



# Quarterly Commentary

## DoubleLine Mutual Funds

Third Quarter 2017

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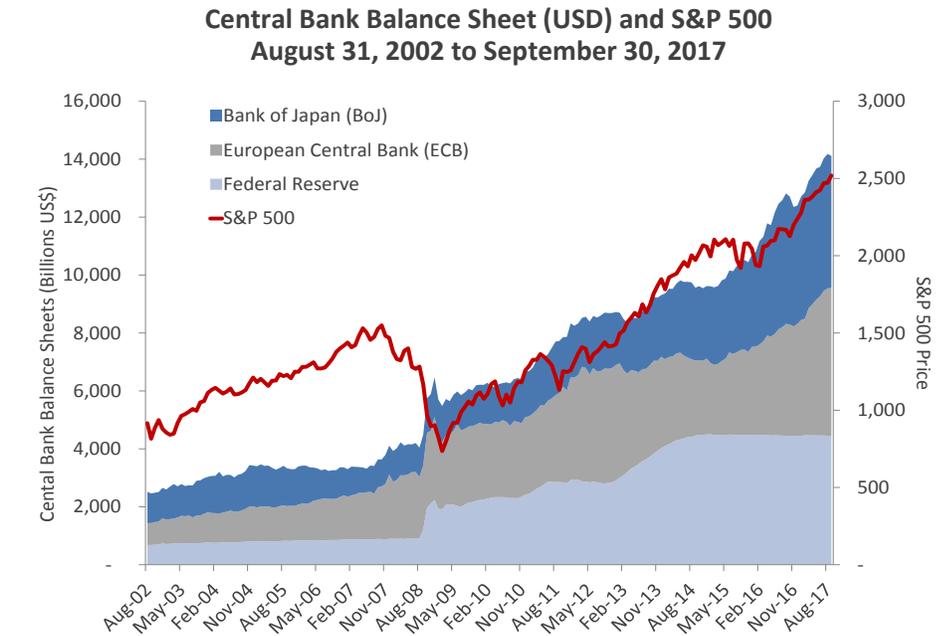
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**Overview**

At the beginning of 2017, DoubleLine predicted a move lower in the 10-year U.S. Treasury (UST) yield, two to three rate hikes during 2017 and the potential for the 10-year UST yield to rally during the second half of the year and finish higher than where it started on December 30, 2016 at 2.45%. While many economists were calling for increased UST yields, we believed the data supported the possibility of a move lower. Time will tell if the 10-year UST yield will rise and finish the year higher, but after two successful rate hikes this year, it appears that the Federal Reserve (Fed) has finally been able to meet their own expectations. According to Bloomberg’s World Interest Rate Probability (WIRP) function, the implied probability of another hike by year-end rose from 25% in early September to around 70% by month-end. We believe the true probability is accurately reflected in the futures market and the Fed will hike once more by year-end.

One of the biggest market events during the third quarter came on September 20<sup>th</sup> when the Fed announced the plan to unwind their \$4.5 trillion balance sheet with an October implementation date. The question investors have been starting to ask is, “What is going to happen based on the Fed’s plans to start reducing its balance sheet?”

We believe quantitative easing (QE) has been highly correlated with higher pricing of risk assets. Since the S&P 500 Index has moved up almost in tandem with the Fed’s balance sheet, one would logically think if QE is good

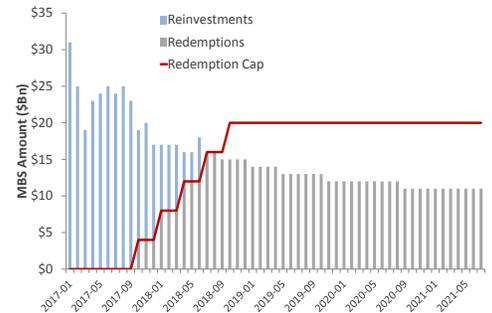


Source: DoubleLine, Bloomberg

for risk assets than quantitative tightening will be bad for risk assets. DoubleLine believes the beginning of a reduction of the Fed’s balance sheet raises some long-term concern for risk assets, particularly U.S. equities and corporate bonds. However, investors do not seem to share our long-term concern for the impact on risk assets and instead seem more concerned with the impact on UST and Agency Mortgage-Backed Securities (MBS).

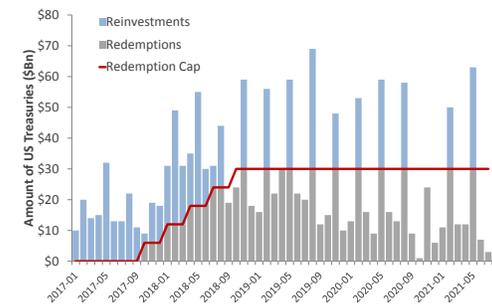
For both UST and Agency MBS, the plan is to implement a redemption cap which would allow securities to roll off in the form of a “step function.” For the smaller holding of Agency MBS, the Fed will allow reinvestment through 2018 with all future long-term holdings being sold off to the market place. While this plan is certain to add additional supply to the marketplace, it appears the plan will be very gradual and demand for UST

### Projected SOMA MBS Maturity Profile\* January 1, 2017 to July 2021



Source: New York Federal Reserve, DoubleLine  
\*Assumes Sept 2017 Announcement, Oct 2017 Implementation. SOMA = Federal Reserve System Open Market Account

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## Overview

and Agency MBS remains strong both here in the U.S. and from foreign investors. Additionally, we believe the gradual reduction of both the Fed's UST and Agency MBS is transparent and the potential spread widening within UST and Agency MBS will be minimal. If spread widening does occur, we expect there to be a bigger impact on the credit sectors of fixed income as investors will have to decide if they want to own credit risk for potentially the same amount of yield and duration of a UST or Agency MBS.

We continue to monitor both the lack of volatility and higher valuations among risk assets. While we do not forecast a recession in the immediate future, future delays and disappointments in economic policy, rising bond yield and subpar growth are all events that could lead to investor uncertainty. Given that backdrop, we remain defensive in terms of risk.

U.S. Government Securities

- The movement in the UST market during the third quarter was largely a round trip. The benchmark 10-year yield reached its highest level of 2.39% on July 7<sup>th</sup>, and then changed course to head downwards until it touched 2.04% before roaring back again and ending the quarter at 2.34%. The main

U.S. Treasury Yield Curve

|         | 8/31/2017 | 9/29/2017 | Change |
|---------|-----------|-----------|--------|
| 3 month | 0.99%     | 1.04%     | 0.05%  |
| 6 month | 1.07%     | 1.19%     | 0.12%  |
| 1 year  | 1.22%     | 1.29%     | 0.07%  |
| 2 year  | 1.33%     | 1.48%     | 0.15%  |
| 3 year  | 1.43%     | 1.62%     | 0.19%  |
| 5 year  | 1.70%     | 1.94%     | 0.24%  |
| 10 year | 2.12%     | 2.33%     | 0.21%  |
| 30 year | 2.73%     | 2.86%     | 0.13%  |

Source: Bloomberg

forces pushing the yields down were the persistently underwhelming inflation numbers, the potential for a government shut-down and geopolitical tensions, particularly related to North Korea.

- Stepping into September, the market sentiments started to change. A series of hawkish Fed rhetoric, including the September 20<sup>th</sup> Federal Open Market Committee (FOMC) meeting, pushed the mar-

ket players to recalibrate their assessment about the possibility of another rate hike in 2017. Additionally, UST experienced a sharp sell-off in September. The 2-year yield touched 1.50% on September 28<sup>th</sup>, the highest since October 2008. The spread between the 5-year and 30-year yields flattened to multi-year lows near 91 basis points (bps).

- The biggest yield declines were seen on September 5<sup>th</sup> due to Hurricane Irma and threats from North Korea and September 7<sup>th</sup> due to a German Bund rally. The biggest yield increases during the month included September 11<sup>th</sup> due to the downgrade of Hurricane Irma and lack of action from North Korea, and September 20<sup>th</sup> due to the FOMC meeting previously mentioned and September 27<sup>th</sup> when the GOP unveiled their tax cut plan.
- The Bloomberg Barclays UST Index lost 0.86% in September, paring its year-to-date (YTD) advance to 2.26%; the third quarter managed to produce a gain of 0.38%.

- Treasury Inflation-Protected Securities (TIPS) breakevens rose, with the 5-year topping 1.80% and 10-year approaching 1.90% for first time since May. The 10-year breakevens advanced about 15 bps in the third quarter.

Agency Mortgage-Backed Securities

- Aggregate Agency MBS prepayment speeds declined by roughly 10% month-over-month (MoM) and 8% quarter-over-quarter (QoQ); however, these declines are not significant given that conditional prepayment rate (CPR) changes have been very minimal for the trailing 3-month period with Fannie Mae speeds at 11.4, 12.4 and 11.2 for July, August and September, respectively. Speeds continued to be range bound as they have for most of this year. Over the month, speeds for lower coupon, seasoned collateral decreased the most for both 30-year and 15-year collateral, with the rest of the coupon stack declining relatively evenly.
- Freddie Mac 30-year commitment rates ended the quarter at 3.83

Conditional Prepayment Rates (CPR)

| 2017                | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr   | May   | June  | July  | Aug   | Sept  |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Fannie Mae (FNMA)   | 17.9% | 17.0% | 15.1% | 10.7% | 8.6%  | 10.6% | 9.7%  | 11.5% | 12.3% | 11.4% | 12.4% | 11.2% |
| Freddie Mac (FHLMC) | 17.7% | 16.6% | 14.7% | 10.4% | 8.6%  | 13.6% | 12.5% | 14.5% | 15.4% | 14.8% | 16.0% | 14.6% |
| Ginnie Mae (GNMA)   | 21.7% | 21.2% | 18.5% | 13.1% | 11.8% | 10.2% | 9.6%  | 11.3% | 12.1% | 11.3% | 12.2% | 11.0% |

Bloomberg Barclays Capital

| U.S. MBS Index       | 7/31/2017 | 8/31/2017 | 9/30/2017 | MoM Change |
|----------------------|-----------|-----------|-----------|------------|
| Average Dollar Price | \$103.63  | \$104.46  | \$103.69  | -\$0.77    |
| Duration             | 4.66      | 4.24      | 4.47      | 0.23       |

Bloomberg Barclays Capital

| U.S. Index Returns | 7/31/2017 | 8/31/2017 | 9/30/2017 |
|--------------------|-----------|-----------|-----------|
| Aggregate          | 0.43%     | 0.90%     | -0.48%    |
| MBS                | 0.45%     | 0.73%     | -0.22%    |
| Corporate          | 0.73%     | 0.84%     | -0.22%    |
| Treasury           | 0.17%     | 1.08%     | -0.86%    |

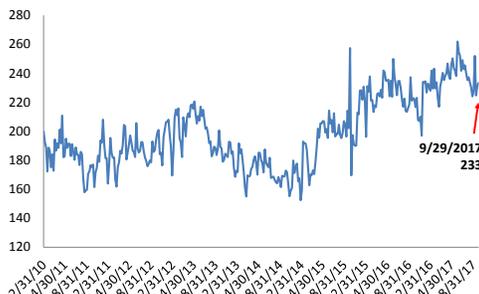
Source: eMBS, Barclays Capital



Non-Agency MBS

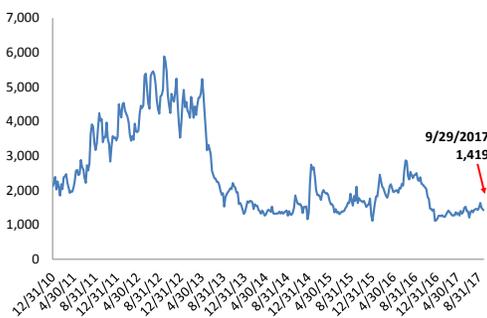
with overall refinancing levels ending flat MoM, as measured by the Mortgage Bankers Association (MBA) Refinancing Index, and slightly higher QoQ. Overall purchase activity, as measured by the MBA Purchase Index, modestly increased MoM, though it declined over the quarter. Broadly, the trend continues to be that housing turnover has been the driver of prepay speeds relative to refinancing activity due to how range-bound rates have been for most of this year.

**Mortgage Bankers Association (MBA) Purchase Index**  
As of September 29, 2017



Source: Bloomberg

**MBA Refinance Index**  
As of September 29, 2017



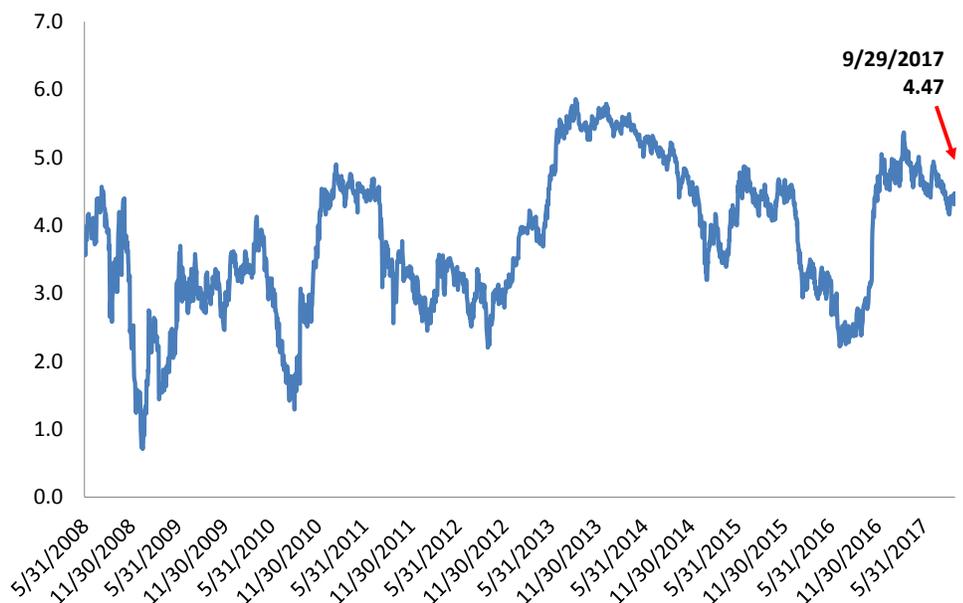
Source: Bloomberg

- 30-year current coupon spreads against 5/10 Treasuries have continued to tighten, particularly over the past month, with the basis tightening by about 10 bps.

- Total gross issuance has been roughly \$122 billion, bringing YTD figures to just over one trillion. Overall issuance seems to be in line with issuance last year, despite the two different rate regimes, likely due to housing seasonality and turnover being the primary driver this year versus last year's rate story with 2016 having come close to historic lows for mortgage rates.
- The Bloomberg Barclays U.S. MBS Index had a return of -0.22% for the month of September and 0.96% for the third quarter. The duration ended the period at 4.47, which compressed since last quarter's figure of 4.72. Overall, the MBS sector has underperformed Corporates for the third quarter, mainly driven by the sector's shorter duration profile for the months of July and August when rates declined.

- Spreads in prime and Alt-A securities were about 10 bps tighter while subprime spreads were flat during the quarter. The sector continues to be supported by strong technicals and improving fundamentals. Recent natural disasters, such as Hurricanes Harvey, Irma, and Maria, have created some headwinds for the space as investors estimate exposures and potential losses.
- Settlements remain a positive factor as 14 trusts in the Countrywide case received payouts in September. Bondholders in the Long Beach/Washington Mutual settlement should also expect to receive approximately \$660 million over the next six months.
- There were over 20 deals redeemed in September for a principal amount of about \$500 million.

**Duration of the Barclays U.S. MBS Index**  
June 1, 2008 to September 29, 2017



Source: Bloomberg, DoubleLine

New Residential, which owns extensive call-rights across the sector, has re-securitized a large amount of legacy deals that have been redeemed this year.

- Investors continue to interpret the impact of principal holdbacks related to trustee litigation following Wells Fargo's action in June. Fitch downgraded 348 bonds subject to trustee litigation in August. More trustees have engaged in this practice when deals were called over the quarter, however, the percentage of principal withheld from investors has been lower than what was withheld by Wells Fargo.
- Trading volume in the third quarter was down 2% with subprime securities continuing to make up a majority of activity. There was \$4.8 billion of legacy non-Agencies traded on bid lists in September.

### Commercial MBS

- September private-label Commercial MBS (CMBS) issuance volume increased by 35% MoM to \$58 billion. Five conduit deals totaling \$4.9 billion and five single-asset single-borrower (SASB) deals totaling \$3.6 billion priced during the month. YTD through September 2017, private-label CMBS issuance volume is 40% higher than through the same period in 2016. New issue volume continues to be driven by SASB deals, for which issuance is 117% higher than through the same period in 2016, while conduit issuance volume is up only 10% year-over-year (YoY).

- Secondary Principal and Interest CMBS trading totaled \$16.9 billion in September, falling 7% MoM and 10% below the 2017 monthly average of \$18.7 billion through August. Secondary market cash spreads widened with AAA last cash flows (LCF) widening by 1 bp to swaps +86 bps and BBBs widening by 10 bps to swaps +365 bps. CMBX spreads were mixed alongside broader equity and credit markets, with AAA 2012-2016 reference indices tightening by an average of 6 bps, and BBBs widening by an average of 26 bps. The most recently issued conduit deal priced at swaps +93 bps and swaps +460 bps for the AAA and BBB tranches respectively.
- The outstanding private label CMBS universe increased by \$6.7 billion or 1.5% to \$450.2 billion in September, however net issuance is still down 7.1% YTD. This marked the third month in 2017 when net issuance has increased. The outstanding conduit universe was relatively unchanged at \$329.8 billion, while the outstanding SASB universe increased to \$114.6 billion, up \$7.3 billion MoM and 16.2% YoY. The CMBS delinquency rate decreased for the third month in a row, falling by 4 bps in September to 5.4%; however, the delinquency rate remains 62 bps above the September 2016 rate of 4.8%.

### Asset-Backed Securities

- Gross new issuance for September in Asset-Backed Securities (ABS)

was up, bringing YTD totals close to \$192 billion. Spreads remained flat to marginally tighter over the quarter as demand for ABS remained firm.

- Investor demand remains strong across the spectrum of ABS deals as evidenced by robust trading activity in both traditional and more esoteric sectors. Within the traditional ABS sector, both autos and student loans have continued to be well bid. Within more off-the-run sectors, whole business securitizations continued to benefit from rising valuations as both primary and secondary markets have been well received. Marquee whole business names, such as Dunkin Donuts, also marketed their new ABS deals in September.
- Hurricanes Harvey and Irma came and went with minimal impact on collateral performance thus far and overall investor outlook in the ABS space.
- The Bloomberg Barclays U.S. ABS Index returned -0.23% for the month of September and 0.42% for the third quarter of 2017.

### Investment Grade Credit

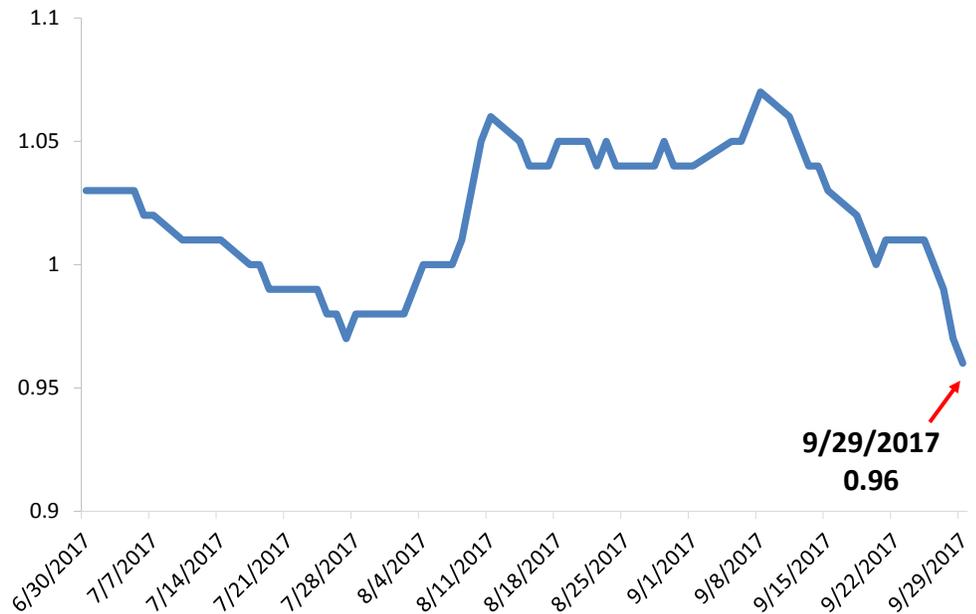
- The U.S. Investment Grade (IG) market continues to be supported by strong technicals and improved fundamentals. As measured by the Bloomberg Barclays U.S. Credit Index ("the Index"), spreads tightened in the third quarter to a YTD low of 96 bps over duration-matched Treasuries, for the month of September spreads were in 8



bps. The Index was up 1.35% in the quarter but ended the month of September down 0.22% as higher Treasury yields more than offset tighter spreads.

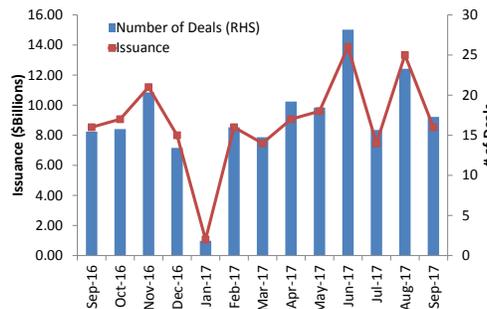
- As measured by Capital IQ and JPM, second quarter revenue was up 4.7% and EBITDA was up 8.8%. Higher oil prices, a weaker U.S. Dollar (USD) and an expanding global economy all contributed to the solid fundamentals.<sup>1</sup> We expect fundamentals to remain strong.
- The technical setup continued to be positive for U.S. IG Credit. The market has seen over \$2 billion in weekly inflows YTD, with only one sub-\$2 billion week in September at \$1.9 billion, hardly a negative trend. YTD, the asset class has had inflows of \$242 billion, or 12.2% of total mutual fund/exchange-traded fund (ETF) assets under management (AUM). This compares to last year total yearly flows of \$145 billion or 8.4% of mutual fund/ETF AUM.

Average Option-Adjusted Spread of Bloomberg Barclays U.S. Credit Index June 30, 2017 to September 29, 2017



Source: Bloomberg, DoubleLine

U.S. CLO Monthly Issuance September 2016 to September 2017



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

fault rate in the retail sector rose from 4.36% to 7.7% with the recent bankruptcy filing of Toys R Us. We have been actively monitoring our retail exposure and across all of our holdings we maintain an underweight exposure to retail.

Collateralized Loan Obligations

- As we closed out the summer, September had \$9.22 billion in monthly issuance across 16 deals. Despite being the summer quarter, Collateralized Loan Obligations (CLOs) saw \$29.99 billion in issuance across 55 deals. August was, in fact, the second busiest month of the year with \$12.42 billion in monthly issuance which was \$2.6 billion shy of June's record setting month.
- Total issuance and number of managers for the year have exceeded

market expectations. YTD issuance is up to \$82.18 billion across 147 deals and 82 distinct managers. Last year saw 81 different managers bring new deals to the market. The CLO space was expecting the number of managers to decrease due to capital constraints from risk retention.

- The main sector exposure under scrutiny is the retail space. The de-

- Prices continued to grind tighter over the month. On the secondary market it is not uncommon to see bonds trade at a negative discount margin at first available call. The primary market is breaking new ground with BBB spreads breaking through the LIBOR + 300 bps ceiling into the LIBOR + 290 bps area for first tier managers.
- The spreads for AAA through BBB compressed over the quarter. BB spreads on the other hand widened by roughly 10 bps over the quarter.

1. EBITDA = Earnings Before Interest, Taxation, Depreciation and Amortization

Bank Loans

- The S&P/LSTA Leveraged Loan Index posted a total return of 0.39% in September, bouncing back from a negative return of 0.04% in August, and 1.04% for the third quarter. Supply and demand were roughly in balance in September, keeping returns in coupon-clipping territory.
- CCC-rated names returned 0.83% in September, outpacing the single-B return of 0.41% and the BB return of 0.34%. Similarly, CCC credits outpaced other ratings classes in the third quarter, returning 1.80% relative to 1.03% for single-B credits and 0.98% for BB credits.
- Volatility in the Oil & Gas industry continued. After being the worst-performing sector in August, it was the best performing sector in September, returning 2.31%. It was also the best performing sector in the third quarter, returning 2.67%, followed by Utilities which returned 2.24%.

the month but underperformed both B-rated and BB-rated names during the quarter.

- The high yield primary market was active in September, with issuance totaling \$43 billion representing the heaviest since March. While gross new-issue volume of \$256 billion YTD is ahead of last year's pace, net new volume (removing refinanced bonds) of \$96 billion continues to narrowly lag YTD 2016.
- The default rate remained subdued at the end of the third quarter, standing at just 1.41%. Only one company defaulted in September (Toys R Us), the third consecutive month with only one or no defaults. For context, this is the lightest stretch of default activity since May 2011. While this is one of the fundamental aspects supporting high-yield bond prices, it has historically been offset by the technical of tight spreads.

- Precious Metals, as measured by the S&P GSCI Precious Metals, rallied 2.48% in the third quarter with gold up 2.82% while silver declined 0.22%.
- Industrial Metals, as measured by the S&P GSCI Industrial Metals, rallied 9.06% with Copper, Nickel and Zinc leading a rally, with returns of 8.35%, 10.95% and 14.59%, respectively, in which every industrial metal appreciated.
- Agriculture, as measured by the S&P GSCI Agriculture, was the worst performing sector in the third quarter, declining 8.37%, with the worst performers being Wheat and Kansas Wheat, with returns of -19.67% and -21.15%, while the best was cocoa with a return of 5.20%.
- Livestock, as measured by the S&P GSCI Livestock, also declined in the third quarter, depreciating 5.80%.

High Yield

- High yield (HY) bonds had a solid month in September as oil prices rose and optimism increased around a GOP-led tax plan. The Citi High-Yield Cash-Pay Capped Index rose 0.88% during the month and 1.92% during the third quarter, with Energy Services and Exploration & Production far outperforming others while Wireline-related and Food Retailing names underperformed on issuer-specific news for both periods. Interestingly, CCC-rated issuers outperformed during

Commodities

- In the third quarter the broad commodity market rallied 6.94% and 2.25%, as measured by the S&P Goldman Sachs Commodity Index (GSCI) and Bloomberg Commodity Index (BCOM), respectively.
- In the third quarter, Energy, as measured by the S&P GSCI Energy, was the best performing sector, rallying 13.77% as Brent crude and West Texas Intermediate (WTI) crude both pushed higher, with returns of 16.35% and 10.23%, respectively.

Emerging Markets

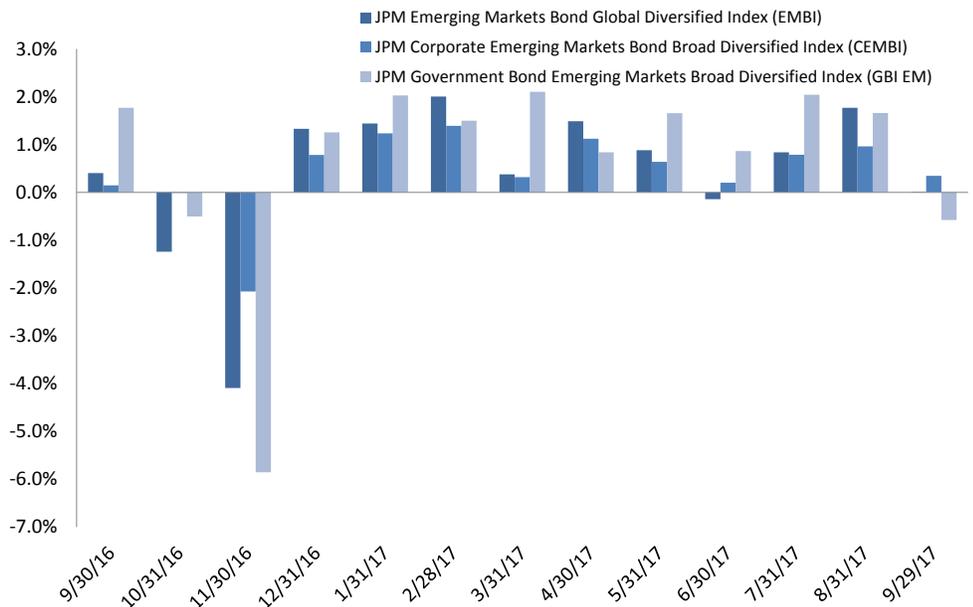
- Emerging Market (EM) sovereign and corporate external bonds posted positive performance in the third quarter. Despite a backdrop of heightened geopolitical tension and hawkish sentiment from many developed market (DM) central banks, external conditions remained favorable for the EM fixed income asset class. Low DM yields continued to drive structural demand for EM debt, allowing higher yielding issuers, such as Ukraine, Tajikistan, Iraq, and Bahrain to successfully issue during the quarter.

- During the third quarter, the JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified return was driven primarily by spread performance, with the spread over UST tightening 23 bps to 287 bps, the lowest spread since the third quarter of 2014. Seven-year and 10-year UST yields were broadly unchanged, both rising a modest 3 bps to 2.17% and 2.336%, respectively.
- At the regional level, Latin America continued to lead YTD across both the EM dollar denominated sovereign and corporate indices.
- The asset class continued to see a strong technical backdrop. EM fixed income fund flows have reached \$91.7 billion YTD for the week ending September 28th, compared to \$46.2 billion of inflows over the full year 2016, and -\$14.5 billion of outflows in 2015.
- Factors that may affect risk appetite for the remainder of the year include rising DM yields, a slowdown in global growth, early Italian elections, and Brexit negotiations, as well as policy risk stemming from the U.S., Europe and China.

**International Sovereign**

- Global government bonds posted positive returns in the third quarter of 2017, driven primarily by foreign currency gains versus the USD.
- The USD, as indicated by the U.S. Dollar Index (DXY), fell during the quarter, the third consecutive quarterly drop. Heightened geopolitical tensions pushed the DXY and 10-

**JP Morgan Emerging Markets Bond Index Performance  
September 30, 2016 to September 30, 2017**



Source: JP Morgan

year Treasury yields to their YTD lows in the first week of September. However, the end of the quarter saw UST yields and the DXY rise off the YTD lows, with market participants perceiving a more hawkish U.S. Fed and the Trump Administration presenting their long-awaited tax reform plan.

- The Euro rose against the USD and most other G-10 currencies over the quarter. While the European Central Bank (ECB) kept interest rates and its QE program unchanged in its September meeting, continued positive economic data and comments from ECB President Draghi increased speculation that the ECB would announce changes to its QE program in its October meeting. The German elections in September saw incumbent Angela Merkel win a fourth term as chan-

cellor, but the far-right Alternative for Germany (AfD) party entered parliament for the first time.

- The Bank of Japan (BoJ) kept monetary policy broadly unchanged during the quarter while reiterating its extremely accommodative monetary policy stance. The Yen fell against other most G-10 currencies, given the divergence of monetary policy between the BoJ and other developed market central banks.

**Infrastructure**

- Investor demand for Infrastructure-related assets remained strong during the third quarter. Private markets continued to support investment in infrastructure projects both domestically and globally, while infrastructure-related policy plans out of Washington remained on hold.

### U.S. Equities

- During the quarter primary market issuance was down slightly due to seasonal effects; however we believe YTD issuance remains on pace for another banner year. Utilities were the largest issuers in the corporate market with all new issues easily absorbed by market participants. Within the structured finance markets, bonds secured by maritime shipping, rail leasing, and commercial aviation all came to market at oversubscribed levels. Internationally, multiple transactions financing a wide array of infrastructure assets were introduced to the market, most notably a metro in Central America and power generation assets in South America.
- Infrastructure debt yields and spreads compressed further QoQ despite intermittent periods of volatility. Geopolitical concerns coupled with a devastating hurricane season contributed to the bouts of volatility in August and September. The most pronounced spread tightening was seen in Project Bonds, benefitting from their long-term contractual cash flows and implied government backing.
- On the policy front, details regarding the Trump Administration's proposed \$1 trillion in infrastructure spending remain scarce. At this point, the earliest an infrastructure bill is likely to be implemented would be sometime in 2018 as Congress is now prioritizing the Fiscal Year 2018 budget and proposed tax reforms.
- The S&P 500 Index ended September at an all-time high gaining 2.1%, bringing the third quarter and YTD returns to 4.5% and 14.2%, respectively.
- The stock market shrugged off the now-familiar litany of uncertainties, ranging from the failure of healthcare reform and the questionable future of tax reform to the impending "Quantitative Tightening" from the Fed and the prospect of war on the Korean Peninsula. Instead, the market focused on improving corporate earnings.
- July and August saw the majority of S&P 500 constituent companies report second calendar quarter earnings. The second quarter was the second in a row to boast double-digit earnings growth.<sup>2</sup> For the quarter, the S&P grew earnings at approximately 10.1%, with revenue growth of 5.1%. As has been the case for several quarters, the recovery in Energy sector earnings materially contributed to the rosy S&P earnings. According to FactSet, if Energy company results are excluded, in the second quarter the S&P 500 would have grown earnings and revenues by 7.8% and 4.3%, respectively.
- For the full year 2017, FactSet now predicts earnings growth of 9.6% and revenue growth of 5.7%.
- On a sector level, there was a rotation in September towards growth-sensitive sectors. Most notably, the Energy sector rose nearly 10.2%, while the Financial and Industrial sectors rose 5.3% and 4.7%, respectively.
- With virtually all domestic asset classes at historically expensive valuations, volatility remained cheap: following a mid-August spike, volatility, as measured by the VIX, ended the quarter at 9.51%, very close to the all-time low of 9.36% reached in July of this year.

### Global Equities

- Global equities, as measured by the MSCI All-Country World Index (ACWI), returned 1.96% during September, ending the quarter 5.31%. U.S. equities performed slightly better during the month with the S&P 500 up 2.06% and Dow Jones Industrial Average up 2.16%. The Nasdaq and Russell 2000 returned 1.11% and 6.24%, respectively. For the quarter, S&P 500 returned 4.48%, Dow Jones Industrial Average 5.58%, Nasdaq 6.07%, and Russell 2000 5.67%.
- In Europe, regional equities outperformed other DM in September with the Eurostoxx 50 up 5.19%, DAX up 6.41%, CAC up 4.94%, FTSEMIB up 5.05%, and IBEX up 0.84%. For the quarter, European equities posted positive returns with Eurostoxx 50 up 4.77%, DAX up 4.09%, CAC up 4.28%, FTSEMIB up 10.28% and IBEX down 0.08%. United Kingdom equities underperformed other DM with the FTSE 100 down 0.69% in September and up 1.82% for the quarter.
- Asian equities were mixed during the month with the Nikkei up

4.19%, Shanghai Composite down 0.26%, Hang Seng down 1.17%, and Kospi up 1.32%. For the quarter, Asian equities were generally stronger, with Nikkei up 2.24%, Shanghai Composite up 6.28%, Hang Seng up 8.62%, and Kospi up 0.12%.

- EM equities declined in September with MSCI Emerging Markets Index returning -0.39%, while posting an 8.01% return in the third quarter. Russian equities rallied in September with MSCI Russia Index up 4.50%, ending the quarter up 18.08%. Brazilian equities, as measured by the Bovespa rallied up 4.88% in September, up 18.11% for the quarter.

### Fund Performance

| Month-End Returns<br>September 30, 2017 | Annualized |              |        |        |        |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|------------|--------------|--------|--------|--------|--|------------------------------------|
|   | Sept       | Year-to-Date | 1-Year | 3-Year | 5-Year | Since Inception<br>(4-6-10 to 9-30-17) |                                    |
| I-share                                 | -0.36%     | 3.56%        | 1.66%  | 3.15%  | 3.10%  | 6.57%                                  | 2.36%                              |
| N-share                                 | -0.38%     | 3.27%        | 1.41%  | 2.90%  | 2.84%  | 6.30%                                  | 2.26%                              |
| Benchmark <sup>1</sup>                  | -0.48%     | 3.14%        | 0.07%  | 2.71%  | 2.06%  | 3.65%                                  | 3.15%                              |

| Quarter-End Returns<br>September 30, 2017 | Annualized |              |        |        |        |  | Expense Ratio | Gross |
|---|------------|--------------|--------|--------|--------|--|---------------|-------|
|   | 3Q17       | Year-to-Date | 1-Year | 3-Year | 5-Year | Since Inception<br>(4-6-10 to 9-30-17) |               |       |
| I-share                                   | 1.08%      | 3.56%        | 1.66%  | 3.15%  | 3.10%  | 6.57%                                  | I-share       | 0.48% |
| N-share                                   | 0.92%      | 3.27%        | 1.41%  | 2.90%  | 2.84%  | 6.30%                                  | N-share       | 0.73% |
| Benchmark <sup>1</sup>                    | 0.85%      | 3.14%        | 0.07%  | 2.71%  | 2.06%  | 3.65%                                  |               |       |

| Calendar Year Returns  | 2016  | 2015  | 2014  | 2013   | 2012  | 2011  | 2010 <sup>3</sup> |
|------------------------|-------|-------|-------|--------|-------|-------|-------------------|
| 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 <sup>1</sup> | 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](http://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

In the third quarter of 2017, the DoubleLine Total Return Bond Fund outperformed the Bloomberg Barclays U.S. Aggregate Bond Index return of 0.85%. The UST curve flattened during the period with 2-year and 10-year yields increasing by 10 bps and 3 bps, respectively. Both Agency Residential MBS (RMBS) and non-Agency RMBS contributed roughly evenly to returns during this time. Within Agency RMBS, passthroughs were the highest contributors to performance as they benefited from both price gains and modest income gains. Non-Agency RMBS returns were positive across the credit spectrum as prices increased. Alt-A securities were the best performers as they experienced strong price appreciation and robust interest income during the period. Other structured credit sectors such as CMBS, CLO, and ABS were also accretive to performance – primarily due to interest income.

**Fund Statistics**

| <b>Portfolio Characteristics</b>    |                  | <b>Duration Breakdown<sup>2</sup></b>              |               | <b>Current Quality Credit Distribution<sup>5</sup></b>  |                |
|-------------------------------------|------------------|--|---------------|---|----------------|
|                                     |                  | <b>(Percent of Portfolio)</b>                      |               | <b>(Percent of Portfolio)</b>                           |                |
| # of Issues                         | 2,177            | Cash   | 7.0%          | Cash  | 7.0%           |
| Ending Market Value                 | \$53,437,602,306 | Less than 0  | 5.7%          | Government  | 5.5%           |
| Market Price <sup>1</sup>           | \$101.19         | 0 to 3 years                                       | 26.5%         | Agency  | 49.0%          |
| Duration <sup>2</sup>               | 3.75             | 3 to 5 years                                       | 30.4%         | Investment Grade <sup>6</sup>                           | 14.8%          |
| Weighted Avg Life <sup>3</sup>      | 5.23             | 5 to 10 years                                      | 26.5%         | Below Investment Grade <sup>7</sup>                     | 12.7%          |
|                                     |                  | 10+ years  | 3.9%          | Unrated Securities                                      | 10.8%          |
|                                     |                  | <b>Total:</b>                                      | <b>100.0%</b> | <b>Total:</b>   | <b>100.0%</b>  |
| <b>Sector Breakdown<sup>4</sup></b> |                  | <b>Weighted Average Life<sup>3</sup> Breakdown</b> |               | <b>Non-Agency Residential MBS Breakdown<sup>8</sup></b> |                |
| <b>(Percent of Portfolio)</b>       |                  | <b>(Percent of Portfolio)</b>                      |               | <b>(Percent of Sector)</b>                              |                |
| Cash                                | 7.0%             | Cash   | 7.0%          | Prime   | 31.4%          |
| Treasury                            | 3.9%             | 0 to 3 years                                       | 15.4%         | Alt-A   | 32.0%          |
| TIPS                                | 1.0%             | 3 to 5 years                                       | 22.8%         | Subprime  | 36.2%          |
| Investment Grade Corporates         | 0.5%             | 5 to 10 years                                      | 49.6%         | N/A   | 0.4%           |
| Agency Pass-Throughs                | 28.5%            | 10+ years  | 5.1%          | <b>Total</b>  | <b>100.0%</b>  |
| Agency CMO                          | 20.8%            | <b>Total:</b>                                      | <b>100.0%</b> | <b>SEC 30-Day Yield</b>                                 | <b>I-Share</b> |
| Non-Agency Residential MBS          | 24.3%            |  |               |   | <b>N-Share</b> |
| Commercial MBS                      | 6.8%             |  |               | Gross   | 3.48%          |
| Collateralized Loan Obligations     | 4.1%             |  |               | Net <sup>9</sup>  | 3.48%          |
| Asset-Backed Securities             | 3.1%             |  |               |   | 3.23%          |
| <b>Total:</b>                       | <b>100.0%</b>    |  |               |   |                |

**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. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. Investment Grade - Refers to a bond considered investment grade if its credit rating is BBB- or 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. 7. 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. 8. 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. N/A - Not available in Vichara or Loan Performance. 9. 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.

**Fund Performance**

| Month-End Returns<br>September 30, 2017 | Sept   | Year-to-Date | Annualized |        |        |       | Since Inception<br>(6-1-10 to 9-30-17) | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|--------|--------------|------------|--------|--------|-------|--|------------------------------------|
|   |        |              | 1-Year     | 3-Year | 5-Year |       |  |                                    |
| I-share                                 | -0.37% | 4.18%        | 1.72%      | 3.40%  | 3.06%  | 5.62% | 2.83%                                  |                                    |
| N-share                                 | -0.39% | 3.99%        | 1.47%      | 3.12%  | 2.80%  | 5.36% | 2.90%                                  |                                    |
| Benchmark <sup>1</sup>                  | -0.48% | 3.14%        | 0.07%      | 2.71%  | 2.06%  | 3.38% | 3.15%                                  |                                    |

| Quarter-End Returns<br>September 30, 2017 | 3Q17  | Year-to-Date | Annualized |        |        |       | Since Inception<br>(6-1-10 to 9-30-17) | Expense Ratio | Gross |
|---|-------|--------------|------------|--------|--------|-------|--|---------------|-------|
|   |       |              | 1-Year     | 3-Year | 5-Year |       |  |               |       |
| I-share                                   | 1.11% | 4.18%        | 1.72%      | 3.40%  | 3.06%  | 5.62% | I-share                                | 0.49%         |       |
| N-share                                   | 1.05% | 3.99%        | 1.47%      | 3.12%  | 2.80%  | 5.36% | N-share                                | 0.74%         |       |
| Benchmark <sup>1</sup>                    | 0.85% | 3.14%        | 0.07%      | 2.71%  | 2.06%  | 3.38% |  |               |       |

| Calendar Year Returns  | 2016  | 2015  | 2014  | 2013   | 2012  | 2011   | 2010 <sup>3</sup> |
|------------------------|-------|-------|-------|--------|-------|--------|-------------------|
| I-share                | 4.11% | 0.63% | 6.86% | -1.20% | 8.15% | 11.45% | 8.97%             |
| N-share                | 3.76% | 0.39% | 6.60% | -1.36% | 7.89% | 11.12% | 8.82%             |
| Benchmark <sup>1</sup> | 2.65% | 0.55% | 5.97% | -2.02% | 4.21% | 7.84%  | 2.83%             |

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](http://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**

In the third quarter of 2017, the DoubleLine Core Fixed Income Fund outperformed the Bloomberg Barclays U.S. Aggregate Bond Index return of 0.85%. EM was the strongest contributor to performance during the quarter and during this period, the Fund increased its exposure to EM. Overnight rates remained steady as the Fed held the upper bound on their target rate at 1.25%, unchanged from last quarter. For the quarter, all sectors contributed positively to the Fund returns.

**Fund Statistics**

| <b>Portfolio Characteristics</b>    |                 | <b>Duration Breakdown<sup>2</sup></b>              |               | <b>Current Quality Credit Distribution<sup>5</sup></b> |                |                |
|-------------------------------------|-----------------|--|---------------|--|----------------|----------------|
|                                     |                 | <b>(Percent of Portfolio)</b>                      |               | <b>(Percent of Portfolio)</b>                          |                |                |
| # of Issues                         | 1,223           | Cash   | 3.9%          | Cash   | 3.9%           |                |
| Ending Market Value                 | \$9,537,326,366 | Less than 0  | 3.1%          | Government   | 25.5%          |                |
| Market Price <sup>1</sup>           | \$103.01        | 0 to 3 years                                       | 30.1%         | Agency   | 13.9%          |                |
| Duration <sup>2</sup>               | 4.66            | 3 to 5 years                                       | 26.2%         | Investment Grade <sup>6</sup>                          | 39.2%          |                |
| Weighted Avg Life <sup>3</sup>      | 6.60            | 5 to 10 years                                      | 26.7%         | Below Investment Grade <sup>7</sup>                    | 11.4%          |                |
|                                     |                 | 10+ years  | 10.0%         | Unrated Securities                                     | 6.2%           |                |
|                                     |                 | <b>Total:</b>                                      | <b>100.0%</b> | <b>Total:</b>  | <b>100.0%</b>  |                |
| <b>Sector Breakdown<sup>4</sup></b> |                 | <b>Weighted Average Life<sup>3</sup> Breakdown</b> |               | <b>SEC 30-Day Yield</b>                                | <b>I-Share</b> | <b>N-Share</b> |
| <b>(Percent of Portfolio)</b>       |                 | <b>(Percent of Portfolio)</b>                      |               |  |                |                |
| Cash                                | 3.9%            | Cash   | 3.9%          | Gross  | 2.91%          | 2.66%          |
| U.S. Government                     | 25.5%           | 0 to 3 years                                       | 21.0%         | Net <sup>8</sup>                                       | 2.96%          | 2.71%          |
| Municipals                          | 0.1%            | 3 to 5 years                                       | 22.7%         |  |                |                |
| Mortgage-Backed Securities          | 23.6%           | 5 to 10 years                                      | 41.7%         |  |                |                |
| Emerging Markets                    | 8.2%            | 10+ years  | 10.9%         |  |                |                |
| Investment Grade Corporate          | 12.9%           | <b>Total:</b>                                      | <b>100.0%</b> |  |                |                |
| Commercial MBS                      | 7.0%            |  |               |  |                |                |
| Bank Loans                          | 2.9%            |  |               |  |                |                |
| High Yield Corporate                | 3.1%            |  |               |  |                |                |
| Infrastructure                      | 4.7%            |  |               |  |                |                |
| International Sovereign             | 3.3%            |  |               |  |                |                |
| Asset-Backed Securities             | 2.0%            |  |               |  |                |                |
| Collateralized Loan Obligations     | 2.8%            |  |               |  |                |                |
| <b>Total</b>                        | <b>100.0%</b>   |  |               |  |                |                |

**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 (WAL) = The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. Investment Grade = Refers to a bond considered investment grade if its credit rating is BBB- or 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. 7. 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. 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.

#### Fund Performance

| Month-End Returns      |       |              | Annualized |        |        |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|------------------------|-------|--------------|------------|--------|--------|--|------------------------------------|
| September 30, 2017     | Sept  | Year-to-Date | 1-Year     | 3-Year | 5-Year | Since Inception<br>(4-6-10 to 9-30-17) |                                    |
| I-share                | 0.07% | 8.54%        | 8.14%      | 5.11%  | 4.74%  | 6.48%                                  | 3.14%                              |
| N-share                | 0.05% | 8.34%        | 7.87%      | 4.82%  | 4.47%  | 6.22%                                  | 3.21%                              |
| Benchmark <sup>1</sup> | 0.01% | 8.99%        | 4.61%      | 6.50%  | 4.91%  | 7.13%                                  | 5.85%                              |

| Quarter-End Returns    |       |              | Annualized |        |        |  | Expense Ratio | Gross |
|------------------------|-------|--------------|------------|--------|--------|--|---------------|-------|
| September 30, 2017     | 3Q17  | Year-to-Date | 1-Year     | 3-Year | 5-Year | Since Inception<br>(4-6-10 to 9-30-17) |               |       |
| I-share                | 2.45% | 8.54%        | 8.14%      | 5.11%  | 4.74%  | 6.48%                                  | I-share       | 0.94% |
| N-share                | 2.39% | 8.34%        | 7.87%      | 4.82%  | 4.47%  | 6.22%                                  | N-share       | 1.19% |
| Benchmark <sup>1</sup> | 2.63% | 8.99%        | 4.61%      | 6.50%  | 4.91%  | 7.13%                                  |               |       |

| Calendar Year Returns  |  | 2016   | 2015   | 2014  | 2013   | 2012   | 2011  | 2010 <sup>3</sup> |
|------------------------|--|--------|--------|-------|--------|--------|-------|-------------------|
| I-share                |  | 15.03% | -4.71% | 6.49% | -2.52% | 13.77% | 4.51% | 8.97%             |
| N-share                |  | 14.74% | -5.04% | 6.33% | -2.77% | 13.50% | 4.26% | 8.81%             |
| Benchmark <sup>1</sup> |  | 10.15% | 1.18%  | 7.43% | -5.25% | 17.44% | 7.35% | 7.42%             |

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](http://www.doubleline.com).

1. Benchmark - JP Morgan Emerging Markets Bond Global Diversified Index is a uniquely-weighted version of the EMBI Global. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. 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

In the third quarter of 2017, the DoubleLine Emerging Markets Fixed Income Fund modestly underperformed the JP Morgan EMBI Global Diversified Index (EMBI) return of 2.63%. The quarter saw positive external bond performance as investors' appetite for EM continued to improve, as evidenced by another quarter of strong inflows into the asset class. The EMBI's spread over UST tightened 23 bps to 287 bps, the lowest spread since the third quarter of 2014. The portfolio benefited from an overweight position in Latin American (Latam) credits. Latam credits outperformed regional peers in Central Europe and Asia. However, the Fund's performance relative to the EMBI was hurt due to the Fund's underweight to sovereign bonds. As of the end of September, the Fund held 54.4% of the portfolio in sovereign and quasi-sovereign issuers. This is compared to 100% of sovereign or quasi sovereign issuers in the index. EM sovereign and quasi sovereign credits outperformed their corporate EM counterparts over the quarter.

#### Fund Statistics

| Portfolio Characteristics      |                 | Country Breakdown<br>(Percent of Portfolio) |                | Industry Breakdown<br>(Percent of Portfolio) |                | Current Quality Credit Distribution <sup>5</sup><br>(Percent of Portfolio) |                |
|--------------------------------|-----------------|---|----------------|--|----------------|--|----------------|
| # of Issues                    | 155             | Chile                                       | 14.35%         | Sovereign                                    | 25.78%         | AAA  | 2.52%          |
| Ending Market Value            | \$1,208,831,598 | India                                       | 12.19%         | Banking                                      | 21.91%         | AA   | 6.06%          |
| Market Price <sup>1</sup>      | \$102.20        | Panama                                      | 7.83%          | Oil & Gas                                    | 21.11%         | A  | 28.65%         |
| Duration <sup>2</sup>          | 5.30            | Singapore                                   | 7.83%          | Telecommunication                            | 6.25%          | BBB  | 41.93%         |
| Weighted Avg Life <sup>3</sup> | 6.83            | Malaysia                                    | 7.08%          | Transportation                               | 4.91%          | BB   | 12.42%         |
|                                |                 | China                                       | 6.89%          | Finance                                      | 3.67%          | B and Below  | 7.27%          |
|                                |                 | Peru  | 6.83%          | Utilities                                    | 2.59%          | Not Rated  | 0.07%          |
|                                |                 | Brazil                                      | 6.31%          | Conglomerate                                 | 2.46%          | Other <sup>6</sup>   | 0.33%          |
|                                |                 | Mexico                                      | 6.16%          | Consumer Products                            | 2.41%          | Cash & Accrued   | 0.74%          |
|                                |                 | Philippines                                 | 3.97%          | Travel & Lodging                             | 1.79%          | <b>Total:</b>  | <b>100.00%</b> |
|                                |                 | Indonesia                                   | 3.47%          | Bottling                                     | 1.45%          |  |                |
|                                |                 | Dominican Republic                          | 2.69%          | Petrochemicals                               | 1.29%          |  |                |
|                                |                 | Costa Rica                                  | 2.61%          | Media  | 0.94%          |  |                |
|                                |                 | Hong Kong                                   | 2.46%          | Pulp & Paper                                 | 0.80%          |  |                |
|                                |                 | Israel                                      | 2.17%          | Regional/Local Gov't                         | 0.53%          |  |                |
|                                |                 | Guatemala                                   | 1.56%          | Cement                                       | 0.52%          |  |                |
|                                |                 | Jamaica                                     | 1.47%          | Construction                                 | 0.34%          |  |                |
|                                |                 | Argentina                                   | 1.44%          | Steel  | 0.33%          |  |                |
|                                |                 | Qatar                                       | 1.26%          | Technology                                   | 0.17%          |  |                |
|                                |                 | Colombia                                    | 0.33%          | Cash & Accrued                               | 0.74%          |  |                |
|                                |                 | Poland                                      | 0.18%          | <b>Total:</b>                                | <b>100.00%</b> |  |                |
|                                |                 | Trinidad And Tobago                         | 0.15%          |  |                |  |                |
|                                |                 | Paraguay                                    | 0.03%          |  |                |  |                |
|                                |                 | Cash & Accrued                              | 0.74%          |  |                |  |                |
|                                |                 | <b>Total:</b>                               | <b>100.00%</b> |  |                |  |                |

| Sector Breakdown <sup>4</sup><br>(Percent of Portfolio) |                | Current Currency Exposure<br>(Percent of Portfolio) |                |
|---|----------------|---|----------------|
| Corporate   | 44.68%         | U.S. Dollar-Denominated                             | 100.00%        |
| Sovereign   | 25.78%         | <b>Total:</b>                                       | <b>100.00%</b> |
| Quasi-Sovereign   | 28.80%         |   |                |
| Cash & Accrued  | 0.74%          |   |                |
| <b>Total:</b>   | <b>100.00%</b> |   |                |

| Duration Breakdown <sup>2</sup><br>(Percent of Portfolio) |                | SEC 30-Day Yield |         |         |
|---|----------------|------------------|---------|---------|
| Less than 1   | 3.85%          | Gross            | I-Share | N-Share |
| 1 to 3 years  | 21.09%         | Net <sup>7</sup> | 2.86%   | 2.61%   |
| 3 to 5 years  | 28.10%         |                  | 2.86%   | 2.61%   |
| 5 to 7 years  | 16.94%         |                  |         |         |
| 7 to 10 years   | 24.65%         |                  |         |         |
| 10+ years   | 5.37%          |                  |         |         |
| <b>Total:</b>   | <b>100.00%</b> |                  |         |         |

#### 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. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. Consists of equity shares received from debt restructuring. 7. 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.

**Fund Performance**

| Month-End Returns<br>September 30, 2017 | Sept   | Year-to-Date | Annualized |        |        |        | Since Inception<br>(12-20-10 to 9-30-17) | 1-Yr Std Deviation <sup>2</sup> |
|---|--------|--------------|------------|--------|--------|--------|--|---------------------------------|
|   |        |              | 1-Year     | 3-Year | 5-Year |        |  |                                 |
| I-share                                 | 0.46%  | 11.79%       | 13.88%     | 7.25%  | 4.99%  | 4.68%  | 3.30%                                    |                                 |
| A-share (No Load)                       | 0.50%  | 11.63%       | 13.53%     | 6.97%  | 4.70%  | 4.41%  | 3.26%                                    |                                 |
| A-share (With Load)                     | -3.77% | 6.88%        | 8.70%      | 5.43%  | 3.80%  | 3.74%  | 3.26%                                    |                                 |
| Blended Benchmark <sup>1</sup>          | 0.80%  | 12.75%       | 10.31%     | 5.08%  | 6.33%  | 6.05%  | 5.22%                                    |                                 |
| S&P 500 TR                              | 2.06%  | 14.24%       | 18.61%     | 10.81% | 14.22% | 13.31% | 5.46%                                    |                                 |

| Quarter-End Returns<br>September 30, 2017 | 3Q17   | Year-to-Date | Annualized |        |        |  | Expense Ratio | Gross | Net <sup>3</sup> |
|---|--------|--------------|------------|--------|--------|--|---------------|-------|------------------|
|   |        |              | 1-Year     | 3-Year | 5-Year | Since Inception<br>(12-20-10 to 9-30-17) |               |       |                  |
| I-share                                   | 2.96%  | 11.79%       | 13.88%     | 7.25%  | 4.99%  | 4.68%                                    | I-share       | 1.33% | 1.32%            |
| A-share (No Load)                         | 2.91%  | 11.63%       | 13.53%     | 6.97%  | 4.70%  | 4.41%                                    | A-share       | 1.58% | 1.57%            |
| A-share (With Load)                       | -1.46% | 6.88%        | 8.70%      | 5.43%  | 3.80%  | 3.74%                                    |               |       |                  |
| Blended Benchmark <sup>1</sup>            | 3.81%  | 12.75%       | 10.31%     | 5.08%  | 6.33%  | 6.05%                                    |               |       |                  |
| S&P 500 TR                                | 4.48%  | 14.24%       | 18.61%     | 10.81% | 14.22% | 13.31%                                   |               |       |                  |

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 shown for the Class A With load reflects a maximum sales charge of 4.25%. The Multi-Asset Growth Fund imposes a Deferred Sales Charge of 0.75% on purchases of \$1 million or more of Class A shares if the shares are redeemed within 18 months of purchase. Performance data shown for the Class A No Load does not reflect the deduction of the sales load or fee. If reflected, the load or fee would reduce the performance quoted. The Fund imposes a 1.00% redemption fee on shares redeemed within 90 days of purchase. Performance data does not reflect the redemption fee. If it had, return would be reduced. Performance data current to the most recent month-end may be obtained by calling 213-633-8200 or by visiting [www.doubleline.com](http://www.doubleline.com). Breakpoints are available. Contingent deferred sales load of up to 0.75% applies in certain circumstances for A-shares. Please see prospectus for additional details.

1. The blended benchmark consists of 60% MSCI World Index/40% Bloomberg Barclays Global Aggregate Index and has been reconstituted to be more reflective of how the Adviser expects to manage the Fund. The MSCI World Index is a market-capitalization-weighted index designed to provide a broad measure of stock performance throughout the world, including both developed and emerging markets. The Bloomberg Barclays Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. 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 Advisor has contractually agreed to waive fees and reimburse expenses through July 31, 2018. The performance information shown assumes the reinvestment of all dividends and distributions.

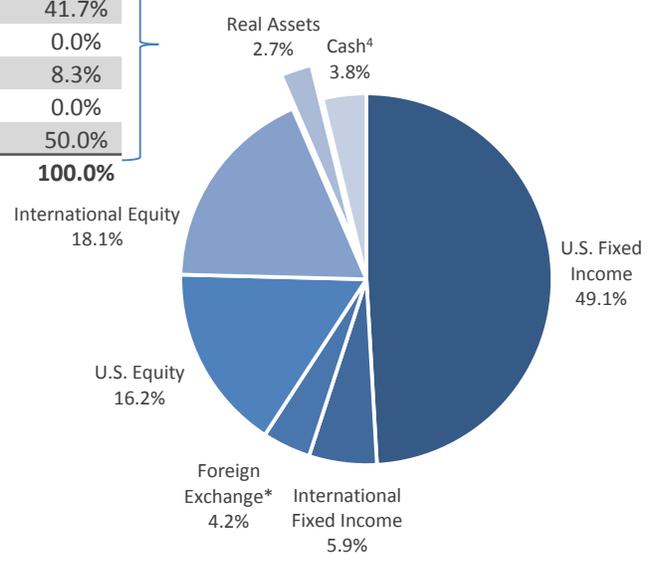
**Performance Attribution**

For the third quarter of 2017, the DoubleLine Multi-Asset Growth Fund generated positive returns but slightly underperformed the 60/40 Blended Benchmark return of 3.81%. The equity sleeve contributed positively to performance during the quarter, outperforming the S&P 500 Index during the period. Long positions in EM and European Equities positively contributed to performance during the quarter. The fixed income sleeve – including Agency MBS, non-Agency MBS, Mortgage REITs, EM, and CLOs – contributed positively to performance in the third quarter as well. Foreign currencies also contributed positively to performance during the quarter with long positions in the Euro and British Pound. Real Assets contributed to performance during the quarter with positions in Gold and our systematic long/short commodity strategy.

**Fund Statistics**

| <b>Portfolio Characteristics</b>       |                |
|--|----------------|
| # of Issues                            | 170            |
| Ending Market Value <sup>1</sup>       | \$201,876,974  |
| <b>Strategy Allocation<sup>2</sup></b> |                |
| <b>(Percent of Portfolio)</b>          |                |
| U.S. Fixed Income                      | 49.1%          |
| International Fixed Income             | 5.9%           |
| Foreign Exchange*                      | 4.2%           |
| U.S. Equity                            | 16.2%          |
| International Equity                   | 18.1%          |
| Real Assets <sup>3</sup> (Commodities) | 2.7%           |
| Cash <sup>4</sup>                      | 3.8%           |
| <b>Total</b>                           | <b>100.0%</b>  |
| <b>SEC 30-Day Yield</b>                |                |
| <i>I-Share</i>                         | <i>A-Share</i> |
| Gross                                  | 2.39%          |
| Net                                    | 2.22%          |

| <b>Real Assets (2.7% of Total)</b>    |               |
|---------------------------------------|---------------|
| <b>(Percent of Total Commodities)</b> |               |
| Energy                                | 41.7%         |
| Livestock                             | 0.0%          |
| Industrial Metals                     | 8.3%          |
| Precious Metals                       | 0.0%          |
| Agriculture                           | 50.0%         |
| <b>Total:</b>                         | <b>100.0%</b> |



**Past performance does not guarantee future results.**

1. Net amount includes short positions. 2. Strategy Allocation - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 3. Commodities are a portion but not necessarily all of the Real Assets portion of the portfolio. 4. The cash balances disclosed are based on actual cash balances held by the Fund. However, the Fund's use of futures contracts, forward contracts, swaps and other derivatives creates the effect of economic financial leverage, which may, at times, magnify the Fund's exposure to certain assets in the portfolio.

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.

**Fund Performance**

| Month-End Returns<br>September 30, 2017 | Annualized |              |        |        |        |   | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|------------|--------------|--------|--------|--------|---|------------------------------------|
|   | Sept       | Year-to-Date | 1-Year | 3-Year | 5-Year | Since Inception<br>(9-30-11 to 9-30-17) |                                    |
| I-share                                 | 0.12%      | 2.41%        | 2.45%  | 2.10%  | 1.97%  | 2.36%                                   | 0.61%                              |
| N-share                                 | 0.10%      | 2.12%        | 2.19%  | 1.85%  | 1.72%  | 2.10%                                   | 0.58%                              |
| Benchmark <sup>1</sup>                  | -0.16%     | 0.67%        | 0.24%  | 0.76%  | 0.63%  | 0.62%                                   | 0.60%                              |

| Quarter-End Returns<br>September 30, 2017 | Annualized |              |        |        |        |   | Expense Ratio | Gross |
|---|------------|--------------|--------|--------|--------|---|---------------|-------|
|   | 3Q17       | Year-to-Date | 1-Year | 3-Year | 5-Year | Since Inception<br>(9-30-11 to 9-30-17) |               |       |
| I-share                                   | 0.73%      | 2.41%        | 2.45%  | 2.10%  | 1.97%  | 2.36%                                   | I-share       | 0.45% |
| N-share                                   | 0.67%      | 2.12%        | 2.19%  | 1.85%  | 1.72%  | 2.10%                                   | N-share       | 0.70% |
| Benchmark <sup>1</sup>                    | 0.24%      | 0.67%        | 0.24%  | 0.76%  | 0.63%  | 0.62%                                   |               |       |

| Calendar Year Returns  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011 <sup>3</sup> |
|------------------------|-------|-------|-------|-------|-------|-------------------|
| I-share                | 2.76% | 1.06% | 1.60% | 1.54% | 3.55% | 1.23%             |
| N-share                | 2.61% | 0.81% | 1.35% | 1.29% | 3.32% | 1.09%             |
| Benchmark <sup>1</sup> | 0.89% | 0.54% | 0.62% | 0.36% | 0.43% | 0.19%             |

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](http://www.doubleline.com).

1. Benchmark: The BofA/Merrill Lynch 1-3 Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one years and less than three years. It is not possible to invest directly in an unmanaged 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 9-30-2011, thus the calendar year performance for 2011 is an unannualized partial year return. The performance information shown assumes the reinvestment of all dividends and distributions.

**Performance Attribution**

In the third quarter of 2017, the DoubleLine Low Duration Bond Fund outperformed the Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index return of 0.24% due to strong performance from RMBS and EM-related securities. During this period, the 1-3 year portion of the U.S. Treasury curve sold-off by approximately 8 bps. The strong carry provided by these sectors combined with some spread compression helped drive the outperformance. For the third quarter, all sectors contributed positively to Fund returns.

### Fund Statistics

| Portfolio Characteristics                                      |                 | Duration Breakdown <sup>2</sup><br>(Percent of Portfolio)                     |               | Current Quality Credit Distribution <sup>5</sup><br>(Percent of Portfolio) |                |  |
|--|-----------------|---|---------------|--|----------------|--|
| # of Issues  | 612             | Cash  | 1.0%          | Cash   | 1.0%           |  |
| Ending Market Value  | \$5,200,702,246 | Less than 0   | 17.0%         | Government   | 9.9%           |  |
| Market Price <sup>1</sup>                                      | \$104.61        | 0 to 3 years  | 63.5%         | Agency   | 1.4%           |  |
| Duration <sup>2</sup>  | 1.43            | 3+ years  | 18.4%         | Investment Grade   | 70.5%          |  |
| Weighted Avg Life <sup>3</sup>                                 | 2.76            | <b>Total:</b>   | <b>100.0%</b> | Below Investment Grade   | 8.9%           |  |
| <b>Sector Breakdown<sup>4</sup><br/>(Percent of Portfolio)</b> |                 | <b>Weighted Average Life<sup>3</sup> Breakdown<br/>(Percent of Portfolio)</b> |               | <b>SEC 30-Day Yield</b>  |                |  |
| Cash   | 1.0%            | Cash  | 1.0%          | <b>I-Share</b>   | <b>N-Share</b> |  |
| U.S. Government  | 9.9%            | 0 to 3 years  | 62.8%         | Gross  | 2.53% 2.28%    |  |
| Mortgage-Backed Securities                                     | 14.3%           | 3 to 5 years  | 22.3%         | Net <sup>6</sup>   | 2.54% 2.29%    |  |
| Asset-Backed Securities  | 9.9%            | 5 to 10 years   | 13.9%         |  |                |  |
| Commercial MBS   | 14.6%           | 10+ years   | 0.0%          |  |                |  |
| Collateralized Loan Obligations                                | 16.1%           | <b>Total:</b>   | <b>100.0%</b> |  |                |  |
| Bank Loans   | 6.2%            |   |               |  |                |  |
| Investment Grade Corporate                                     | 10.2%           |   |               |  |                |  |
| Emerging Markets   | 17.8%           |   |               |  |                |  |
| International Sovereign  | 0.0%            |   |               |  |                |  |
| <b>Total:</b>  | <b>100.0%</b>   |   |               |  |                |  |

**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 (WAL) - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. 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.

### Fund Performance

| Month-End Returns<br>September 30, 2017 | Annualized |              |        |        |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|------------|--------------|--------|--------|--|------------------------------------|
|   | Sept       | Year-to-Date | 1-Year | 3-Year | Since Inception<br>(2-1-13 to 9-30-17) |                                    |
| I-share                                 | 0.42%      | 2.63%        | 4.06%  | 3.35%  | 3.06%                                  | 0.99%                              |
| N-share                                 | 0.50%      | 2.44%        | 3.80%  | 3.09%  | 2.85%                                  | 1.13%                              |
| Benchmark <sup>1</sup>                  | 0.39%      | 2.97%        | 5.30%  | 3.87%  | 3.85%                                  | 1.22%                              |

| Quarter-End Returns<br>September 30, 2017 | Annualized |              |        |        |  |
|---|------------|--------------|--------|--------|--|
|   | 3Q17       | Year-to-Date | 1-Year | 3-Year | Since Inception<br>(2-1-13 to 9-30-17) |
| I-share                                   | 1.07%      | 2.63%        | 4.06%  | 3.35%  | 3.06%                                  |
| N-share                                   | 1.11%      | 2.44%        | 3.80%  | 3.09%  | 2.85%                                  |
| Benchmark <sup>1</sup>                    | 1.04%      | 2.97%        | 5.30%  | 3.87%  | 3.85%                                  |

| Calendar Year Returns  | 2016   | 2015   | 2014  | 2013 <sup>3</sup> | Expense Ratio | Gross |
|------------------------|--------|--------|-------|-------------------|---------------|-------|
| I-share                | 5.29%  | 1.60%  | 1.56% | 3.19%             | I-share       | 0.71% |
| N-share                | 5.02%  | 1.35%  | 1.40% | 3.11%             | N-share       | 0.96% |
| Benchmark <sup>1</sup> | 10.16% | -0.69% | 1.60% | 4.21%             |               |       |

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 does not reflect the 1% redemption fee on shares held less than 90 days and if deducted the fee would reduce the performance data quoted. Performance data current to the most recent month-end may be obtained by calling 213-633-8200 or by visiting [www.doubleline.com](http://www.doubleline.com).

1. Benchmark: S&P/LSTA Leveraged Loan Index = Index is comprised of non-investment grade and non-rated loans and strips our defaulted issue at the price directly following the default. You cannot invest directly 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 2-1-2013, thus the calendar year performance for 2013 is an unannualized partial year return.

The performance information shown assumes the reinvestment of all dividends and distributions.

### Performance Attribution

In the third quarter of 2017, the DoubleLine Floating Rate Fund outperformed the S&P/LSTA Leveraged Loan Index ("the Index") return of 1.04%. The Fund generally maintained an overweight position in single-B credits and an underweight position in BB and CCC credits. This allocation was not overly material to performance given that single-B names had a return comparable to the overall Index. The Fund held overweight positions in Healthcare and Leisure Goods/Activities/Movies, sectors that both outperformed the Index. The Fund's small position in HY and CLO liabilities was accretive to performance driven by credit selection and strength in the HY market, while the small cash position was dilutive to overall performance.

### Fund Statistics

| Portfolio Characteristics       |               | Top 10 Issuers            |                | Current Quality Credit Distribution <sup>5</sup> |               |         |
|---------------------------------|---------------|---------------------------|----------------|--|---------------|---------|
| # of Issues                     | 170           | Scientific Games Corp     | 1.10%          | <b>(Percent of Portfolio)</b>                    |               |         |
| Ending Market Value             | \$476,879,715 | Ellucian/Sophia           | 1.10%          | Cash   | 4.67%         |         |
| Market Price <sup>1</sup>       | \$100.17      | CityCenter                | 0.97%          | AAA  | 0.00%         |         |
| Duration <sup>2</sup>           | 0.28          | FairmountSantrol          | 0.96%          | AA   | 0.00%         |         |
| Weighted Avg Life <sup>3</sup>  | 5.49          | Cincinnati Bell           | 0.95%          | A  | 0.00%         |         |
|                                 |               | Applied Systems           | 0.95%          | BBB  | 1.25%         |         |
|                                 |               | Multiplan                 | 0.94%          | BB   | 29.55%        |         |
|                                 |               | Radiate                   | 0.94%          | B  | 63.50%        |         |
|                                 |               | Solera                    | 0.94%          | CCC and Below                                    | 1.02%         |         |
|                                 |               | PROTECTION ONE INC        | 0.94%          | Not Rated  | 0.00%         |         |
|                                 |               | <b>Total:</b>             | <b>9.80%</b>   | <b>Total:</b>                                    | <b>100.0%</b> |         |
| Top 10 Sectors                  |               | Asset Mix <sup>4</sup>    |                | SEC 30-Day Yield                                 |               |         |
| Computers & Electronics         | 13.63%        | Floating Rate Loans       | 91.23%         | Gross  | I-Share       | N-Share |
| Healthcare                      | 11.30%        | Cash & Equivalents        | 4.67%          | Net <sup>6</sup>                                 | 3.87%         | 3.62%   |
| Leisure Goods/Activities/Movies | 6.59%         | U.S. Corporate High Yield | 3.05%          |  |               |         |
| Telecom                         | 5.73%         | CLO                       | 1.05%          |  |               |         |
| Retailers (Except Food & Drug)  | 5.59%         | <b>Total:</b>             | <b>100.00%</b> |  |               |         |
| Industrial Equipment            | 4.53%         |                           |                |  |               |         |
| Business Equipment & Services   | 3.94%         |                           |                |  |               |         |
| Chemicals & Plastics            | 3.86%         |                           |                |  |               |         |
| Electronics/Electrical          | 3.59%         |                           |                |  |               |         |
| Lodging & Casinos               | 3.51%         |                           |                |  |               |         |
| <b>Total:</b>                   | <b>62.26%</b> |                           |                |  |               |         |

**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 (WAL) - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. 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. 7. CLO = Collateralized Loan Obligation. AAA to BBB - Bond rating firms, such as Standard & Poor's, identify AAA - AA as having the highest credit quality. A to BBB as medium credit quality. These are considered Investment Grade. The higher the rating the more likely the bond will pay back par/100 cents on the dollar. BB and Below = Bonds rated BB and below are considered low credit quality, commonly referred to as "junk bonds". These are less likely to pay back par/100 cents on the dollar. 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.

**Fund Performance**

| Month-End Returns<br>September 30, 2017   | Sept   | Year-to-Date | Annualized |                   |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|--------|--------------|------------|-------------------|--|------------------------------------|
|   |        |              | 1-Year     | 3-Year            | Since Inception<br>(10-31-13 to 9-30-17) |                                    |
| I-share                                   | -0.06% | 15.06%       | 19.11%     | 15.37%            | 15.84%                                   | 7.55%                              |
| N-share                                   | -0.08% | 14.86%       | 18.85%     | 15.07%            | 15.55%                                   | 7.55%                              |
| Benchmark <sup>1</sup>                    | 2.06%  | 14.24%       | 18.61%     | 10.81%            | 11.98%                                   | 5.46%                              |
| Quarter-End Returns<br>September 30, 2017 | 3Q17   | Year-to-Date | Annualized |                   |  |                                    |
|   |        |              | 1-Year     | 3-Year            | Since Inception<br>(10-31-13 to 9-30-17) |                                    |
| I-share                                   | 2.83%  | 15.06%       | 19.11%     | 15.37%            | 15.84%                                   |                                    |
| N-share                                   | 2.76%  | 14.86%       | 18.85%     | 15.07%            | 15.55%                                   |                                    |
| Benchmark <sup>1</sup>                    | 4.48%  | 14.24%       | 18.61%     | 10.81%            | 11.98%                                   |                                    |
| Calendar Year Returns                     | 2016   | 2015         | 2014       | 2013 <sup>3</sup> | Expense Ratio                            | Gross                              |
| I-share                                   | 20.25% | 4.65%        | 17.86%     | 4.20%             | I-share                                  | 0.58%                              |
| N-share                                   | 19.98% | 4.32%        | 17.70%     | 4.07%             | N-share                                  | 0.83%                              |
| Benchmark <sup>1</sup>                    | 11.96% | 1.38%        | 13.69%     | 5.66%             |  |                                    |

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](http://www.doubleline.com).

1. Benchmark - S&P 500 is a market capitalization weighted index of 500 large companies having common stock listed on the New York Stock Exchange (NYSE) or NASDAQ. 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 10-31-2013, thus the calendar year performance for 2013 is an unannualized partial year return.

**Performance Attribution**

In the third quarter of 2017, the DoubleLine Shiller Enhanced CAPE® Fund underperformed the S&P 500 Index total return of 4.48%. During the third quarter, the Shiller Barclays CAPE® U.S. Sector Index ("the Index") was exposed to the following five sectors: Consumer Discretionary, Consumer Staples, Healthcare, Industrial, and Technology. The best performing sector exposure was Technology. The Healthcare sector also delivered positive returns when in the Index, while Consumer Discretionary was essentially unchanged (positive, but by a de minimis amount). Consumer Staples and Industrials delivered negative returns while constituents of the Index. The fixed income collateral portfolio also contributed to total return. The fixed income sectors with the highest returns in the quarter were, in order, MBS, CMBS, EM and CLOs. All fixed income sectors in which the portfolio was invested contributed positively to returns in the quarter.

**Fund Statistics**

| <i>Portfolio Characteristics</i>      |                 | <i>Current Quality Credit Distribution<sup>4</sup></i> |                | <i>Fixed Income Sector Allocation<sup>7</sup></i> |               |
|---------------------------------------|-----------------|--|----------------|---|---------------|
|                                       |                 | <b>(Percent of Portfolio)</b>                          |                | <b>(Percent of Portfolio)</b>                     |               |
| Ending Market Value                   | \$4,458,426,102 | Cash   | 5.3%           | Cash  | 5.3%          |
| <b>Fixed Income Statistics</b>        |                 | Government   | 17.2%          | U.S. Government                                   | 17.2%         |
| Duration <sup>1</sup>                 | 1.47            | Agency   | 3.2%           | Agency RMBS                                       | 3.2%          |
| Weighted Avg Life <sup>2</sup>        | 3.05            | Investment Grade <sup>5</sup>                          | 49.7%          | Non-Agency RMBS                                   | 13.6%         |
| <b>Equity Statistics</b>              |                 | Below Investment Grade <sup>6</sup>                    | 14.5%          | Asset-Backed Securities                           | 7.7%          |
| Median Mkt Cap <sup>3</sup>           | \$23.1 B        | Unrated Securities                                     | 10.0%          | Commercial MBS                                    | 12.7%         |
| Average Mkt Cap <sup>3</sup>          | \$58.1 B        | <b>Total:</b>  | <b>100.0%</b>  | Collateralized Loan Obligations                   | 12.8%         |
| <b>Duration<sup>1</sup> Breakdown</b> |                 | <b>Weighted Average Life<sup>2</sup> Breakdown</b>     |                | Bank Loans  | 8.0%          |
| <b>(Percent of Portfolio)</b>         |                 | <b>(Percent of Portfolio)</b>                          |                | Investment Grade Corporate                        | 10.9%         |
| Cash                                  | 5.3%            | Cash   | 5.3%           | Emerging Markets                                  | 8.6%          |
| Less than 1                           | 43.8%           | 0 to 3 years   | 52.0%          | <b>Total</b>                                      | <b>100.0%</b> |
| 1 to 3 years                          | 29.5%           | 3 to 5 years   | 22.4%          | <b>CAPE® Sector Allocations<sup>7</sup></b>       |               |
| 3 to 5 years                          | 19.7%           | 5 to 7 years   | 14.8%          | <b>(Percent of Portfolio)</b>                     |               |
| 5 to 7 years                          | 1.1%            | 7+ years   | 5.6%           | Consumer Discretionary                            | 25.1%         |
| 7+ years                              | 0.6%            | <b>Total:</b>  | <b>100.0%</b>  | Healthcare  | 25.1%         |
| <b>Total:</b>                         | <b>100.0%</b>   | <b>SEC 30-Day Yield</b>                                |                | Technology  | 25.3%         |
|                                       |                 | <i>I-share</i>   | <i>N-share</i> | Consumer Staples                                  | 24.5%         |
|                                       |                 | Gross  | 2.46%          | 2.21%   |               |
|                                       |                 | Net  | 2.47%          | 2.22%   | <b>Total</b>  |
|                                       |                 |  |                |   | <b>100.0%</b> |

**Past Performance is no guarantee of future results.**

Barclays Bank PLC and its affiliates ("Barclays") is not the issuer or producer of DoubleLine Shiller Enhanced CAPE® (the "Fund") and Barclays has no responsibilities, obligations or duties to investors in the Fund. The Shiller Barclays CAPE® US Sector USD Index (the "Index") is a trademark owned by Barclays Bank PLC and licensed for use by the Fund. While the Fund may execute transaction(s) with Barclays in or relating to the Index, Fund investors acquire interests solely in the Fund and investors neither acquire any interest in the Index nor enter into any relationship of any kind whatsoever with Barclays upon making an investment in the Fund. The Fund is not sponsored, endorsed, sold or promoted by Barclays and Barclays makes no representation regarding the advisability of the Fund or use of the Index or any data included therein. Barclays shall not be liable in any way to the Fund, investors or to other third parties in respect of the use or accuracy of the Index or any data included therein. The Shiller Barclays CAPE® US Index Family (the "Index Family") has been developed in part by RSBB-I, LLC, the research principal of which is Robert J. Shiller. RSBB-I, LLC is not an investment advisor and does not guarantee the accuracy and completeness of the Index Family or any data or methodology either included therein or upon which it is based. RSBB-I, LLC shall have no liability for any errors, omissions or interruptions therein and makes no warranties expressed or implied, as to the performance or results experienced by any party from the use of any information included therein or upon which it is based, and expressly disclaims all warranties of the merchantability or fitness for a particular purpose with respect thereto, and shall not be liable for any claims or losses of any nature in connection with the use of such information, including but not limited to, lost profits or punitive or consequential damages even, if RSBB-I, LLC is advised of the possibility of same. Shiller Barclays CAPE US Sector TR USD Index incorporates the principles of long-term investing distilled by Dr. Robert Shiller and expressed through the CAPE® (Cyclically Adjusted Price Earnings) ratio (the "CAPE® Ratio"). It aims to identify undervalued sectors based on a modified CAPE® Ratio, and then uses a momentum factor to seek to mitigate the effects of potential value traps.

1. 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. 2. Weighted Average Life - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 3. Market Cap - The market price of an entire company, calculated by multiplying the number of shares outstanding by the price per share. 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 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. Fixed Income Sector Allocation - The figures shown for the fixed income sector allocation represent the relative net assets invested in the displayed categories of fixed income and cash only. The figures shown for the CAPE® sector allocations reflect the four sectors selected by the CAPE® index for the time period and their allocations as of month end.

### Fund Performance

| Month-End Returns<br>September 30, 2017 | Sept   | Year-to-Date | Annualized |        |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|--------|--------------|------------|--------|--|------------------------------------|
|   |        |              | 1-Year     | 3-Year | Since Inception<br>(4-7-14 to 9-30-17) |                                    |
| I-share                                 | 0.04%  | 4.53%        | 4.79%      | 3.59%  | 3.68%                                  | 1.26%                              |
| N-share                                 | 0.02%  | 4.35%        | 4.44%      | 3.30%  | 3.40%                                  | 1.21%                              |
| Benchmark <sup>1</sup>                  | -0.03% | 1.65%        | 1.33%      | 1.53%  | 1.44%                                  | 0.05%                              |
| LIBOR                                   | 0.11%  | 0.88%        | 1.11%      | 0.66%  | 0.61%                                  |                                    |

| Quarter-End Returns<br>September 30, 2017 | 3Q17  | Year-to-Date | Annualized |        |  |
|---|-------|--------------|------------|--------|--|
|   |       |              | 1-Year     | 3-Year | Since Inception<br>(4-7-14 to 9-30-17) |
| I-share                                   | 1.29% | 4.53%        | 4.79%      | 3.59%  | 3.68%                                  |
| N-share                                   | 1.23% | 4.35%        | 4.44%      | 3.30%  | 3.40%                                  |
| Benchmark <sup>1</sup>                    | 0.53% | 1.65%        | 1.33%      | 1.53%  | 1.44%                                  |
| LIBOR                                     | 0.33% | 0.88%        | 1.11%      | 0.66%  | 0.61%                                  |

| Expense Ratio | Gross |
|---------------|-------|
| I-share       | 0.85% |
| N-share       | 1.10% |

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](http://www.doubleline.com).

1. Benchmark - The BAML 1-3 Year Eurodollar Index is a subset of the BAML Eurodollar Index including all securities with a remaining term to final maturity less than 3 years. The BAML Eurodollar Index tracks the performance of US dollar-denominated investment grade quasigovernment, corporate, securitized and collateralized debt publicly issued in the eurobond markets. One cannot invest directly 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.

### Performance Attribution

In the third quarter of 2017, the DoubleLine Flexible Income Fund outperformed its benchmark's return of 0.53%. EM exposure was a primary source of outperformance as returns were supported by a weaker dollar and strong fundamentals. HY credits also contributed to outperformance as spreads continued to tighten in this space. Overnight rates were held at 1.25% which supported floating rate exposures. Roughly a third of the portfolio has floating rate coupons. RMBS positions provided positive returns as the sector continued to be supported by strong housing fundamentals and a positive technical environment. CMBS also participated in the quarter's broad rally in credit. ABS rounded out the clean sweep in sector level positive contributions to the Fund.

## Fund Statistics

| Portfolio Characteristics                               |               | Duration <sup>2</sup> Breakdown<br>(Percent of Portfolio)              |               | Current Quality Credit Distribution <sup>5</sup><br>(Percent of Portfolio) |               |         |
|---|---------------|--|---------------|--|---------------|---------|
| # of Issues   | 772           | Cash   | 9.8%          | Cash   | 9.8%          |         |
| Ending Market Value                                     | \$968,626,080 | Less than 0  | 15.1%         | Government   | 5.1%          |         |
| Market Price <sup>1</sup>                               | \$100.77      | 0 to 3 years   | 40.6%         | Agency   | 0.4%          |         |
| Duration <sup>2</sup>                                   | 1.91          | 3 to 5 years   | 20.7%         | Investment Grade <sup>6</sup>  | 36.8%         |         |
| Weighted Avg Life <sup>3</sup>                          | 4.84          | 5 to 10 years  | 12.3%         | Below Investment Grade <sup>7</sup>  | 34.2%         |         |
|   |               | 10+ years  | 1.5%          | Unrated Securities   | 13.7%         |         |
|   |               | <b>Total:</b>  | <b>100.0%</b> | <b>Total:</b>  | <b>100.0%</b> |         |
| Sector Breakdown <sup>4</sup><br>(Percent of Portfolio) |               | Weighted Average Life <sup>3</sup> Breakdown<br>(Percent of Portfolio) |               | SEC 30-Day Yield   | I-share       | N-share |
| Cash  | 9.8%          | Cash   | 9.8%          | Gross  | 3.61%         | 3.36%   |
| U.S. Government   | 5.1%          | 0 to 3 years   | 22.8%         | Net <sup>8</sup>   | 3.56%         | 3.31%   |
| Municipals  | 0.0%          | 3 to 5 years   | 19.8%         |  |               |         |
| Agency MBS  | 0.3%          | 5 to 10 years  | 42.2%         |  |               |         |
| Non-Agency MBS  | 23.6%         | 10+ years  | 5.4%          |  |               |         |
| Asset-Backed Securities                                 | 4.6%          | <b>Total:</b>  | <b>100.0%</b> |  |               |         |
| Commercial MBS  | 9.6%          |  |               |  |               |         |
| Collateralized Loan Obligations                         | 12.8%         |  |               |  |               |         |
| Bank Loans  | 9.3%          |  |               |  |               |         |
| Investment Grade Corporates                             | 0.0%          |  |               |  |               |         |
| High Yield Corporates                                   | 5.9%          |  |               |  |               |         |
| Emerging Markets  | 16.2%         |  |               |  |               |         |
| International Sovereign                                 | 2.6%          |  |               |  |               |         |
| <b>Total:</b>   | <b>100.0%</b> |  |               |  |               |         |

### 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 (WAL) - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. Investment Grade - Refers to a bond considered investment grade if its credit rating is BBB- or 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. 7. 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. 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.

### Fund Performance

| Month-End Returns<br>September 30, 2017   |        |              | Annualized        |               |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|--------|--------------|-------------------|---------------|--|------------------------------------|
|   | Sept   | Year-to-Date | 1-Year            | 3-Year        | Since Inception<br>(4-7-14 to 9-30-17) |                                    |
| I-share                                   | 0.01%  | 4.29%        | 3.41%             | 2.81%         | 3.25%                                  | 1.98%                              |
| N-share                                   | -0.01% | 4.08%        | 3.14%             | 2.59%         | 3.03%                                  | 1.97%                              |
| Benchmark <sup>1</sup>                    | 0.19%  | 2.98%        | 3.20%             | 3.82%         | 3.55%                                  | 1.19%                              |
| Quarter-End Returns<br>September 30, 2017 |        |              | Annualized        |               |  |                                    |
|   | 3Q17   | Year-to-Date | 1-Year            | 3-Year        | Since Inception<br>(4-7-14 to 9-30-17) |                                    |
| I-share                                   | 1.13%  | 4.29%        | 3.41%             | 2.81%         | 3.25%                                  |                                    |
| N-share                                   | 1.07%  | 4.08%        | 3.14%             | 2.59%         | 3.03%                                  |                                    |
| Benchmark <sup>1</sup>                    | 1.11%  | 2.98%        | 3.20%             | 3.82%         | 3.55%                                  |                                    |
| Calendar Year Returns                     | 2016   | 2015         | 2014 <sup>3</sup> | Expense Ratio | Gross                                  | Net <sup>4</sup>                   |
| I-share                                   | 7.05%  | -1.55%       | 1.70%             | I-share       | 0.75%                                  | 0.59%                              |
| N-share                                   | 6.89%  | -1.80%       | 1.54%             | N-share       | 1.00%                                  | 0.84%                              |
| Benchmark <sup>1</sup>                    | 6.07%  | 3.62%        | -0.23%            |               |  |                                    |

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](http://www.doubleline.com).

1. Benchmark: JP Morgan CEMBI Broad Diversified 1-3 Year is a market capitalization weighted index consisting of 1-3 year maturity US-denominated Emerging Market corporate bonds. It is a liquid global corporate benchmark representing Asia, Latin America, Europe and the Middle East/Africa. 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 4/7/2014, thus the calendar year performance for 2014 is an unannualized partial year return. 4. The Advisor has contractually agreed to waive fees and reimburse expenses through July 31, 2018.

### Performance Attribution

In the third quarter of 2017, the DoubleLine Low Duration Emerging Markets Fixed Income Fund performed broadly in line with the JP Morgan Corporate EMBI Broad Diversified Maturity 1-3 (CEMBI 1-3 Year) Index ("the Index") return of 1.11%. The portfolio benefited from an overweight position in Latin American (Latam) corporate credits versus the Index. Latam corporate credits outperformed regional corporate peers in Central Europe and Asia. Within the Fund, some of the best performing countries included Jamaica, Brazil, Colombia, and Panama. Performance of the Fund benefited from exposure to sovereign and quasi sovereign issuers, which represented 52.1% of the portfolio as of September month-end. Over the period, EM sovereign and quasi sovereign issuers outperformed their EM corporate peers. Over the quarter, the Fund increased the portfolio weighting of investment grade credits from 83.5% as of June month-end to 90.5% as of September month-end. The higher grade quality of the portfolio somewhat offset portfolio performance relative to the index, as high yield credits outperformed their investment grade counterparts over the quarter.

**Fund Statistics**

| <b>Portfolio Characteristics</b>                                 |                | <b>Country Breakdown<br/>(Percent of Portfolio)</b> |                | <b>Industry Breakdown<br/>(Percent of Portfolio)</b> |                | <b>Current Quality Credit Distribution<sup>5</sup><br/>(Percent of Portfolio)</b> |                |
|--|----------------|---|----------------|--|----------------|---|----------------|
| # of Issues  | 88             | Chile   | 15.91%         | Sovereign  | 23.41%         | AAA   | 0.00%          |
| Ending Market Value  | \$204,673,282  | Mexico  | 12.75%         | Banking  | 21.23%         | AA  | 6.80%          |
| Market Price <sup>1</sup>  | \$103.91       | India   | 12.60%         | Oil & Gas  | 21.13%         | A   | 28.36%         |
| Duration <sup>2</sup>  | 2.85           | Panama  | 8.48%          | Transportation                                       | 9.97%          | BBB   | 55.61%         |
| Weighted Avg Life <sup>3</sup>                                   | 3.10           | China   | 8.42%          | Utilities  | 6.16%          | BB  | 6.53%          |
| <b>Sector Breakdown<sup>4</sup><br/>(Percent of Portfolio)</b>   |                | Singapore   | 6.80%          | Telecommunication                                    | 5.88%          | B and Below   | 1.02%          |
| Corporate  | 46.29%         | Malaysia  | 5.92%          | Pulp & Paper   | 3.79%          | Not Rated   | 0.02%          |
| Quasi-Sovereign  | 28.86%         | Peru  | 4.39%          | Conglomerate   | 2.41%          | Other <sup>6</sup>  | 0.22%          |
| Sovereign  | 23.41%         | Indonesia   | 3.63%          | Media  | 2.09%          | Cash & Accrued  | 1.44%          |
| Cash & Accrued   | 1.44%          | Colombia  | 3.27%          | Consumer Products                                    | 2.03%          | <b>Total:</b>   | <b>100.00%</b> |
| <b>Total:</b>  | <b>100.00%</b> | Philippines   | 2.86%          | Petrochemicals                                       | 0.44%          | <b>Current Currency Exposure<br/>(Percent of Portfolio)</b>                       |                |
| <b>Duration Breakdown<sup>2</sup><br/>(Percent of Portfolio)</b> |                | Israel  | 2.70%          | Construction   | 0.02%          | U.S. Dollar-Denominated   | 100.00%        |
| Less than 1  | 7.37%          | Hong Kong   | 2.41%          | Cash & Accrued                                       | 1.44%          | <b>Total:</b>   | <b>100.00%</b> |
| 1 to 3 years   | 44.93%         | Poland  | 2.25%          | <b>Total:</b>  | <b>100.00%</b> | <b>SEC 30-Day Yield</b>   |                |
| 3 to 5 years   | 47.70%         | Dominican Republic                                  | 1.87%          |  |                | Gross   | 1.73%          |
| 5 to 7 years   | 0.00%          | Costa Rica  | 1.74%          |  |                | Net   | 2.08%          |
| 7 to 10 years  | 0.00%          | Guatemala   | 1.72%          |  |                |   | 1.48%          |
| 10+ years  | 0.00%          | Jamaica   | 0.43%          |  |                |   | 1.83%          |
| <b>Total:</b>  | <b>100.00%</b> | Brazil  | 0.41%          |  |                |   |                |
|  |                | Cash & Accrued                                      | 1.44%          |  |                |   |                |
|  |                | <b>Total:</b>                                       | <b>100.00%</b> |  |                |   |                |

**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 (WAL) - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. Consists of equity shares received from debt restructuring

AAA to BBB—Bond rating firms, such as Standard & Poor's identify AAA – AA as having the highest credit quality. A to BBB as medium credit quality. These are considered Investment Grade. The higher the rating the more likely the bond will pay back par/100 cents on the dollar.

BB and Below are considered low credit quality, commonly referred to as "junk bonds". These are less likely to pay back par/100 cents on the dollar.

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.

### Fund Performance

| Month-End Returns<br>September 30, 2017 | Sept   | Year-to-Date | Annualized |  | 1-Yr<br>Std Deviation <sup>2</sup> |
|---|--------|--------------|------------|--|------------------------------------|
|   |        |              | 1-Year     | Since Inception<br>(12-15-14 to 9-30-17) |                                    |
| I-share                                 | -2.27% | 5.24%        | -5.39%     | 2.98%                                    | 8.96%                              |
| N-share                                 | -2.39% | 4.94%        | -5.64%     | 2.69%                                    | 8.96%                              |
| Benchmark <sup>1</sup>                  | -0.96% | 7.65%        | -0.79%     | 3.99%                                    | 8.05%                              |

| Quarter-End Returns<br>September 30, 2017 | 3Q17  | Year-to-Date | Annualized |  |
|---|-------|--------------|------------|--|
|   |       |              | 1-Year     | Since Inception<br>(12-15-14 to 9-30-17) |
| I-share                                   | 0.33% | 5.24%        | -5.39%     | 2.98%                                    |
| N-share                                   | 0.16% | 4.94%        | -5.64%     | 2.69%                                    |
| Benchmark <sup>1</sup>                    | 1.53% | 7.65%        | -0.79%     | 3.99%                                    |

| Calendar Year Returns  | 2016  | 2015   | 2014 <sup>3</sup> | Expense Ratio | Gross | Net <sup>4</sup> |
|------------------------|-------|--------|-------------------|---------------|-------|------------------|
| I-share                | 1.71% | 1.13%  | 0.26%             | I-share       | 0.76% | 0.65%            |
| N-share                | 1.45% | 0.89%  | 0.26%             | N-share       | 1.01% | 0.90%            |
| Benchmark <sup>1</sup> | 6.67% | -3.30% | 0.45%             |               |       |                  |

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](http://www.doubleline.com).

1. Benchmark: Bloomberg Barclays Long U.S. Government/Credit Index includes publicly issued U.S. Treasury debt, U.S. government agency debt, taxable debt issued by U.S. states and territories and their political subdivisions, debt issued by U.S. and non-U.S. corporations, non-U.S. government debt and supranational debt. 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 12-15-2014, thus the calendar year performance for 2014 is an unannualized partial year return. 4. The advisor has contractually agreed to waive fees and reimburse expenses through July 31, 2018. The performance information shown assumes the reinvestment of all dividends and distributions.

### Performance Attribution

In the third quarter of 2017, the DoubleLine Long Duration Total Return Bond Fund underperformed the Bloomberg Barclays U.S. Long Government/Credit Index ("the Index") return of 1.53%. U.S. Treasury yields increased across the curve with 2-year yields increasing by about 10 bps, 10-year yields increasing by about 3 bps, and 30-year yields increasing by about 3 bps. Long corporate credit spreads tightened in by about 7 bps with the Fund being shorter than the Index's duration by about a year by quarter-end. The corporate sector continues to perform well with spreads continuing to tighten, which is the main driver behind the Fund's underperformance for the quarter relative to its benchmark. Within the portfolio, fixed-rate Collateralized Mortgage Obligations (CMO) were the main contributors to return, primarily driven by their interest carry. U.S. Treasuries and TIPS continue to be additive from a returns standpoints as well as from a convexity management standpoint.

### Fund Statistics

#### Portfolio Characteristics

|                                |              |
|--------------------------------|--------------|
| # of Issues                    | 35           |
| Ending Market Value            | \$63,394,366 |
| Market Price <sup>1</sup>      | \$96.84      |
| Duration <sup>2</sup>          | 14.65        |
| Weighted Avg Life <sup>3</sup> | 19.28        |

#### Sector Breakdown<sup>4</sup>

##### (Percent of Portfolio)

|                   |               |
|-------------------|---------------|
| Treasury          | 5.1%          |
| Agency Debentures | 14.0%         |
| Agency CMOs       | 79.8%         |
| Other             | 0.0%          |
| Cash              | 1.1%          |
| <b>Total:</b>     | <b>100.0%</b> |

#### Duration Breakdown<sup>2</sup>

##### (Percent of Portfolio)

|                    |               |
|--------------------|---------------|
| Less than 10 years | 2.7%          |
| 10 to 15 years     | 55.3%         |
| 15 to 20 years     | 30.4%         |
| 20 to 25 years     | 10.5%         |
| 25+ years          | 0.0%          |
| Cash               | 1.1%          |
| <b>Total:</b>      | <b>100.0%</b> |

#### Weighted Average Life<sup>3</sup> Breakdown

##### (Percent of Portfolio)

|                    |               |
|--------------------|---------------|
| Less than 10 years | 4.1%          |
| 10 to 15 years     | 28.0%         |
| 15 to 20 years     | 40.9%         |
| 20 to 25 years     | 8.9%          |
| 25+ years          | 17.1%         |
| Cash               | 1.1%          |
| <b>Total:</b>      | <b>100.0%</b> |

#### Current Quality Credit Distribution<sup>5</sup>

##### (Percent of Portfolio)

|                                     |               |
|-------------------------------------|---------------|
| Government                          | 14.4%         |
| Agency                              | 84.5%         |
| Investment Grade <sup>6</sup>       | 0.0%          |
| Below Investment Grade <sup>7</sup> | 0.0%          |
| Unrated Securities                  | 0.0%          |
| Cash                                | 1.1%          |
| <b>Total:</b>                       | <b>100.0%</b> |

#### Asset Mix

##### (Percent of Sector)

|               |               |
|---------------|---------------|
| Fixed Rate    | 98.9%         |
| Floating Rate | 0.0%          |
| Cash          | 1.1%          |
| <b>Total:</b> | <b>100.0%</b> |

#### SEC 30-Day Yield

|       | I-Share | N-Share |
|-------|---------|---------|
| Gross | 2.38%   | 2.12%   |
| Net   | 2.53%   | 2.27%   |

### 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. Sector breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. 6. Investment Grade - Refers to a bond considered investment grade if its credit rating is BBB- or 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. 7. 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.

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.

### Fund Performance

| Month-End Returns      |        | Year-to-Date | Annualized |   |  |  |  |
|------------------------|--------|--------------|------------|---|--|--|--|
| September 30, 2017     | Sept   |              | 1-Year     | Since Inception<br>(5-18-15 to 9-30-17) |  |  |  |
| I-share                | -0.83% | -1.44%       | 4.25%      | -1.61%                                  |  |  |  |
| N-share                | -0.83% | -1.55%       | 4.05%      | -1.89%                                  |  |  |  |
| Benchmark <sup>1</sup> | -0.15% | -2.87%       | -0.29%     | -8.42%                                  |  |  |  |

| Quarter-End Returns    |       | Year-to-Date | Annualized |   |               |       |                  |
|------------------------|-------|--------------|------------|---|---------------|-------|------------------|
| September 30, 2017     | 3Q17  |              | 1-Year     | Since Inception<br>(5-18-15 to 9-30-17) | Expense Ratio | Gross | Net <sup>2</sup> |
| I-share                | 7.05% | -1.44%       | 4.25%      | -1.61%                                  | I-share       | 1.84% | 1.17%            |
| N-share                | 7.09% | -1.55%       | 4.05%      | -1.89%                                  | N-share       | 2.30% | 1.42%            |
| Benchmark <sup>1</sup> | 2.52% | -2.87%       | -0.29%     | -8.42%                                  |               |       |                  |

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The performance information shown assumes the reinvestment of all dividends and distributions.

1. Benchmark - Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and 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. One cannot invest directly in an index. 2. The Advisor has contractually agreed to waive a portion of fees and reimburse expenses through July 31, 2018.

### Performance Attribution

In the third quarter of 2017, the DoubleLine Strategic Commodity Fund increased by 7.05%. The broad commodity market increased by 2.52% and 6.94%, as measured by the BCOM and S&P GSCI, respectively. The Morgan Stanley BFMCI<sup>SM</sup> (beta exposure) increased by 7.99% in the third quarter, while the DoubleLine Commodity Long Short (DCLS) increased by 5.38%. The outperformance relative to the BCOM was driven by the outperformance of the Morgan Stanley BFMCI<sup>SM</sup> and the allocation timing between the beta and DCLS. The portfolio is fully collateralized by U.S. Treasury bills and these added incremental return in the third quarter.

**Fund Statistics**

**Portfolio Sector Allocation (Notional Value)<sup>1</sup>**

**Percent of Portfolio**

|                                     |               |
|-------------------------------------|---------------|
| Morgan Stanley BFMCI <sup>SM2</sup> | 69.9%         |
| Tactical Commodity Exposure (DCLS)  | 30.1%         |
| <b>Total:</b>                       | <b>100.0%</b> |

**Morgan Stanley BFMCI<sup>SM</sup>**

**Energy**

|               |              |
|---------------|--------------|
| Crude Oil     | 9.3%         |
| Brent Oil     | 9.9%         |
| Heating Oil   | 3.3%         |
| Gasoil        | 5.5%         |
| Unleaded      | 5.0%         |
| <b>Total:</b> | <b>32.9%</b> |

**Metals**

|               |              |
|---------------|--------------|
| Copper        | 21.9%        |
| Nickel        | 14.3%        |
| <b>Total:</b> | <b>36.2%</b> |

**Grains**

|               |              |
|---------------|--------------|
| Soybeans      | 18.0%        |
| <b>Total:</b> | <b>18.0%</b> |

**Softs**

|               |             |
|---------------|-------------|
| Cotton        | 3.7%        |
| Sugar         | 3.4%        |
| <b>Total:</b> | <b>7.1%</b> |

**Livestock**

|               |             |
|---------------|-------------|
| Live Cattle   | 5.8%        |
| <b>Total:</b> | <b>5.8%</b> |

**Tactical Commodity Exposure<sup>1</sup>**

**Long Commodity Allocation**

|               |              |
|---------------|--------------|
| Gasoil        | 10.7%        |
| Heating Oil   | 10.5%        |
| Unleaded Gas  | 10.3%        |
| Copper        | 9.4%         |
| Zinc          | 9.9%         |
| <b>Total:</b> | <b>50.9%</b> |

**Short Commodity Allocation**

|               |              |
|---------------|--------------|
| WTI Crude     | 9.3%         |
| Natural Gas   | 10.2%        |
| Wheat         | 9.8%         |
| Kansas Wheat  | 9.9%         |
| Coffee        | 10.0%        |
| <b>Total:</b> | <b>49.1%</b> |

**Collateral Characteristics (Market Value)<sup>1</sup>**

|                       |     |
|-----------------------|-----|
| Duration <sup>3</sup> | 0.1 |
|-----------------------|-----|

**Sector Allocation**

|                 |       |
|-----------------|-------|
| Cash            | 11.4% |
| U.S. Government | 88.6% |

**SEC 30-Day Yield**

|       | <i>I-share</i> | <i>N-share</i> |
|-------|----------------|----------------|
| Gross | 0.00%          | 0.00%          |
| Net   | 0.00%          | 0.00%          |

Past performance is no guarantee of future results.

1. Portfolio Sector Allocation - The figures shown for the collateral characteristics represent the relative net assets invested in the displayed categories of fixed income and cash only. The figures shown for the tactical commodity exposures reflect the sectors within each allocation for the time period and their allocations as of month end.  
 2. Backwardation-Focused Multi Commodity Index (BFMCI<sup>SM</sup>) - An index that tracks the performance of futures contracts on eleven commodities, selected based on historical backwardation relative to other commodity-related futures contracts and historical liquidity. It is roughly equal weights across broad commodity market sectors and is typically re-balanced annually.  
 3. 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.  
 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 Alternatives LP, which maintains its data on a trade date basis.

**Fund Performance**

| Month-End Returns<br>September 30, 2017 | Sept   | Year-to-Date | Annualized |  | Expense Ratio | Gross |
|---|--------|--------------|------------|--|---------------|-------|
|   |        |              | 1-Year     | Since Inception<br>(12-17-15 to 9-30-17) |               |       |
| I-share                                 | -1.23% | 7.63%        | -0.84%     | 3.55%                                    | I-share       | 0.67% |
| N-share                                 | -1.29% | 7.50%        | -1.05%     | 3.33%                                    | N-share       | 0.92% |
| Benchmark <sup>1</sup>                  | -1.20% | 6.38%        | -2.69%     | 4.67%                                    |               |       |

| Quarter-End Returns<br>September 30, 2017 | 3Q17  | Year-to-Date | Annualized |  | Expense Ratio | Gross |
|---|-------|--------------|------------|--|---------------|-------|
|   |       |              | 1-Year     | Since Inception<br>(12-17-15 to 9-30-17) |               |       |
| I-share                                   | 1.72% | 7.63%        | -0.84%     | 3.55%                                    | I-share       | 0.67% |
| N-share                                   | 1.66% | 7.50%        | -1.05%     | 3.33%                                    | N-share       | 0.92% |
| Benchmark <sup>1</sup>                    | 1.81% | 6.38%        | -2.69%     | 4.67%                                    |               |       |

*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](http://www.doubleline.com).*

The performance information shown assumes the reinvestment of all dividends and distributions.

1. Benchmark: Citi World Government Bond Index (WGBI) - Measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market. Sub-indices are available in any combination of currency, maturity, or rating. It is not possible to invest in an index.

**Performance Attribution**

In the third quarter of 2017, the DoubleLine Global Bond Fund modestly underperformed the Citi World Government Bond Index (WGBI) return of 1.81%. Positive performance over the quarter was led primarily by FX appreciation against the USD, as indicated by the DXY, which fell for the third consecutive quarter. The USD weakness was, in part, driven by generally mixed economic data, the Trump Administration's stalled economic reform agenda and heightened geopolitical risk. The Fund's modest underperformance was affected by an underweight positioning in Italy, Austria, and the Scandinavian countries which outperformed over the period. However, performance relative to the WGBI benefited over September, as the Fund shifted from an underweight to overweight USD position. Both UST yields and the DXY rose in September with market participants perceiving a more hawkish Fed and the Trump Administration presenting their long-awaited tax reform plan.

**Fund Statistics**

**Portfolio Characteristics**

|                                |               |
|--------------------------------|---------------|
| # of Issues                    | 54            |
| Ending Market Value            | \$613,354,602 |
| Market Price <sup>1</sup>      | \$104.69      |
| Duration <sup>2</sup>          | 6.42          |
| Weighted Avg Life <sup>3</sup> | 6.93          |

**Sector Breakdown<sup>4</sup>**

**(Percent of Portfolio)**

|                 |                |
|-----------------|----------------|
| Cash & Accrued  | 7.98%          |
| Sovereign       | 92.02%         |
| Quasi-Sovereign | 0.00%          |
| Corporate       | 0.00%          |
| <b>Total:</b>   | <b>100.00%</b> |

**Duration Breakdown<sup>2</sup>**

**(Percent of Portfolio)**

|               |                |
|---------------|----------------|
| Less than 1   | 9.85%          |
| 1 to 3 years  | 10.15%         |
| 3 to 5 years  | 15.50%         |
| 5 to 7 years  | 23.80%         |
| 7 to 10 years | 33.09%         |
| 10+ years     | 7.62%          |
| <b>Total:</b> | <b>100.00%</b> |

**Top 8 Currency Exposure**

**(Percent of Portfolio)**

|                   |               |
|-------------------|---------------|
| U.S. Dollar       | 38.11%        |
| Euro              | 19.44%        |
| Japanese Yen      | 19.04%        |
| Israeli Shekel    | 4.20%         |
| Czech Koruna      | 3.59%         |
| Canadian Dollar   | 3.00%         |
| Mexican Peso      | 2.93%         |
| Australian Dollar | 2.28%         |
| <b>Total:</b>     | <b>92.58%</b> |

**Top 8 Country Exposure**

**(Percent of Portfolio)**

|                |               |
|----------------|---------------|
| United States  | 23.10%        |
| Japan          | 18.86%        |
| Ireland        | 5.18%         |
| Czech Republic | 4.62%         |
| Spain          | 4.17%         |
| Israel         | 4.12%         |
| Belgium        | 4.10%         |
| Portugal       | 3.67%         |
| <b>Total:</b>  | <b>67.83%</b> |

**Current Quality Credit Distribution<sup>5</sup>**

**(Percent of Portfolio)**

|                |                |
|----------------|----------------|
| Cash & Accrued | 7.98%          |
| AAA            | 34.87%         |
| AA             | 12.26%         |
| A              | 34.97%         |
| BBB            | 9.93%          |
| BB             | 0.00%          |
| B and Below    | 0.00%          |
| Not Rated      | 0.00%          |
| <b>Total:</b>  | <b>100.00%</b> |

**Region Breakdown**

**(Percent of Portfolio)**

|                     |                |
|---------------------|----------------|
| Cash & Accrued      | 7.98%          |
| Americas            | 29.89%         |
| Developed Europe    | 22.65%         |
| CEEMEA <sup>6</sup> | 13.81%         |
| Asia                | 25.67%         |
| <b>Total:</b>       | <b>100.00%</b> |

**SEC 30-Day Yield I-Share N-Share**

|       |       |       |
|-------|-------|-------|
| Gross | 0.82% | 0.57% |
| Net   | 0.82% | 0.57% |

**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. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 5. 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. AAA to BBB - Bond rating firms, such as Standard & Poor's, identify AAA - AA as having the highest credit quality. A to BBB as medium credit quality. 6. CEEMEA = Central & Eastern Europe, Middle East and Africa. These are considered 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.

**Fund Performance**

| Month-End Returns<br>September 30, 2017 | Sept   | Year-to-Date | Annualized |  |  |  |  |
|---|--------|--------------|------------|--|--|--|--|
|   |        |              | 1-Year     | Since Inception<br>(4-1-16 to 9-30-17) |  |  |  |
| I-share                                 | -0.33% | 5.13%        | 2.80%      | 4.26%                                  |  |  |  |
| N-share                                 | -0.35% | 4.96%        | 2.47%      | 3.95%                                  |  |  |  |
| Benchmark <sup>1</sup>                  | -0.48% | 3.14%        | 0.07%      | 1.86%                                  |  |  |  |

| Quarter-End Returns<br>September 30, 2017 | 3Q17  | Year-to-Date | Annualized |  | Expense Ratio | Gross | Net <sup>2</sup> |
|---|-------|--------------|------------|--|---------------|-------|------------------|
|   |       |              | 1-Year     | Since Inception<br>(4-1-16 to 9-30-17) |               |       |                  |
| I-share                                   | 1.25% | 5.13%        | 2.80%      | 4.26%                                  | I-share       | 0.80% | 0.67%            |
| N-share                                   | 1.10% | 4.96%        | 2.47%      | 3.95%                                  | N-share       | 1.53% | 0.92%            |
| Benchmark <sup>1</sup>                    | 0.85% | 3.14%        | 0.07%      | 1.86%                                  |               |       |                  |

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](http://www.doubleline.com).

1. Benchmark - Bloomberg Barclays U.S. Aggregate Bond Index - An index that 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. One cannot invest directly in an index. 2. The advisor has contractually agreed to waive fees and reimburse expenses through July 31, 2018. The performance information shown assumes the reinvestment of all dividends and distributions.

**Performance Attribution**

For the third quarter of 2017, the DoubleLine Infrastructure Income Fund outperformed the Bloomberg Barclays U.S. Aggregate Bond Index return of 0.85%. U.S. Treasuries were modestly wider during the quarter with the front end of the curve seeing the largest move due to concerns of a potential Fed rate hike in September. Credit spreads were volatile but tightened overall during the quarter. The spread on the Bloomberg Barclays U.S. Aggregate Index tightened from 43 bps in June to 38 bps at the end of September. Fixed income assets performed well during this period and infrastructure debt issues saw strong performance across all instrument types. Infrastructure debt issues from the EM and Structured Product markets outperformed both the Bloomberg Barclays U.S. Aggregate Bond Index and the Bloomberg Barclays U.S. Credit Index. Spread tightening in a relatively benign rate environment allowed issues in these sectors to perform well. Infrastructure assets in the developed market corporate market slightly underperformed as power and transmission and distribution utilities experienced less spread tightening compared to the overall market. Portfolio duration was gradually reduced during the period, going from 5.28 years at the start of the quarter and finishing at 5.07 years.

#### Fund Statistics

| Portfolio Characteristics             |               | Country Breakdown<br>(Percent of Portfolio) |               | Industry Breakdown<br>(Percent of Portfolio) |               | Current Quality Credit Distribution <sup>5</sup><br>(Percent of Portfolio) |                |
|---------------------------------------|---------------|---|---------------|--|---------------|--|----------------|
| # of Issues                           | 96            | United States                               | 66.0%         | Transportation                               | 43.0%         | AAA  | 1.9%           |
| Ending Market Value                   | \$521,626,037 | Peru  | 6.1%          | Power  | 23.6%         | AA   | 3.0%           |
| Duration <sup>1</sup>                 | 5.09          | Chile                                       | 5.1%          | Energy                                       | 5.7%          | A  | 52.7%          |
| Weighted Avg Life <sup>2</sup>        | 7.04          | Australia                                   | 3.4%          | Renewables                                   | 8.6%          | BBB  | 35.1%          |
| <b>Sector Breakdown<sup>3</sup></b>   |               | Mexico                                      | 3.3%          | Telecommunication                            | 8.4%          | Cash   | 7.4%           |
| <b>(Percent of Portfolio)</b>         |               | Panama                                      | 2.5%          | Water & Sewer                                | 1.5%          | <b>Total:</b>  | <b>100.0%</b>  |
| Structured Products                   | 33.3%         | Canada                                      | 2.0%          | U.S. Treasury                                | 1.9%          | <b>Current Currency Exposure</b>   |                |
| Corporate Bonds                       | 34.4%         | S. Korea                                    | 1.6%          | Cash   | 7.4%          | <b>(Percent of Portfolio)</b>  |                |
| Project Bonds                         | 23.1%         | Israel                                      | 1.3%          | <b>Total:</b>                                | <b>100.0%</b> | U.S. Dollar-Denominated  | 100.0%         |
| U.S. Treasury                         | 1.9%          | Colombia                                    | 0.8%          |  |               | <b>Total</b>   | <b>100.0%</b>  |
| Cash                                  | 7.4%          | India                                       | 0.7%          |  |               | <b>SEC 30-Day Yield</b>  |                |
| <b>Total:</b>                         | <b>100.0%</b> | Cash  | 7.4%          |  |               | <b>I-share</b>   | <b>N-share</b> |
| <b>Duration Breakdown<sup>1</sup></b> |               | <b>Total:</b>                               | <b>100.0%</b> |  |               | Gross  | 3.00%          |
| <b>(Percent of Portfolio)</b>         |               |   |               |  |               | Net  | 3.00%          |
| Less than 1                           | 9.3%          |   |               |  |               |  |                |
| 1 to 3 years                          | 21.0%         |   |               |  |               |  |                |
| 3 to 5 years                          | 22.9%         |   |               |  |               |  |                |
| 5 to 7 years                          | 13.8%         |   |               |  |               |  |                |
| 7 to 10 years                         | 28.9%         |   |               |  |               |  |                |
| 10+ years                             | 4.1%          |   |               |  |               |  |                |
| <b>Total:</b>                         | <b>100.0%</b> |   |               |  |               |  |                |

#### Past performance is not a guarantee of future results.

1. 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. 2. Weighted Average Life - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 3. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 4. Other - ETFs 5. 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.

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.

### Fund Performance

| Month-End Returns<br>September 30, 2017 | Sept  | Year-to-Date | Annualized |   |  |  |  |
|---|-------|--------------|------------|---|--|--|--|
|   |       |              | 1-Year     | Since Inception<br>(6-30-16 to 9-30-17) |  |  |  |
| I-share                                 | 0.09% | 0.96%        | 1.02%      | 0.83%                                   |  |  |  |
| N-share                                 | 0.07% | 0.75%        | 0.75%      | 0.59%                                   |  |  |  |
| Benchmark <sup>1</sup>                  | 0.09% | 0.57%        | 0.66%      | 0.60%                                   |  |  |  |

| Quarter-End Returns<br>September 30, 2017 | 3Q17  | Year-to-Date | Annualized |   | Expense Ratio | Gross | Net <sup>2</sup> |
|---|-------|--------------|------------|---|---------------|-------|------------------|
|   |       |              | 1-Year     | Since Inception<br>(6-30-16 to 9-30-17) |               |       |                  |
| I-share                                   | 0.37% | 0.96%        | 1.02%      | 0.83%                                   | I-share       | 4.83% | 0.31%            |
| N-share                                   | 0.38% | 0.75%        | 0.75%      | 0.59%                                   | N-share       | 5.38% | 0.56%            |
| Benchmark <sup>1</sup>                    | 0.26% | 0.57%        | 0.66%      | 0.60%                                   |               |       |                  |

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](http://www.doubleline.com).

1. Benchmark - Bank of America Merrill Lynch 3-Month Treasury Bill Index - The index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income. One cannot invest directly in an index. 2. The advisor has contractually agreed to waive fees and reimburse expenses through July 31, 2018. The performance information shown assumes the reinvestment of all dividends and distributions.

### Performance Attribution

In the third quarter of 2017, the DoubleLine Ultra Short Bond Fund outperformed the Bank of America Merrill Lynch 3-Month Treasury Bill Index return of 0.26%. On a gross basis the Fund outperformed the Bank of America Merrill Lynch 3-Month Treasury Index by 0.11%. The Fund's outperformance was attributable to the allocation to corporate floating rate notes with the benefit of rising London Interbank-Offered Rates (LIBOR). 3-Month LIBOR rose from 1.30% to 1.33% (2Q17 to 3Q17). The Fund's credit holdings were overweight the Bank and Automotive sectors which both outperformed the Barclays U.S. Credit Index.

### Fund Statistics

| Portfolio Characteristics           |               | Weighted Average Effective Maturity<br>(Percent of Portfolio) |               | Current Quality Credit Distribution <sup>4</sup><br>(Percent of Portfolio) |               |
|-------------------------------------|---------------|---|---------------|--|---------------|
| # of Issues                         | 64            | Cash  | 0.5%          | Cash   | 0.5%          |
| Ending Market Value                 | \$102,383,298 | 1 Day   | 0.0%          | AAA  | 18.1%         |
| Market Price <sup>1</sup>           | \$100.02      | 2-7 Days  | 1.4%          | AA   | 29.8%         |
| Duration <sup>2</sup>               | 0.21          | 8-30 Days   | 14.9%         | A  | 48.2%         |
| Effective Maturity                  | 0.98          | 31-60 Days  | 9.8%          | BBB  | 0.0%          |
| <b>Sector Breakdown<sup>3</sup></b> |               | 61-90 Days  | 11.6%         | BB   | 0.0%          |
| <b>(Percent of Portfolio)</b>       |               | 91-180 Days   | 15.0%         | B and Below  | 0.0%          |
| Cash                                | 0.5%          | 181+ Days   | 46.8%         | Not Rated  | 3.4%          |
| Government                          | 1.5%          | <b>Total:</b>   | <b>100.0%</b> | <b>Total:</b>  | <b>100.0%</b> |
| Corporate Credit                    | 38.7%         |   |               |  |               |
| Commercial Paper                    | 59.3%         |   |               |  |               |
| <b>Total:</b>                       | <b>100.0%</b> |   |               |  |               |

| SEC 30-Day Yield | I-Share | N-Share |
|------------------|---------|---------|
| Gross            | 0.66%   | 0.41%   |
| Net              | 0.68%   | 0.43%   |

**Past performance is not a guarantee of 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. Sector Breakdown - Figures shown represent the net assets invested in a particular asset class as a percentage of total net assets. 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.

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.

**Fund Performance**

| <b>Month-End Returns</b>  |             |                     |               |  |  |  |  |
|---------------------------|-------------|---------------------|---------------|--|--|--|--|
| <b>September 30, 2017</b> | <b>Sept</b> | <b>Year-to-Date</b> | <b>1-Year</b> | <b>Since Inception<br/>(12-23-16 to 9-30-17)</b> |  |  |  |
| I-share                   | 1.90%       | 21.45%              | -             | 23.03%   |  |  |  |
| N-share                   | 1.88%       | 21.27%              | -             | 22.85%   |  |  |  |
| Benchmark <sup>1</sup>    | 3.30%       | 22.79%              | -             | 24.31%   |  |  |  |

| <b>Quarter-End Returns</b> |             |                     |               |  |                      |              |                        |
|----------------------------|-------------|---------------------|---------------|--|----------------------|--------------|------------------------|
| <b>September 30, 2017</b>  | <b>3Q17</b> | <b>Year-to-Date</b> | <b>1-Year</b> | <b>Since Inception<br/>(12-23-16 to 9-30-17)</b> | <b>Expense Ratio</b> | <b>Gross</b> | <b>Net<sup>2</sup></b> |
| I-share                    | 7.43%       | 21.45%              | -             | 23.03%   | I-share              | 1.04%        | 0.66%                  |
| N-share                    | 7.37%       | 21.27%              | -             | 22.85%   | N-share              | 1.29%        | 0.91%                  |
| Benchmark <sup>1</sup>     | 6.45%       | 22.79%              | -             | 24.31%   |                      |              |                        |

*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. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Performance data current to the most recent month-end may be obtained by calling 213-633-8200 or by visiting [www.doubleline.com](http://www.doubleline.com).*

1. Benchmark - The MSCI Europe Net Return USD Index is part of the Modern Index Strategy and represents the performance of large and mid-cap equities across 15 developed countries in Europe. The Index has a number of sub-Indexes which cover various sub-regions market segments/sizes, sectors and covers approximately 85% of the free float-adjusted market capitalization in each country. 2. The Advisor has contractually agreed to waive a portion of fees and reimburse expenses through December 21, 2018.

**Performance Attribution**

In the third quarter of 2017, the DoubleLine Shiller Enhanced International CAPE® Fund outperformed the 6.45% return of the MSCI Europe Index (total return in USD). The Shiller Barclays CAPE® Europe Sector Index (“the Index”) slightly trailed the MSCI Europe Index in the third quarter with a total return of 6.18%. During the third quarter, the Index was exposed to seven sectors: Consumer Discretionary, Consumer Staples, Energy, Healthcare, Materials, Utilities and Telecom. The returns of the fixed income portfolio helped the Fund post a total return one and quarter percentage points above that of the Shiller Index. All sectors of the fixed income portfolio provided positive absolute returns. The highest returns were generated in the emerging markets fixed income and asset-backed securities sectors of the fixed income portfolio.



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

**Beta** - Beta is the measure of a mutual funds' volatility in relation to the market. By definition, the market has a beta of 1.0, and individual mutual funds are ranked according to how much they deviate from the market. A beta of above 1.0 means the fund swings more than the market. If the fund moves less than the market, the beta is less than 1.0.

**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. 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. Corporate Index** - An index that represents the total return measure of the corporate portion of the Barclays U.S. Aggregate Index.

**Bloomberg Barclays U.S. Credit Index** - The US Credit component of the U.S. Government/Credit Index. This index consists of publicly-issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The US Credit Index is the same as the former US Corporate Investment Grade Index.

**Bloomberg Barclays U.S. MBS Index** - An index that 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.

**Bloomberg Commodity Index (BCOM)** - 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.

**Bloomberg World Interest Rate Probability (WIRP)** - A Bloomberg function based on futures trading data that gives probabilities of rate increases by central bank meeting date.

**Chicago Board Options Exchange (CBOE) Volatility Index (VIX)** - An index that represents the cash-pay securities of the Citigroup High-Yield Market Capped Index, a modified version of the High Yield Market Index, by delaying the entry of fallen angel issues and capping the par value of individual issuers at \$5 billion par amount outstanding.

**Citi High-Yield Cash-Pay Capped Index** - This index represents the cash-pay securities of the Citigroup High-Yield Market Capped Index, which represents a modified version of the High Yield Market Index by delaying the entry of fallen angel issues and capping the par value of individual issuers at \$5 billion par amount outstanding.

**Cotation Assise en Continu 40 (CAC)** - The CAC 40 Index which is a French stock market index. It tracks 40 of the largest French stocks on the Paris Bourse, or stock exchange.

**Deutsche Borse AG German Stock Index (DAX)** - The German stock index, which represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange.

**Dow Jones Industrial Average (DJIA)** - A price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

**Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA)** - Net income with interest, taxes, depreciation, and amortization added back to it. This measure can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

**Eurostoxx 50 Index** - A stock index of Eurozone stocks designed by STOXX, an index provider owned by Deutsche Borse Group and SIX group, with the goal of providing a blue-chip representation of Supersector leaders in the Eurozone.

**Financial Times Stock Exchange 100 (FTSE 100)** - A capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

**Financial Times Stock Exchange Milano Italia Borsa (FTSE MIB)** - The benchmark stock market index for the Borsa Italiana, the Italian national stock exchange, which superseded the MIB-30 in September 2004. The index consists of the 40 most-traded stock classes on the exchange.

**G-10** - A grouping of 10 countries identified by the World Trade Organization which are "vulnerable" to imports due to ongoing reform in the agricultural sector. This grouping includes Switzerland, Japan, South Korea, Taiwan, Liechtenstein, Israel, Norway, Iceland, Bulgaria and Mauritius.

**Hang Seng Index** - A free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four subindices: Commerce and Industry, Finance, Utilities, and Properties.

**Ibovespa** - This accumulation index represents the present value of a portfolio begun on 2 January 1968, with a starting value of 100 and taking into account share price increases plus the reinvestment of all dividends, subscription rights and bonus stocks received.

**Indice Bursatil Espanol (IBEX)** - The official index of the Spanish Continuous Market. The index is comprised of the 35 most liquid stocks traded on the Continuous market. It is calculated, supervised and published by the Sociedad de Bolsas.

**JP Morgan Corporate Emerging Markets Bond Broad Diversified Index (CEMBI)** - This index is a market capitalization weighted index consisting of US-denominated Emerging Market corporate bonds. It is a liquid global corporate benchmark representing Asia, Latin America, Europe and the Middle East/Africa.

An investment cannot be made in an index.



**JP Morgan Government Bond Emerging Markets Broad Diversified Index (GBI EM)** - This index is the first comprehensive, global local Emerging Markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

**JP Morgan Emerging Markets Bond Global Diversified Index (EMBI)** - This index is a uniquely-weighted version of the EMBI Global. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. The countries covered in the EMBI Global Diversified are identical to those covered by EMBI Global.

**Korea Composite Stock Price Index (Kospi)** - A market capitalization weighted index of all common stocks traded on the Stock Market Division—previously, Korea Stock Exchange—of the Korea Exchange. It is the representative stock market index of South Korea, similar to the Dow Jones Industrial Average or S&P 500 in the United States.

**Last Cash Flow (LCF)** – The last revenue stream paid to a bond over a given period.

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

**Morgan Stanley Capital International All Country World Index (MSCI ACWI)** - A market-capitalization-weighted index designed to provide a broad measure of stock performance throughout the world, including both developed and emerging markets.

**Mortgage Bankers Association (MBA) Purchase Index** - An index that includes all mortgage applications for purchases of single-family homes. It covers the entire market, both conventional and government loans and all products.

**Mortgage Bankers Association (MBA) Refinance Index** - An index that covers all mortgage applications to refinance an existing mortgage. It includes conventional and government refinances.

**MSCI Emerging Markets (MSCI EM)** - An index that covers 23 Emerging Market countries and is designed to capture the large and mid-cap representation across those countries.

**MSCI Russia Index** - A free-float capitalization-weighted index used to track the equity market performance of Russian securities on the MICEX Stock Exchange.

**NASDAQ** - A stock market index of the common stocks and similar securities (e.g. ADRs, tracking stocks, limited partnership interests) listed on the NASDAQ stock market with over 3,000 components. This index is highly followed in the U.S. as an indicator of the performance of stocks of technology companies and growth companies. Since both U.S. and non-U.S. companies are listed on the NASDAQ stock market, the index is not exclusively a U.S. index.

**Nikkei 225 Index** - A price-weighted index comprised of Japan's top 225 blue-chip companies on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the U.S.

**Russell 2000 Index** - A subset of the Russell 3000 Index representing approximately 10% of the total market capitalization and measuring the performance of the small-cap segment of the U.S. equity universe.

**Shanghai Composite Index** - A capitalization-weighted index that tracks the daily performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. The index was developed on December 19, 1990 with a base value of 100.

**Shiller Barclays CAPE® US Sector Total Return Index** - An index that takes a long position in 4 favored sectors that are undervalued and possess relatively stronger price momentum over the past 12 months. Each month, the index ranks the 10 U.S. sectors based on modified CAPE ratio and 12-month price momentum, equally allocating across the top 4 ranked sectors.

**S&P Goldman Sachs Commodity Index (GSCI)** - Standard & Poor's Goldman Sachs Commodity Index, or GSCI, is a composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures.

**S&P GSCI Precious Metals** - A sub-index of the S&P GSCI that represents the Precious Metals sector, currently comprised of gold and silver.

**S&P GSCI Industrial Metals** - A sub-index of the S&P GSCI that represents the Industrial Metals sector, currently comprised of aluminum, copper, zinc, nickel and lead.

**S&P GSCI Energy** - A sub-index of the S&P GSCI that represents the Energy sector, currently comprised of West Texas Intermediate (WTI) light sweet crude oil, Brent crude oil, gas oil, heating oil, RBOB gasoline and natural gas.

**S&P GSCI Livestock** - A sub-index of the S&P GSCI that represents the Livestock sector.

**S&P GSCI Agriculture** - A sub-index of the S&P GSCI that represents the Agriculture sector, currently comprised of wheat, Kansas wheat, corn, sugar, soybean, coffee, cocoa, and cotton.

**S&P 500 Index** - Standard & Poor's US 500 Index, a capitalization-weighted index of 500 stocks.

**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.

**Spread** - The difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings and risk.

**U.S. Dollar Spot Index (DXY)** - A weighted geometric mean of the United States dollar's value relative to a basket of 6 major foreign currencies, including the Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona and Swiss franc.

**Yield** - The income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

An investment cannot be made in an index.

As of September 30, 2017 DoubleLine Total Return Bond Fund held 24.60% in Fannie Mae (FNMA), 24.40% in Freddie Mac (FHLMC), 0.82% in Ginnie Mae (GNMA), 2.25% in Countrywide, 0.46% in Long Beach/Washington Mutual, 1.59% in Wells Fargo, 0.00% in S&P Capital IQ, 0.10% in Dunkin Donuts, 0.01% in Toys R' Us, 0.92% in JP Morgan Chase & Co, and 0.14% in New Residential. As of September 30, 2017 DoubleLine Core Fixed Income Fund held 6.02% in Fannie Mae (FNMA), 7.26% in Freddie Mac (FHLMC), 0.62% in Ginnie Mae (GNMA), 0.55% in Countrywide, 0.22% in Long Beach/Washington Mutual, 1.15% in Wells Fargo, 0.05% in S&P Capital IQ, 0.18% in Dunkin Donuts, 0.00% in Toys R' Us, 1.48% in JP Morgan Chase & Co, and 0.16% in New Residential. As of September 30, 2017 DoubleLine Emerging Markets Fixed Income Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Multi-Asset Growth Fund held 0.94% in Fannie Mae (FNMA), 0.34% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.51% in Countrywide, 0.05% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.13% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Low Duration Bond Fund held 0.67% in Fannie Mae (FNMA), 0.69% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.15% in Countrywide, 0.02% in Long Beach/Washington Mutual, 0.36% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 2.23% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Floating Rate Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Shiller Enhanced CAPE® held 0.83% in Fannie Mae (FNMA), 0.66% in Freddie Mac (FHLMC), 0.06% in Ginnie Mae (GNMA), 0.50% in Countrywide, 0.10% in Long Beach/Washington Mutual, 0.65% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 1.19% in JP Morgan Chase & Co, and 0.13% in New Residential. Please note that these figures are based on the total exposure of the CAPE® fund that includes Fixed Income, Cash, and Equity Swaps. As of September 30, 2017 DoubleLine Flexible Income Fund held 0.13% in Fannie Mae (FNMA), 0.24% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 3.11% in Countrywide, 0.12% in Long Beach/Washington Mutual, 1.16% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 2.04% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Low Duration Emerging Markets Fixed Income Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Long Duration Total Return Bond Fund held 36.56% in Fannie Mae (FNMA), 33.69% in Freddie Mac (FHLMC), 9.27% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Strategic Commodity Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Global Bond Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Infrastructure Income Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.00% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.00% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Ultra Short Bond Fund held 0.00% in Fannie Mae (FNMA), 0.00% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.00% in Countrywide, 0.00% in Long Beach/Washington Mutual, 2.06% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 1.82% in JP Morgan Chase & Co, and 0.00% in New Residential. As of September 30, 2017 DoubleLine Shiller Enhanced International CAPE® held 0.19% in Fannie Mae (FNMA), 0.43% in Freddie Mac (FHLMC), 0.00% in Ginnie Mae (GNMA), 0.25% in Countrywide, 0.00% in Long Beach/Washington Mutual, 0.08% in Wells Fargo, 0.00% in S&P Capital IQ, 0.00% in Dunkin Donuts, 0.00% in Toys R' Us, 0.10% in JP Morgan Chase & Co, and 0.25% in New Residential. Please note that these figures are based on the total exposure of the CAPE® fund that includes Fixed Income, Cash, and Equity Swaps. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

*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](http://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 Asset-Backed and Mortgage-Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The Funds invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. In order to achieve its investment objectives, the Funds 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. 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 a fund's ability to sell its shares. The funds may also invest in securities related to real estate, which may decline in value as a result of factors affecting the real estate industry. The funds may make short sales of securities, which involves the risk that losses may exceed the original amount invested. The Funds 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 funds to be more volatile than if leverage was not used. The Funds may invest in commodity or commodity-related instruments which may be extremely volatile and difficult to determine the value of. Commodities and commodity-related instruments may be affected by factors affecting a particular sector, industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. 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.

Fund portfolio characteristics and holdings are subject to change without notice. The Advisor may change its views and forecasts at any time, without notice.

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While the I-Shares are no-load, management fees and other expenses still apply. Please refer to the prospectus for further details. DoubleLine© is a registered trademark of DoubleLine Capital LP.

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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.

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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.

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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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