

## DoubleLine Ultra Short Bond Fund (DBULX/DLUSX)

The DoubleLine Ultra Short Bond Fund (the Fund) focuses on high quality, ultra-short fixed income securities that have the potential to outperform cash investments over a full market cycle. Since the Fund's inception on June 30, 2016, it has provided investors with current income consistent with limited price volatility, investing in U.S. dollar-denominated investment grade rated securities while refraining from using derivatives. The fund is managed by Monica Erickson and Jeffrey Lee, Portfolio Managers on our Global Developed Credit team, and together they have over 25 years of average industry experience.

### Positioning

DBULX's low duration profile makes the Fund attractive to interest rate sensitive portfolios, and has the potential to dampen portfolio volatility when interest rates are in flux. Historically, the Fund has offered clients a compelling yield relative to Government and Prime Money Market funds (MMFs).

Figure 1: DoubleLine Ultra Short Bond Fund Statistics

Fund Statistics (I-Share)	
SEC 30-Day Yield	2.37%
Credit Quality	AA
Effective Duration	0.14 years

As of November 30, 2018  
Source: DoubleLine

### Ultra Short Bond Fund Performance

Month-End Returns November 30, 2018	Nov	Last 3-Months	Year-to- Date	Annualized			Since Inception (6-30-16 to 11-30-18)	Gross Expense Ratio	Net Expense Ratio <sup>1</sup>
				1-Year	3-Year	5-Year			
I-share (DBULX)	0.10%	0.37%	1.66%	1.77%	-	-	1.23%	0.32%	0.29%
N-share (DLUSX)	0.09%	0.32%	1.45%	1.54%	-	-	0.99%	0.57%	0.41%
ICE BofAML 3-Month Treasury-Bill Index	0.21%	0.53%	1.69%	1.80%	-	-	1.13%		

Quarter-End Returns September 30, 2018	Sep	3Q2018	Year-to- Date	Annualized			Since Inception (6-30-16 to 9-30-18)
				1-Year	3-Year	5-Year	
I-share (DBULX)	0.18%	0.64%	1.46%	1.74%	-	-	1.23%
N-share (DLUSX)	0.16%	0.58%	1.30%	1.51%	-	-	1.00%
ICE BofAML 3-Month Treasury-Bill Index	0.15%	0.49%	1.30%	1.59%	-	-	1.04%

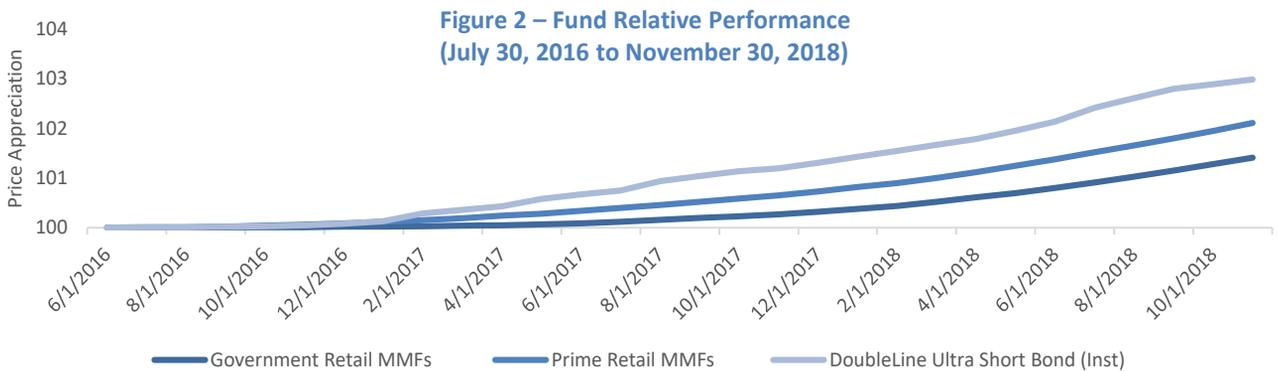
Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance current to the most recent month-end may be obtained by calling (213) 633-8200 or by visiting [www.doublelinefunds.com](http://www.doublelinefunds.com).

As of November 30, 2018  
Source: DoubleLine

<sup>1</sup> The Adviser has contractually agreed to waive a portion of the fees and reimburse expenses through July 31, 2019.

## Attractive Relative Performance

Ultra-short bond funds tend to have a more attractive return profile versus MMFs. DBULX’s total return has outperformed MMFs since the fund’s inception due to price appreciation and yield accrual (Figure 2). As a result of Rule 2a-7, MMFs investable universes are restricted. Prime MMFs now have a floating NAV with certain liquidity fees and redemption gates, requiring them to have a percentage of their fund maturing on a weekly basis to avoid potential gates and/or fees. The DoubleLine Ultra Short Bond Fund is not bound by the same restrictions, which expands our investible universe to include cash CUSIP bonds farther out on the yield curve. This flexibility, relative to MMFs, allows DBULX’s portfolio managers to seek out relative value across the fixed income universe and optimize the Fund’s yield per unit of duration without taking on excess risk.



Source: DoubleLine, Zephyr

Prime MMF is represented by the iMoneyNet Prime Retail Index and the Government MMF is represented by the iMoneyNet Government Retail Index.

## NAV Stability

Although this is not a MMF, the Fund does invest with the core principal of providing a current level of income consistent with limited price volatility. Since the Fund’s inception at a \$10.00 NAV, the fund has traded in a range of \$10.00 - \$10.06 never going below its original Initial Price Offering NAV of \$10.00. Furthermore, the NAV of the fund has remained unchanged in over 91% of its trading days since inception. (Figure 3)

**Figure 3 – Fund NAV Movement**

	Number of Days	% of Total Days
NAV Unchanged	552	91%
NAV Increase	32	5%
NAV Decrease	24	4%

As of November 30, 2018

Source: DoubleLine

## Process

Capital preservation is the foundation of DoubleLine’s investment philosophy. Our team seeks to generate current income with an emphasis on NAV stability by implementing extensive bottom-up credit analysis in combination with our distinct macro views. The Fund’s ultra-short exposure is comprised of, but not limited to, Treasury Bills, bank obligations, commercial paper, floating and fixed corporate debt, and repurchase agreements. These securities are all U.S dollar-denominated debt and are 100% investment grade at the time of purchase. In an attempt to better understand the effects of unforeseen market events and dampen NAV volatility, the team stress tests the portfolio analyzing fluctuating interest rate and credit spread scenarios. The fund has historically kept duration of less than 1 year while maintaining limited price volatility and a stable income stream.

**Definitions**

**Credit Quality** - Determined from the highest available credit rating from any Nationally Recognized Statistical Rating Agency (NRSRO", generally S&P, Moody's, or Fitch). DoubleLine chooses to display credit ratings using S&P's rating convention, although the rating itself might be sourced from another NRSRO. The firm evaluates a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade. In limited situations when the rating agency has not issued a formal rating, the rating agency will classify the security as non-rated.

**Effective Duration** - Is a calculation used to approximate the actual, modified duration of a callable bond.

**ICE Bank of America Merrill Lynch 3-Month Treasury Bill 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.

**iMoneyNet Money Fund Average™ Prime Retail Index** – Category includes all funds in the First Tier Retail and Second Tier Retail categories. First Tier Retail – May invest in certificates of deposit, time deposits, bankers’ acceptances and other short term obligations issued by domestic banks, foreign subsidiaries or foreign branches of domestic banks, domestic and foreign branches of foreign banks and other banking institutions, commercial paper, floating and variable rate demand notes and bonds, and asset-backed securities. Second Tier Retail – Consists of retail funds that are holding one to five percent or more of “Second Tier securities as defined by Rule 2A-7.

**iMoneyNet Money Funds Average™ Government Retail Index** – Category includes all government retail funds: Treasury Retail, Treasury and Repo Retail, and Government and Agencies Retail. Government and Agency Retail – Category includes the most broadly based of government retail funds. These funds may invest in U.S. Treasury securities, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities. Treasury and Repo Retail – Category includes retail funds that may invest in U.S. Treasury securities and repurchase agreements backed by the U.S. Treasury. Treasury Retail – Category includes retail funds that may invest in U.S. Treasury securities which include Treasury Bills, Treasury Notes and Treasury Bonds.

**Investment Grade** - Description of a bond considered eligible for bank investment. Such bonds are rated Baa or above by Moody's or BBB or above by Standard & Poor's.

**SEC 30-Day Yield** - Is a standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC.

It is not possible to invest directly in an index.

*The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory prospectus and summary prospectus contain this and other important information about the investment company and may be obtained by calling 1 (877) 354-6311/1 (877) DLINE11, or visiting [www.doublelinefunds.com](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 lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in ABS and MBS 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 Fund invests 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. Derivatives involve special risks including correlation, counterparty, liquidity, operational, accounting and tax risks. These risks, in certain cases, may be greater than the risks presented by more traditional investments. Investing in ETFs involve additional risks such as the market price of the shares may trade at a discount to its net asset value ("NAV"), 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 Funds ability to sell its shares. The fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested.

### Important Information Regarding This Report

This report was prepared as a private communication and was not intended for public circulation. Clients or prospects may authorize distribution to their consultants or other agents.

Issue selection processes and tools illustrated throughout this presentation are samples and may be modified periodically. Such charts are not the only tools used by the investment teams, are extremely sophisticated, may not always produce the intended results and are not intended for use by non-professionals.

DoubleLine has no obligation to provide revised assessments in the event of changed circumstances. While we have gathered this information from sources believed to be reliable, DoubleLine cannot guarantee the accuracy of the information provided. Securities discussed are not recommendations and are presented as examples of issue selection or portfolio management processes. They have been picked for comparison or illustration purposes only. No security presented within is either offered for sale or purchase. DoubleLine reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available. This material may include statements that constitute “forward-looking statements” under the U.S. securities laws. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to a client’s account, or market or regulatory developments.

### Important Information Regarding Risk Factors

Investment strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision-making, economic or market conditions or other unanticipated factors. The views and forecasts expressed in this material are as of the date indicated, are subject to change without notice, may not come to pass and do not represent a recommendation or offer of any particular security, strategy, or investment. All investments involve risks. Please request a copy of DoubleLine’s Form ADV Part 2A to review the material risks involved in DoubleLine’s strategies. Past performance is no guarantee of future results.

### Important Information Regarding DoubleLine

In preparing the client reports (and in managing the portfolios), DoubleLine and its vendors price separate account portfolio securities using various sources, including independent pricing services and fair value processes such as benchmarking.

To receive a complimentary copy of DoubleLine Capital’s current Form ADV (which contains important additional disclosure information, including risk disclosures), a copy of the DoubleLine’s proxy voting policies and procedures, or to obtain additional information on DoubleLine’s proxy voting decisions, please contact DoubleLine’s Client Services.

### Important Information Regarding DoubleLine’s Investment Style

DoubleLine seeks to maximize investment results consistent with our interpretation of client guidelines and investment mandate. While DoubleLine seeks to maximize returns for our clients consistent with guidelines, DoubleLine cannot guarantee that DoubleLine will outperform a client’s specified benchmark or the market or that DoubleLine’s risk management techniques will successfully mitigate losses. Additionally, the nature of portfolio diversification implies that certain holdings and sectors in a client’s portfolio may be rising in price while others are falling; or, that some issues and sectors are outperforming while others are underperforming. Such out or underperformance can be the result of many factors, such as but not limited to duration/interest rate exposure, yield curve exposure, bond sector exposure, or news or rumors specific to a single name.

DoubleLine is an active manager and will adjust the composition of client’s portfolios consistent with our investment team’s judgment concerning market conditions and any particular sector or security. The construction of DoubleLine portfolios may differ substantially from the construction of any of a variety of market indices. As such, a DoubleLine portfolio has the potential to underperform or outperform a bond market index. Since markets can remain inefficiently priced for long periods, DoubleLine’s performance is properly assessed over a full multi-year market cycle.

### Important Information Regarding Client Responsibilities

Clients are requested to carefully review all portfolio holdings and strategies, including by comparing the custodial statement to any statements received from DoubleLine. Clients should promptly inform DoubleLine of any potential or perceived policy or guideline inconsistencies. In particular, DoubleLine understands that guideline enabling language is subject to interpretation and DoubleLine strongly encourages clients to express any contrasting interpretation as soon as practical. Clients are also requested to notify DoubleLine of any updates to Client’s organization, such as (but not limited to) adding affiliates (including broker dealer affiliates), issuing additional securities, name changes, mergers or other alterations to Client’s legal structure.

DoubleLine Group is not a registered investment adviser with the Securities Exchange Commission (SEC).

The DoubleLine Funds are distributed by Quasar Distributions, LLC.

DoubleLine<sup>®</sup> is a registered trademark of DoubleLine Capital LP.

© 2019 DoubleLine Capital LP