

# “The Big Easy”

Live Webcast hosted by:

**Jeffrey Gundlach**

Chief Executive Officer

**March 5, 2013**



# Fund Offerings

## Total Return Bond Fund

**Retail and Institutional Class**  
No Load Mutual Fund

	Retail N-share	Inst. I-share
<b>Ticker</b>	<b>DLTNX</b>	<b>DBLTX</b>
<b>Min Investment</b>	<b>\$2,000</b>	<b>\$100,000</b>
<b>Min IRA Investment</b>	<b>\$500</b>	<b>\$5,000</b>
<b>Gross Expense Ratio</b>	<b>0.76%</b>	<b>0.51%</b>

## Core Fixed Income Fund

**Retail and Institutional Class**  
No Load Mutual Fund

	Retail N-share	Inst. I-share
<b>Ticker</b>	<b>DLFNX</b>	<b>DBLFX</b>
<b>Min Investment</b>	<b>\$2,000</b>	<b>\$100,000</b>
<b>Min IRA Investment</b>	<b>\$500</b>	<b>\$5,000</b>
<b>Gross Expense Ratio</b>	<b>0.80%</b>	<b>0.55%</b>

The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Funds, and it may be obtained by calling 1 (877) 354-6311/ 1 (877) DLINE11, or visiting [www.doublelinefunds.com](http://www.doublelinefunds.com). Read it carefully before investing.

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. Investments in lower rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. The Core Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

The Total Return Bond Fund intends to invest more than 50% of its net assets in mortgage-backed securities of any maturity or type.

Opinions expressed are subject to change at any time, are not forecasts and should not be considered investment advice.

DoubleLine Funds are distributed by Quasar Distributors, LLC.

While the Funds are no-load, management fees and other expenses still apply. Please refer to the prospectus for further details.

Past Performance does not guarantee future results. Index performance is not illustrative of fund performance. An investment cannot be made in an index.

# Performance



## DoubleLine Total Return Bond Fund – Quarter Ending December 31, 2012

	December	4Q2012	1 Year Annualized	Since Inception Annualized (4-6-10 to 12-31-12)
I-share	0.23%	0.79%	9.16%	12.89%
N-share	0.30%	0.82%	9.00%	12.63%
Barclays US Aggregate Index	-0.14%	0.21%	4.21%	6.33%

As of December 31, 2012	I-share	N-share
Gross SEC 30-Day Yield	4.35%	4.10%
Net SEC 30-Day Yield	4.35%	4.10%

	I-share	N-share
Gross Expense Ratio	0.51%	0.76%

### Morningstar Intermediate Term Bond Fund Rankings\*

As of December 31, 2012	I-share	N-share
1-Year (Absolute Rank)	245 of 1,165	261 of 1,165
1-Year (% Rank)	21%	23%

For the period ending 12-31-12, Morningstar ranked the Total Return Bond Fund in the 21st and 23rd percentile (for the I and N-share classes, respectively) among the 1,165 Funds in the Intermediate-Term Bond Fund category based on total returns.

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

Barclays US 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.

**Past Performance does not guarantee future results. Index performance is not illustrative of fund performance. An investment cannot be made in an index.**

\*Morningstar rankings (% Rank) represent a fund's total-return percentile rank relative to all funds that have the same Morningstar category. The highest percentile rank is 1 and the lowest is 100. Morningstar Rankings (Absolute) represent a fund's total return rank relative to all funds that have the same Morningstar Category. The highest rank is 1 and the lowest is based on the total number of funds in the category. It is based on Morningstar total return, which includes both income and capital gains or losses and is not adjusted for sales charges or redemption fees.

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# Performance

## DoubleLine Core Fixed Income Fund – Quarter Ending December 31, 2012

	December	4Q2012	1-Year Annualized	Since Inception Annualized (6-1-10 to 12-31-12)
I-share	0.06%	0.87%	8.15%	10.55%
N-share	0.04%	0.81%	7.89%	10.27%
Barclays US Aggregate Index	-0.14%	0.21%	4.21%	5.71%

As of December 31, 2012	I-share	N-share
Gross SEC 30-Day Yield	3.15%	2.90%
Net SEC 30-Day Yield	3.15%	2.90%

	I-share	N-share
Gross Expense Ratio	0.55%	0.80%

### Morningstar Intermediate Term Bond Fund Rankings\*

As of December 31, 2012	I-share	N-share
1-Year (Absolute Rank)	360 of 1,165	399 of 1,165
1-Year (% Rank)	31%	34%

For the period ending 12-31-12, Morningstar ranked the Core Fixed Income Bond Fund in the 31st and 34th percentile (for the I and N-share class, respectively) among the 1,165 Funds in the Intermediate-Term Bond Fund category based on total returns.

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

Barclays US 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.

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## Announcements

### Webcast News –

**Jeff Sherman – March 19, 2013**

Multi-Asset Growth

1:15 pm PDT/4:15 pm EDT

**Philip Barach – April 2, 2013**

Low Duration Bond Fund

1:15 pm PDT/4:15 pm EDT

**Luz Padilla – May 7, 2013**

Emerging Markets Fixed Income

1:15 pm PDT/4:15 pm EDT

### To Receive Presentation Slides:

You can email

**[fundinfo@doubleline.com](mailto:fundinfo@doubleline.com)**



# “The Big Easy”

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Chief Executive Officer

**March 5, 2013**



# TAB I

## “Government Spending”

# Trade, Exchange Rates, Budgets and Interest Rates

As of October 20, 2012

	Trade balance	Current-account balance		Currency units, per \$		Budget balance	Interest rates	
	latest 12 months, \$bn	latest 12 months, \$bn	% of GDP 2012 <sup>†</sup>	Oct 17th	year ago	% of GDP 2012 <sup>†</sup>	3-month latest	10-year gov't bonds, latest
<b>United States</b>	-746.0 Aug	-477.8 Q2	-3.1	-	-	-7.6	0.32	1.81
<b>China</b>	+197.0 Sep	+191.1 Q2	+2.1	6.25	6.37	-2.4	3.70	3.21 <sup>§§</sup>
<b>Japan</b>	-51.1 Aug	+86.2 Aug	+1.4	78.7	76.7	-9.2	0.19	0.77
<b>Britain</b>	-166.2 Aug	-88.0 Q2	-2.5	0.62	0.63	-8.4	0.52	1.78
<b>Canada</b>	-0.9 Aug	-56.4 Q2	-3.1	0.98	1.02	-3.4	1.24	1.91
<b>Euro Area</b>	+82.3 Aug	+77.0 Jul	+0.5	0.76	0.73	-3.3	0.21	1.66
<b>Austria</b>	-12.2 Jul	+4.4 Q2	+1.9	0.76	0.73	-2.5	0.21	2.07
<b>Belgium</b>	+13.8 Aug	-8.6 Jun	-0.2	0.76	0.73	-3.4	0.21	2.40
<b>France</b>	-89.2 Aug	-53.5 Aug	-2.1	0.76	0.73	-4.5	0.21	2.14
<b>Germany</b>	+239.7 Aug	+216.9 Aug	+5.6	0.76	0.73	-0.3	0.21	1.66
<b>Greece</b>	-28.5 Jul	-18.3 Jul	-6.6	0.76	0.73	-7.6	0.21	17.8
<b>Italy</b>	-0.1 Aug	-39.3 Jul	-2.0	0.76	0.73	-2.8	0.21	4.76
<b>Netherlands</b>	+56.8 Aug	+78.8 Q2	+7.8	0.76	0.73	-4.5	0.21	1.85
<b>Spain</b>	-54.7 Jul	-39.1 Jul	-2.4	0.76	0.73	-6.7	0.21	5.53

Source: <http://www.economist.com/news/economic-and-financial-indicators/21564865>

The Economist, "Trade, exchange rates, budget balances and interest rates", October 20, 2012

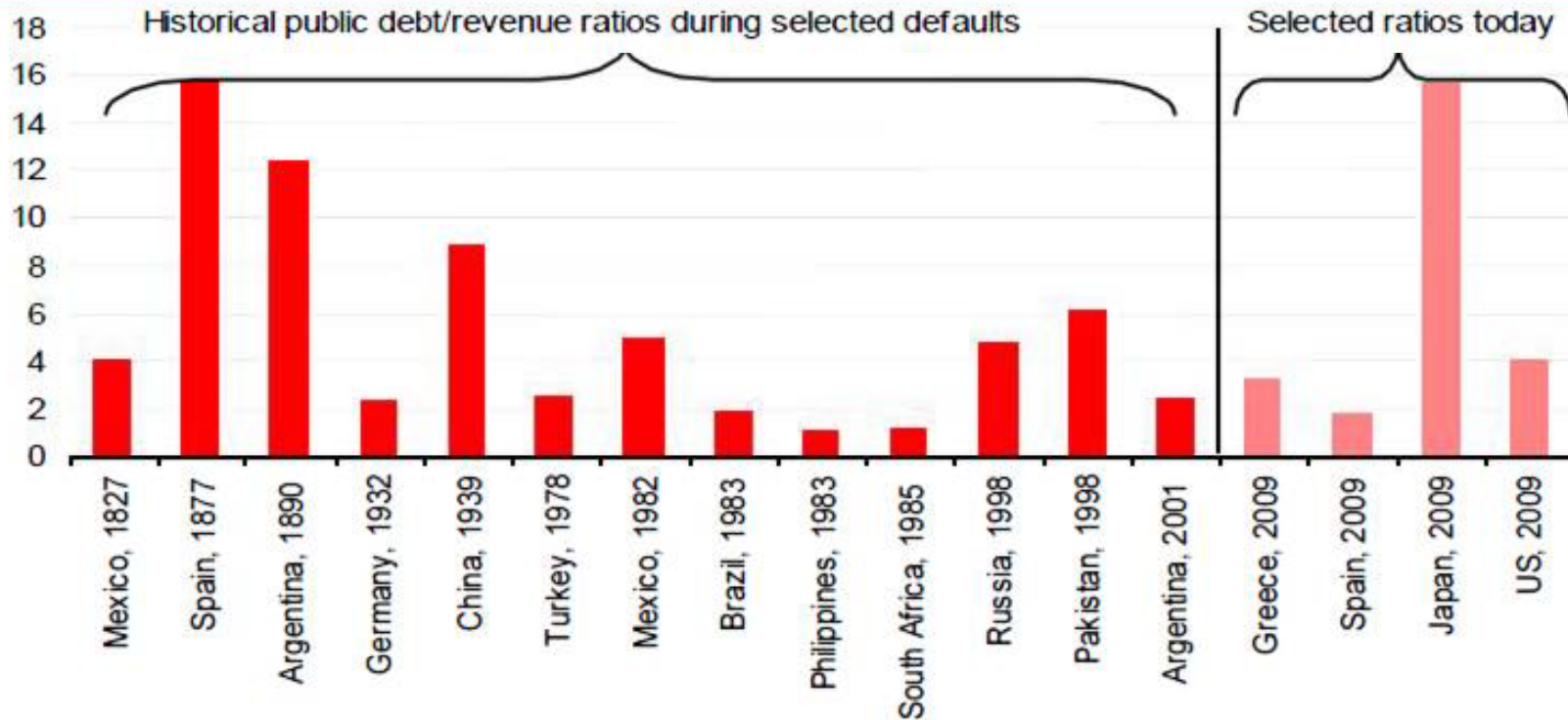
GDP = The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.



# Global Public Debt to Tax Ratios

As of December 31, 2010

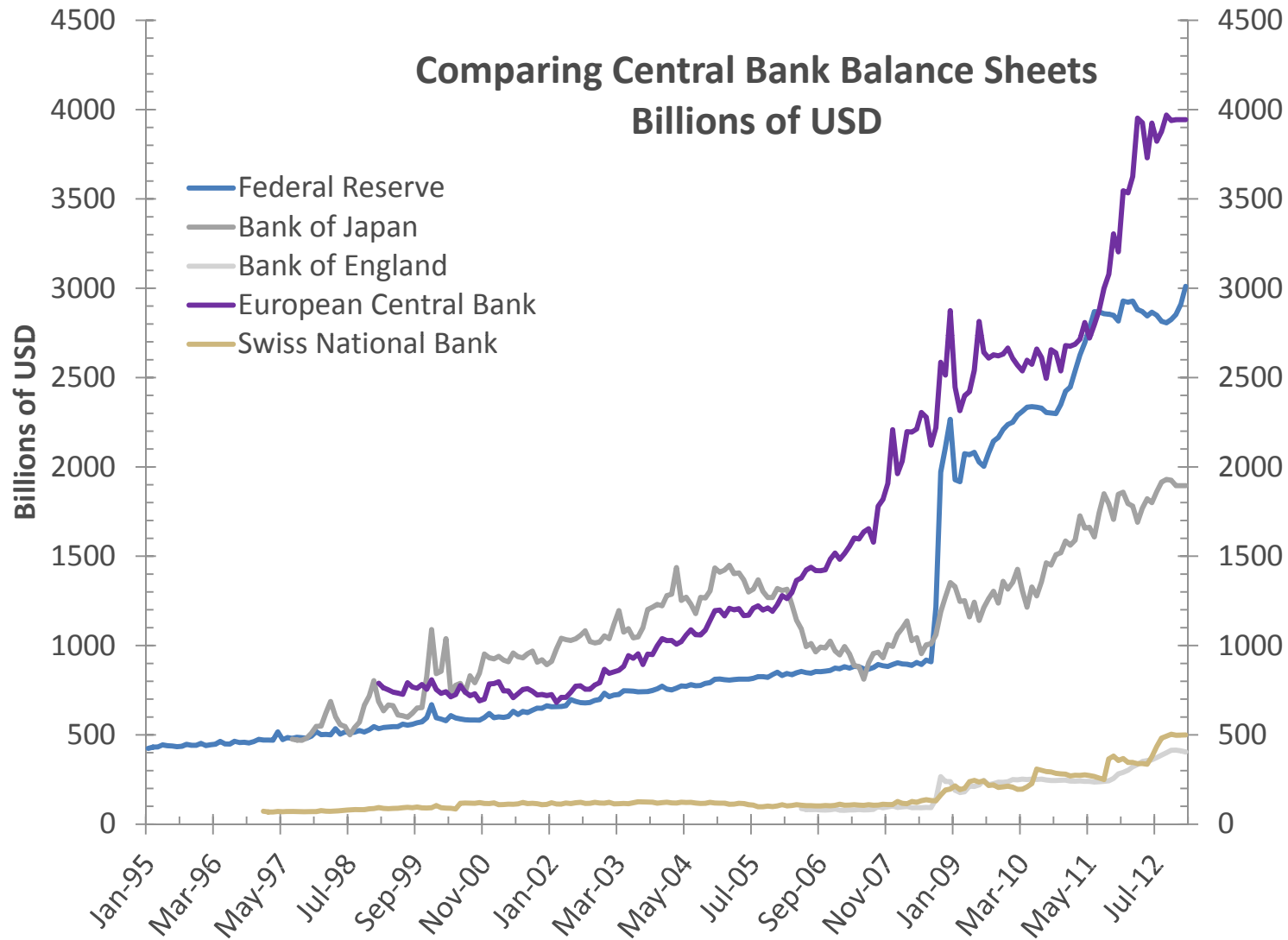
## A comparison of public debt to tax revenue ratios in past crises vs some of those today (x)



Source: Reinhart and Rogoff, SG Cross Asset Research

# Comparing Central Banks Balance Sheets

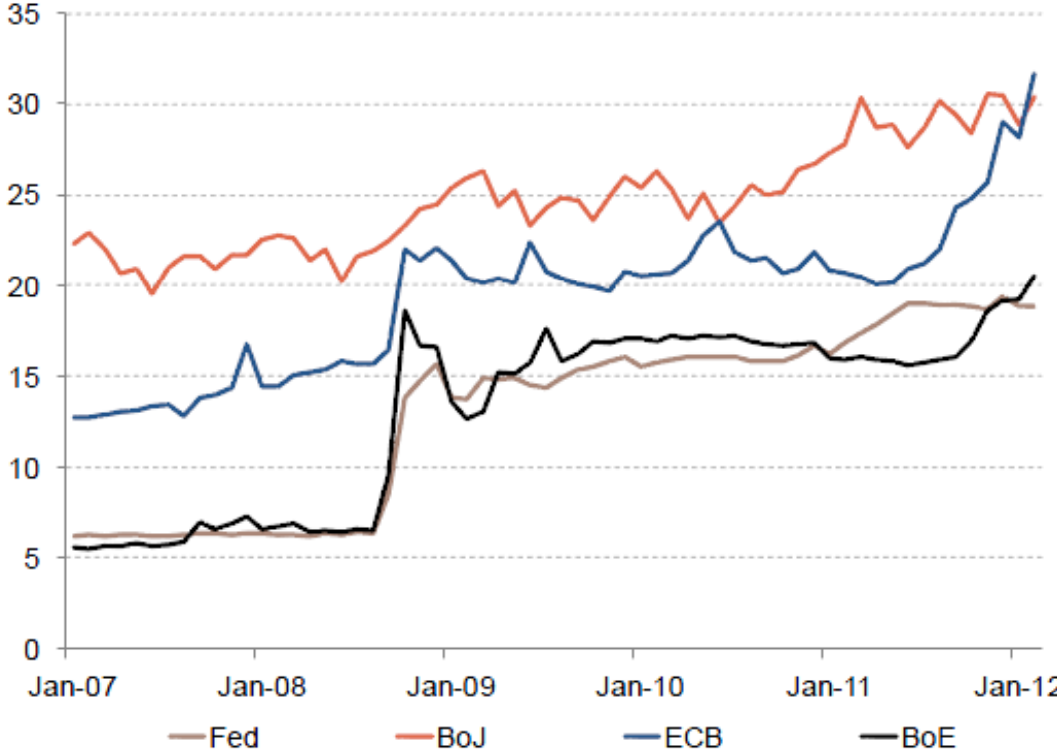
January 1, 1995 through January 31, 2013



Source: Bloomberg, DoubleLine Capital

# Developed World Quantitative Easing (QE) as a Percentage of GDP (January 1, 2007 through February 28, 2012)

**Central bank balance sheet in advanced countries**  
(in % of GDP, as of end-Feb' 2012)



[http://www.zerohedge.com/sites/default/files/images/user3303/imageroot/2012/10-2/20121029\\_CB5\\_1.png](http://www.zerohedge.com/sites/default/files/images/user3303/imageroot/2012/10-2/20121029_CB5_1.png)

“How Central Bank Policy Impacts Asset Prices Part 5: How Far Can They Go?” Tyler Durden, October 29, 2012.

Fed – US Federal Reserve

BoJ = Bank of Japan

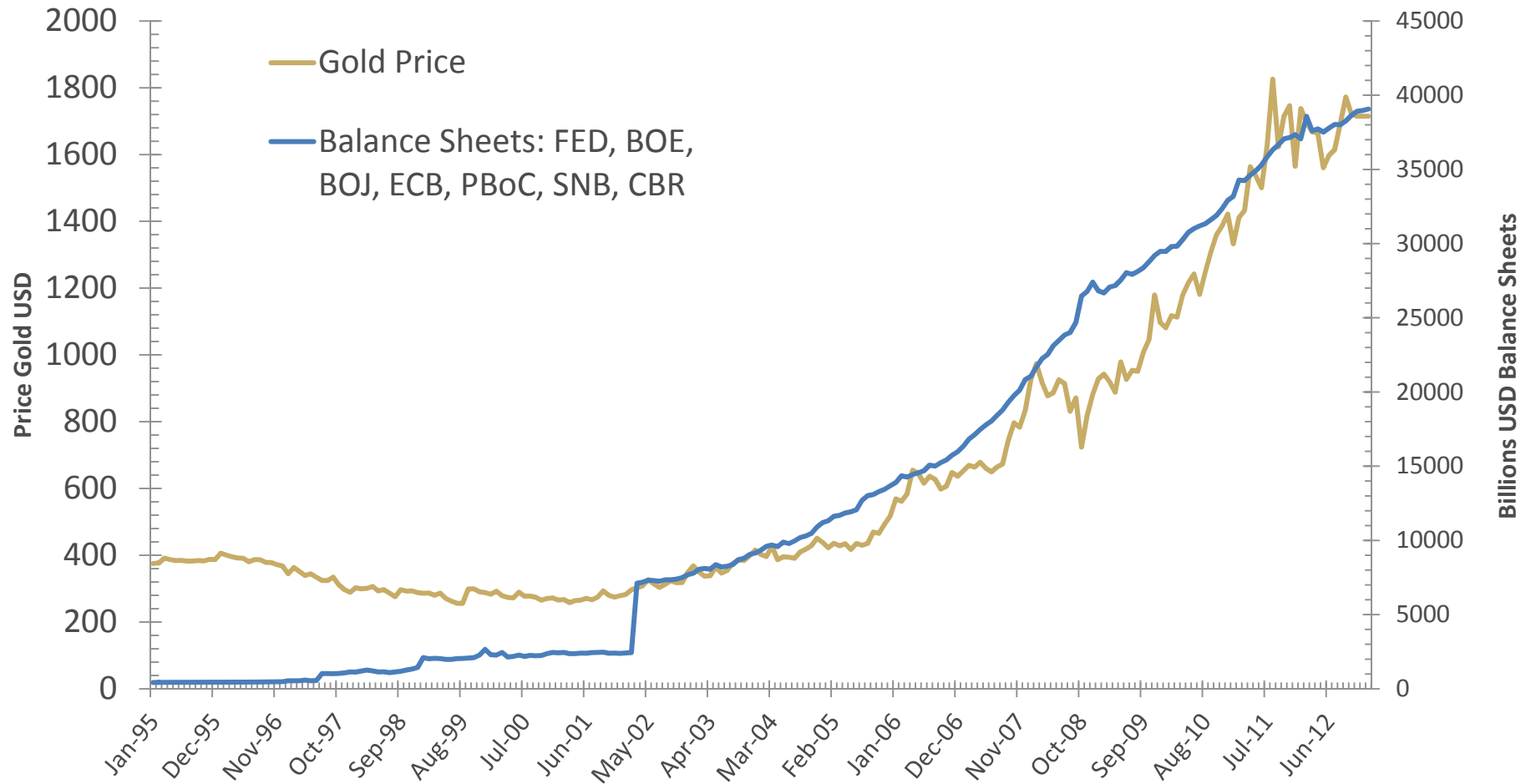
ECB = European Central Bank

BoE = Bank of England

GDP = Gross Domestic Product. The monetary value of all the finished goods and services produced within a country’s borders in a specific time period, but calculated on an annual basis.

# Central Banks Balance Sheets vs. Gold

January 31, 1995 through January 31, 2013



Gold Price = Gold spot price quoted in troy ounces.

Fed – US Federal Reserve

PBoC = Public Bank of China

BoJ = Bank of Japan

SNB = Swiss National Bank

ECB = European Central Bank

CBR = Central Bank of Russia

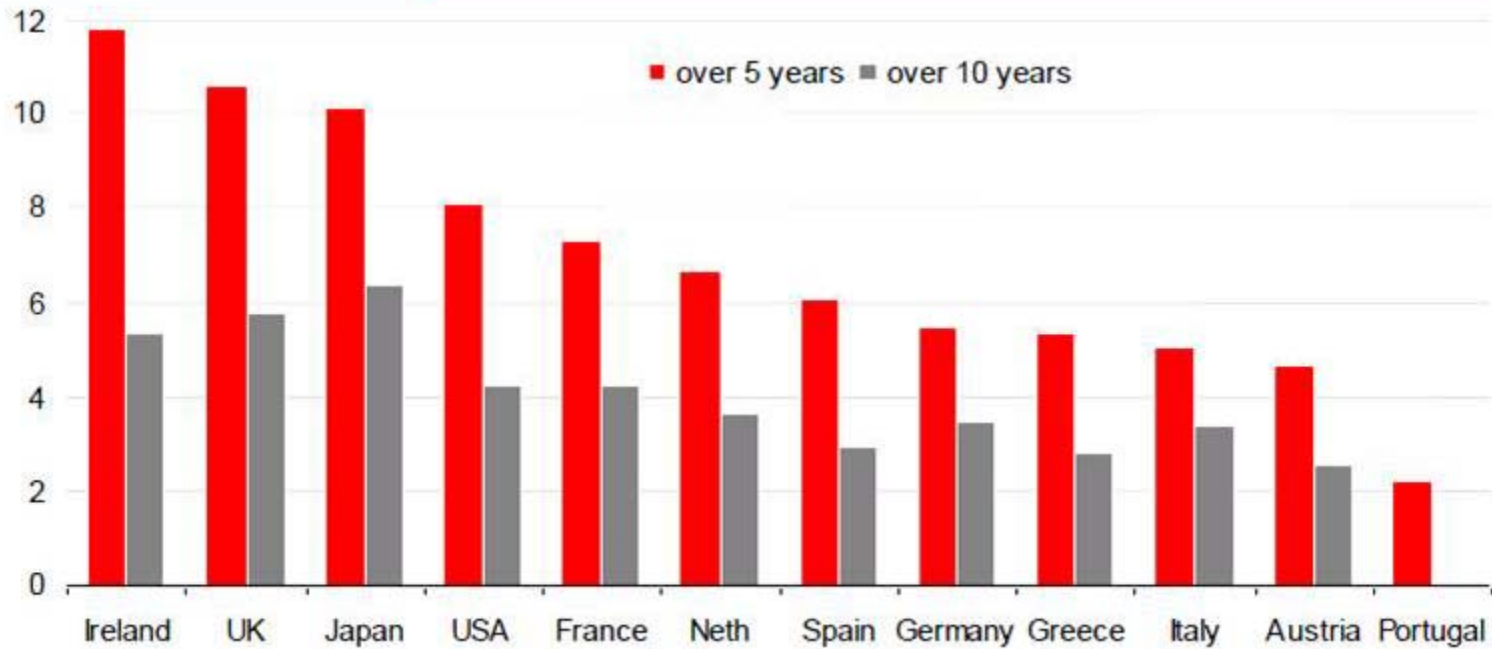
BoE = Bank of England

Source: Bloomberg, DoubleLine Capital

# Global Fiscal Surplus to GDP

As of December 31, 2010

**Required average primary fiscal surplus to stabilise public debt to GDP at 2007 levels (%)**



Source: Cecchetti, Mohanty, Zampolli (BIS conference paper, 2010)

GDP = The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.

BIS = Bureau of industry and Security

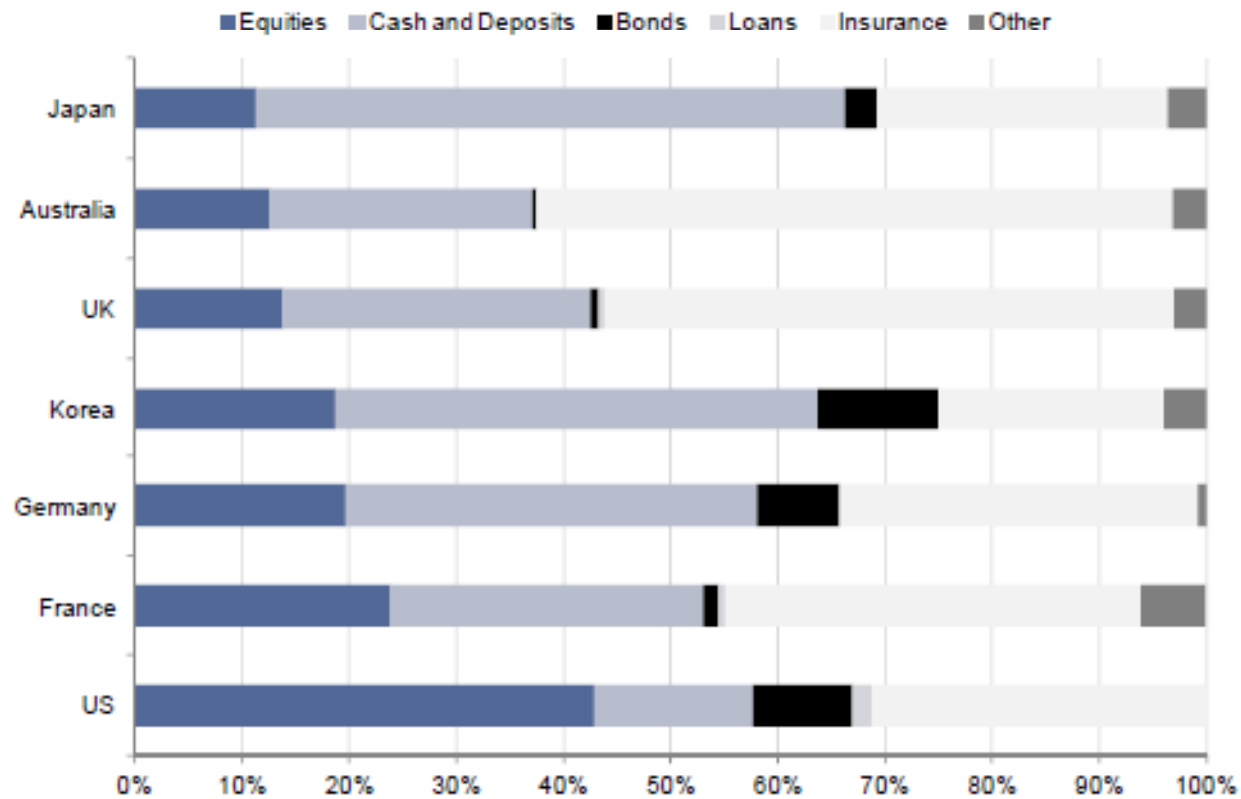
# Net Worth in Financial Assets by Country

As of December 31, 2012



## The stash of cash

Allocation of household financial assets to different asset classes



Source: OECD.



# Japan's Government Debt to Annual GDP

January 1, 2002 through January 31, 2013

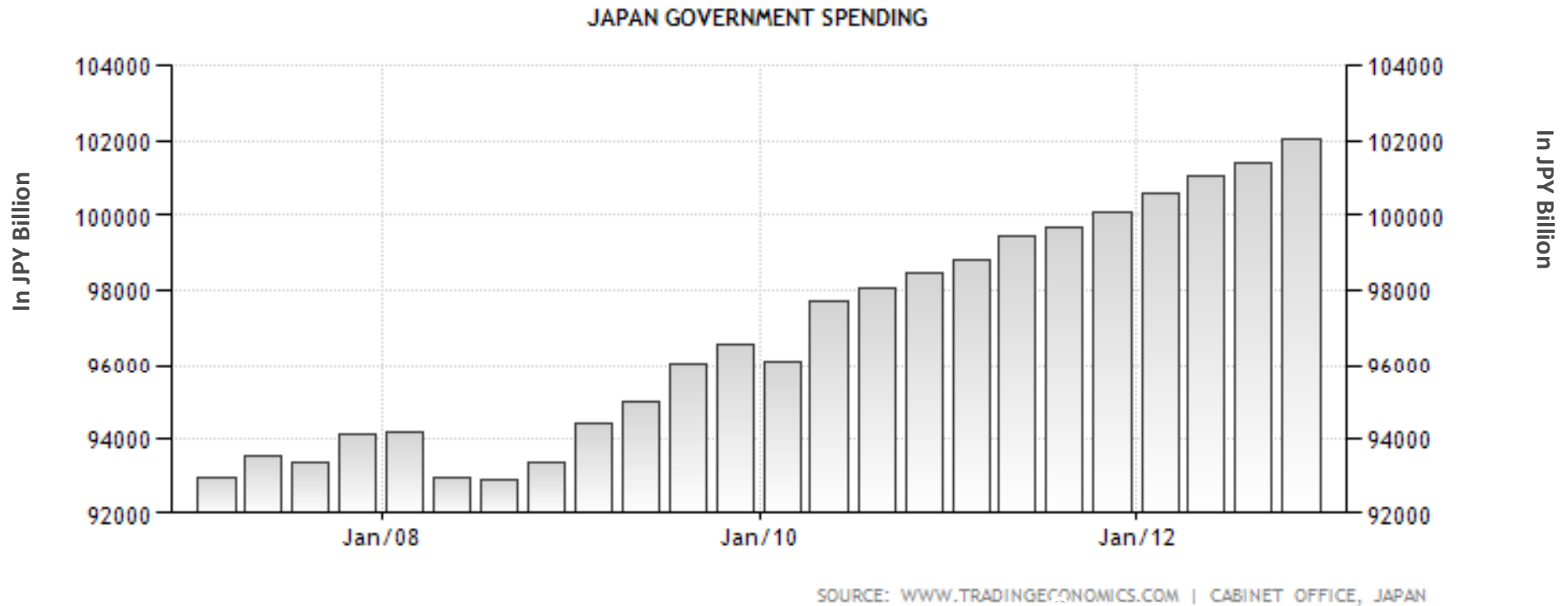


Source: <http://www.tradingeconomics.com/japan/gdp-growth-annual>

GDP = The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.

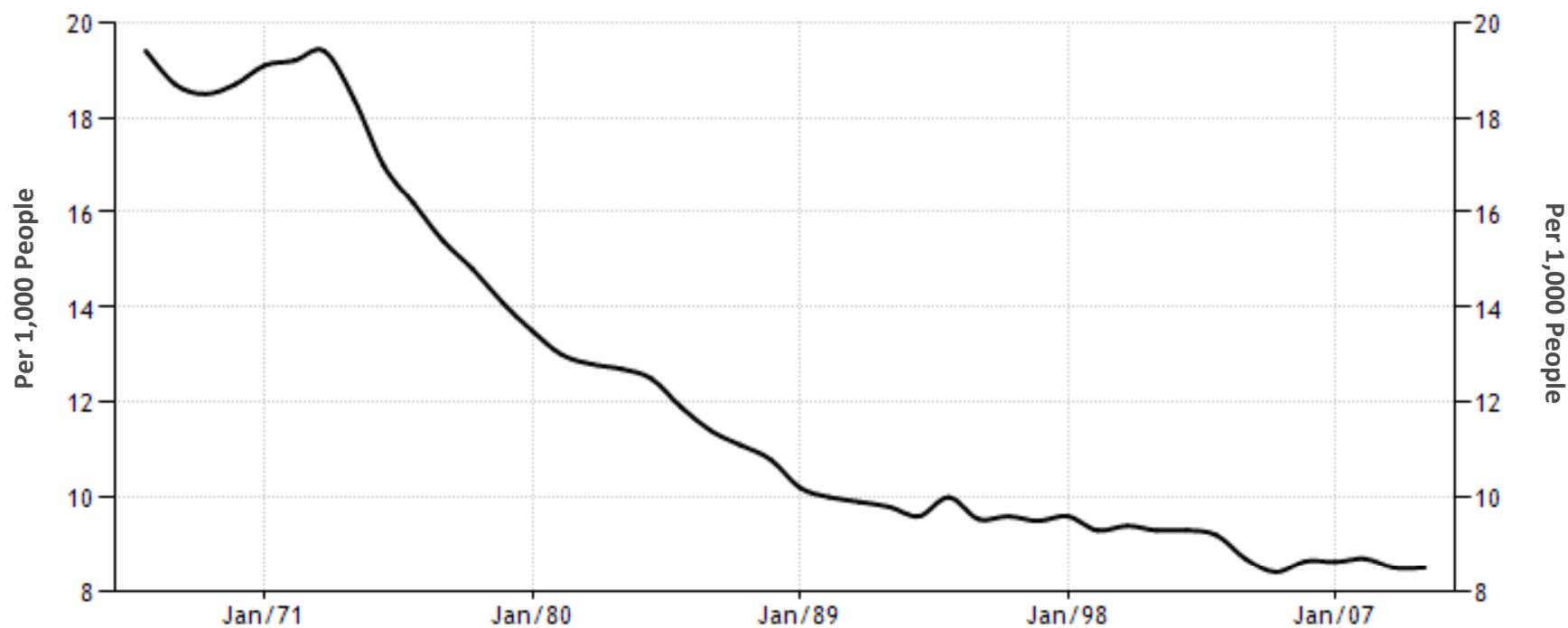
# Japan's Government Spending

January 1, 2002 through January 31, 2013



# Japan's Birthrate

January 1, 1967 through January 31, 2013

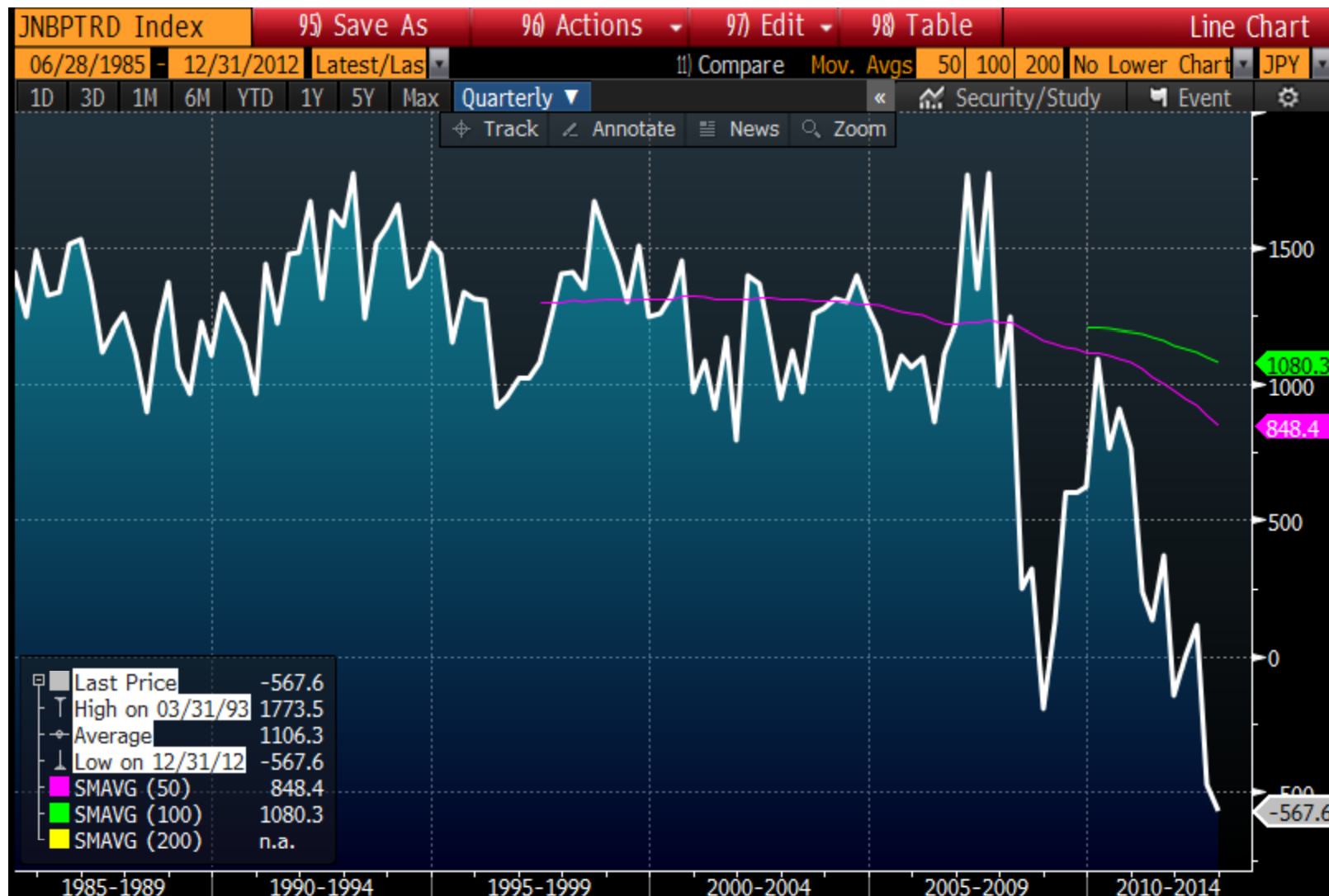


Source: <http://www.tradingeconomics.com/japan/gdp-growth-annual>

Crude birth rate indicates the number of live births occurring during the year, per 1,000 population estimated at midyear.

# Japan's Trade Balance

June 28, 1985 through December 31, 2012

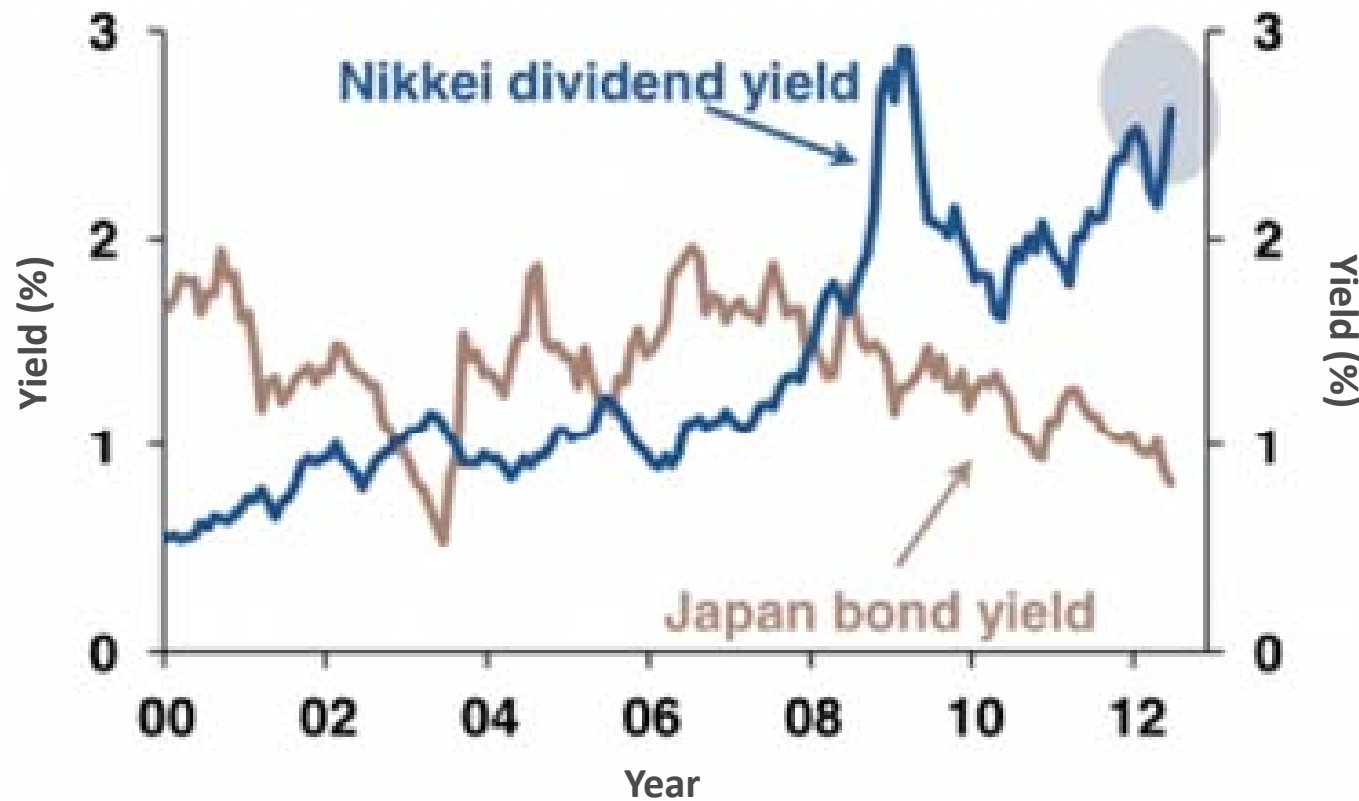


Source: Bloomberg Financial Services

# Nikkei Yields

January 1, 2000 through October 31, 2012

- The Nikkei is now even offering yields above Japanese government bonds and the US S&P 500 yield



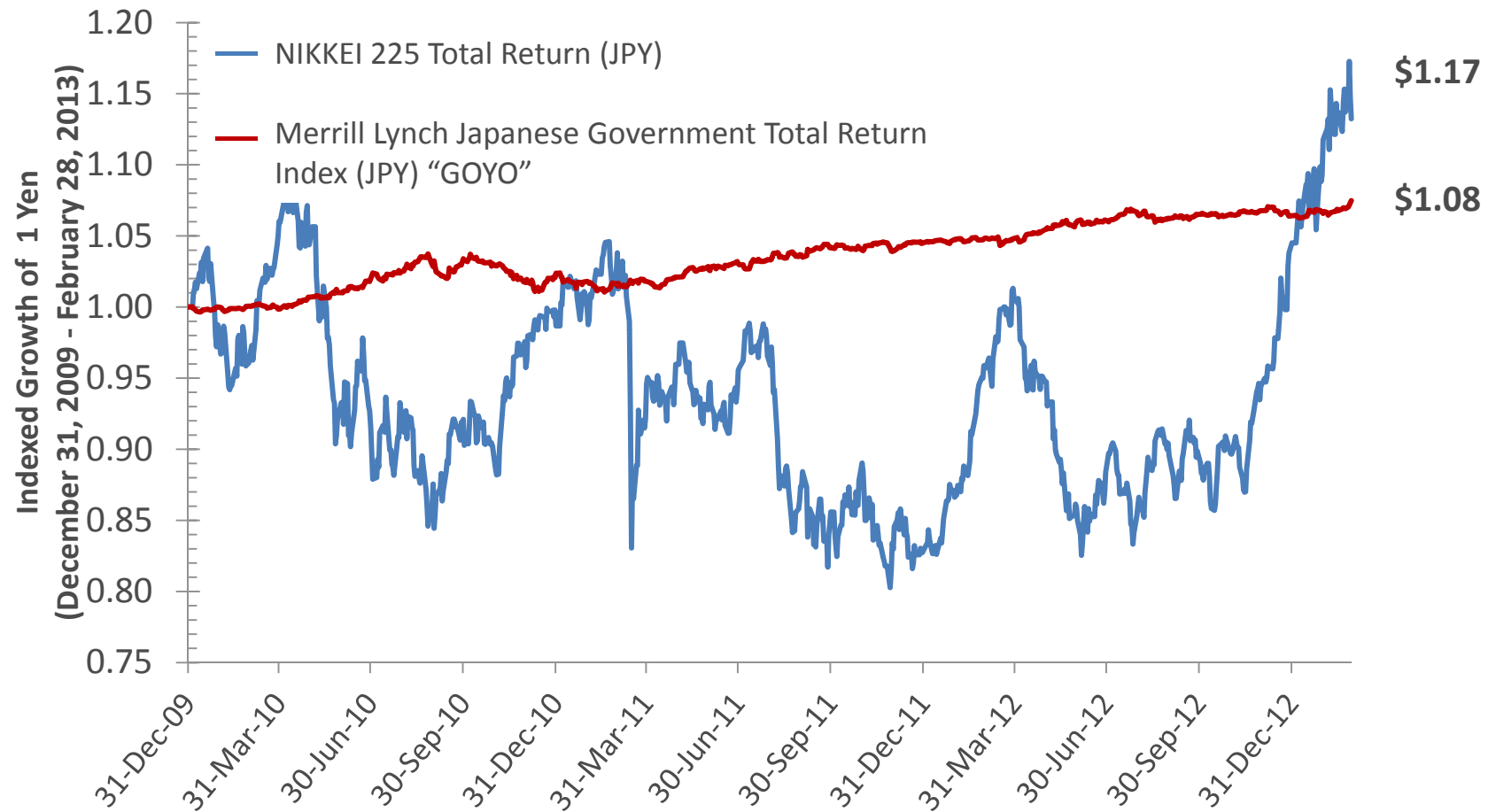
Source: Bloomberg Financial Services

Nikkei 225 Index Total Return = An index showing the average closing prices of 225 stocks on the Tokyo Stock Exchange.

An investment cannot be made in an index.

# Nikkei vs. Japanese Government Bonds –

December 31, 2009 through February 28, 2013



Source: Bloomberg Financial Services, Merrill Lynch Indices denominated in Japanese Yen (JPY).

Nikkei 225 Index Total Return = An index showing the average closing prices of 225 stocks on the Tokyo Stock Exchange.

GOYO = BofA/Merrill Lynch Japanese Government Bond Index The BofA Merrill Lynch Japan Government Index tracks the performance of JPY denominated sovereign debt publicly issued by the Japanese government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of JPY 200 billion.

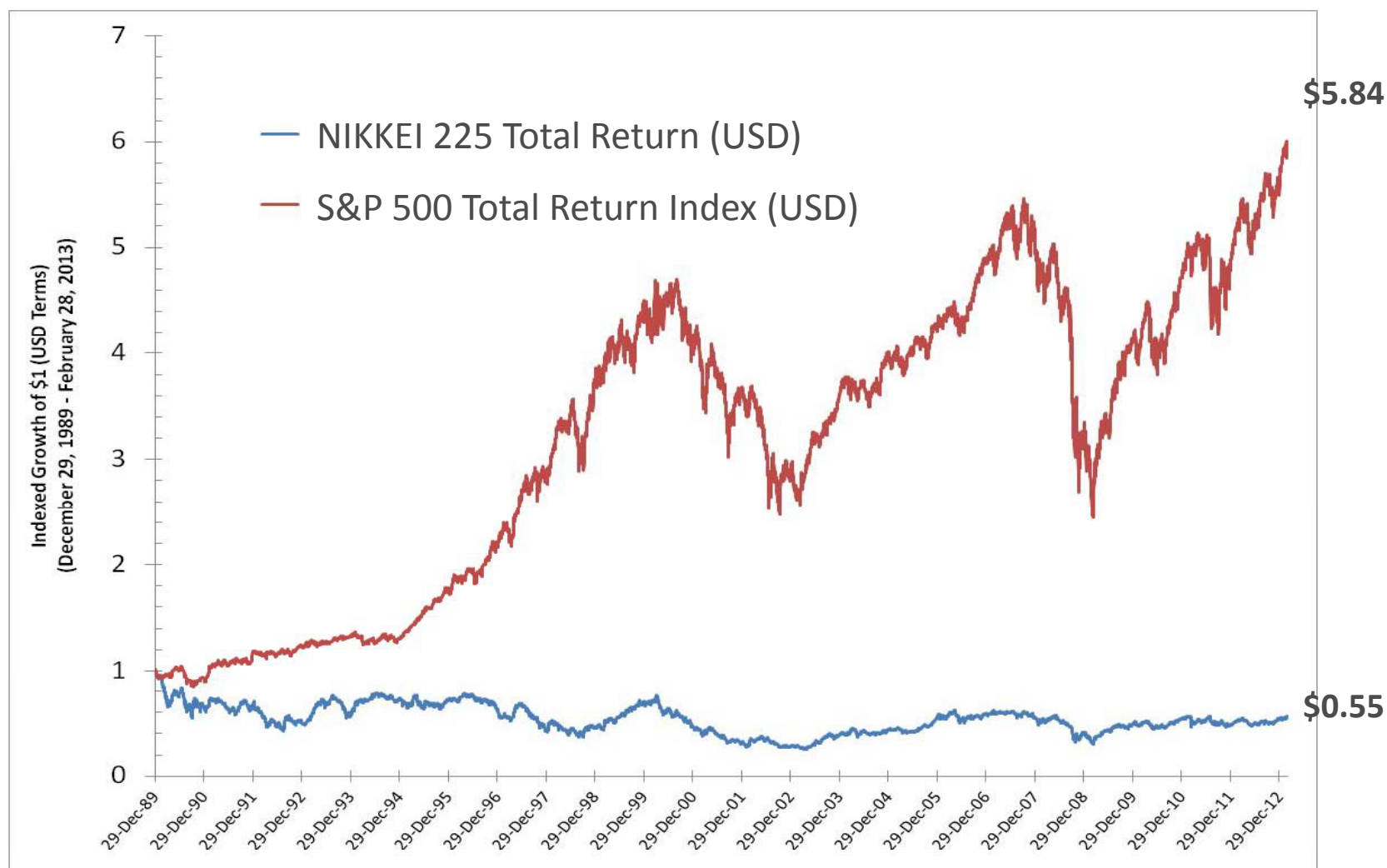
This chart illustrates the performance of a hypothetical 1 Yen investment made in these indexes on 12-31-09. This chart does not imply any future performance.

An investment cannot be made in an index.



# Japanese Index vs. S&P 500 Growth of \$1

December 29, 1989 through February 28, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP denominated in US dollar.

Nikkei 225 Index Total Return = An index showing the average closing prices of 225 stocks on the Tokyo Stock Exchange.

S&P 500 Index is a capitalization-weighted index of 500 stocks.

This chart illustrates the performance of an hypothetical \$1 investment made in the two indexes on 12-29-89. This chart does not imply any future performance.

**An investment cannot be made in an index.**

# Nikkei vs. S&P 500 – Last 10 Years

March 5, 2003 through March 4, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

Nikkei 225 Index Total Return = An index showing the average closing prices of 225 stocks on the Tokyo Stock Exchange.

SPX = S&P 500 Index is a capitalization-weighted index of 500 stocks.

**An investment cannot be made in an index.**

# 12 Month JPY vs. 5-year JPY

As of March 4, 2013



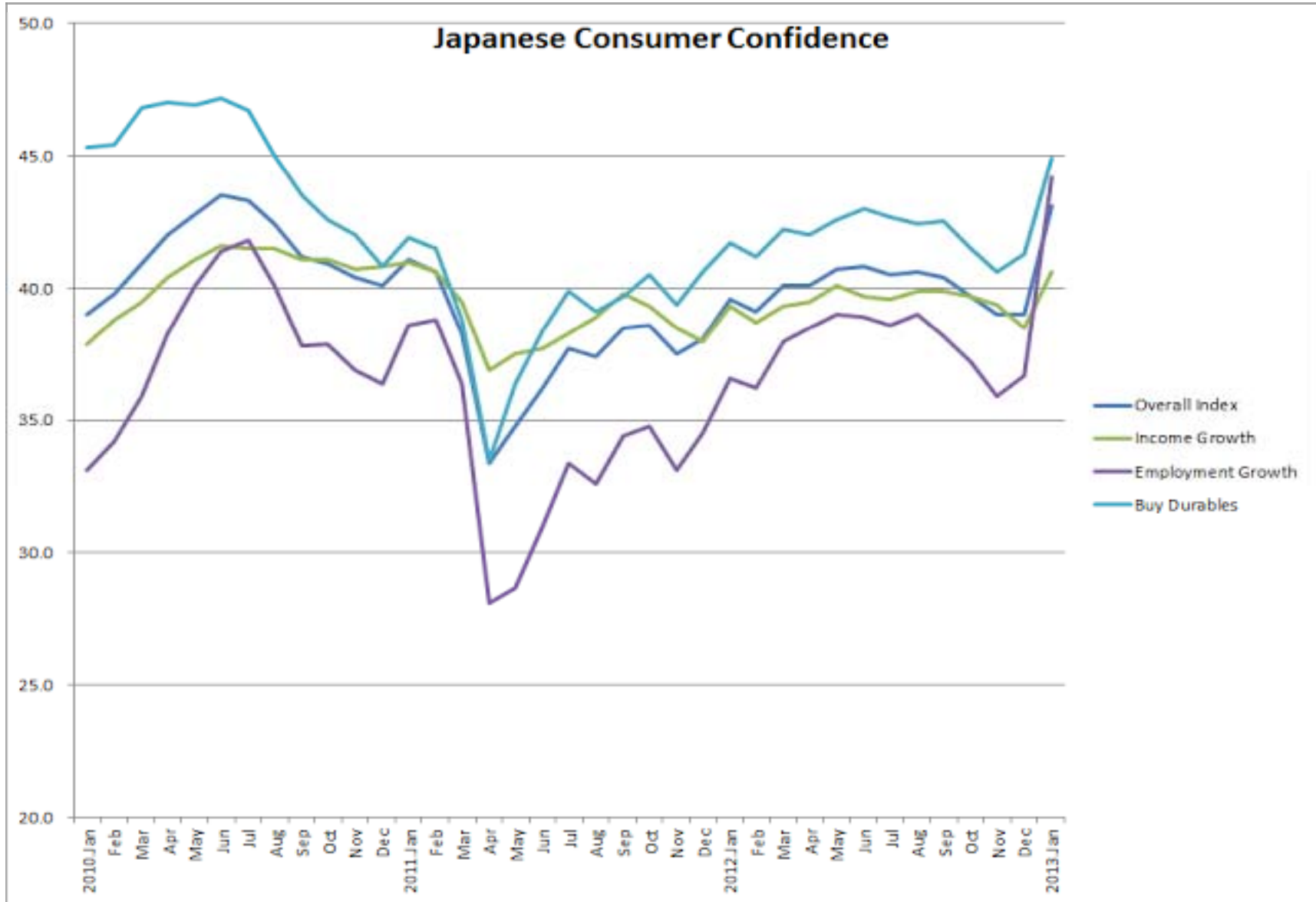
Source: Bloomberg Financial Services, DoubleLine Capital LP denominated in U.S. Dollars

JPY = The NYSE Arca Japan Index is a price-weighted index of 210 common stocks traded on the Tokyo Stock Exchange representing a broad selection of industries.

An investment cannot be made directly in an index.

# Japanese Consumer Confidence

January 1, 2010 through January 31, 2013

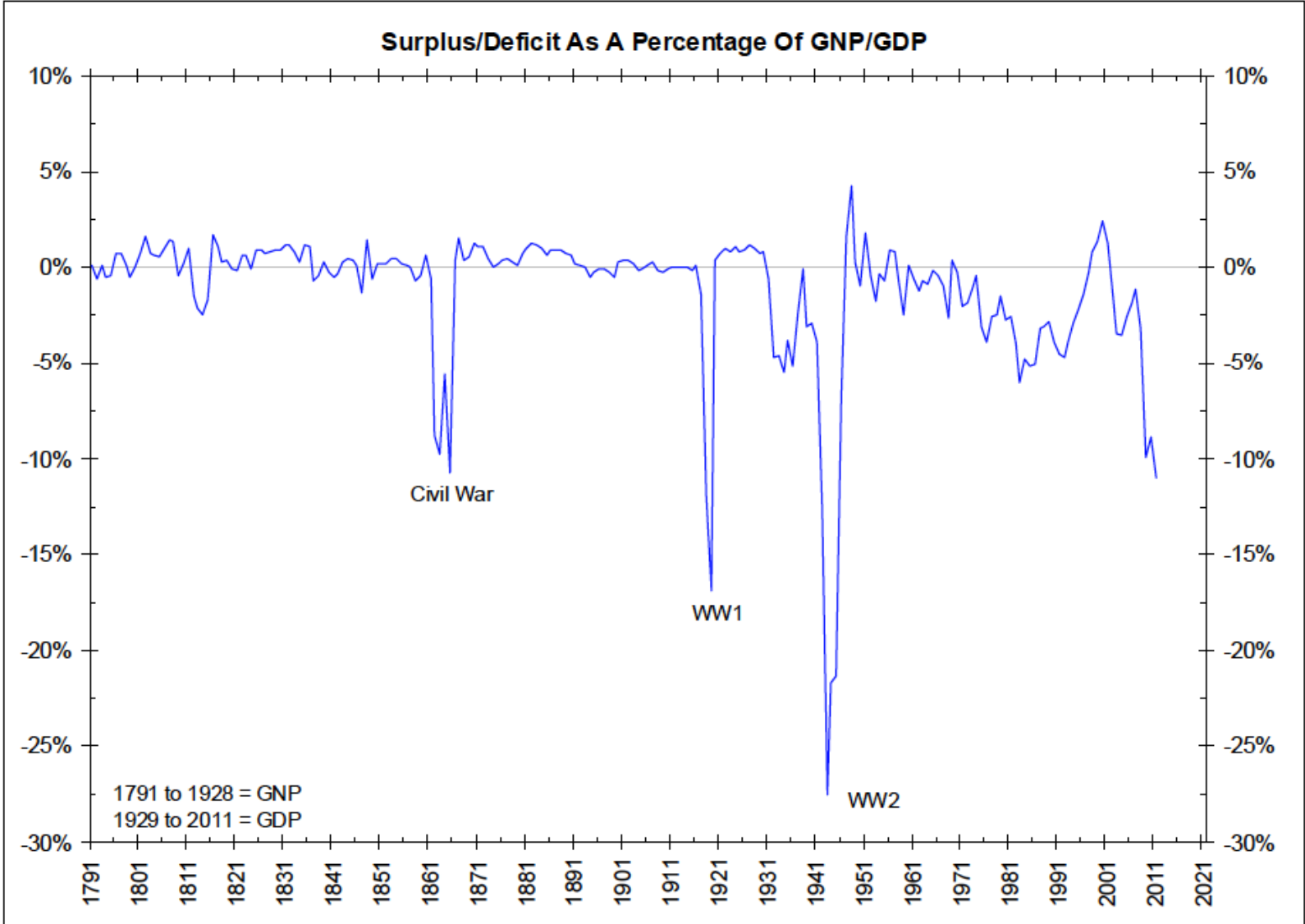


<http://bonddad.blogspot.com/2013/02/japanese-consumer-confidence-makes.html>

JCOMSHCF = Japanese Consumer Confidence index . Subject to one-month lag released by the Economic and Social Research Institute.

# U.S. Surplus/Deficit As A Percentage of GNP/GDP

December 31, 1790 through December 31, 2011

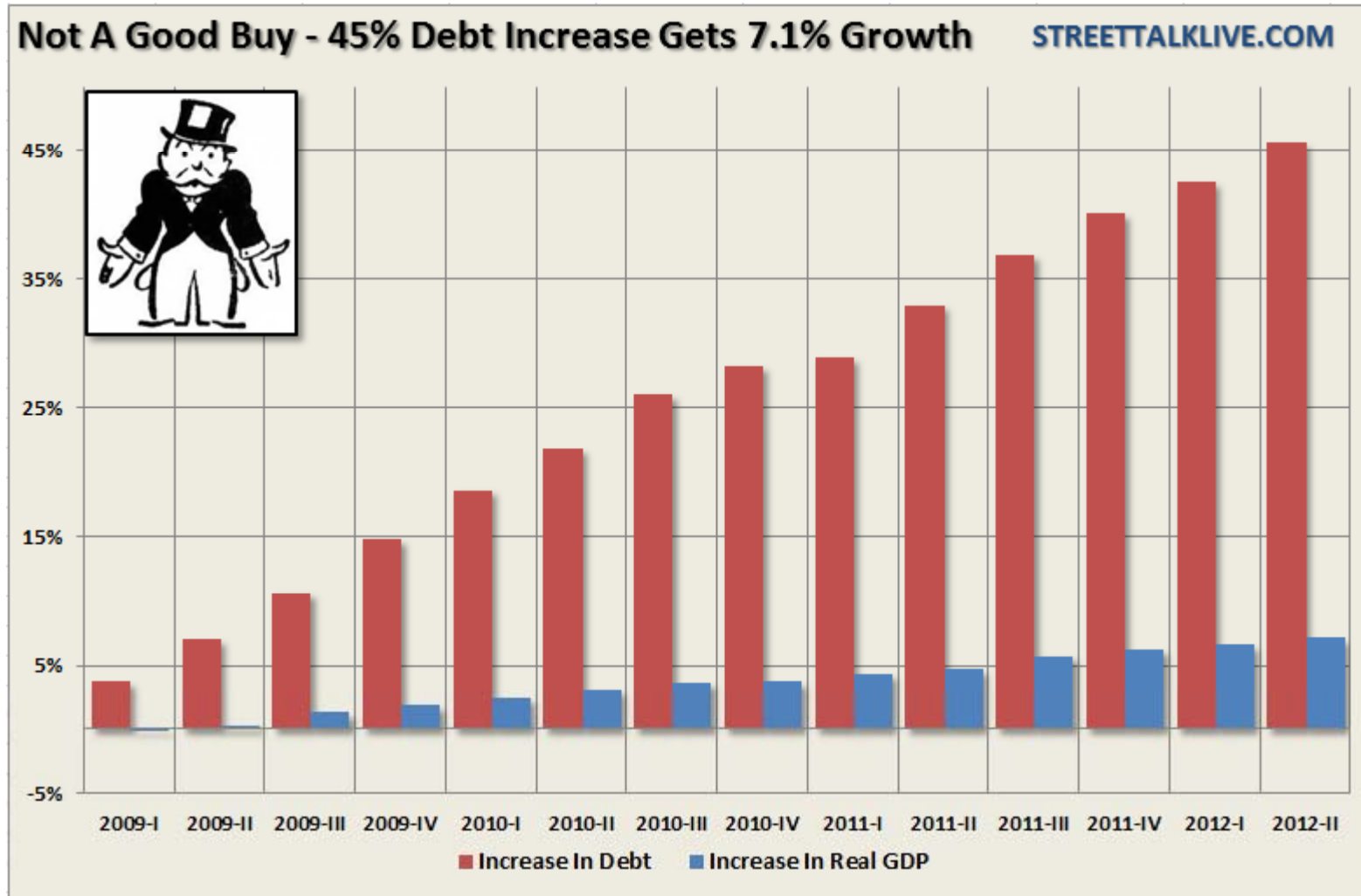


Source: <http://www.ritholtz.com/blog/wp-content/uploads/2012/12/surplus-deficit-gnp.png>

Gross National Product (GNP) or Gross Domestic Product (GDP) = Refers to the gross Domestic Product or market value of all final goods and services produced within a country in a given period.

# US Debt & GDP

January 1, 2009 through June 30, 2012



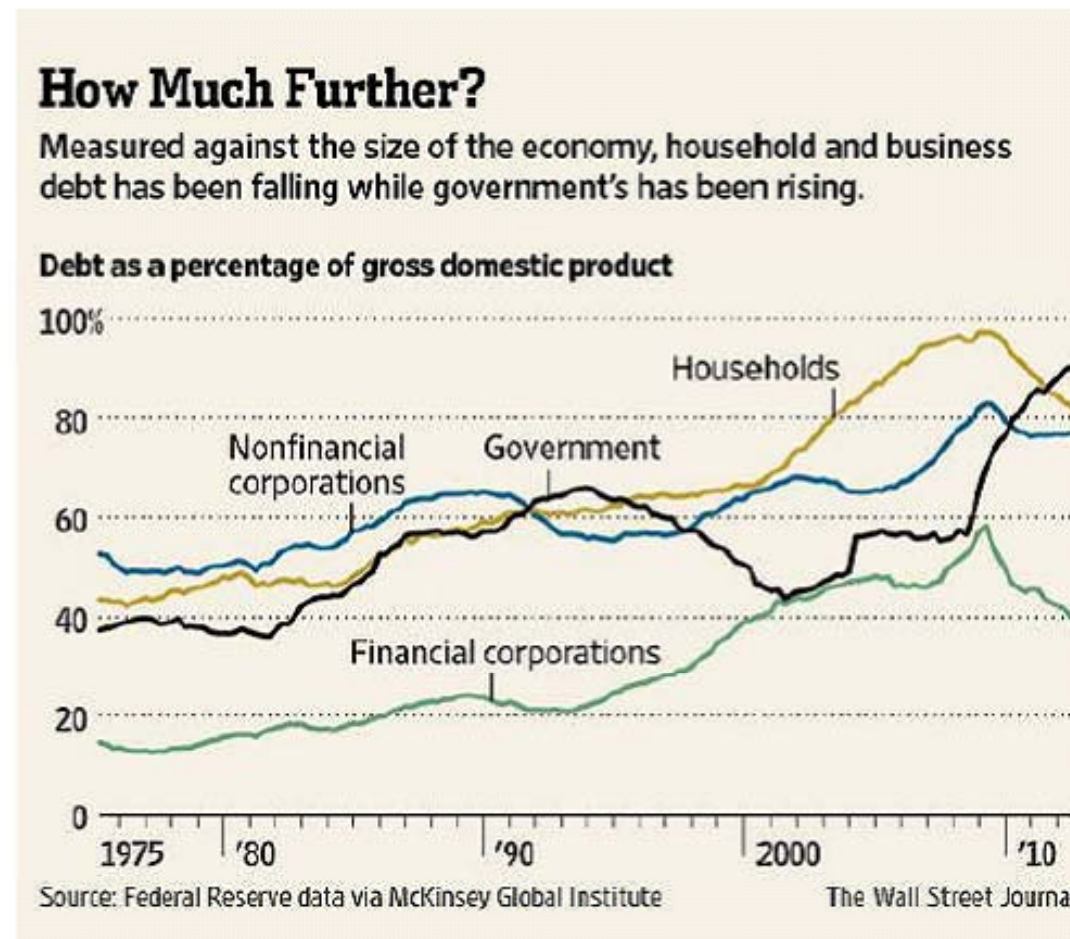
Source: AdvisorPerspectives.com, Strrettalklive.com  
<http://advisorperspectives.com/dshort/guest/Lance-Roberts-121118-Ceilings-Cliffs-and-TAG.php>  
 GDP = Gross Domestic Product. Refers to all of the goods and services produced in an economy.



# Debt Transfer from Private to Public

The Wall Street Journal

"Borrowing: Key to Both Recession and Recovery," by David Wessel, Feb. 7, 2013.

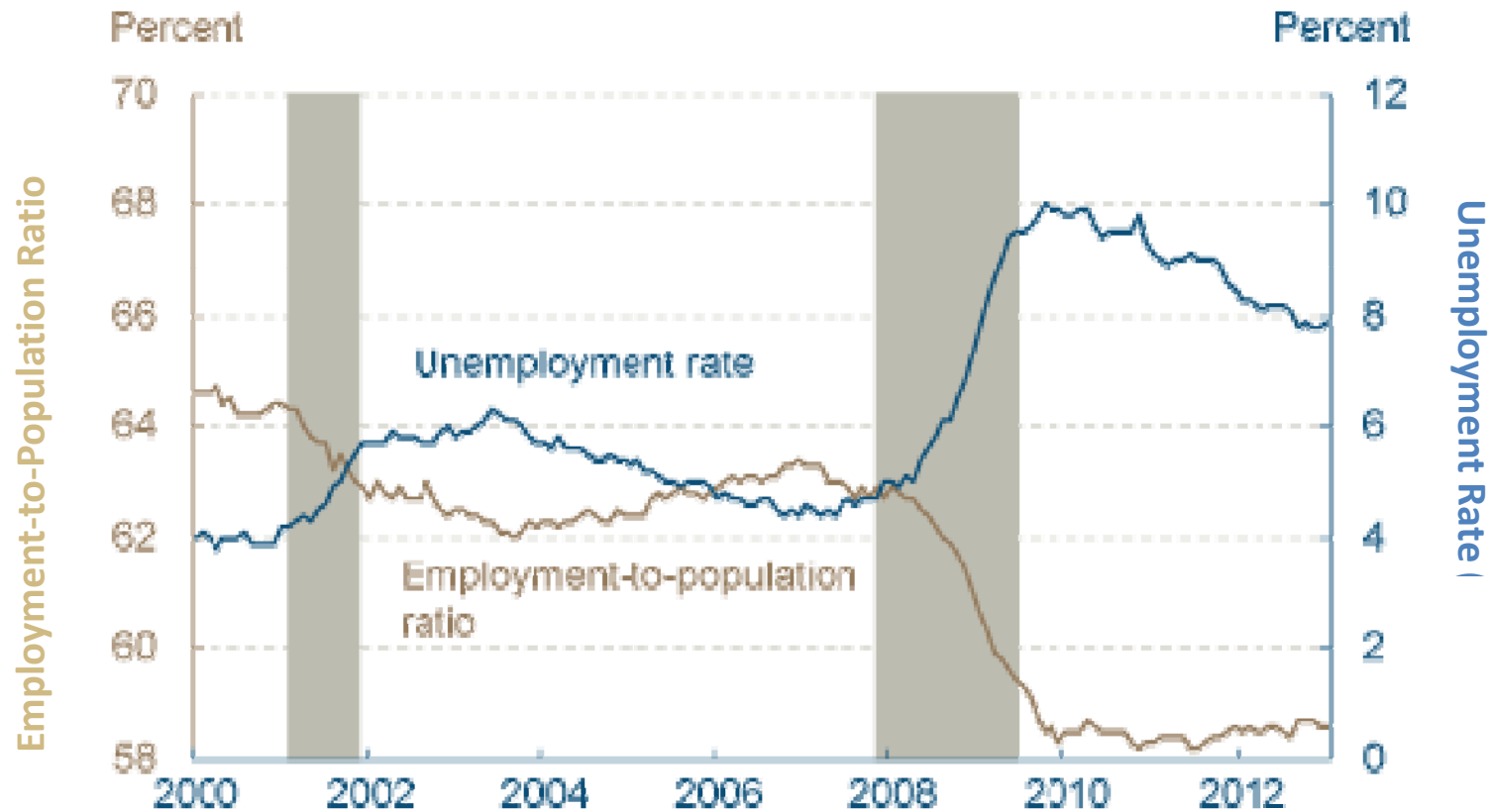


<http://online.wsj.com/article/SB10001424127887324906004578287810277763042.html>

GDP = Gross Domestic Product. The amount of goods and services produced within a given economy.

# Unemployment and Employment-to-Population Ratio

January 1, 2000 through December 31, 2012



Unemployment ratio refers to The percentage of the total labor force that is unemployed but actively seeking employment and willing to work. Employment-to-population refers to A macroeconomic statistic that takes the ratio of the total working age of the labor force currently employed to the total working age population of a region, municipality or country.

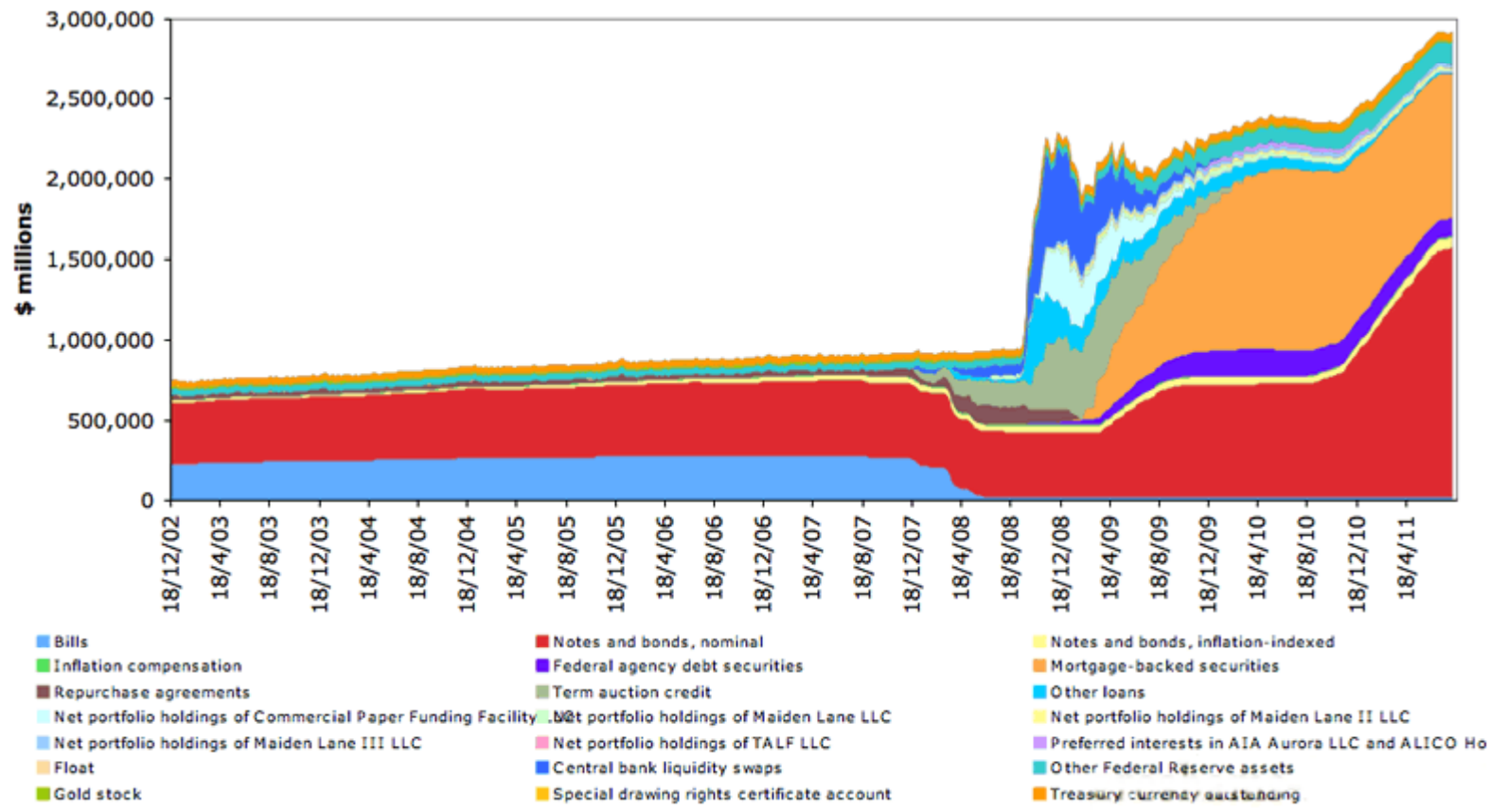
**Notes:** The unemployment rate and the employment-to-population ratio come from the Bureau of Labor Statistics's survey of households, formally called the Current Population Survey (CPS). Shaded bars indicate recessions.

**Source:** Bureau of Labor Statistics.

# Federal Reserve Balance Sheet

December 18, 2002 through April 18, 2011

Federal Reserve Balance Sheet

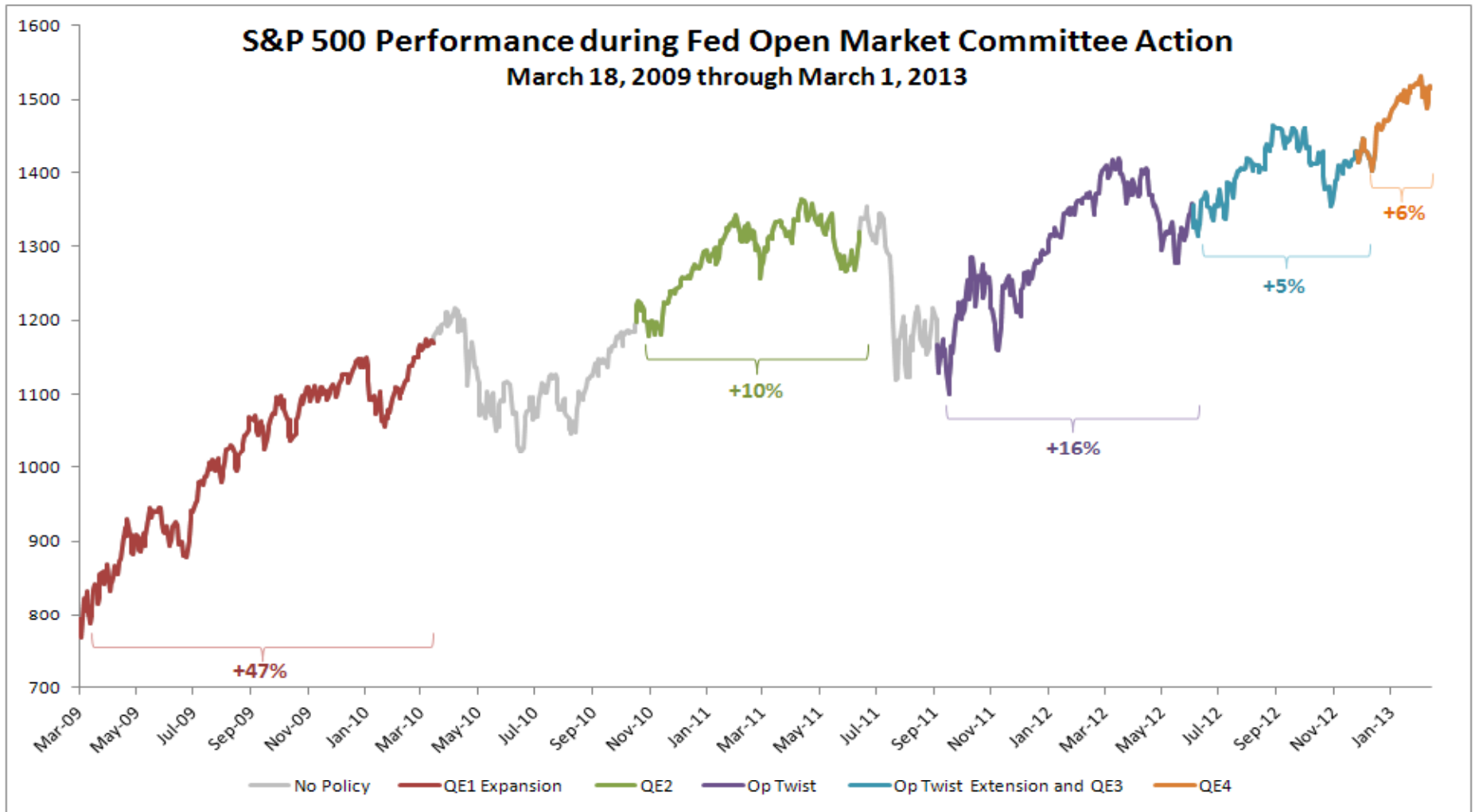


<http://www.marketoracle.co.uk/Article29854.html>, The Market Oracle

Maiden Lane, AIA Aurora LLC and ALICO are all limited partnerships formed by the US Government to allow the Federal Reserve to purchase, sell and transfer American Insurance Group (AIG) and Bear Stearns assets. The TALF LLC was a special purpose vehicle to consolidate Federal Reserve NY Balance sheet.

# What Did the Aggregate QE Programs Give us?

- Reflation of equity prices, although half life is diminishing along with the magnitude of the rally



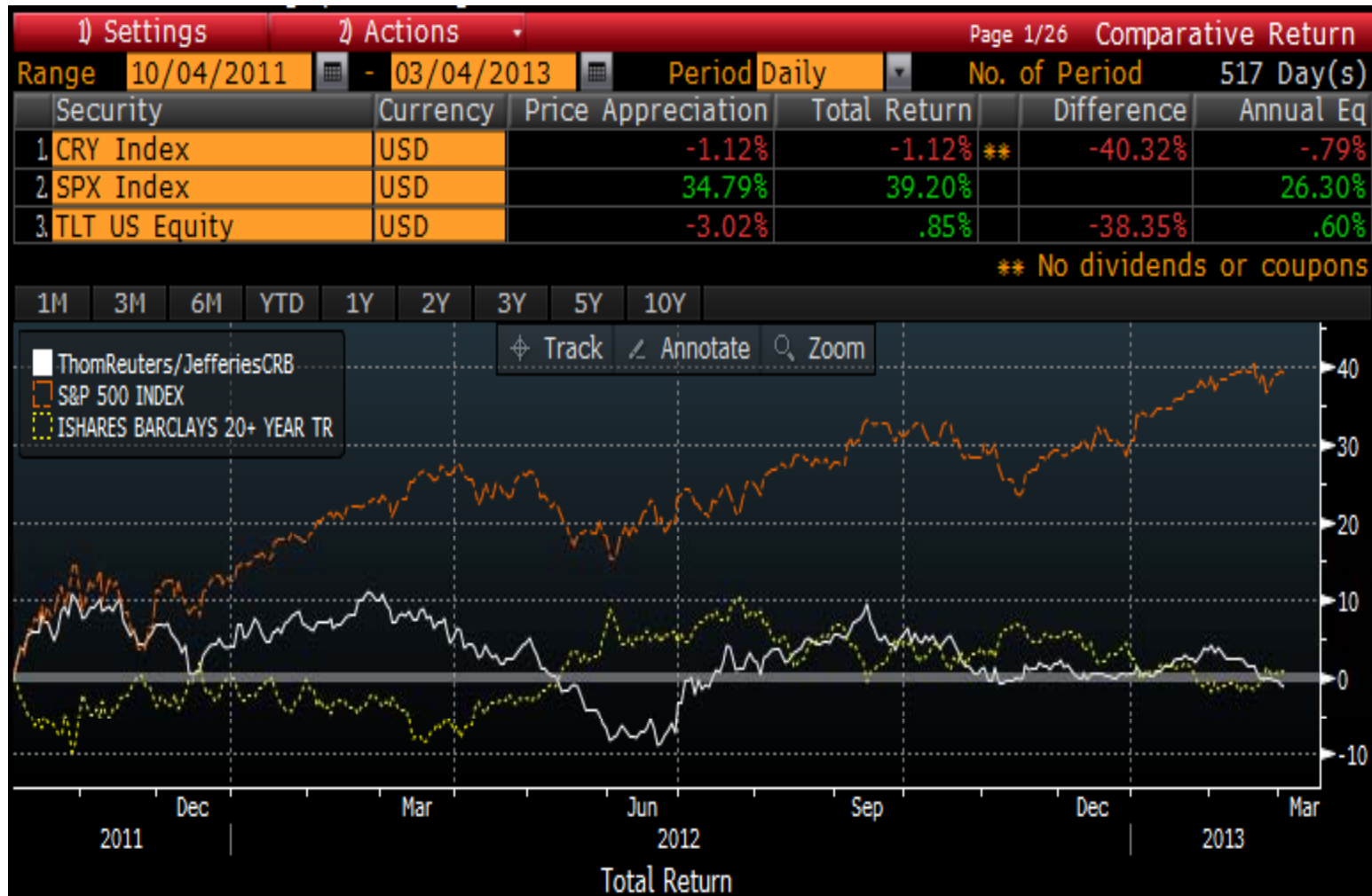
[http://www.zerohedge.com/sites/default/files/images/user3303/imageroot/2012/10-2/20121029\\_CB1\\_1.png](http://www.zerohedge.com/sites/default/files/images/user3303/imageroot/2012/10-2/20121029_CB1_1.png)

QE = Quantitative Easing programs.

Source: Bloomberg, DoubleLine Capital

# Performance Since Inception QE2

October 4, 2011 through March 4, 2013



Source: Bloomberg Financial Services

CRY = TR/J CRB Commodities Excess Return Index is an arithmetic average of commodity futures process with monthly rebalancing.

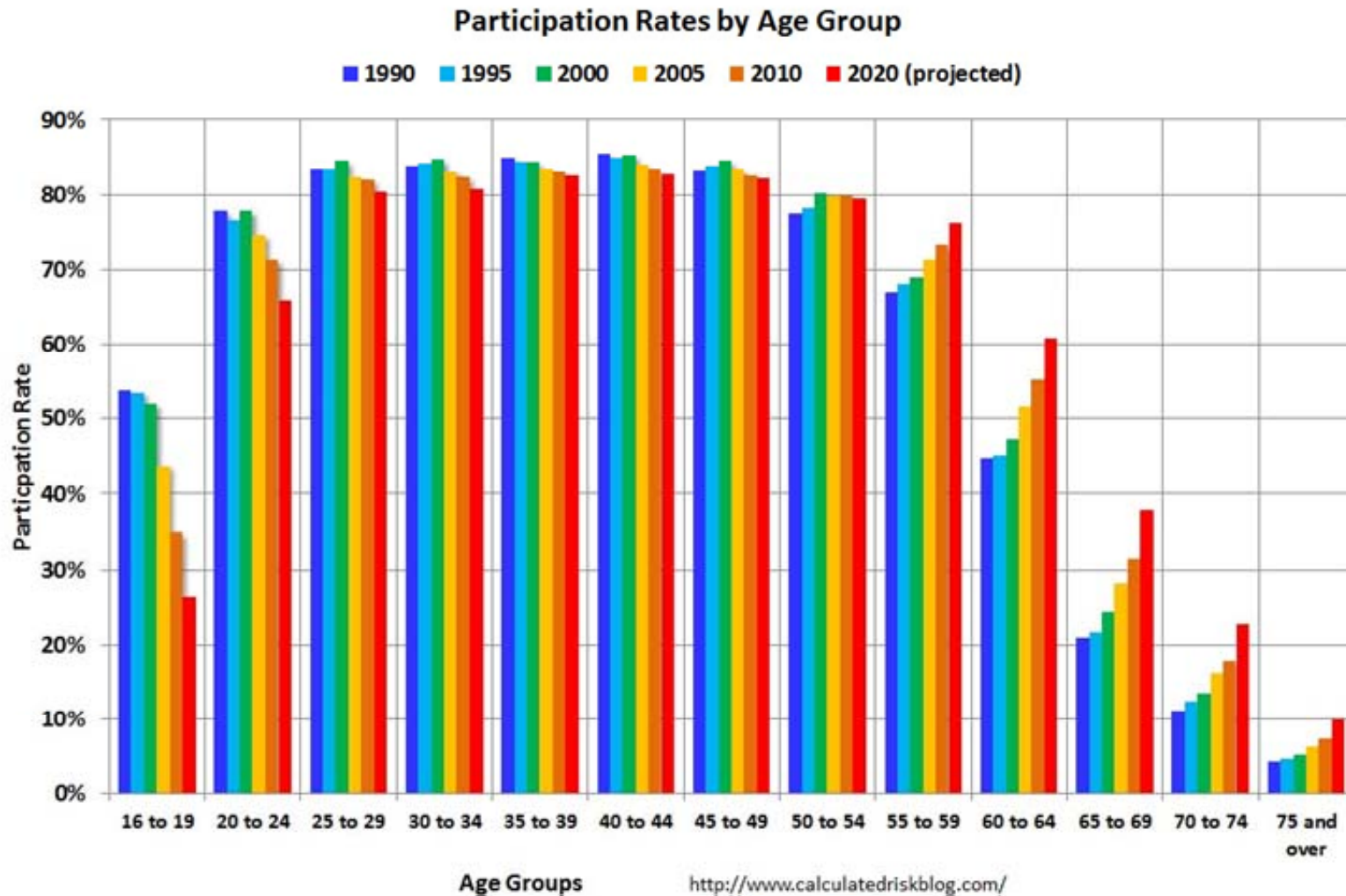
SPX = Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy.

TLT = iShares Barclays 20+ Year Treasury Bond Fund in an exchange traded fund incorporated in the USA.

You cannot invest directly in an index.

# Labor Participation Rates by Age Group

January 1, 1990 through 2020 Projected Estimates



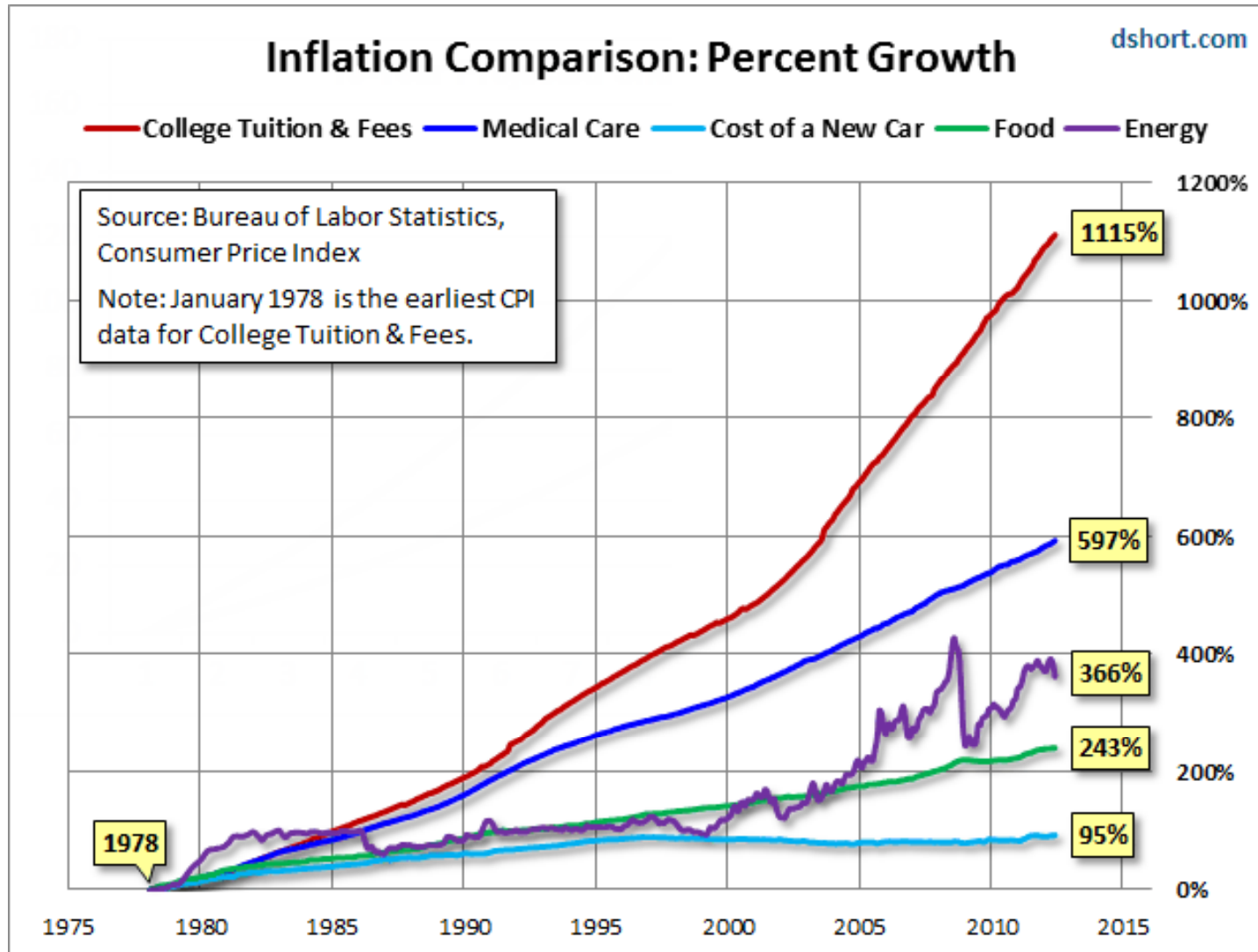
Source: Calculated Risk Blog

<http://www.calculatedriskblog.com/2012/10/understanding-decline-in-participation.html>



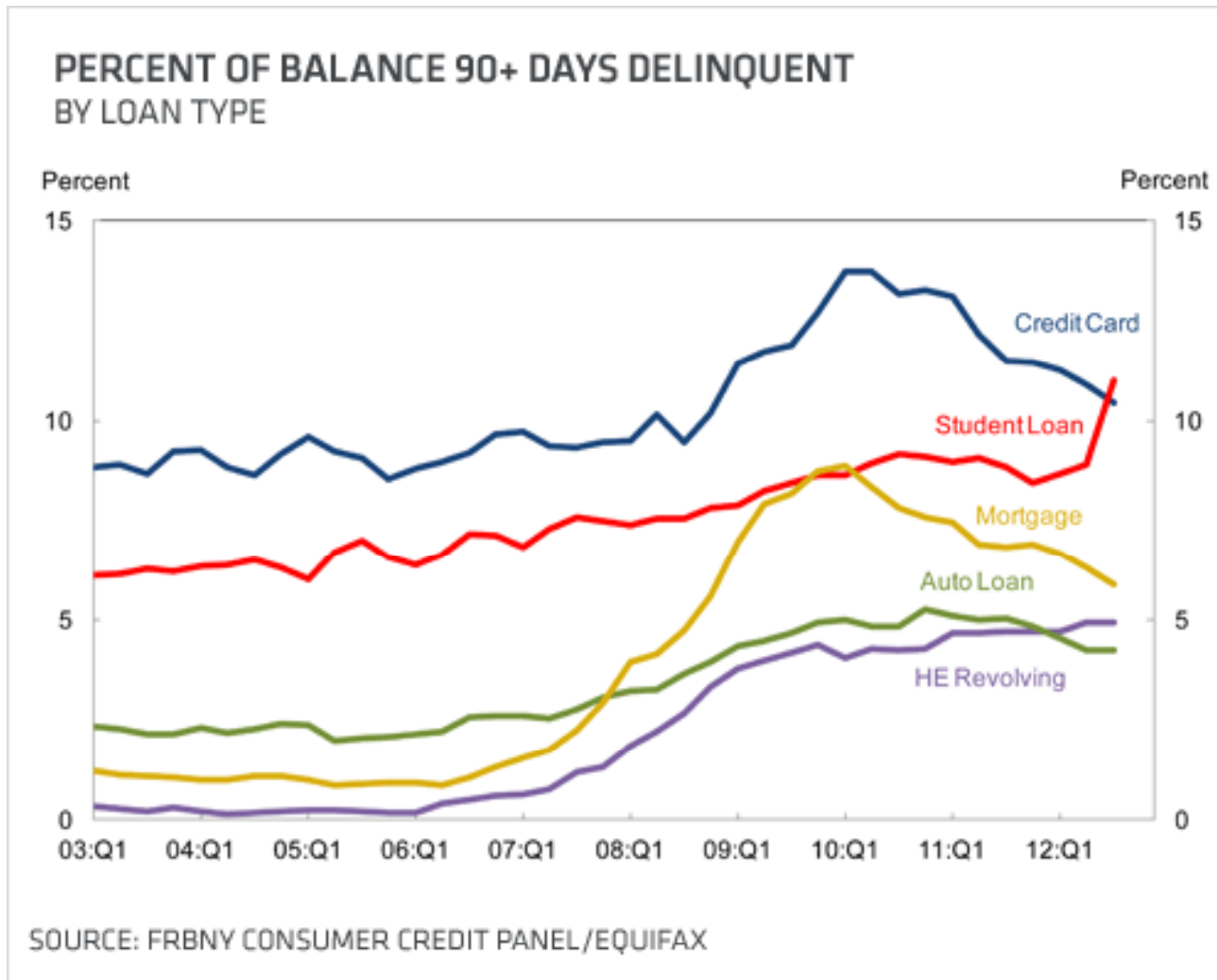
# Inflation Comparison

January 1, 1978 through September 30, 2012



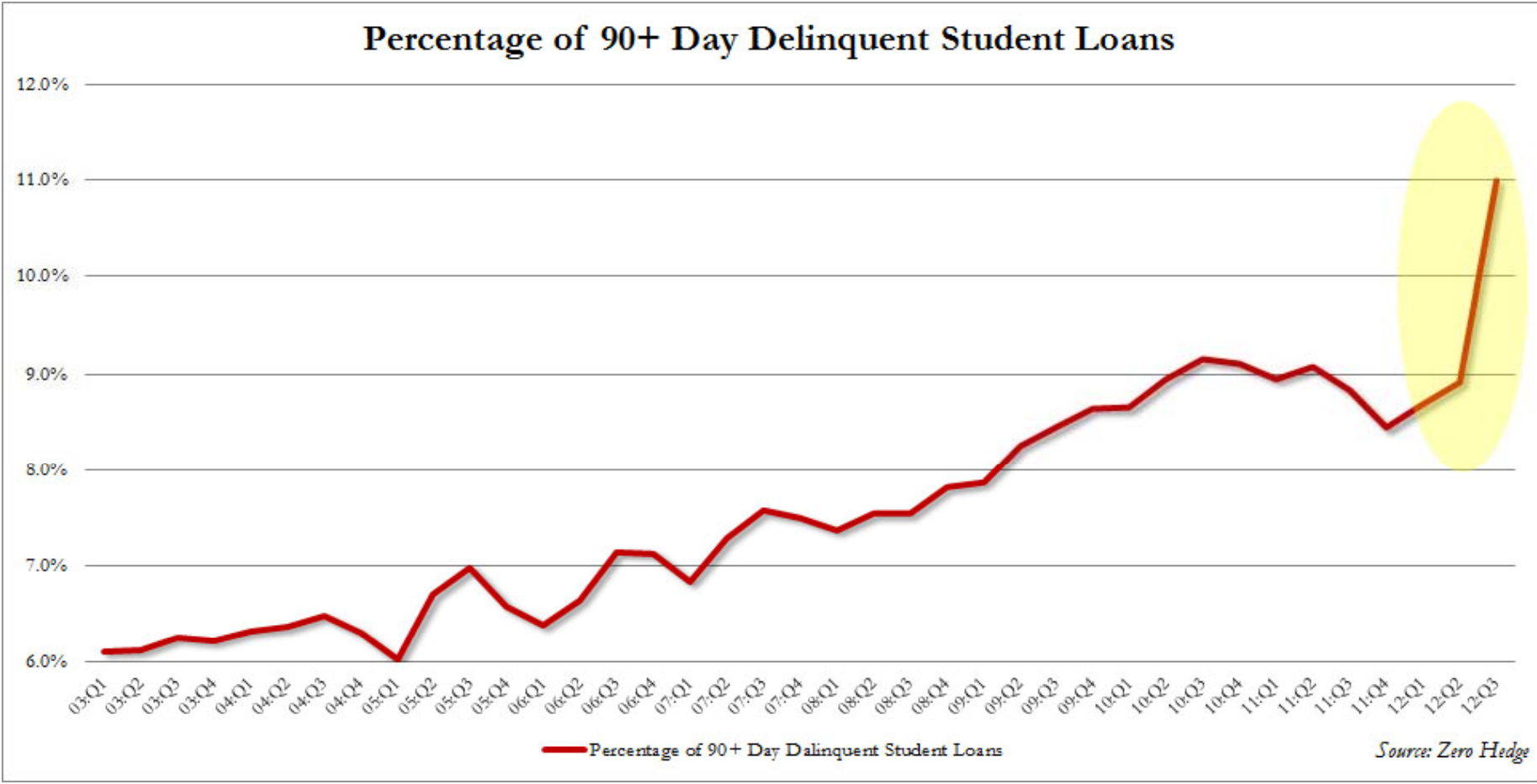
# % of Debt Balance 90+ Days Delinquent

January 1, 2003 through March 31, 2012



# % of 90+ Day Delinquent Student Loans

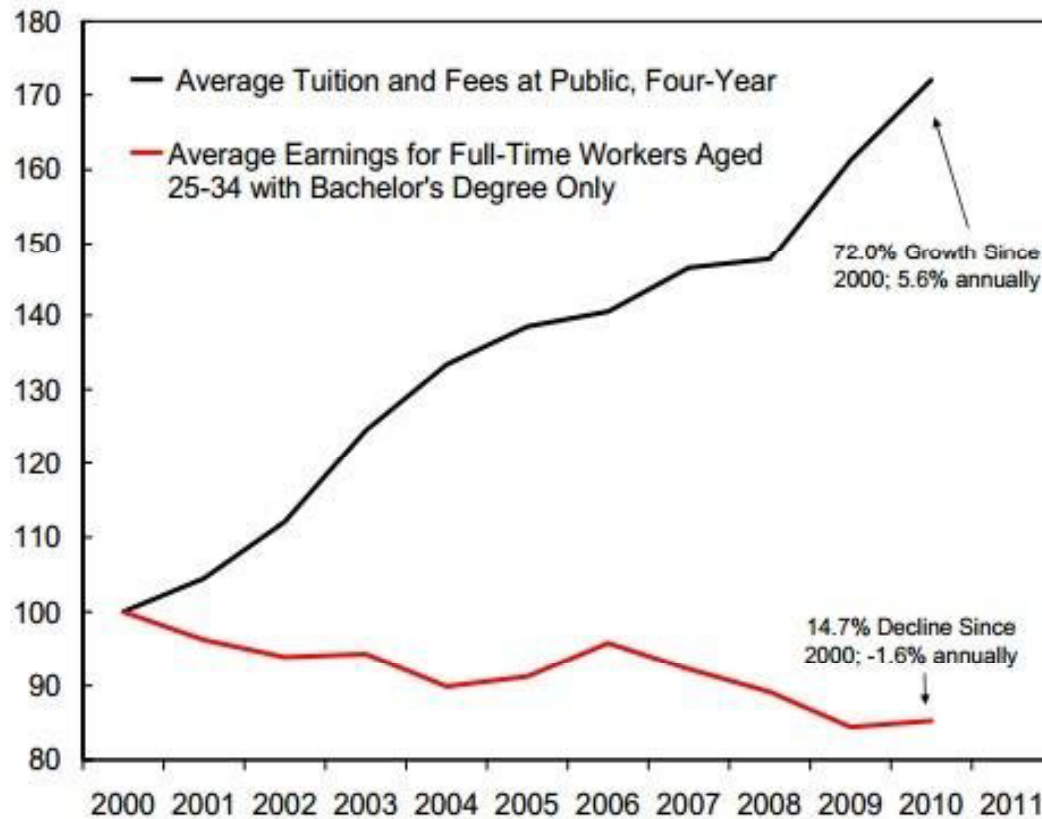
December 31, 2002 through September 30, 2012



# Student Tuition Costs vs. Average Graduate Earnings

June 30, 2000 through June 30, 2010

Figure 5. Real Tuition and Fees at a Public, Four-Year College and Average Earnings for Full-Time Workers Aged 25–34 with Bachelor's Degree Only (Indexed, 2000 = 100)



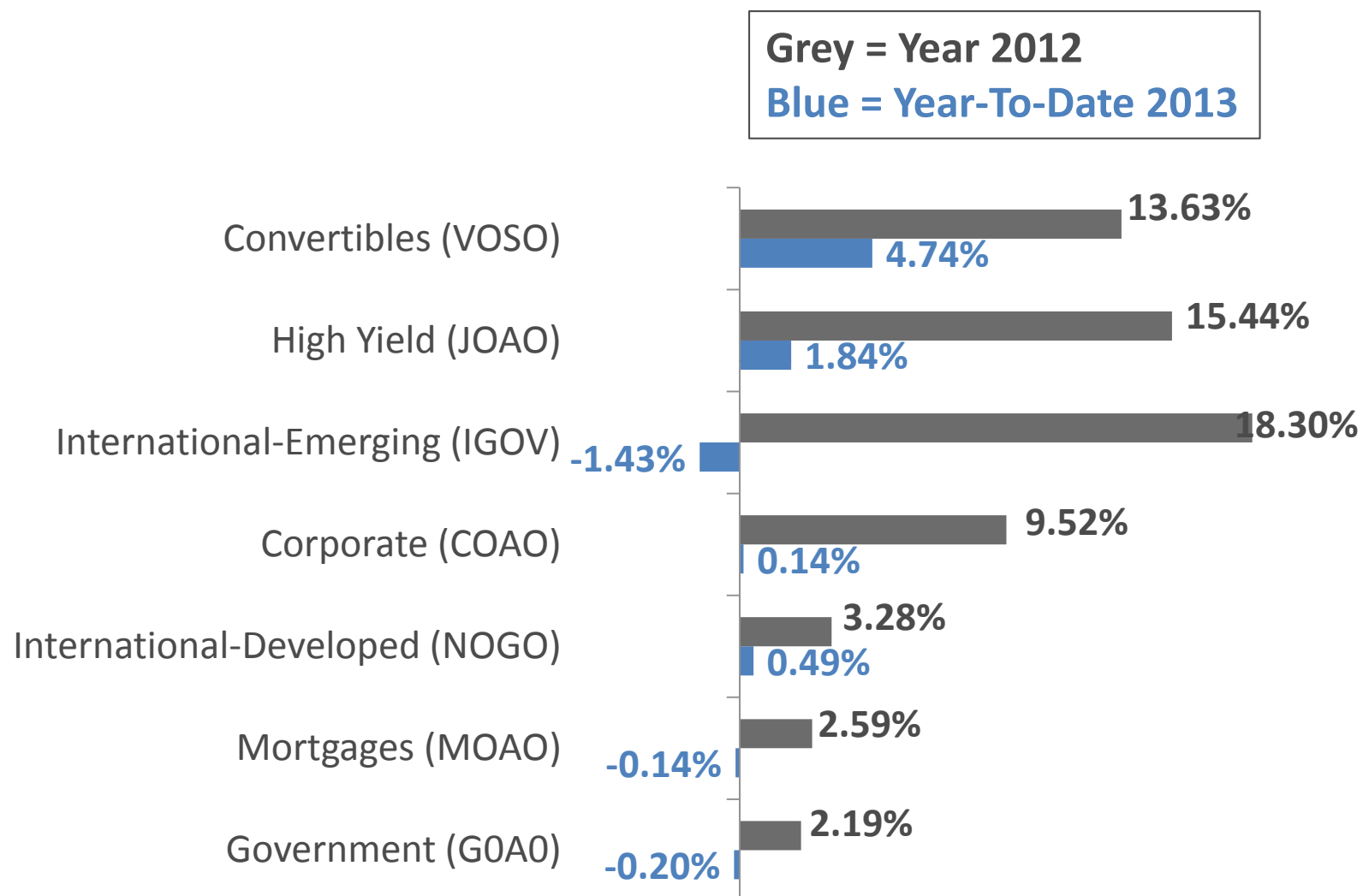
Sources: College Board, U.S. Department of Education, Census Bureau, and Citi Research. Note: Both tuition and earnings were weighted in 2010 dollars, and tuition and fees were enrollment-weighted.

# TAB II

“Bloodless Verdict of the Market”

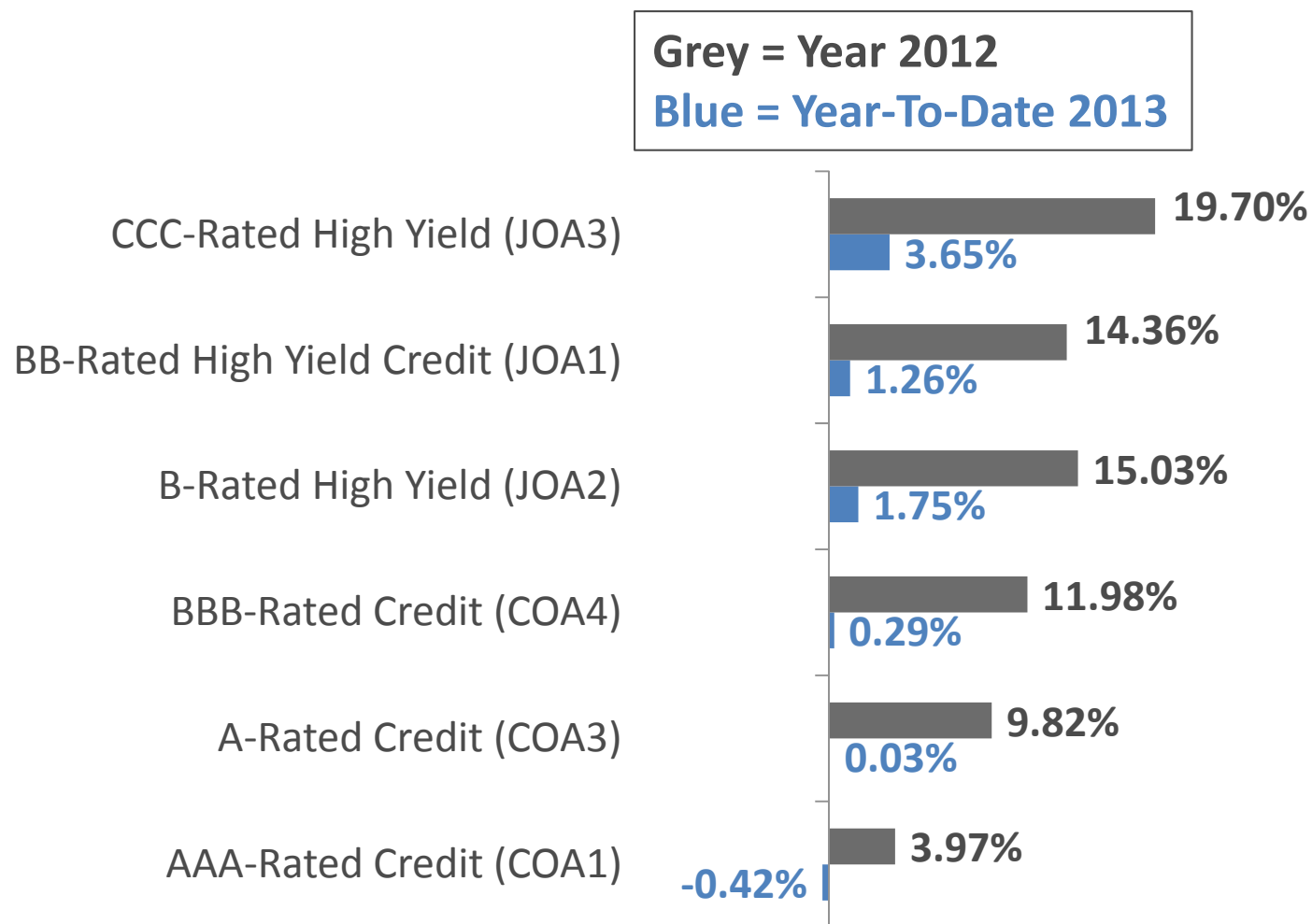


## BofA/Merrill Fixed Income Index Returns



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2012 and year-to-date 2013 through March 1, 2013. Please see the Appendix for index definitions. An investment cannot be made directly in an index.

## BofA/Merrill Fixed Income Index Returns



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2012 and year-to-date 2013 through March 1, 2013. Please see the Appendix for index definitions. An investment cannot be made directly in an index.

**Investment Grade** = Indices rated AAA to BBB- (shown above) are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be stable and dependable.

**Below Investment Grade** = Also known as "junk bond" (shown above) is a security rated below investment grade having a rating of BBB- or below. These bonds 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 at par/\$100 cents on the dollar.

An investment cannot be made directly in an index.

# Euro vs. S&P 500 Index

May 23, 2011 through March 4 2013



Source: Bloomberg Financial Services

S&P 500 index is a basket of 500 stocks that are considered to be widely held. It is weighted by market value and its performance is thought to be representative of the stock market as a whole.

Euro = The official currency of the European Union (EU) members who have adopted it including: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Portugal, and Spain.

An investment cannot be made directly in an index.



# S&P 500 Index and Shanghai Index

July 11, 2011 through March 4, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

S&P 500 index is a basket of 500 stocks that are considered to be widely held. It is weighted by market value and its performance is thought to be representative of the stock market as a whole. SPXT is the S&P 500 index net total return index.

SHCOMP = The Shanghai Stock Exchange Composite is a capitalization-weighted index tracking daily price performance of all A and B-shares listed on the Shanghai Stock Exchange. This index was developed December 19, 1990 with a base value of 100.

An investment cannot be made directly in an index.

# Shanghai Index

December 31, 2009 through March 4 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

Note: The Shanghai Stock Exchange Composite is a capitalization-weighted index tracking daily price performance of all A and B-shares listed on the Shanghai Stock Exchange. This index was developed December 19, 1990 with a base value of 100.

An investment cannot be made directly in an index.

# Gold Spot Index

Year-End 2007 through March 4, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP  
An investment cannot be made directly in an index.

# CRB Commodity Index

Year-End 2007 through February 28, 2013

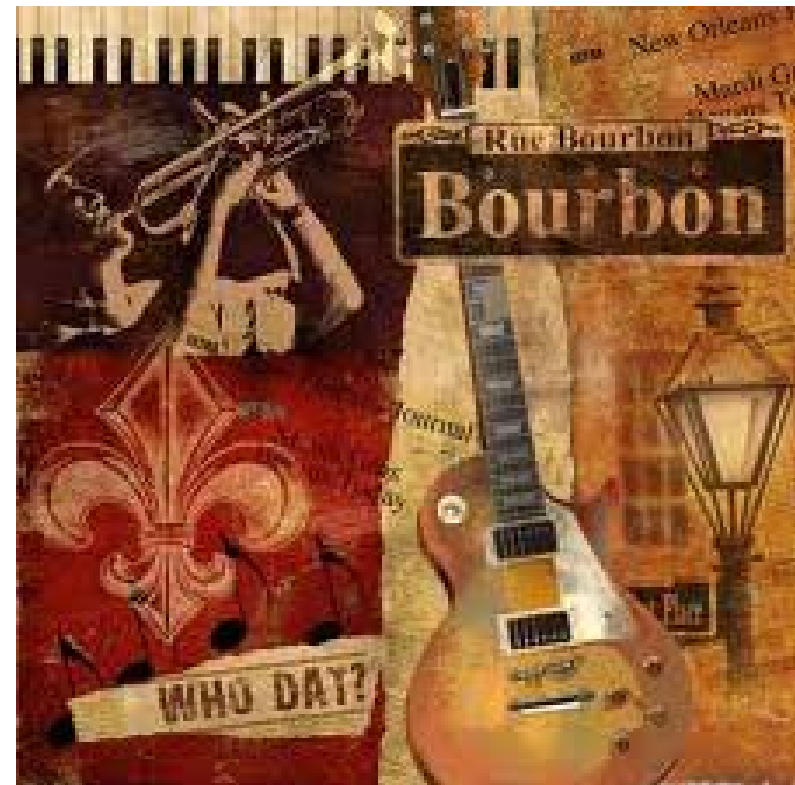
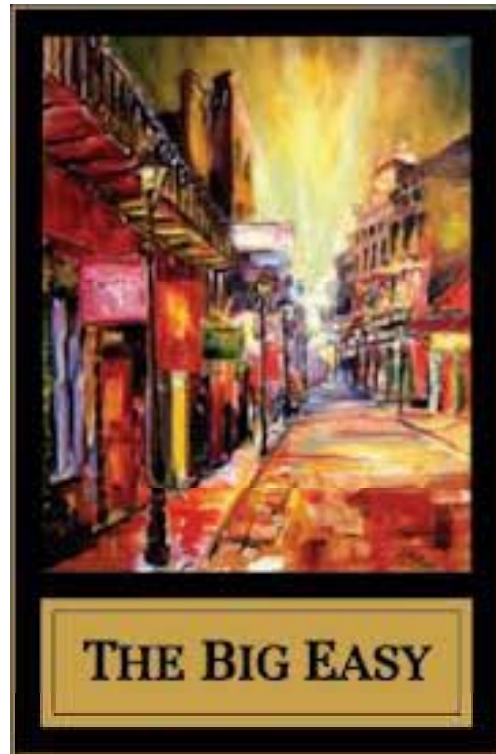


Source: Bloomberg Financial Services, DoubleLine Capital LP

Note: The TR/J CRB Commodity Excess Return Index is an arithmetic average of commodity futures prices with monthly rebalancing. An investment cannot be made directly in an index.

# TAB III

## Housing and MBS Market Trends



# Homeownership Rate

December 31, 1965 through December 31, 2012



Source: Bloomberg Financial Services  
Homeownership affordability measured quarterly and subject to a one month lag.  
An investment cannot be made directly in an index.

# Mortgage Refinancing Index

January 4, 2002 through February 22, 2013



Source: Bloomberg Financial Services

Mortgage Refinancing Index as measured by the Mortgage Bankers Association. Reflects the number of applications for refinance. Not all applications are accepted. An investment cannot be made directly in an index.



# 30-Year U.S. Mortgage Rates

December 31, 2007 through March 1, 2013



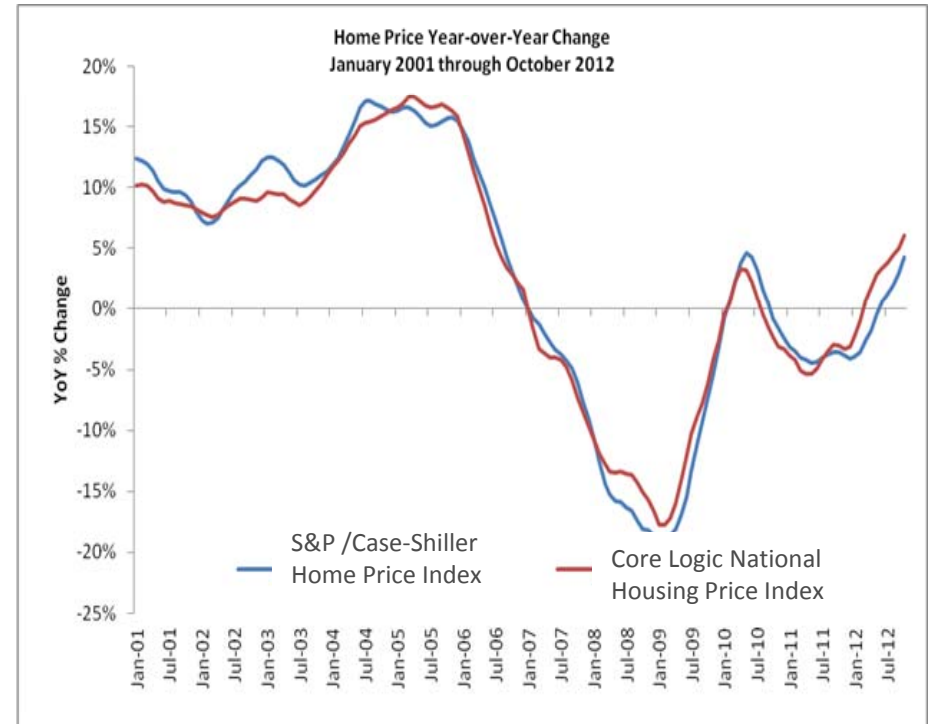
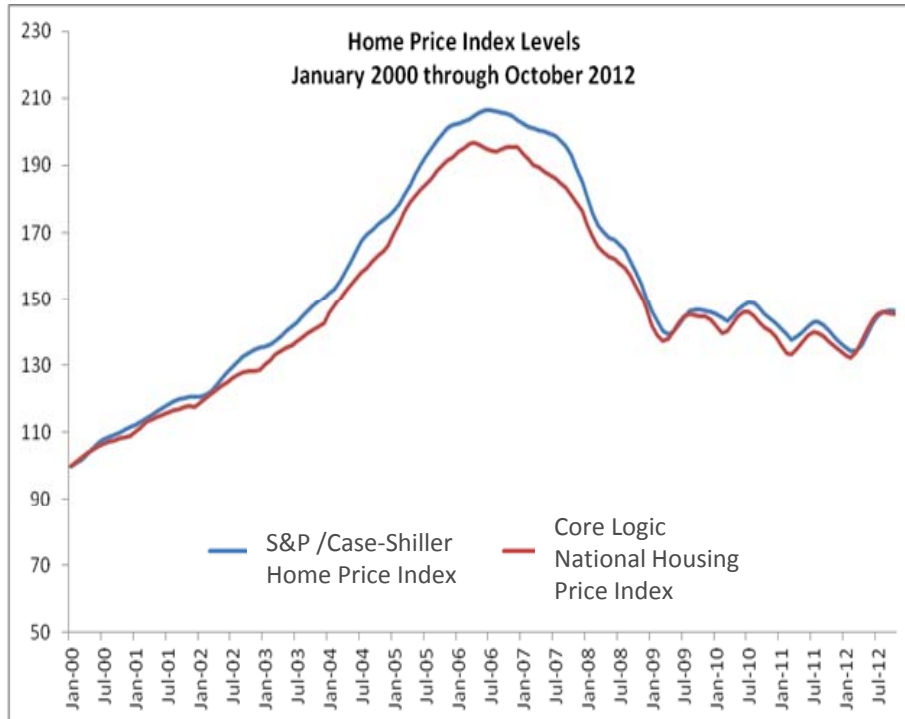
Source: Bloomberg Financial Services, Bankrate.com

ILM3NAVG = The Overnight National Average of the U.S. 30 year Treasury interest rate. They help consumers see the movement of rates day-to-day. Subject to one day lag.



# Home Price Index Levels and Year-Over-Year Change

January 1, 2000 and January 1, 2001 through October 2012



Source: Bloomberg Financial Services, Case-Shiller

S&P/Case-Shiller Home Price Index is comprised of price changes within the following subset of 20 metropolitan markets: 10 –City Index Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. In addition to the 10-City Index it includes: Atlanta, Charlotte, Cleveland, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle, and Tampa.

Core Logic National Housing Price Index (HPI) = Core Logic is a leading provider of information and analytics. This index covers 6,208 zip codes, 572 statistical areas and 1,027 counties located in all 50 states and District of Columbia. It is a national average.

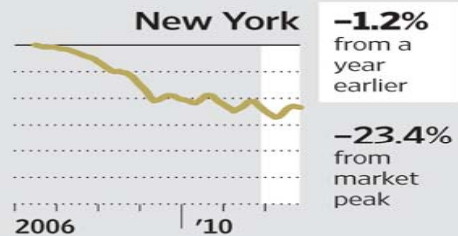
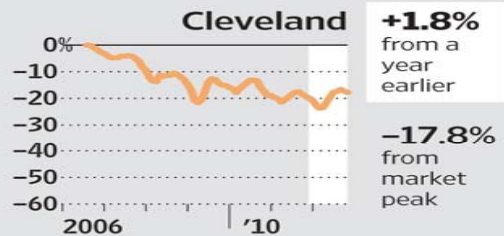
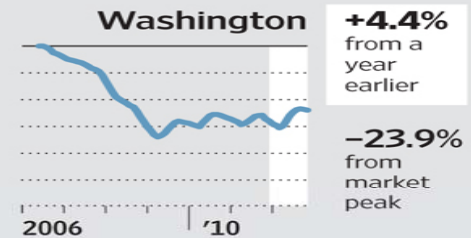
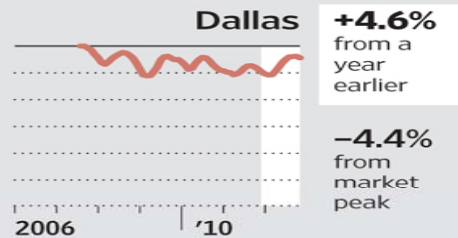
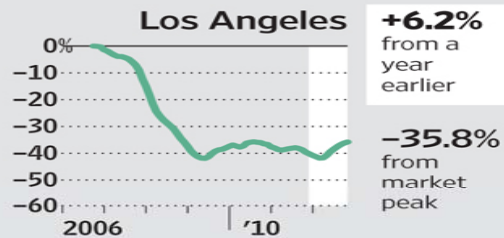
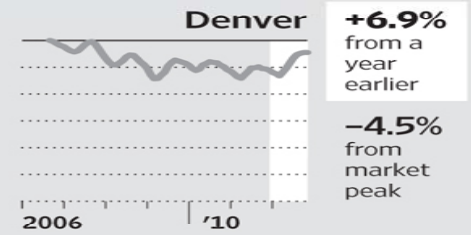
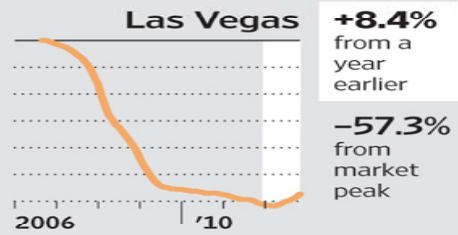
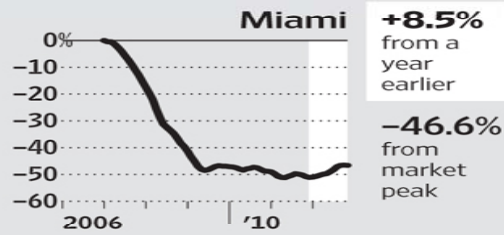
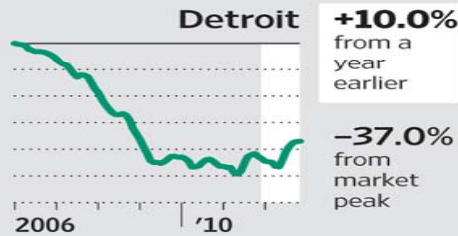
An investment cannot be made directly in an index.

# Home Prices in Major US Metropolitan Areas

January 1, 2006 through December 31, 2012

## Gaining, but a Ways to Go

Home prices since market's peak in some U.S. metropolitan areas based on the Case-Shiller indexes



Source: S&P Dow Jones Indices and Fiserv

The Wall Street Journal

# ABX AAA 07-1 Index

December 31, 2009 through March 4, 2013

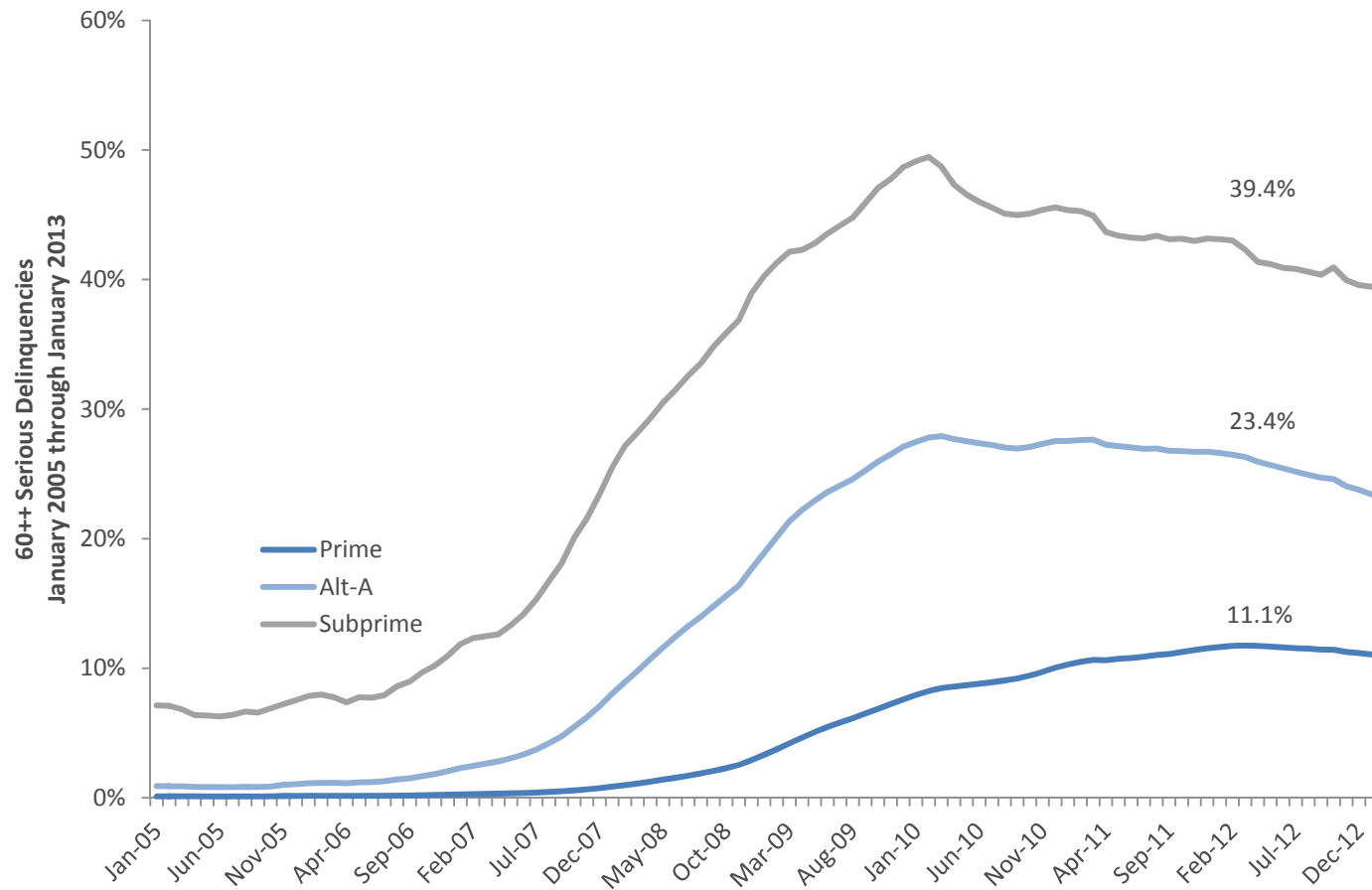


Source: Bloomberg Financial Services, DoubleLine Capital LP

The ABX 07-1 AAA Index is a basket of home equity. Constituted from reference obligations issued by 20 issuers of residential mortgage-backed securities. An investment cannot be made directly in an index.

# Non-Agency RMBS 60++ Delinquency Rate

January 31, 2005 through January 31, 2013



Serious Delinquencies is defined by mortgages that are 60++ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

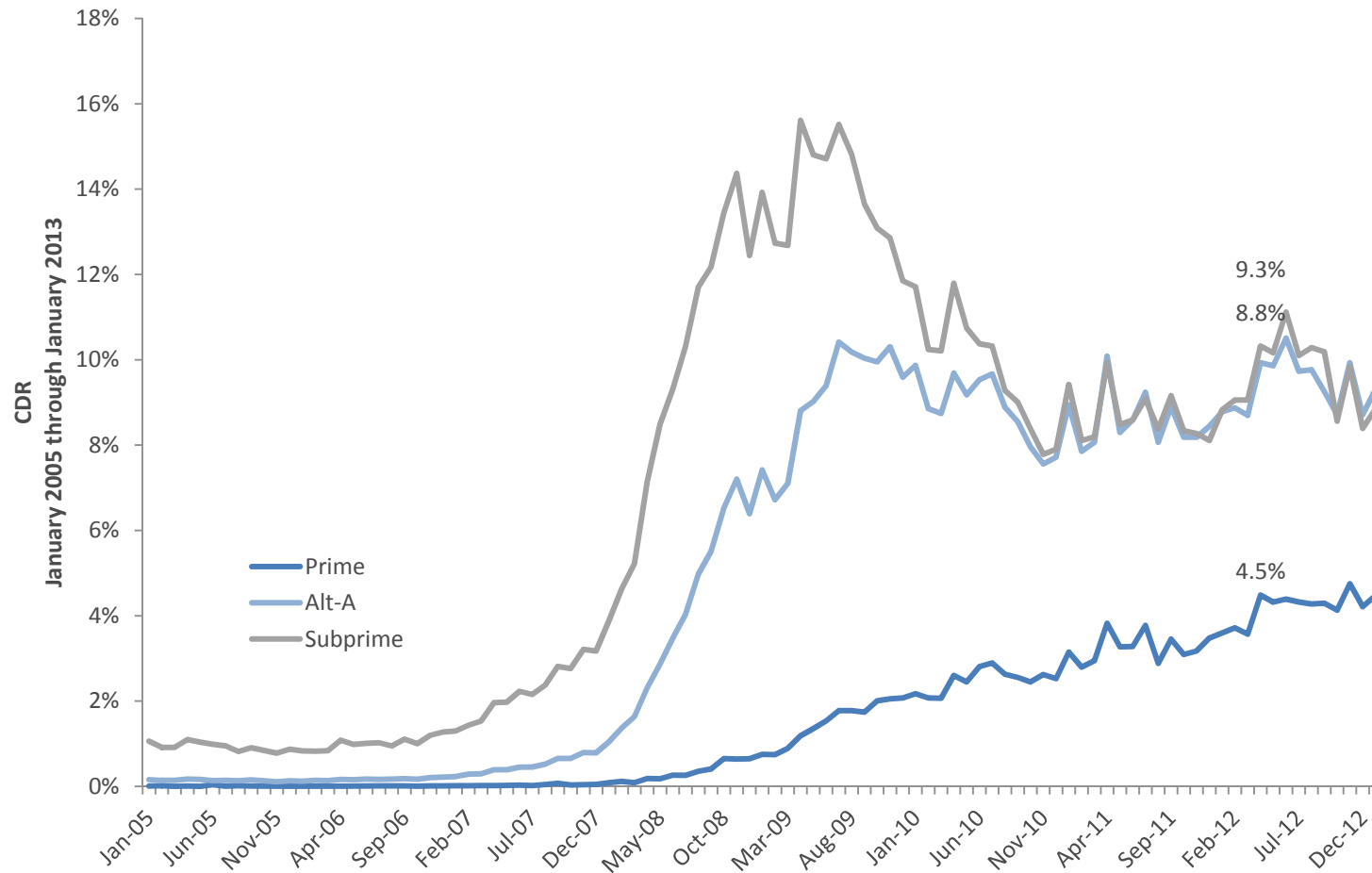
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of January 31, 2013.

# Non-Agency RMBS Conditional Default Rate

January 31, 2005 through January 31, 2013



Serious Delinquencies is defined by mortgages that are 60+ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

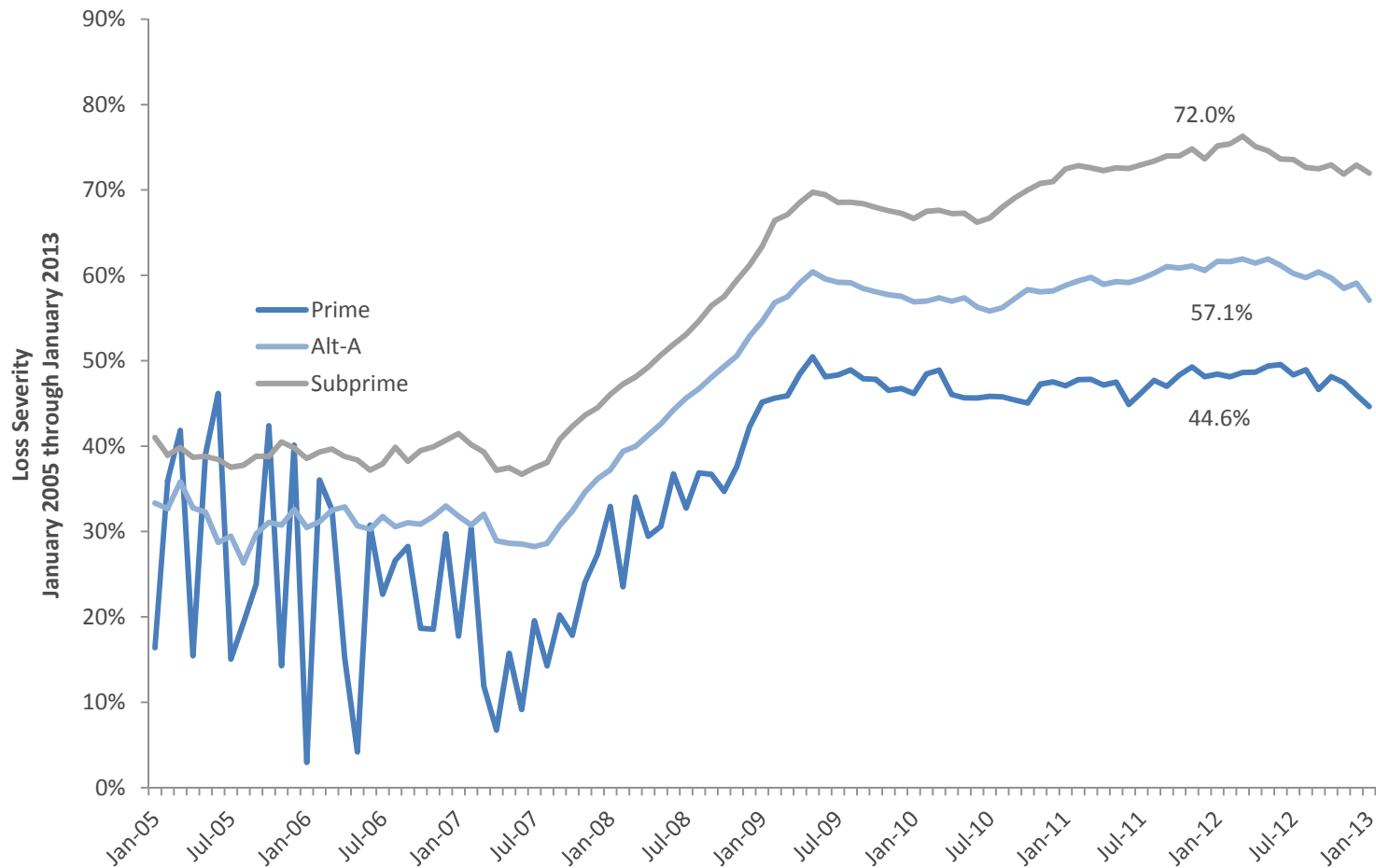
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of January 31, 2013.

# Non-Agency RMBS Loss Severity

January 31, 2005 through January 31, 2013



Serious Delinquencies is defined by mortgages that are 60++ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime defined as FICO > 725 and LTV < 75

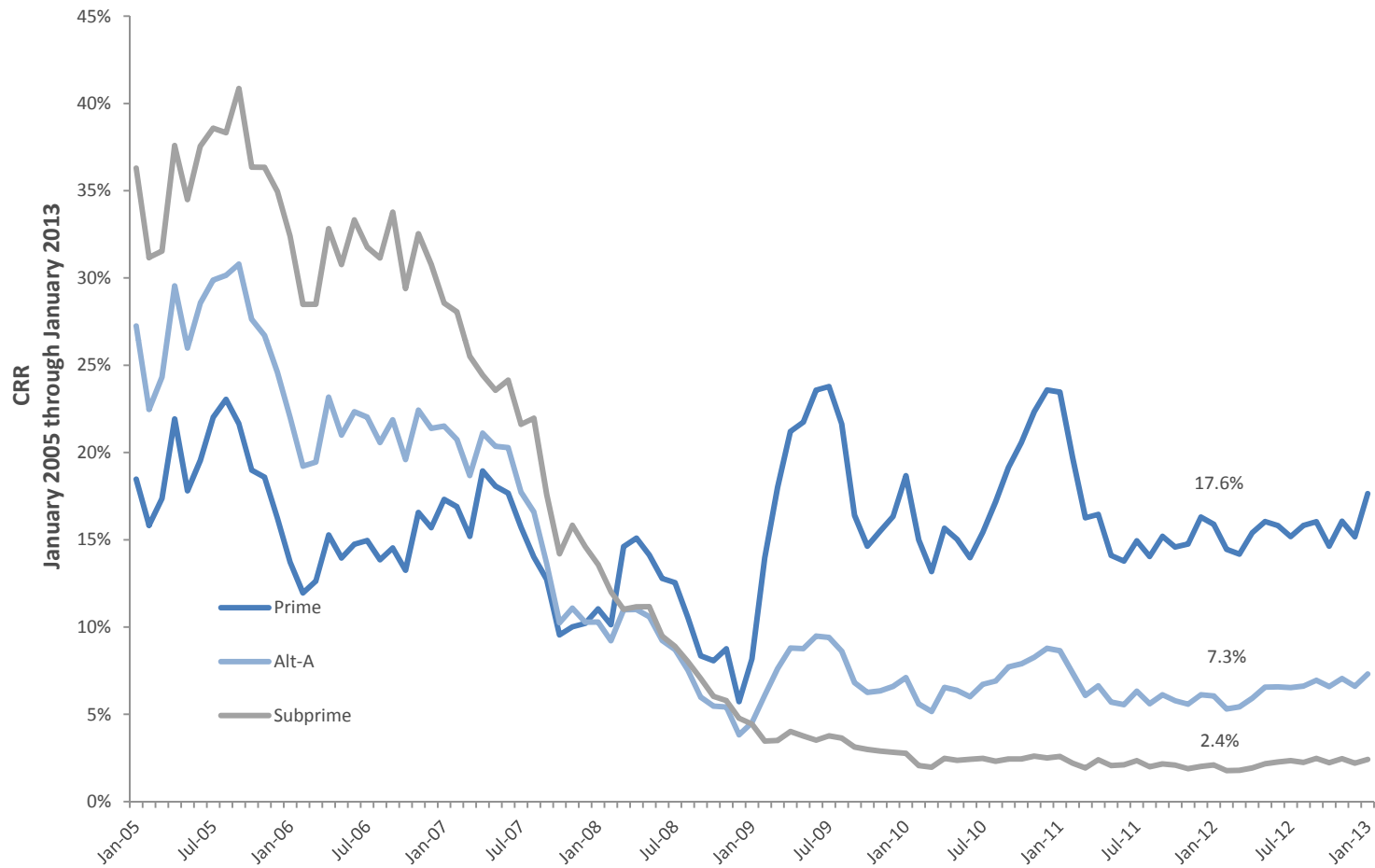
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital as of January 31, 2013.

# Non-Agency RMBS Conditional Repayment Rate

January 31, 2005 through January 31, 2013



Serious Delinquencies is defined by mortgages that are 60++ delinquency rates defined as loans 60 or 90 days late in mortgage payments, or already in foreclosure or REO status.

Prime 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

Source: Loan Performance, Vichara, DoubleLine Capital as of January 31, 2013.

# TAB IV

## DoubleLine Funds Overview



## Total Return Bond Fund Portfolio Statistics

	Total Return Bond Fund	Barclays Capital U.S. Aggregate Index
Average Price	99.38	\$108.81
Duration	2.81	5.20
Average Life	4.23	7.10

Portfolio statistics as of January 31, 2013 based on market weighted averages. Subject to change without notice.

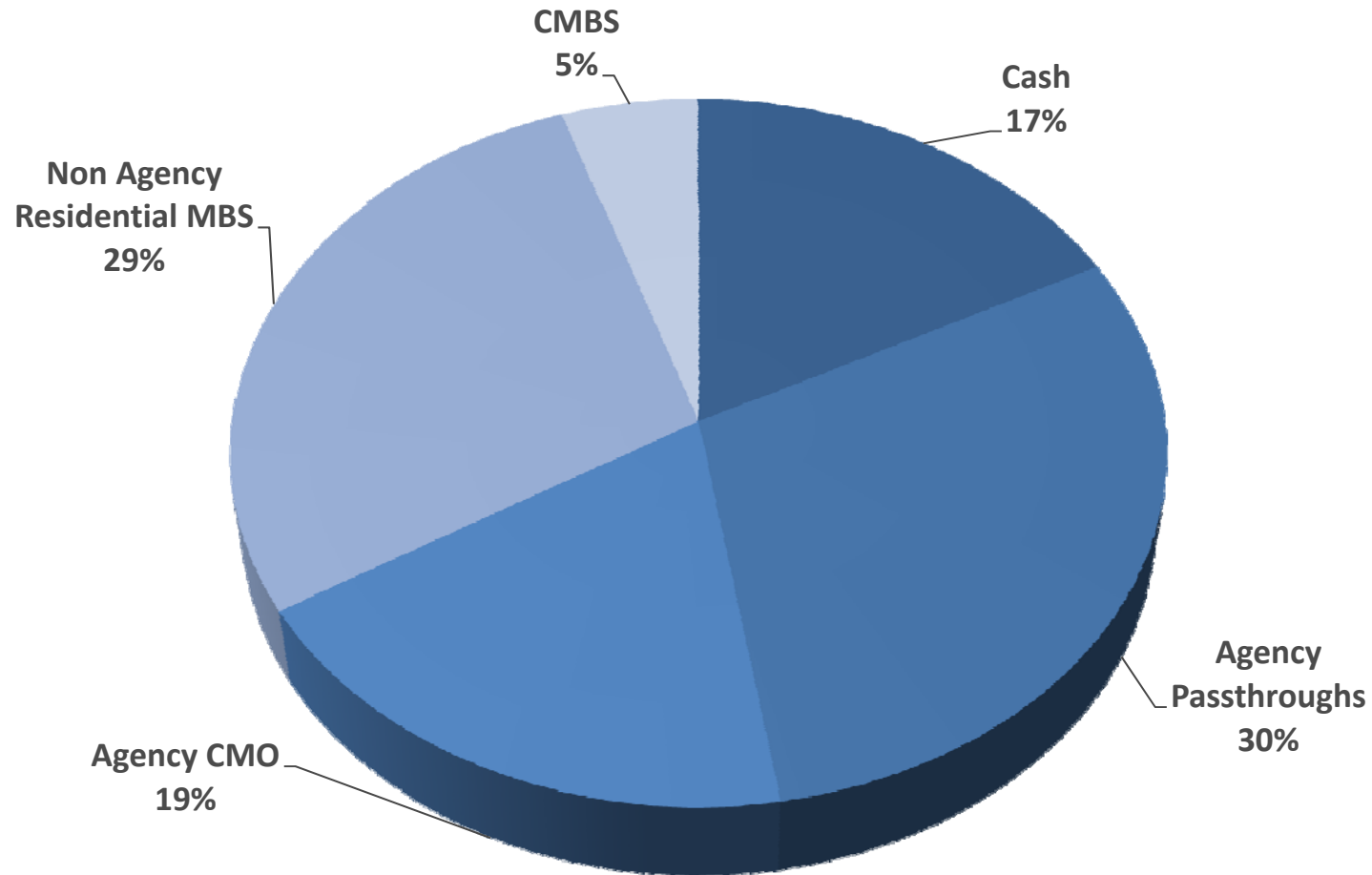
**Average price** = A measure of the weighted average price paid for the securities calculated by taking the prices and dividing by the number of securities and does not include cash. Average price should not be confused with net asset value.

**Average Duration** = Duration is used as a risk measure. It measures the price volatility of a security given a change in interest rate movements.

**Average Life** = The average number of years that each dollar of unpaid principal due on the mortgage remains outstanding. Average life is computed as the weighted average time to the receipt of all future cash flows, using as the weights the dollar amounts of the principal paydowns.

Source: DoubleLine Capital LP

## Total Return Bond Fund Portfolio Composition – By Security Type



Portfolio composition as of January 31, 2013. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

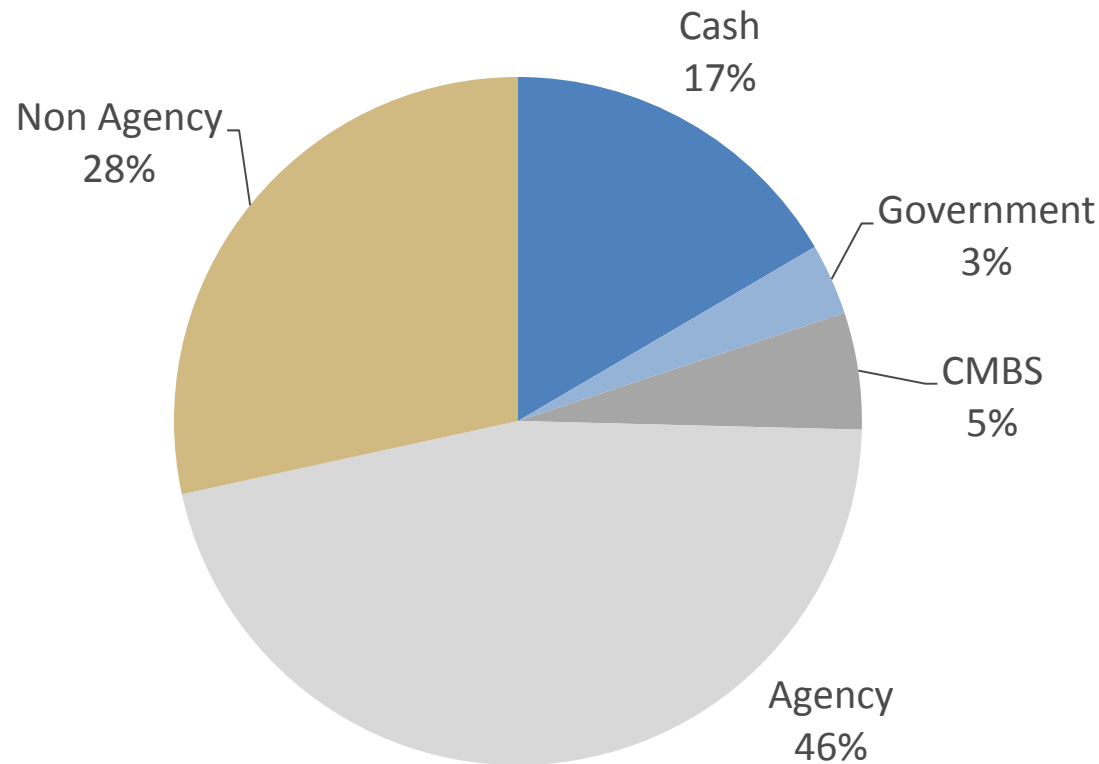
**Agency Pass-Throughs** = Mortgage pass-through securities whose principal and interest guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC).

**Agency CMO** = Collateralized Mortgage Obligation (CMO) is a financial debt vehicle/special purpose entity called a "pool". Investors buy bonds issued by the entity and receive payments according to a defined set of rules. The mortgages themselves are the collateral, the bonds are the tranches (also called classes), and the set of rules that dictates how money is received from the collateral will be distributed is called the structure. The legal entity, collateral and structure are collectively referred to as the deal.

**Non-Agency RMBS** = Residential Mortgages Bond Securities are a type of bond backed by residential mortgages. Non-Agency means they were issued by a private issuer.

**CMBS** = Commercial Mortgage-Backed Securities. Securitized loans made on commercial rather than residential property.

## Total Return Bond Fund Portfolio Composition – Agency vs. Non-Agency Residential Mortgage-Backed Securities (RMBS)



Portfolio composition as of January 31, 2013. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Agency RMBS** = Residential mortgage loans guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie Mac (FHLMC). As of January 31, the Total Return Bond Fund had 31.10% Fannie Mae and 31.89% Freddie Mac.

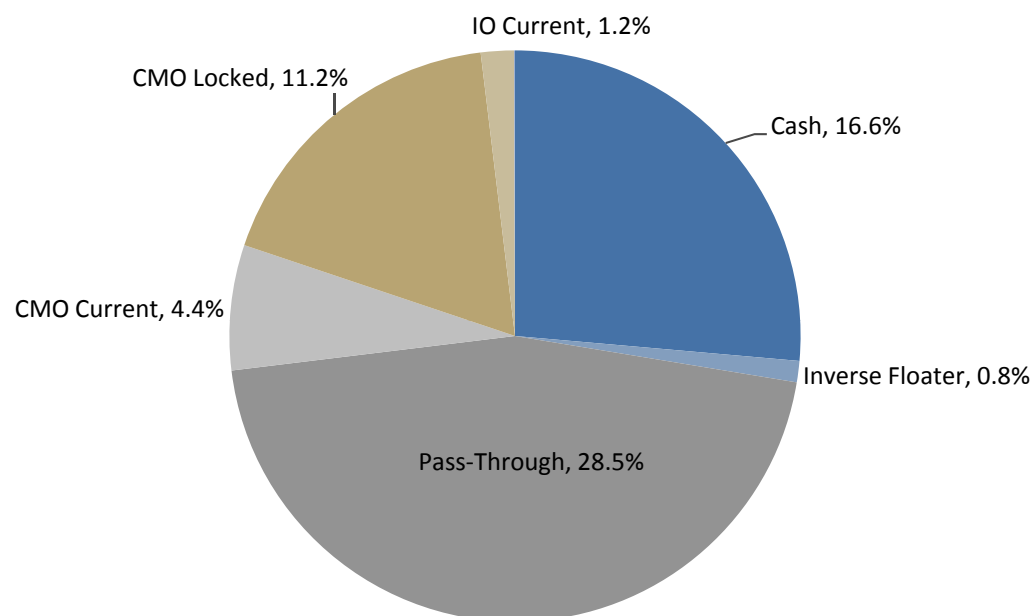
**Non-Agency RMBS** = Residential mortgage-backed securities are a type of bond backed by residential mortgages. Non-agency means they were issued by a private issuer.

**CMBS** = Commercial Mortgage-Backed Securities. Securitized loans made on commercial rather than residential property.

**Government** = U.S. Treasury securities

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

# Total Return Bond Fund Portfolio Agency Collateralized Mortgage Obligation (CMO) Composition



<b>Agency CMO Composition</b>	
Cash	16.6%
Inverse Floater	0.8%
Pass-Through	28.5%
CMO Current	4.4%
CMO Locked	11.2%
IO Current	1.2%
IO Locked	0.0%
<b>Subtotal</b>	<b>62.74%</b>

Portfolio composition as of January 31, 2013. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

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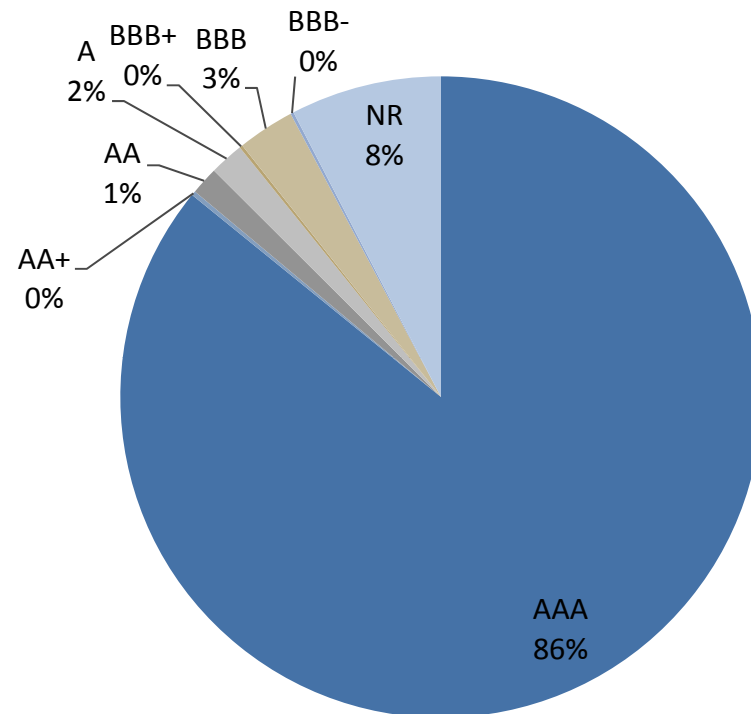
**CMO Current** = Collateralized Mortgage Obligation (CMO) is a financial debt vehicle/special purpose entity called a "pool". Investors buy bonds issued by the entity and receive payments according to a defined set of rules. The mortgages themselves are the collateral, the bonds are the tranches (also called classes), and the set of rules that dictates how money is received from the collateral will be distributed is called the structure. The legal entity, collateral and structure are collectively referred to as the deal.

**IO** = Interest Only mortgage pools in which the borrower's monthly payment is only toward the interest on the loan. A non-amortized loan.

**Inverse Floater** = A mortgage pool that has a yield that is inversely related to interest rates.

**CMO Locked Out** = Loans that for a set period of time will not receive principal payments.

## Total Return Bond Fund Portfolio – Non-Agency RMBS Breakdown By Original Rating



Portfolio composition and credit ratings as of security origination. Portfolio composition is subject to change without notice. There are some non-rated securities in the Fund as shown in the graph above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

**Investment Grade** = Securities rated AAA to BBB- are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be extremely stable and dependable.

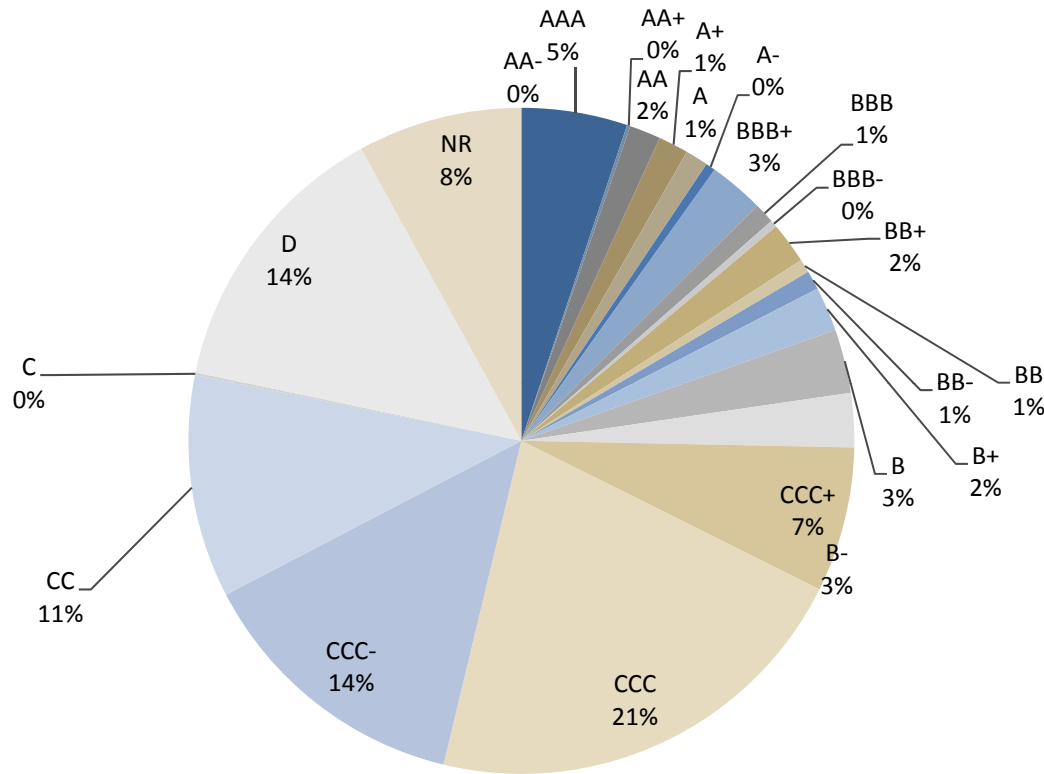
**Below Investment Grade** = Also known as "junk bond" is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar.

**NR** = Not Rated . Securities that are not rated by the three rating agencies.

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

Source: DoubleLine Capital LP as of January 31, 2013.

# Total Return Bond Fund Portfolio – Non-Agency RMBS Breakdown By Current Credit Quality



Portfolio composition as of January 31, 2013. Portfolio composition is subject to change without notice. There are some non-rated securities in the portfolio as shown in the chart above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody’s, and Fitch).

**Investment Grade** = Securities rated AAA to BBB- (shown in blue above) are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor’s or Baa3 by Moody’s. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be extremely stable and dependable.

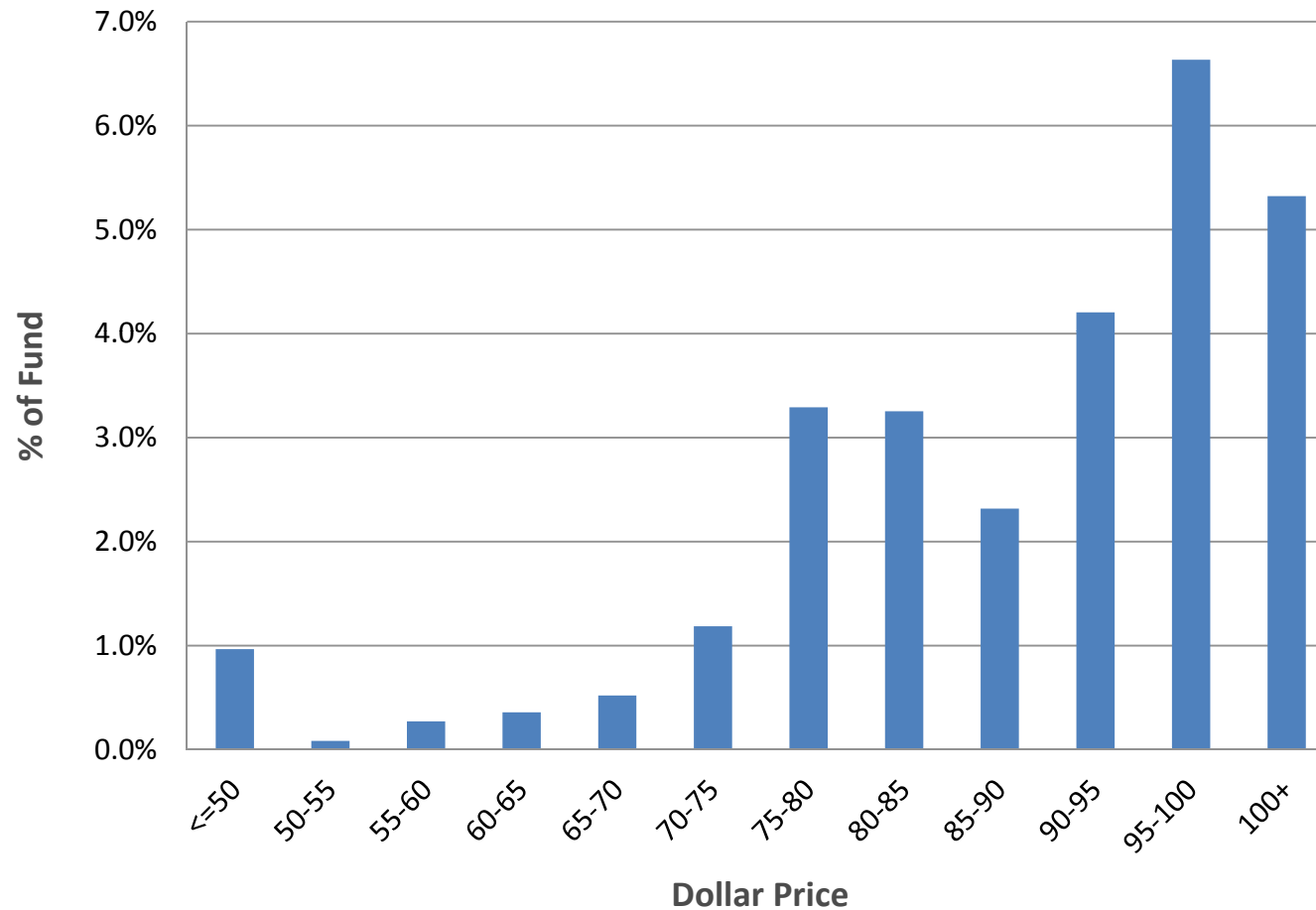
**Below Investment Grade** = Also known as “junk bond” (shown in grey above) is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar.

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

**NR = Not Rated . Securities that are not rated by the three rating agencies.**

Source: DoubleLine Capital LP

# Total Return Bond Fund Portfolio – Non-Agency RMBS Breakdown By Price



Portfolio price composition as of January 31, 2013. Subject to change without notice.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

## Core Fixed Income Fund Portfolio Statistics

	Core Fixed Income Fund	Barclays Capital U.S Aggregate Index
Average Price	\$105.84	\$108.01
Duration	5.03	5.20
Average Life	6.67	6.92

Portfolio statistics as of January 31, 2013 based on market weighted averages. Subject to change without notice.

Average price = A measure of the weighted average price paid for the securities calculated by taking the prices and dividing by the number of securities and does not include cash. Average price should not be confused with net asset value.

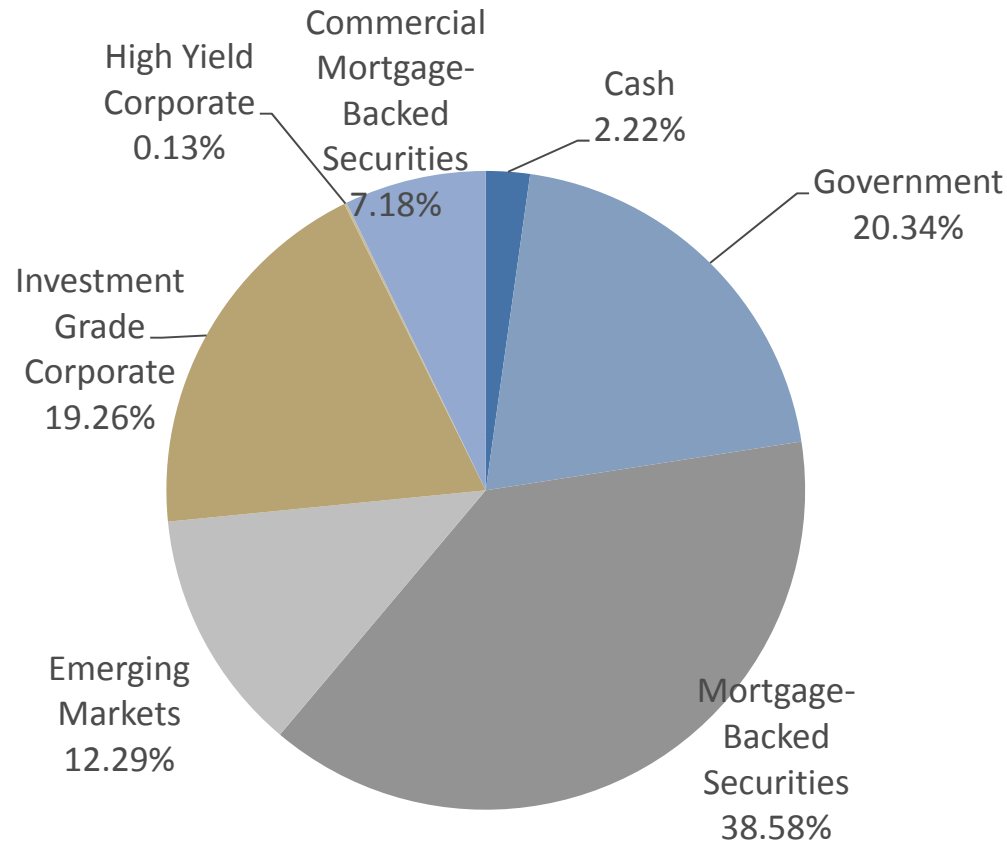
Average Duration = Duration is used as a risk measure. It measures the price volatility of a security given a change in interest rate movements.

Average Life = The average number of years that each dollar of unpaid principal due on the mortgage remains outstanding. Average life is computed as the weighted average time to the receipt of all future cash flows, using as the weights the dollar amounts of the principal paydowns.

Source: DoubleLine Capital LP



# Core Fixed Income Fund Portfolio Composition



Portfolio composition as of January 31, 2013. Subject to change without notice.

**Cash** = Cash holding include the value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

**Government** = Government debt (also known as public debt or national debt) is money (or credit) owed by any level of government; either central government, federal government, municipal government or local government.

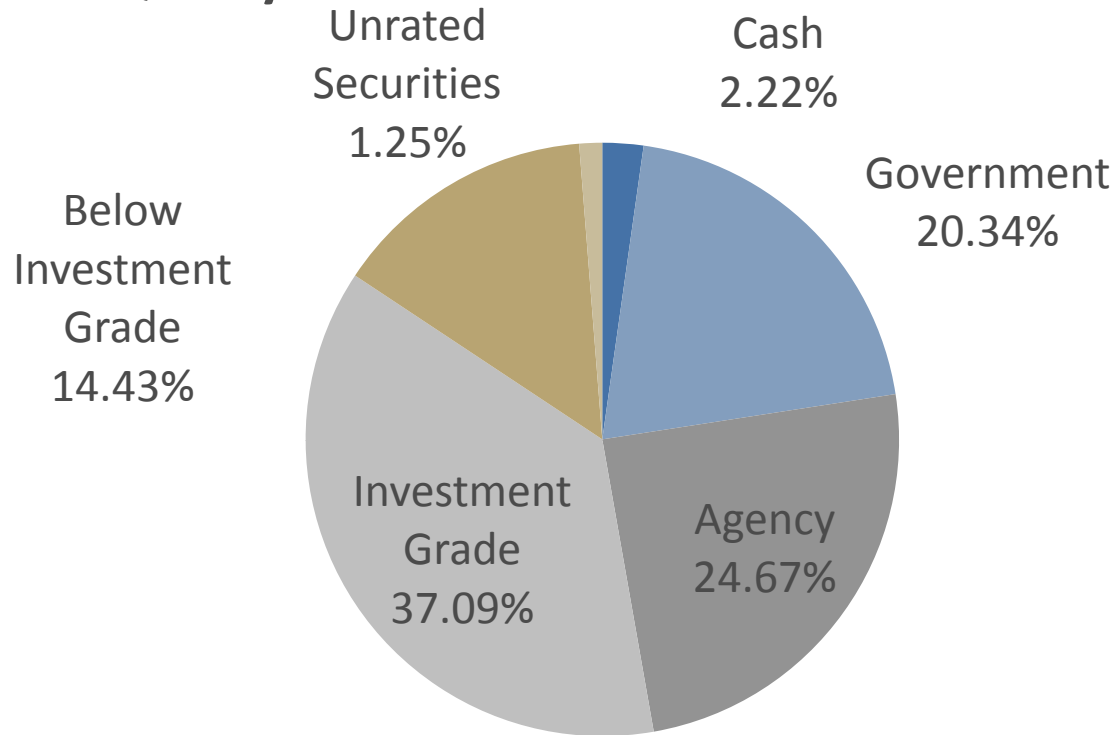
**Mortgage-Backed Securities** = A mortgage-backed security (MBS) is an asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans, most commonly on residential property

**Emerging Markets Fixed Income** = Emerging market debt (EMD) is a term used to encompass bonds issued by less developed countries.

**Investment Grade and High Yield Corporates** = Investment grade and non-investment grade corporate credit. Bonds issued by corporations to raise money in order to expand its business. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch). A bond rated BBB or higher would be considered Investment Grade. Any bond rated BBB or below would be High Yield.

Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

## Core Fixed Income Fund Portfolio Credit Quality Breakdown



Portfolio composition and credit ratings as of January 31, 2013. Portfolio composition is subject to change without notice. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

**Cash** = The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days.

**Government** = Government debt (also known as public debt or national debt) is money (or credit) owed by any level of government; either central government, federal government, municipal government or local government.

**Agency** = Mortgage securities whose principal and interest are effectively guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie-Mac (FHLMC). As of January 31, 2013, the DoubleLine Core Fixed Income Fund had 9.65% Freddie Mac and 13.4% Fannie Mae securities.

**Investment Grade** = A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar.

**Below Investment Grade** = Also known as "junk bond" is a security rated below investment grade. These bonds 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 at par/\$100 cents on the dollar.

Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

**NR = Not Rated . Securities that are not rated by the three rating agencies.**

Fund holdings are subject to change and are not recommendation to buy or sell any security.

Source: DoubleLine Capital LP.

# “The Big Easy”

Live Webcast hosted by:

**Jeffrey Gundlach**

Chief Executive Officer

**March 5, 2013**



# Index Descriptions



**Barclays Capital US Aggregate Index** - The Barclays Capital US 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.

**Barclays Capital US Treasury Index** - This index is the US Treasury component of the US Government index. Public obligations of the US Treasury with a remaining maturity of one year or more.

**Barclays Capital US Treasury 2 Year Index** - This index is the 2 year component of the US Government index.

**Barclays Capital US Treasury 5 Year Index** - This index is the 5 year component of the US Government index.

**Barclays Capital US Treasury 7 Year Index** - This index is the 7 year component of the US Government index.

**Barclays Capital US Treasury 10 Year Index** - This index is the 10 year component of the US Government index.

**Barclays Capital US Treasury 30 Year Index** - This index is the 30 year component of the US Government index.

**Barclays Capital US High Yield Index** - The Barclays Capital US High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issuer from countries designated as emerging markets (e.g. Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind (PIK, as of October 1, 2009) are also included.

**BofA Merrill Lynch US Government Index (GOAO)** - The Merrill Lynch US Government Index tracks the performance of US government (i.e. securities in the Treasury and Agency indices.)

**BofA Merrill Lynch US 15+ Year Treasury Index “Long Treasuries” (G802)**- This index is a subset of the BofA Merrill Lynch US Treasury Index including all securities with a remaining term of final maturity greater than 15 years..

**BofA Merrill Lynch US Corporate Index (COAO) “Investment Grade”**- The Merrill Lynch Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody’s, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

**BofA Merrill Lynch US All Convertibles Index (VOSO)** - The Merrill Lynch All Convertible Index is a rule driven index. which includes all bonds and preferred stocks of U.S.-registered companies, which have \$50 million or more in aggregate market value and are convertibles in U.S. dollar-denominated common stocks, ADRs or cash equivalents. Please note an investor cannot invest directly in an index.

**CRB Commodity Index** - An unweighted geometric average of some important commodities. It averages prices across 17 commodities and across time. The index tracks energy, grains, industrials, livestock, precious metals, and agricultural.

**S&P 500** - S&P 500 is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States.

**Standard Deviation** – Sigma = standard deviation. It shows how much variation there is from the “average” (mean, or expected/budgeted value). A low standard deviation indicated that the data point tend to be very close to the mean, whereas high standard deviation indicated that the date is spread out over a large range of values.

**Dow Jones – UBS DJ Commodity Index** - The Dow Jones UBS – Commodity index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME)

# Index Descriptions

## **BofA Merrill Lynch US Dollar Emerging Markets Sovereign Plus Index (IGOV)**

This index tracks the performance of US dollar denominated emerging market and cross-over sovereign debt publicly issued in the eurobond or US domestic market. Qualifying countries must have a BB1 or lower foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P, and Fitch).

## **BofA Merrill Lynch U.S. High Yield Cash Pay Index (JOA0) "Below Investment Grade"-**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Must have one year remaining to final maturity and a minimum outstanding amount of \$100MM.

## **BofA Merrill Lynch International Government Index (NOGO)**

The Merrill Lynch International Index tracks the performance of Australia, Canadian, French, German, Japan, Dutch, Swiss and UK investment grade sovereign debt publicly issued and denominated in the issuer's own domestic market and currency. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding.

## **BofA Merrill Lynch Mortgage-Backed Securities Index (MOA0)**

This index tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250MM per production year within each generic coupon.

## **BofA Merrill Lynch U.S. Municipal Securities Index (UOA0)**

This index tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories, and their political subdivisions, in the US domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and an investment grade rating (based on Moody's, S&P and Fitch). Minimum size vary based on the initial term to final maturity at time of issuance.

**Barclays Capital Global Emerging Markets Index** - The Barclays Capital Global Emerging Markets Index represents the union of the USD-denominated US Emerging Markets index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. As with other fixed income benchmarks provided by Barclays Capital, the index is rules-based, which allows for an unbiased view of the marketplace and easy replicability.

**JP Morgan Investment Grade Corporate Index** - JP Morgan Investment Grade Corporate Index includes performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

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

**NAV** - A mutual fund's price per share or exchange-traded fund's (ETF) per-share value. In both cases, the per-share dollar amount of the fund is calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding.

**CMO** - A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus

**TIPS**- Treasury Inflation Protection. A treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed.

**CPI**- Consumer Price Index. A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

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



# Index Descriptions

**BofA Merrill Lynch US Treasury Index (GOQO)** -The Merrill Lynch US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.

**BofA Merrill Lynch US 10-15 Year Treasury Index “Long Treasury”**-The Merrill Lynch US 10-15 Treasury Index tracks the performance of US dollar denominated 10-15 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQO).

**BofA/Merrill Lynch High Yield Cash Pay CCC –rated Index (JOA3)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on CCC rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay BB–rated Index (JOA1)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on BB rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay B–rated Index (JOA2)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on B rated High Yield credit only.

**BofA/Merrill Lynch Credit Index BBB-rated Index (COA4)** – .A component of the BofA/Merrill Lynch Credit Index concentrating on the lower rated BBB investment grade credits.

**BofA/Merrill Lynch Credit Index A–rated Index (COA3)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the A rated investment grade credits.

**BofA/Merrill Lynch Credit Index AAA –rated Index (COA1)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the highest rated AAA investment grade credits.

**Dow Jones – UBS Commodity Index** - The Dow Jones UBS – Commodity index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

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

**S&P/Case-Shiller Composite Home Price Index** - The Case-Shiller Home Price Indices, one comprised of price changes within all 20 metropolitan markets, and another comprised of price changes within the following subset of 10 metropolitan markets: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. In addition to those 10 markets, the 20-Home Price index reflects price changes for Atlanta, Charlotte, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle and Tampa.

**Dow Jones Industrial Average** – Also known as the “DOW” is a stock market index that includes 30 large publically owned companies based in the U.S. have traded during a standard trading session in the stock market.

**NASDAQ**- A computerized system that facilitates trading and provides price quotations on more than 5,000 of the more actively traded over the counter stocks. Created in 1971, the Nasdaq was the world's first electronic stock market.

**Transports**- The Industrials Sector includes companies whose businesses are dominated by one of the following activities: The manufacture and distribution of capital goods, including aerospace & defense, construction, engineering & building products, electrical equipment and industrial machinery

**Utilities**- A public utility is a business that furnishes an everyday necessity to the public at large. Public utilities provide water, electricity, natural gas, telephone service, and other essentials. Utilities may be publicly or privately owned, but most are operated as private businesses.

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

**REIT**- Real Estate Trust. A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages

**Duration** – Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

**Book Value** – Book value is the net asset value of a company, calculated by subtracting total liabilities from total assets.

**Prime X Index** – Prime X is an index offered by Markit. It allows investors to synthetically gain exposure to non-agency Prime residential mortgage collateral. An investment cannot be made directly in and index.



# Index Descriptions

**BofA Merrill Lynch 10 Year US Treasury Index (GOQ0)** - The Merrill Lynch US 10 year Treasury Index tracks the performance of US dollar denominated 10 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQO).

**BofA Merrill Lynch US 30 Year Treasury Index** The Merrill Lynch US 30 year Treasury Index tracks the performance of US dollar denominated 30 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQO).

**Dow Jones, Credit Suisse Index (DJCSIN10)** – .Aims to reflect changes in the long-term inflation expectations embedded in the US government bond market by tracking a long position in on-the-run 10-year TIPS bonds, and a duration-adjusted short position in the closest maturity Treasury to the OTR TIPS..

**Citigroup TIPS (SBUSILSI)**– . It measures the returns of the inflation-linked bonds with fixed-rate coupon payments that are linked to an inflation index. The price of each issue in the USLSI is adjusted by using an index ratio. The index ratio is determined by dividing the current inflation index level by the inflation index level at the time of issue of the security. The inflation index is published on a monthly basis, and the intra-month index ratio is calculated using linear interpolation.

**Barclays Capital 5 Year TIPS (BXIIUL05)** – .Barclays Capital 5-year TIPS on-the-run index quoted in US Dollars traded intraday.

**Barclays Capital 10 Year TIPS (BXIIUL10)** – . Barclays Capital 10-year TIPS on-the-run index quoted in US Dollars traded intraday

**Barclays Capital 20 Year TIPS (BXIIUL20)**– . Barclays Capital 20-year TIPS on-the-run index quoted in US Dollars traded intraday

**Barclays Capital US MBS Index** - covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates.

**Barclays Capital US 30 Year TIPS Index** - . Barclays Capital 30-year TIPS on-the-run index quoted in US Dollars traded intraday

**Citigroup Economic Surprise Index** - . The Citigroup Economic Surprise Indices are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets.

# Disclaimer

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## Announcements

### Webcast News –

**Jeff Sherman – March 19, 2013**

Multi-Asset Growth

1:15 pm PDT/4:15 pm EDT

**Philip Barach – April 2, 2013**

Low Duration Bond Fund

1:15 pm PDT/4:15 pm EDT

**Luz Padilla – May 7, 2013**

Emerging Markets Fixed Income

1:15 pm PDT/4:15 pm EDT

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