DoubleLine Floating Rate Fund (DBFRX/DLFRX)

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Bank Loans: When Asset Allocation Matters

What are Bank Loans?

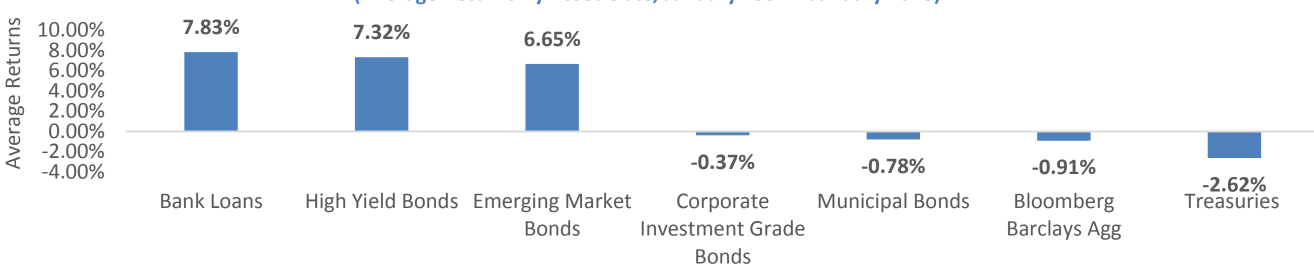
Bank Loans are floating rate debt instruments issued by corporations to finance growth, acquisitions, dividends, or fund other corporate needs. The term "bank loan" is generally synonymous with floating rate loans, leveraged loans and senior secured loans. Unlike traditional bonds that pay a fixed coupon, bank loans make interest payments based on a spread over a fluctuating underlying rate, typically London Interbank Offered Rate (LIBOR). Changes in the underlying rate have a direct impact on interest payments made under the loans, and the coupon rate will typically adjust at intervals of 30, 60, or 90 days. While most corporate bonds are not secured by any collateral, bank loans are typically secured by assets of the corporation and are therefore senior in the capital structure.

Why Bank Loans?

The distinct properties of bank loans can make them an attractive complement to fixed rate securities in a well-diversified portfolio.

1) *Hedging from Rising Interest Rates* – Bank loan interest payments increase in tandem with moves in the underlying interest rate. This is in sharp contrast to fixed-rate debt instruments where the coupon is locked-in. Historically, bank loans have outperformed other fixed income sectors during 12-month periods when the 10-year U.S. Treasury yield rose by 100 basis points (bps) or more.

Figure 1 - Bank Loans Outperformed When the 10-Year U.S. Treasury Yield Rose by 1% or More
(Average Returns By Asset Class, January 1992 – January 2018)



2) *Diversification* – Bank loans can offer attractive diversification characteristics in a fixed income portfolio. In the 10-year period ending 1/31/18, Floating Rate loans have shown close to zero correlation with the Bloomberg Barclays U.S. Aggregate Bond index. Low correlation amongst the components of a fixed income portfolio can translate to less portfolio volatility and better risk-adjusted returns.

Figure 2 - Correlation Matrix S&P/LSTA US Leveraged Loan Index vs. Traditional Fixed Income Asset Classes

Correlation Matrix (February 2008 - January 2018)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) S&P/LSTA US Leveraged Loan Index	**1**						
(2) ICE BofAML US Treasury	-0.43	**1**					
(3) Bloomberg Barclays Municipal Bond	0.29	0.34	**1**				
(4) Bloomberg Barclays U.S. Corporate Investment Grade	0.42	0.44	0.57	**1**			
(5) ICE BofAML US High Yield	0.86	-0.22	0.34	0.65	**1**		
(6) ICE BofAML US Dollar Emerging Markets Sovereign Plus	0.52	0.25	0.47	0.78	0.77	**1**	
(7) Bloomberg Barclays U.S. Aggregate	0.02	0.85	0.57	0.82	0.28	0.63	**1**

Figure 3 – DoubleLine Floating Rate Fund Performance

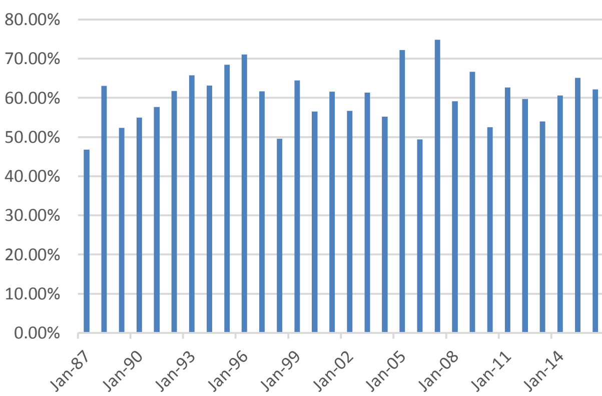
Fund Performance					
Quarter-End Returns December 31, 2017	**4Q2017**	**YTD**	**1-Year**	**3-Year**	**Since Inception (2-1-2013 to 12-31-2017)**
I-share	0.29%	3.71%	3.71%	3.52%	3.12%
N-share	0.37%	3.45%	3.45%	3.26%	2.91%
S&P/LSTA Leveraged Loan Index	0.40%	4.12%	4.12%	4.44%	3.89%
Bloomberg Barclays U.S. Agg Index	0.46%	3.54%	3.54%	2.24%	3.58%

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.

Expense Ratio - Gross: 0.71%

Source: StyleAdvisor, DoubleLine

Figure 4 - Annual Average Nominal Recoveries



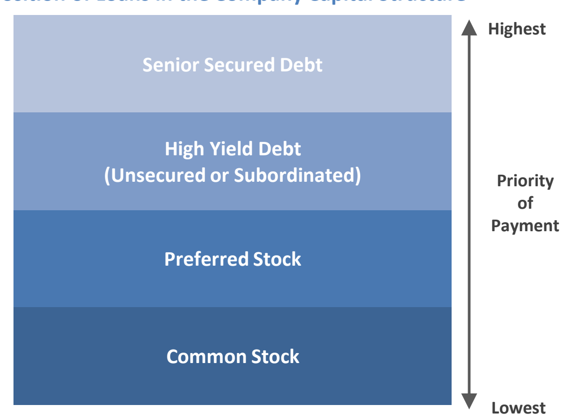
3) *Exposure to Corporate Credit* – Bank loans are a straightforward asset class; these are loans made predominately to U.S. corporations. In times of economic expansion, corporations are likely to see earnings growth and lower default rates, both of which are supportive of bank loan prices.

4) *High Recoveries Upon Default* – Although bank loans generally lack investment grade credit ratings, they are typically secured on a first lien basis by the underlying assets of the company. This gives them a first priority claim in the case of bankruptcy and leads to relatively high recoveries in the event of default.

5) *History of Stable Returns* – While 2008 was a tough year for the bank loan market, the S&P/LSTA U.S. Leveraged Loan Index had only two years of negative returns since its inception in 1997.

6) *Attractive Sharpe Ratios* – The Sharpe Ratio of the bank loan asset class has been competitive relative to U.S. Treasuries, investment grade bonds, high yield bonds, and equities since the inception of the S&P/LSTA US Leveraged Loan Index in 1997. Furthermore, since the end of the financial crisis[1] the Sharpe Ratio of the bank loan asset class has been higher than U.S. Treasuries, investment grade bonds, high yield bonds, and stocks.

Figure 5 - Senior and Secured: Position of Loans in the Company Capital Structure



Sample Capital Structure

Figure 6 – History of Stable Returns

Calendar Year Return (As of January 2018)																					
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
S&P/LSTA US Leveraged Loan Index	7.59%	5.25%	3.65%	4.99%	4.18%	1.91%	9.97%	5.17%	5.08%	6.77%	2.00%	-29.10%	51.62%	10.13%	1.52%	9.66%	5.29%	1.60%	-0.69%	10.16%	4.12%
Bloomberg Barclays U.S. Agg	9.68%	8.67%	-0.83%	11.63%	8.44%	10.25%	4.10%	4.34%	2.43%	4.33%	6.97%	5.24%	5.93%	6.54%	7.84%	4.21%	-2.02%	5.97%	0.55%	2.65%	3.54%

Figure 7 – Attractive Sharpe Ratio

Risk / Return Table (Annualized Summary Statistics: January 1997 - January 2018)	
	Sharpe Ratio
S&P/LSTA US Leveraged Loan Index	0.5017
ICE BofAML US Treasury	0.6091
Bloomberg Barclays U.S. Aggregate	0.8864
ICE BofAML US High Yield	0.5508
S&P 500	0.4308

Risk / Return Table (Annualized Summary Statistics: July 2009 - January 2018)	
	Sharpe Ratio
S&P/LSTA US Leveraged Loan Index	1.6806
ICE BofAML US Treasury	0.7012
Bloomberg Barclays U.S. Aggregate	1.2298
ICE BofAML US High Yield	1.5121
S&P 500	1.3439

Past performance does not guarantee future results.

Source: S&P Global LossStats; LCD, an offering of S&P Global Market Intelligence, Neuberger Berman, StyleAdvisor, DoubleLine

[1] July 1, 2009 to December 31, 2017

Why Bank Loans Today?

With the Federal Reserve aiming to raise rates four times in 2018, the consequences of rising interest rates are of paramount concern to fixed income investors. While fixed-rate debt instruments may see price degradation in a rising interest rate environment, bank loan prices could benefit from coupons that adjust higher with LIBOR. Moreover, the strong pace of economic expansion has been supportive of corporate earnings and cash flow, which has kept a lid on defaults in the bank loan market.

Why DoubleLine Floating Rate Fund?

The cardinal mandate at DoubleLine is to provide better risk-adjusted returns with less volatility. The bank loan team at DoubleLine has a value-driven approach that analyzes each credit individually for attractive return characteristics and lower drawdown. As each credit is underwritten, it is also considered within the broader context of the industry in which it operates; the state of the bank loan market generally; and DoubleLine's well-developed, constantly-refined macroeconomic framework. The bank loan team includes 16 dedicated investment professionals with average experience of over 13 years. DoubleLine's underwriting process has delivered strong risk-adjusted returns in the form of a high Sharpe Ratio since inception and a low drawdown during the market sell-off in 2015-2016.

1) Strong Risk-Adjusted Returns and Lower Volatility – The DoubleLine Floating Rate Fund (DBFRX) has exhibited a better Sharpe Ratio and lower standard deviation relative to its Morningstar Bank Loan category average and the S&P/LSTA U.S. Leveraged Loan Index (the benchmark) since inception.
2) Focus on Lower Drawdown – The DoubleLine Floating Rate Fund seeks to minimize losses through market downturns. It experienced slightly more than half of the drawdown compared to its benchmark during the sell-off in late 2015/early 2016, and since inception in February of 2013.
3) Positive returns in all rising rate environments when the 10-Year UST moved up by 80 bps or more since inception of DBFRX
4) Low correlation to core fixed income holdings and broader markets
5) Flexibility - With just over $500 million (As of January 31, 2018) in assets, the DoubleLine Floating Rate Fund can be nimble during times of opportunity and times of stress. Given the smaller asset size relative to the Floating Rate peer group, DoubleLine can take meaningful positions in smaller loan offerings, but get the same access to larger offerings, and can potentially sell holdings more quickly.

Figure 8 – DoubleLine Floating Rate Fund Performance during >80 bps rise in the 10-Year UST Yield

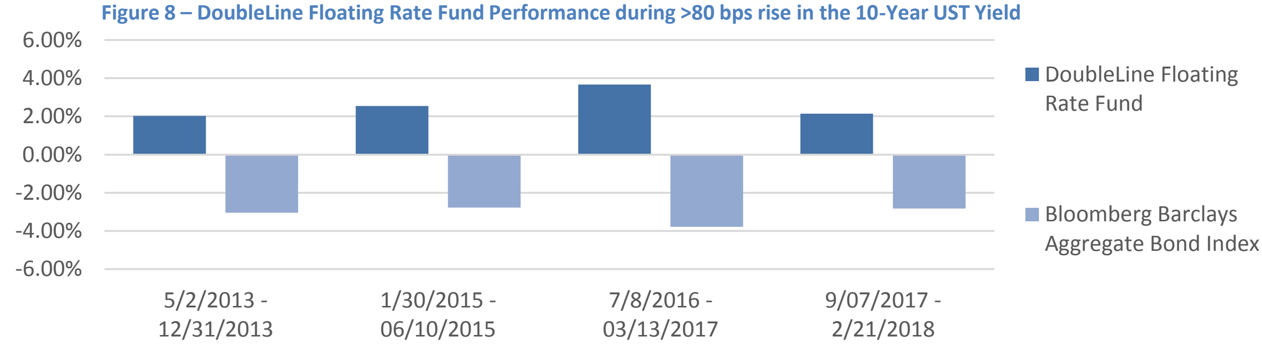


Figure 9 - Correlation Matrix DBFRX vs. Traditional Fixed Income Asset Classes

Correlation Matrix (March 2013 - January 2018)							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) DoubleLine Floating Rate I	1						
(2) ICE BofAML US Treasury	-0.07	1					
(3) Bloomberg Barclays Municipal Bond	-0.02	0.81	1				
(4) Bloomberg Barclays U.S. Corporate Investment Grade	0.34	0.81	0.78	1			
(5) ICE BofAML US High Yield	0.75	0.09	0.22	0.55	1		
(6) ICE BofAML US Dollar Emerging Markets Sovereign Plus	0.35	0.54	0.66	0.77	0.68	1	
(7) Bloomberg Barclays U.S. Aggregate	0.12	0.96	0.86	0.93	0.31	0.69	1

Past performance does not guarantee future results.

Figure 10: Manager vs. Morningstar Bank Loan: Sharpe Ratio
March 2013 - January 2018 (not annualized if less than 1 year)

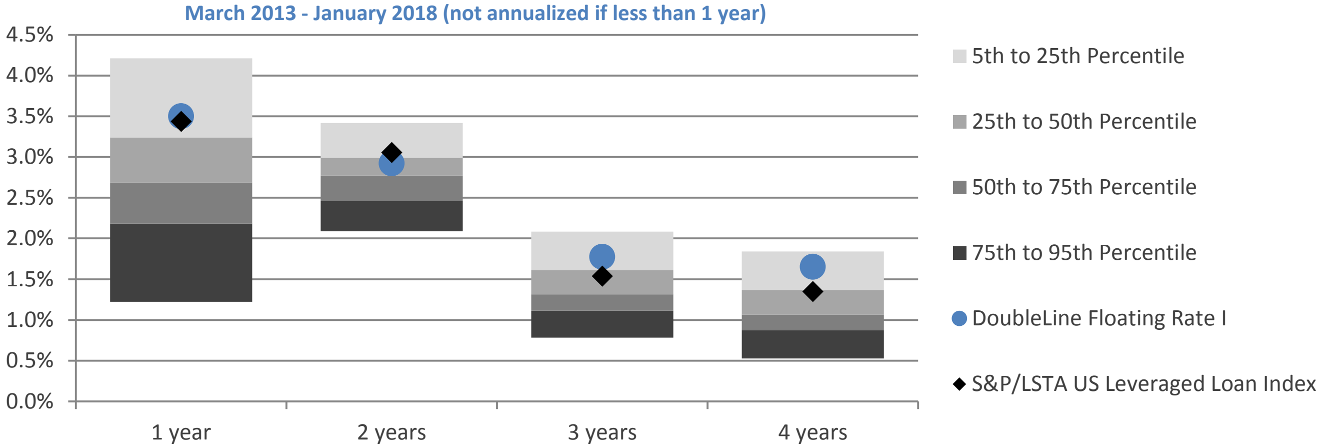


Figure 11: Manager vs. Morningstar Bank Loan: Standard Deviation
March 2013 - January 2018 (not annualized if less than 1 year)

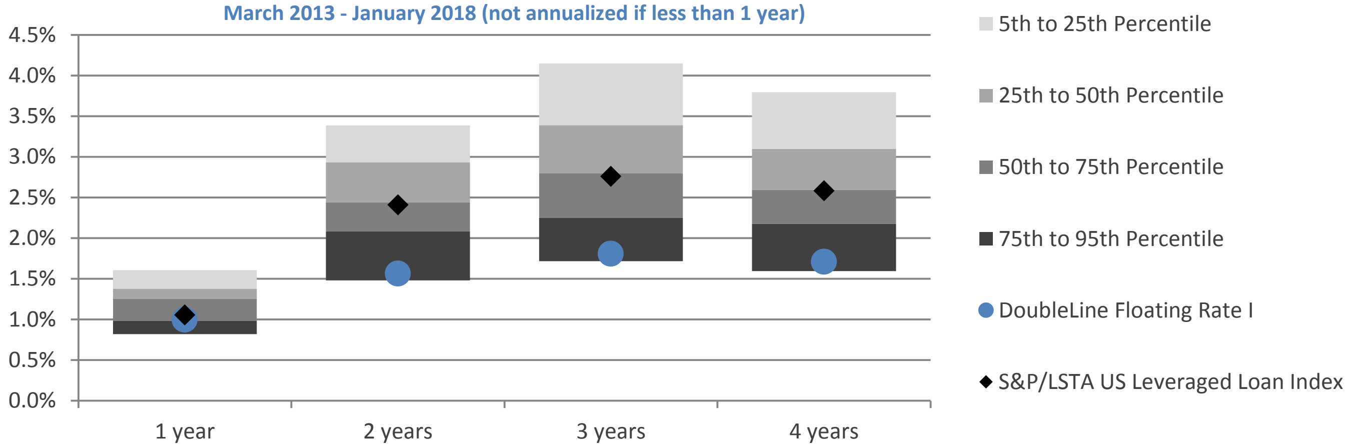
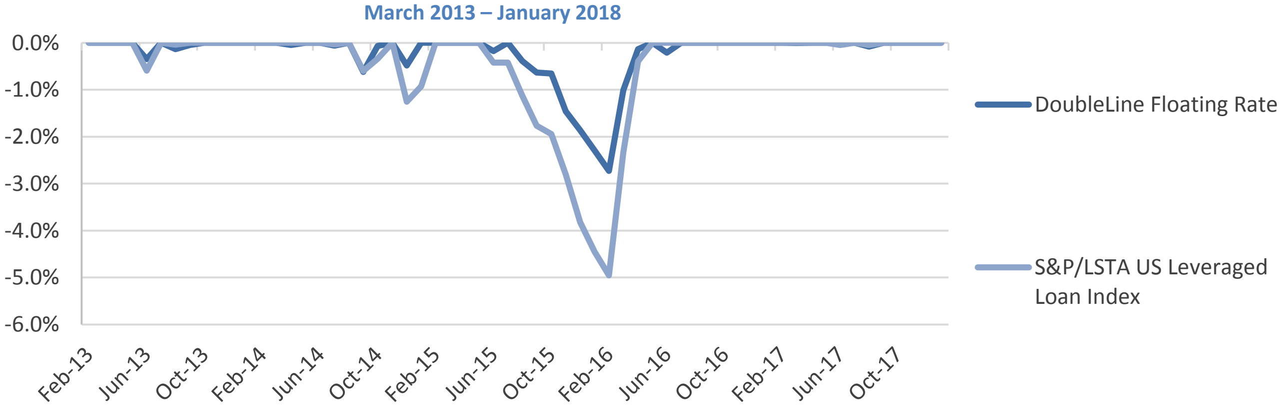


Figure 12: Drawdown
March 2013 – January 2018



Past performance does not guarantee future results.
Source: StyleAdvisor, DoubleLine

Definitions:

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.

Spread – Spread is the percentage point difference between yields of various classes of bonds compared to treasury bonds.

Basis Point - A basis point is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument.

Sharpe Ratio - A reward-to-variability ratio and a measure of the excess return (or Risk Premium) per unit of risk in an investment asset or a trading strategy.

Drawdown - The peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

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.

Bank Loans are represented by Credit Suisse Leveraged Loan Index:This index tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated "5B" or lower, meaning that the highest rated issues included in this index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries. (12/31/1991-12/31/1996) S&P/LSTA Leveraged Loan Index: An index designed to track the market-weighted performance of the largest institutional leveraged loans based on the market weightings, spreads and interest payments. (12/31/1996-01/31/2018)

High Yield Bonds are represented by ICE BofAML US High Yield: An index that tracks the performance of U.S. dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the U.S. domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Firth foreign currency long term sovereign debt ratings). Must have one year remaining to final maturity and a minimum outstanding amount of $100MM.

Emerging Market Bonds are represented by ICE BofAML US Dollar Emerging Markets Sovereign Plus: An index that tracks the performance of U.S. dollar denominated emerging market and cross-over sovereign debt publicly issued in the eurobond or U.S. domestic market. Qualifying countries must have a BB1 or lower foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P, and Fitch).

Corporate Investment Grade Bonds are represented by Bloomberg Barclays U.S. Corporate Investment Grade: An index that represents the total return measure of the corporates portion of the Barclays U.S. Aggregate Index.

Municipal Bonds are represented by Bloomberg Barclays Municipal Bond: An index that is representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year.

Treasuries are represented by ICE BofAML US Treasury: An index that tracks the performance of U.S. dollar denominated sovereign debt publicly issued by the U.S. government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of $1 billion.

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.

S&P 500 Index – This index is based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices.

Cash flow – A measure of the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

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.

It is not possible to invest directly in an index.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus 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 in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in floating rate securities include additional risks that investors should be aware of such as credit risk, interest rate 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. 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 may involve political, economic, and currency risks, greater volatility and differences in accounting methods. These risks are greater for investments in emerging markets. In order to achieve its investment objectives, the Fund may use certain types of exchange traded funds or 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 risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when more 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 trading market may not develop or be maintained or trading may be halted by the exchange in which they trade, which may impact the 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.

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

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

Credit distribution is determine from the highest available credit rating from any Nationally Recognized Statistical Rating Agency (NRSRO, generally S&P, Moodys and Fitch). DoubleLine choose to display credit ratings using S&P's rating convention, although the rating itself might be sourced from another NRSRO. A stock may trade with more or less liquidity than a bond depending on the number of shares and bonds outstanding, the size of the company, and the demand for the securities. All investments involve risk. Principal loss is possible. Treasury notes are guaranteed by the U.S. government and thus they are considered to be safer than other asset classes. All investments involve risk. Principal loss is possible. **Earnings growth is not representative of the fund's future performance.**

The DoubleLine Funds are distributed by Quasar Distributors, LLC.

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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).