volatility of emerging markets, as represented by the JP Morgan Government Bond Index-Emerging Markets (GBI-EM), was 41.2%.

Definitions

Correlation - A statistical measurement of the relationship between two variables. Possible correlations range from +1 to -1. A zero correlation indicates that there is no relationship between the variables. A correlation of -1 indicates a perfect negative correlation and +1 indicates a perfect positive correlation.
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.
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.
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.
Barclays U.S. Corporate High Yield Index - A market value-weighted index which covers the U.S. non-investment grade fixed-rate debt market. The index is composed of U.S. dollar-denominated corporate debt in Industrial, Utility, and Finance sectors with a minimum $150 million par amount outstanding and a maturity greater than 1 year. The index includes reinvestment of income.
Citi World Government Bond Index (WGBI) - An index that measures the performance of fixed-rate, local currency, investment grade sovereign bonds.
Citi Non-U.S. World Government Bond Index (WGBI) - An index that measures the performance of government bonds issued outside of the U.S.
JP Morgan Government Bond Index-Emerging Markets (GBI-EM) - The first comprehensive, global local Emerging Markets index consisting of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
Morgan Stanley Capital international Europe, Australasia & Far East Index (MSCI EAFE) - A market-capitalization weighted stock market index designed to measure equity market performance of developed markets outside of the U.S. and Canada. This index includes a selection of stocks from 21 developed markets, excluding the U.S. and Canada.
S&P 500 Index - A capitalized-weighted index of 500 stocks chosen for market size, liquidity an dindustry grouping, among other factors. This index is 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 may not invest directly in an index.

Disclosures

The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory prospectus and summary prospectus (if available) contains this and other important information about the Funds, 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 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 including creit risk, prepayment risk, possible liquidity and default as well as increased susceptibility to adverse economic developments. Investments in foreign securities, which involve political, economic and currency risks, greater volatility and differences in account methods. These risks are greater for emerging markets. The Fund may use certain types of exchange traded funds or investment derivatives. Derivatives involve risks different from, and incertain 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 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 availability 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.

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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.