



# Turning Points

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**September 8, 2016**



# Fund Offerings



## Total Return Bond Fund

Retail and Institutional Class No Load Mutual Fund		
	Retail N-share	Inst. I-share
Ticker	<u>DLTNX</u>	<u>DBLTX</u>
Min Investment	\$2,000	\$100,000
Min IRA Investment	\$500	\$5,000
Gross Expense Ratio	0.72%	0.47%

**The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory prospectus and summary prospectus (if available) contains this and other important information about the Funds, and it may be obtained by calling 1 (877) 354-6311/ 1 (877) DLINE11, or visiting [www.doublelinefunds.com](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. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. The Fund may use certain types of investment derivatives. Derivatives involve risks different from, and in certain cases, greater than the risks presented by higher-rate securities. The DoubleLine Total Return Bond Fund intends to invest more than 50% of its net assets in mortgage-backed securities of any maturity or type. The Fund therefore, potentially is more likely to react to any volatility or changes in the mortgage-backed securities marketplace.*

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.

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

# Performance

## DoubleLine Total Return Bond Fund – Quarter Ending June 30, 2016

Quarter End June 30, 2016	2Q 2016	Year-to-Date 2016	1-Year	3-Year Annualized	5-Year Annualized	Since Inception Annualized (4-6-10 to 6-30-16)
I-share	1.44%	3.22%	4.46%	4.20%	5.17%	7.52%
N-share	1.38%	3.09%	4.30%	3.97%	4.92%	7.26%
Barclays U.S. Aggregate Index	2.21%	5.31%	6.00%	4.06%	3.76%	4.31%

As of June 30, 2016	I-Share	N-Share	Barclays U.S. Aggregate Index
1-Yr Std Deviation <sup>1</sup>	1.81%	1.83%	2.31%
Gross Expense Ratio	0.47%	0.72%	

***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).***

1. Standard deviation is a measure of the variation or dispersion of a set of data from its mean or expected/budgeted value. A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data is spread out over a large range of values. A measure of an investment's volatility.

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.

# Upcoming Webcast Announcements

## Shiller Enhanced CAPE® Webcast - September 27, 2016

Jeffrey Sherman will discuss

**Shiller Enhanced CAPE® Fund**

Go to [www.doublelinefunds.com](http://www.doublelinefunds.com), Home page under “Events”

2016 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## Emerging Markets Webcast – October 11, 2016

Luz Padilla and team will host

**Total Return Fund webcast**

Go to [www.doublelinefunds.com](http://www.doublelinefunds.com), Home page under “Events”

2016 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## **To Receive Presentation Slides:**

You can email [fundinfo@doubleline.com](mailto:fundinfo@doubleline.com)



# Turning Points

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**Jeffrey Gundlach**

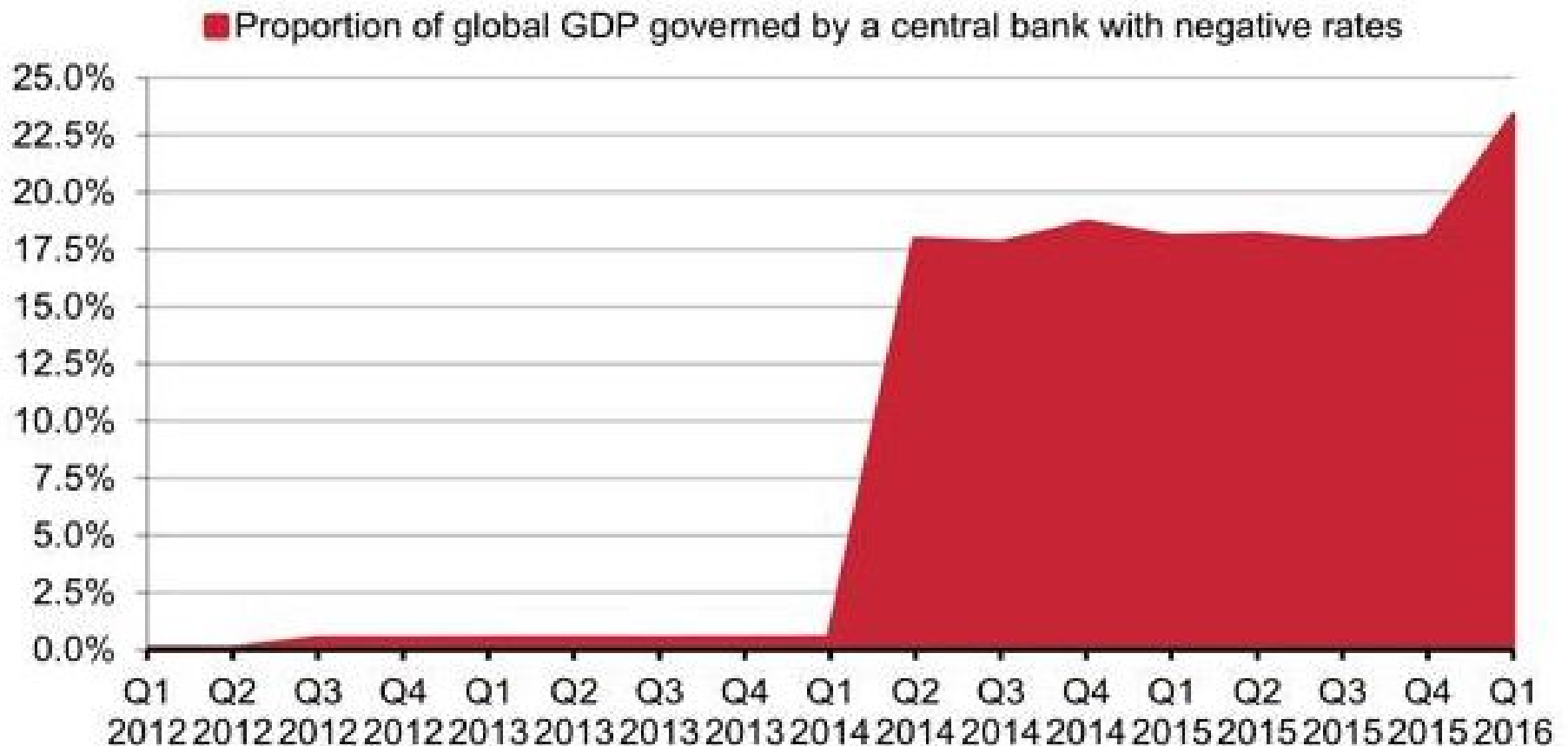
Chief Executive Officer

**September 8, 2016**



# Negative Rates Governed By Central Banks

January 1, 2012 to March 31, 2016

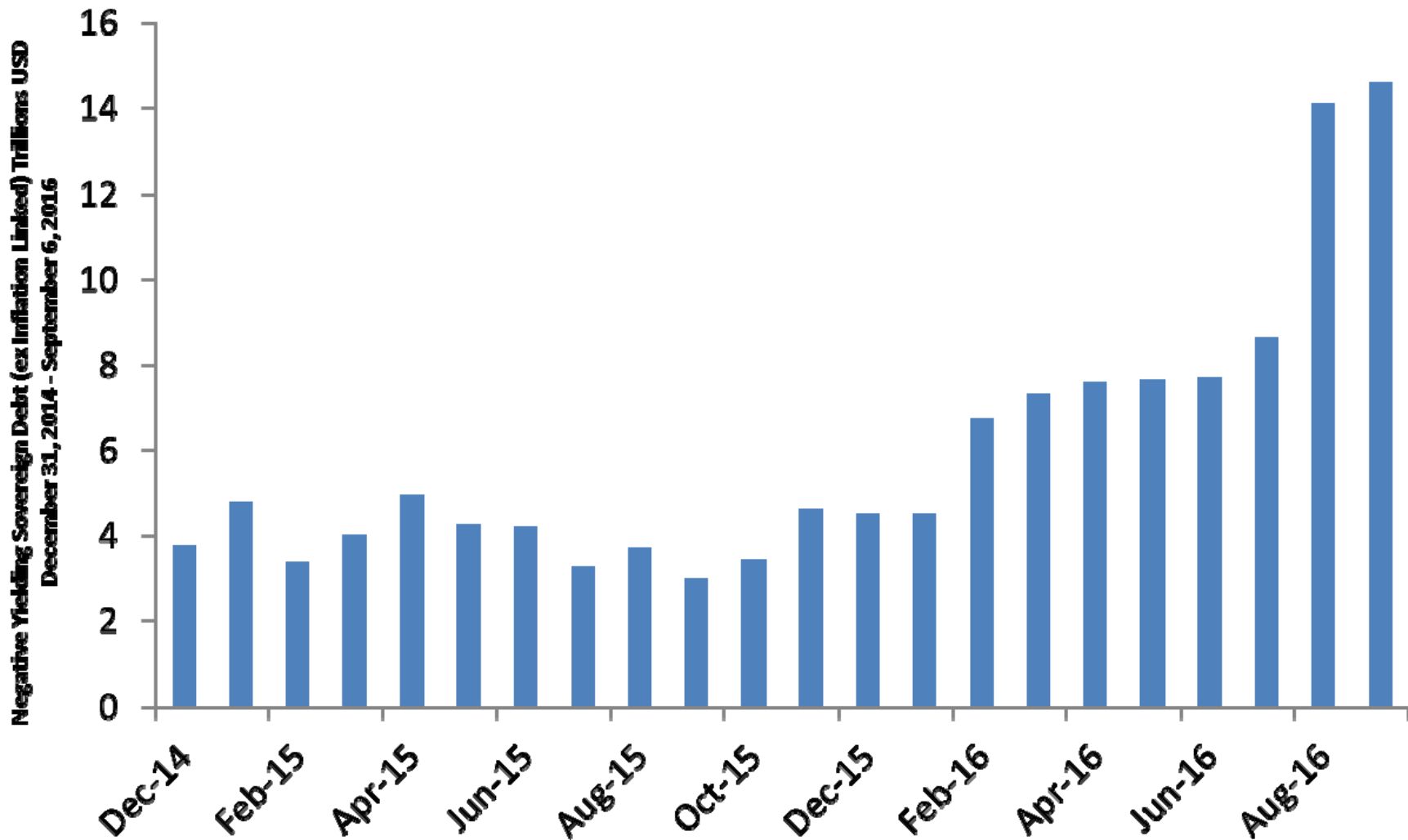


Source: FactSet, Oxford Economic, GDP share measured in nominal U.S. Dollars

As of March 31, 2016

GDP = Gross Domestic Product is the amount of goods and services produced within a given country/territory.

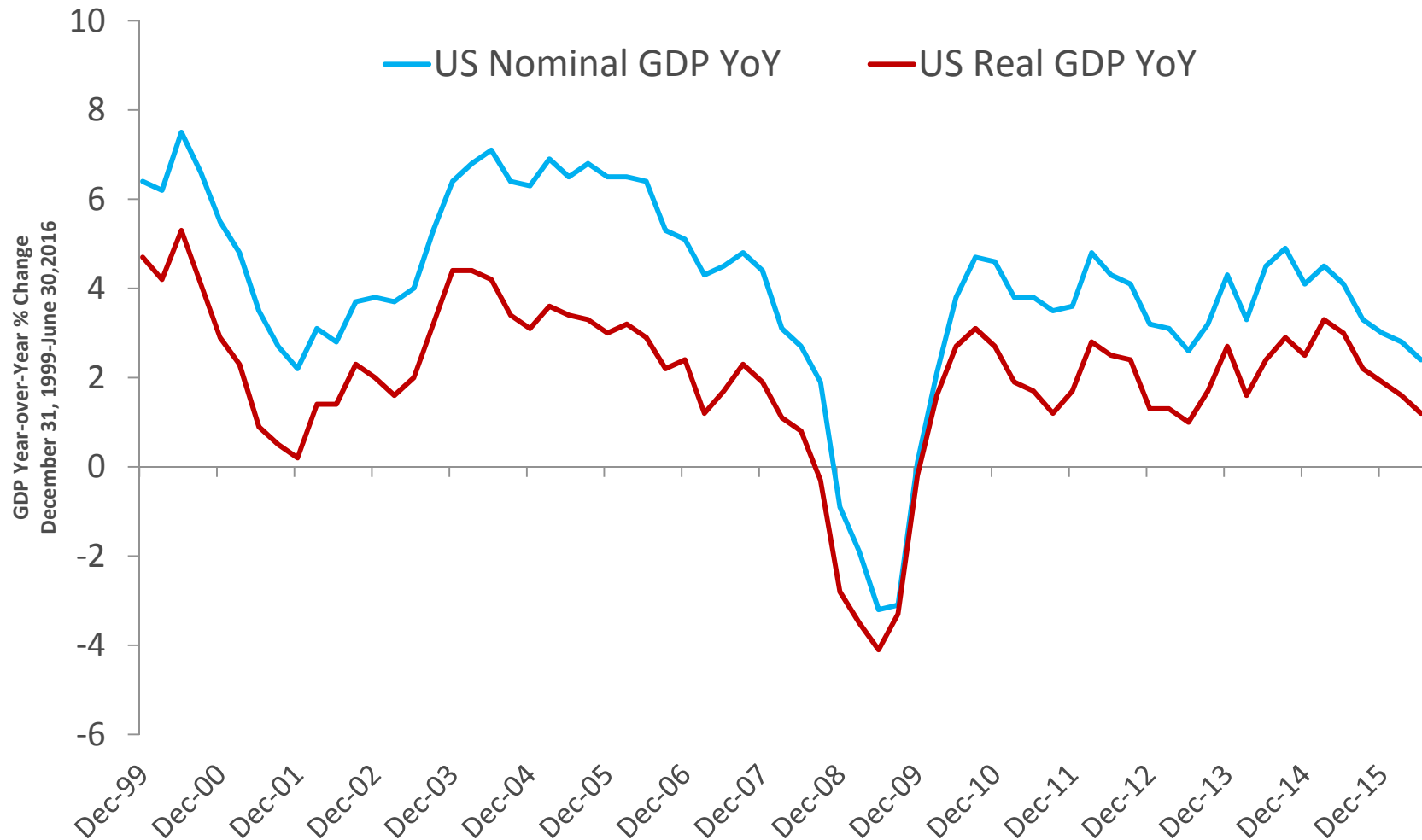
# Global Government Bonds With Negative Yields Over 14.6 Trillion



Source: Bloomberg, DoubleLine as of September 6, 2016

# U.S. GDP (YoY)

December 31, 1999 to June 30, 2016



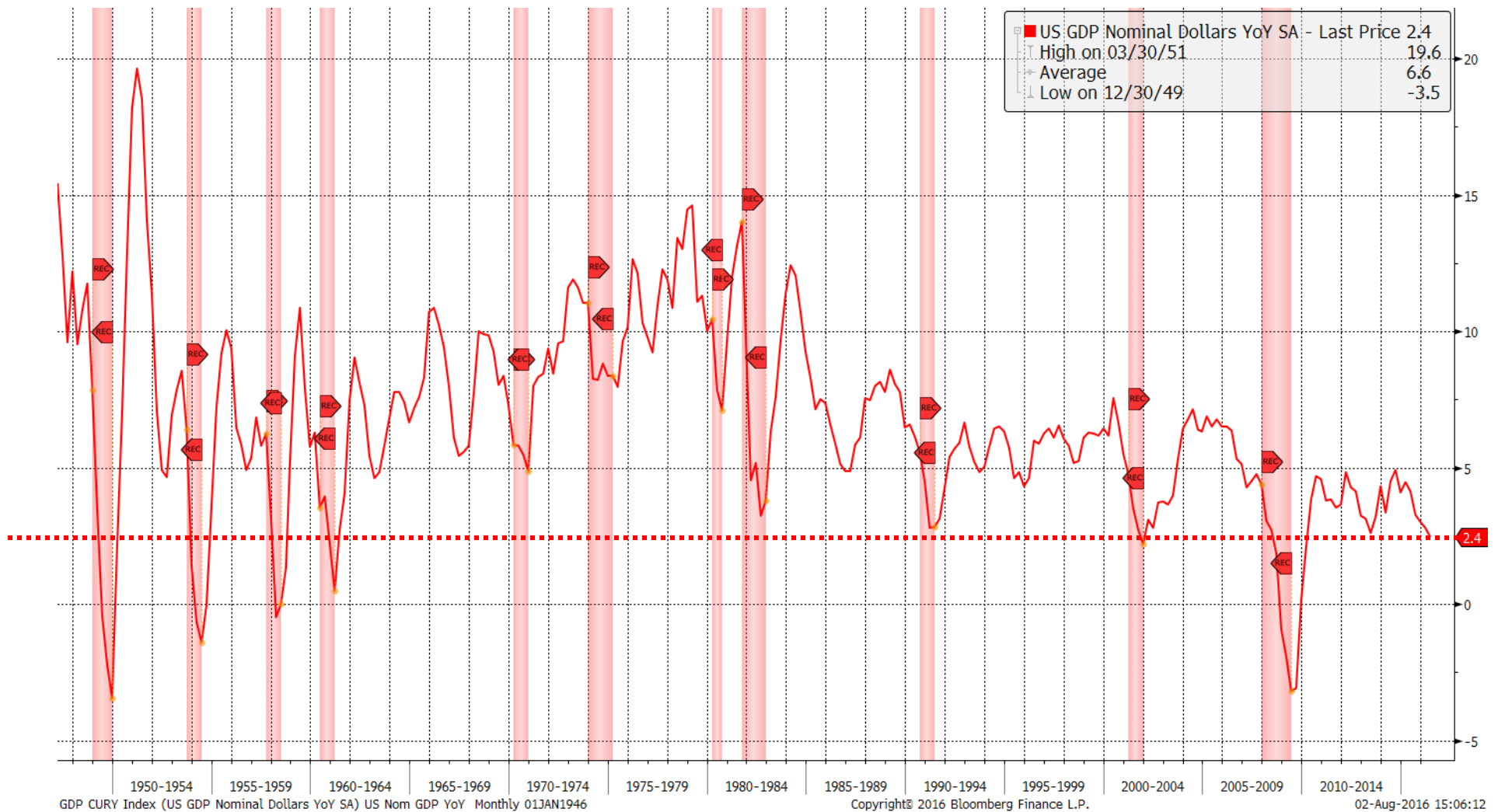
Source: DoubleLine, Bloomberg

GDP = the amount of goods and service produced within a given country/ territory. Nominal GDP does not adjust for inflation. YoY = year-over-year. You cannot invest directly in an index.



# U.S. Nominal GDP (YoY)

January 1, 1946 to August 2, 2016



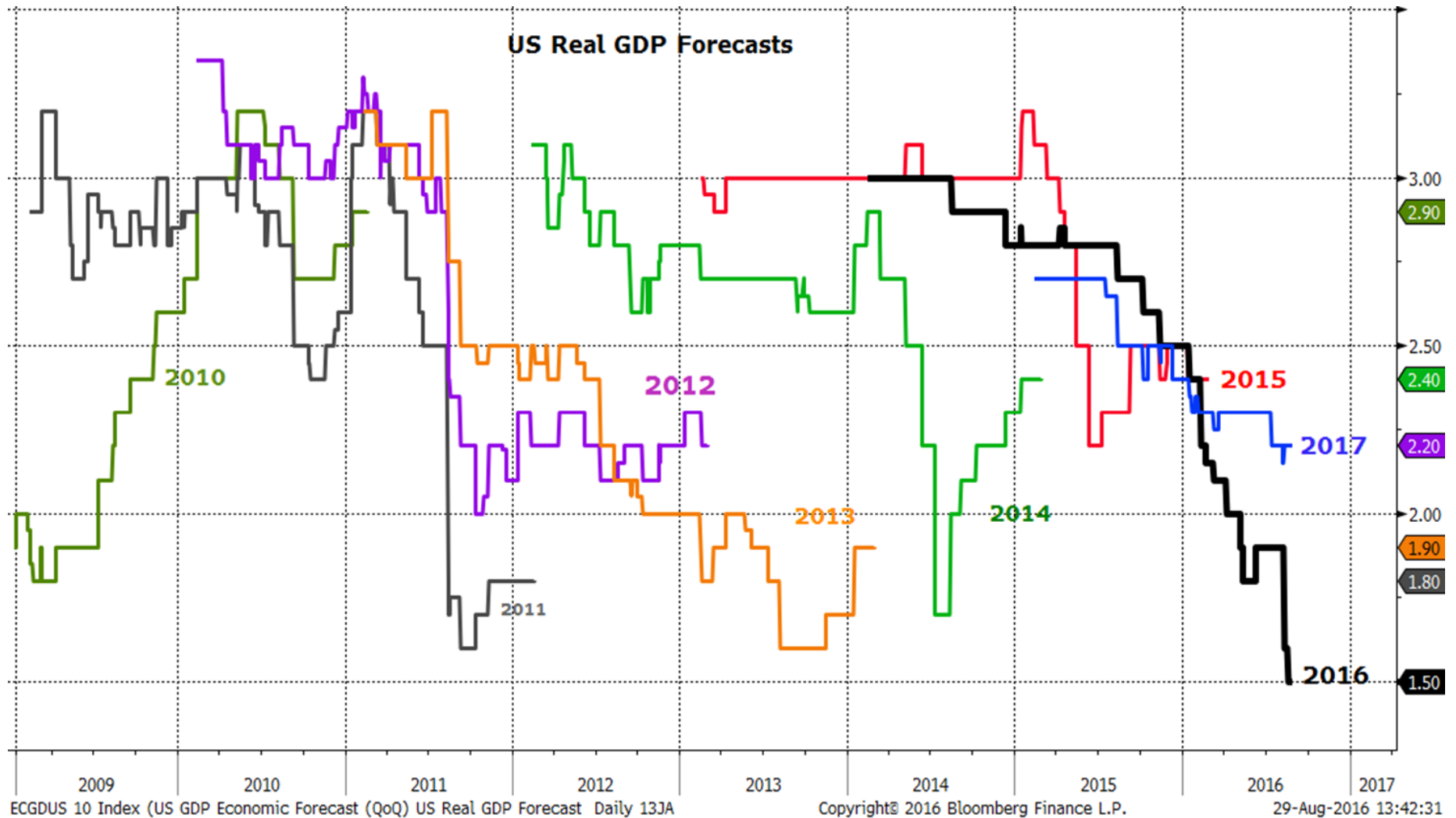
Source: DoubleLine, Bloomberg through June 30, 2016.

GDP = the amount of goods and service produced within a given country/ territory. Nominal GDP does not adjust for inflation. YoY = year-over-year. You cannot invest directly in an index.

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# GDP Forecasts

December 31, 2008 to August 29, 2016

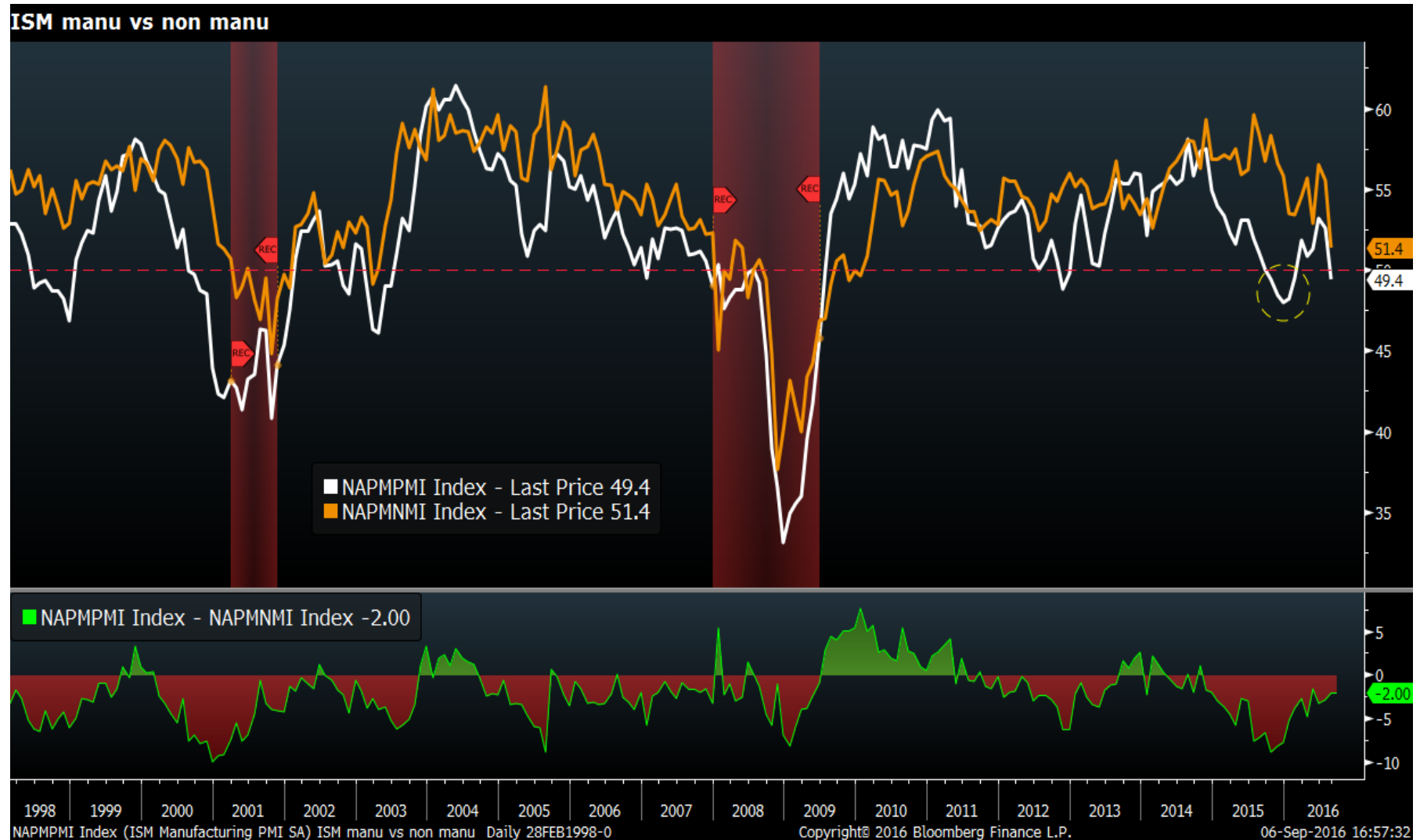


Source: Bloomberg

GDP = Gross Domestic Product is the monetary value for all the finished goods and services produced within a given country. You cannot invest directly in an index.

# ISM Manufacturing and Non-Manufacturing

As of February 28, 1998 to September 6, 2016



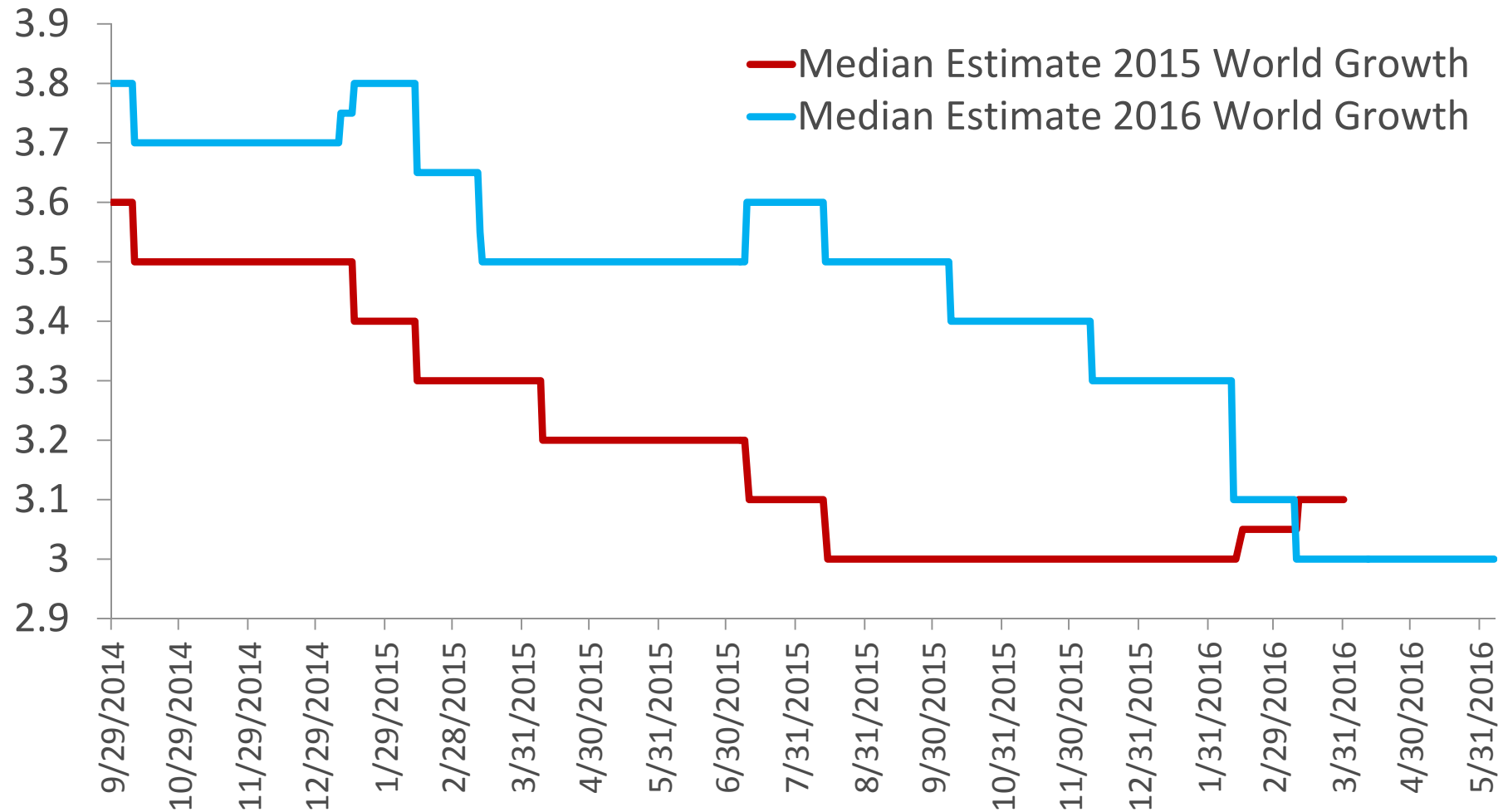
Source: Bloomberg

NAPMPMI Index = ISM Manufacturing PMI seasonally adjusted prepared by the Institute of Supply Management sampling 300 individuals. PMI survey tracks sentiment among purchasing managers at manufacturing, construction and/or services firms. NAPMNMN = ISM Non-Manufacturing NMI. The non-manufacturing index is a composite index of four indicators with equal weights: business activity, new orders, employment and supplier deliveries. An index read above 50% indicates an expansion. A reading below 50% indicates a decline. You cannot invest directly in an index.

# World Growth Forecasts (GDP)

As of June 6, 2016 Projected 2016

Bloomberg Survey - World Growth Forecasts

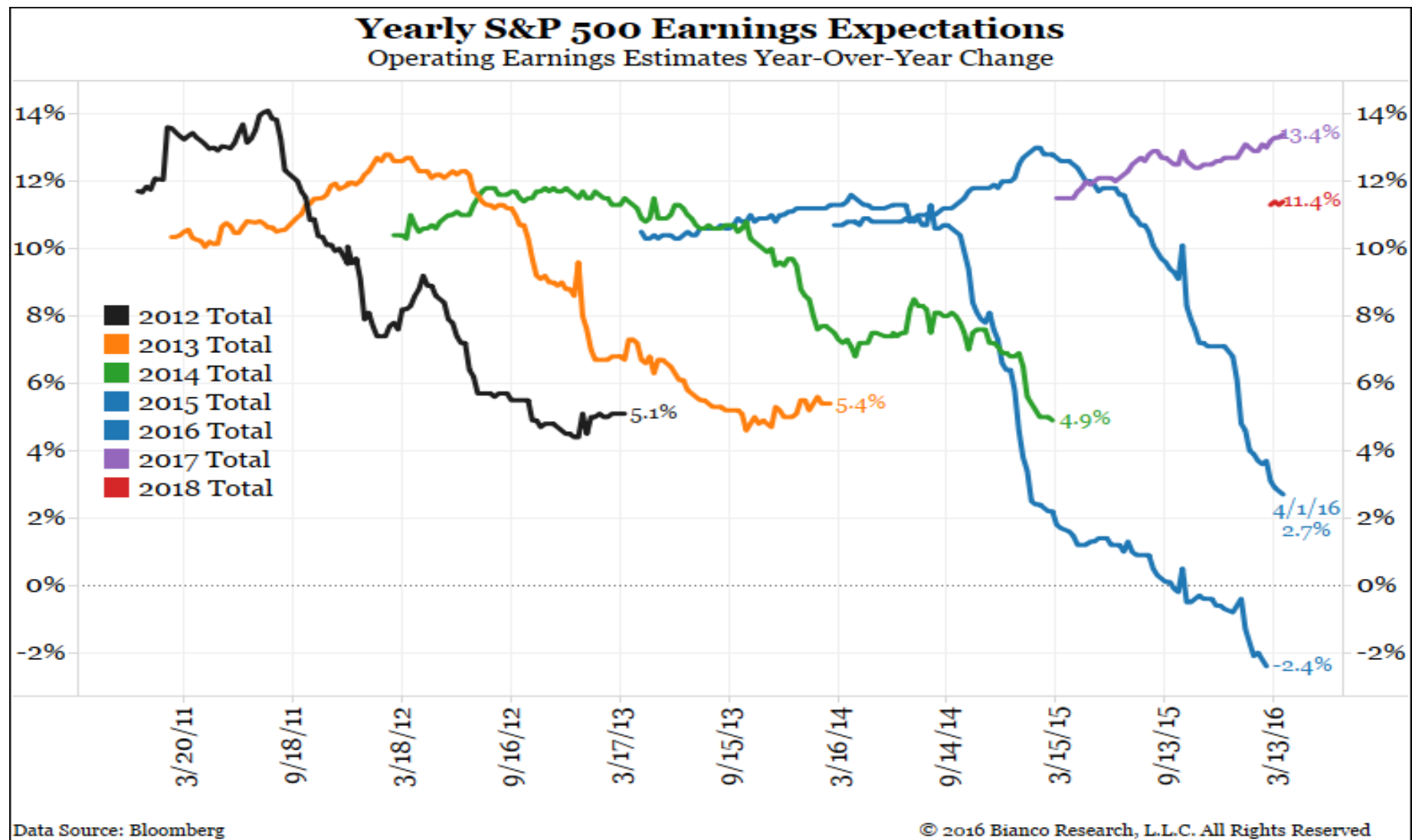


Source: Bloomberg

GDP = Gross Domestic Product is the monetary value for all the finished goods and services produced within a given country.

# S&P 500 Earnings Expectations

September 30, 2010 to March 31, 2016

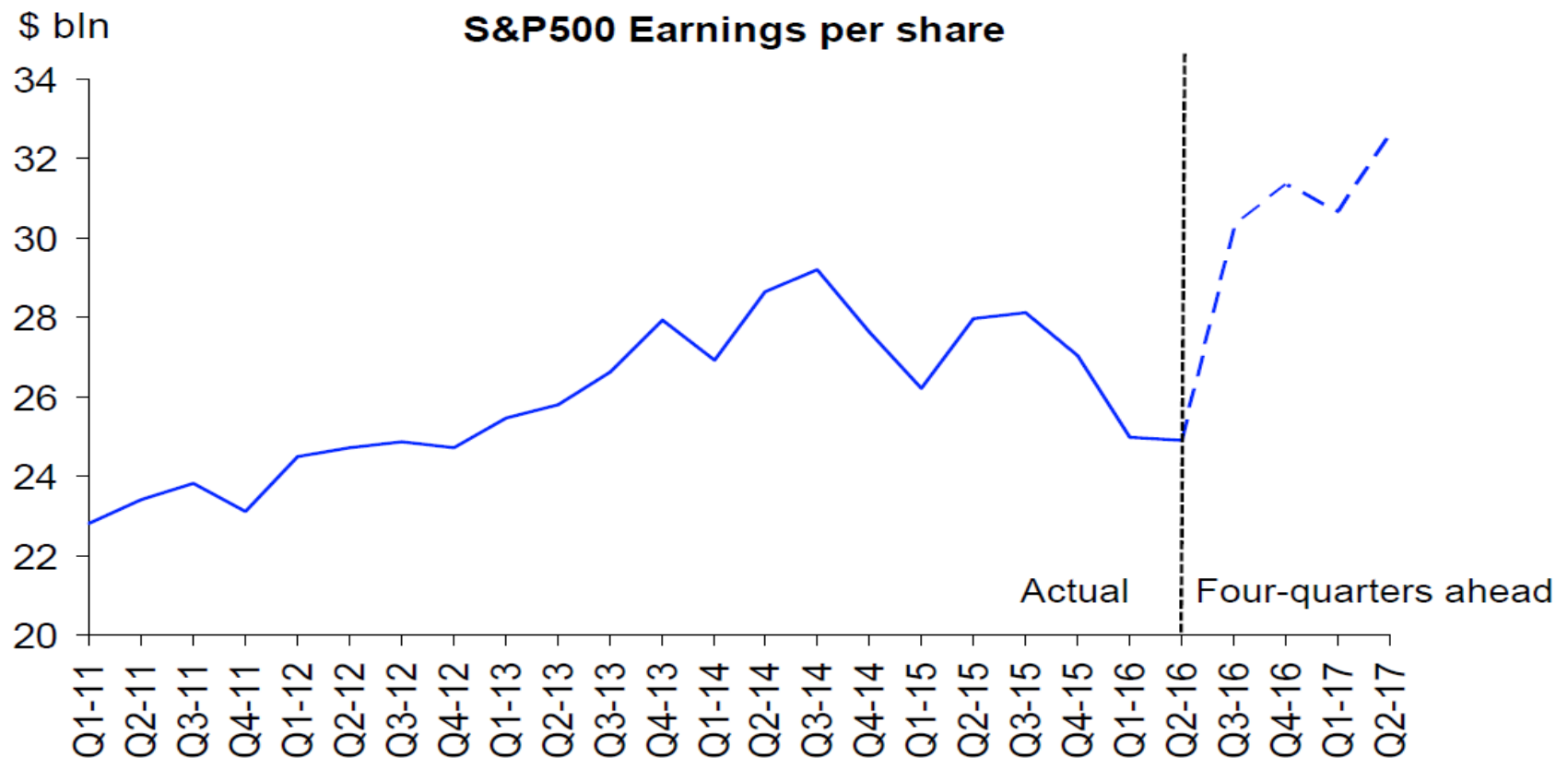


S&P 500 = Standard & Poor's 500 index is based on the market capitalizations of 500 large companies listed on the New York Stock Exchange or NASDAQ. They are chosen for market size, liquidity and industry groupings among other factors. You cannot invest directly in an index.

# S&P 500 Earnings Expectations

January 1, 2011 Projected through June 30, 2017

Consensus expects big jump in earnings over the coming year

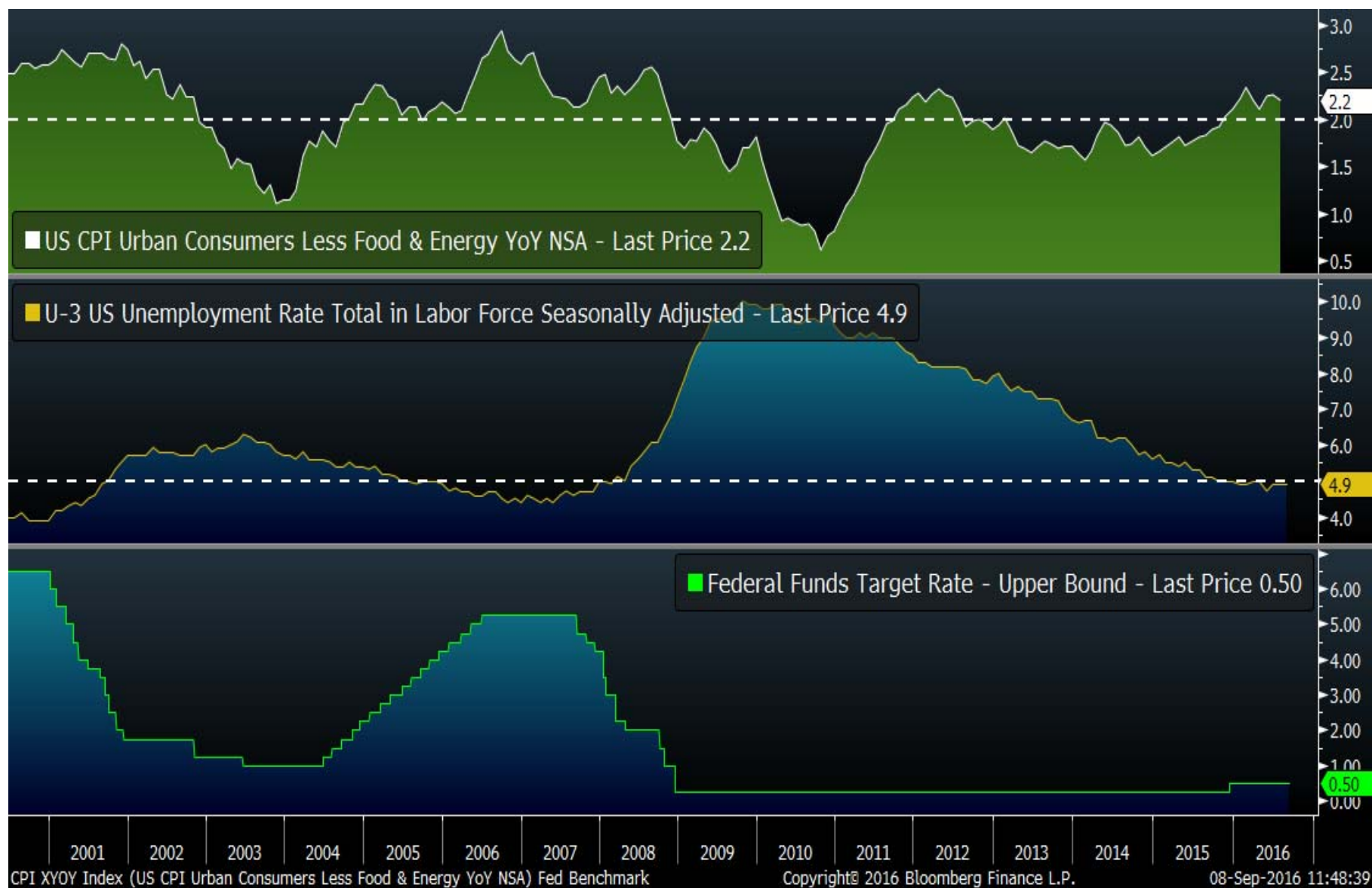


Source: Bloomberg Finance LP, DB Global Markets Research

S&P 500 = Standard & Poor's 500 index is based on the market capitalizations of 500 large companies listed on the New York Stock Exchange or NASDAQ. They are chosen for market size, liquidity and industry groupings among other factors. You cannot invest directly in an index.

# Core CPI, Unemployment and Fed Funds

The Feds Mandate Achieved? Core CPI, Unemployment Rate and Fed Funds...



Source: Bloomberg, Data: June 30, 2003 to June 30, 2016

CPI = Consumer Price index measures that examine the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. You cannot invest directly in an index. NSA = Non-Seasonally Adjusted; YoY = Year-over-Year

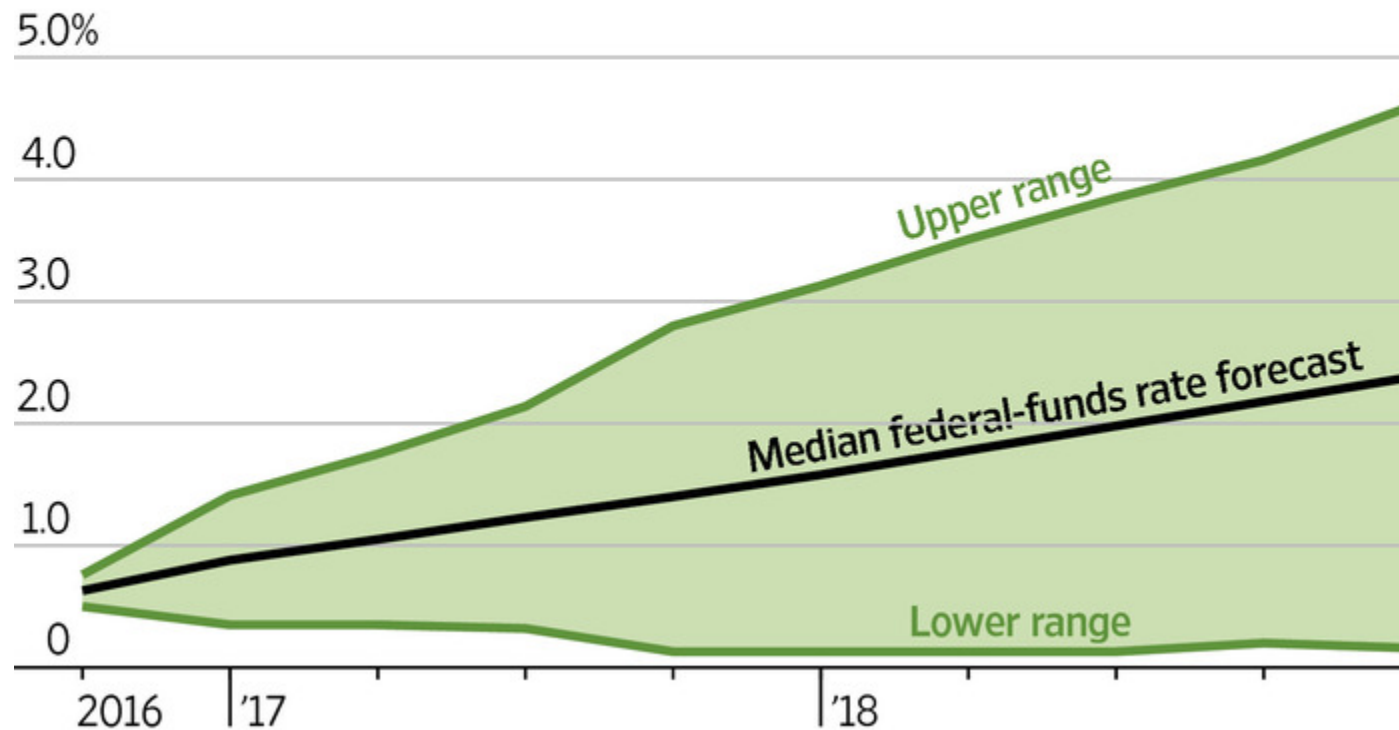


# Lacking Confidence

As of 8/30/16

## Lacking Confidence

The Federal Reserve sees substantial uncertainty to its rate forecasts. Its projected federal-funds rate, within a 70% confidence interval:

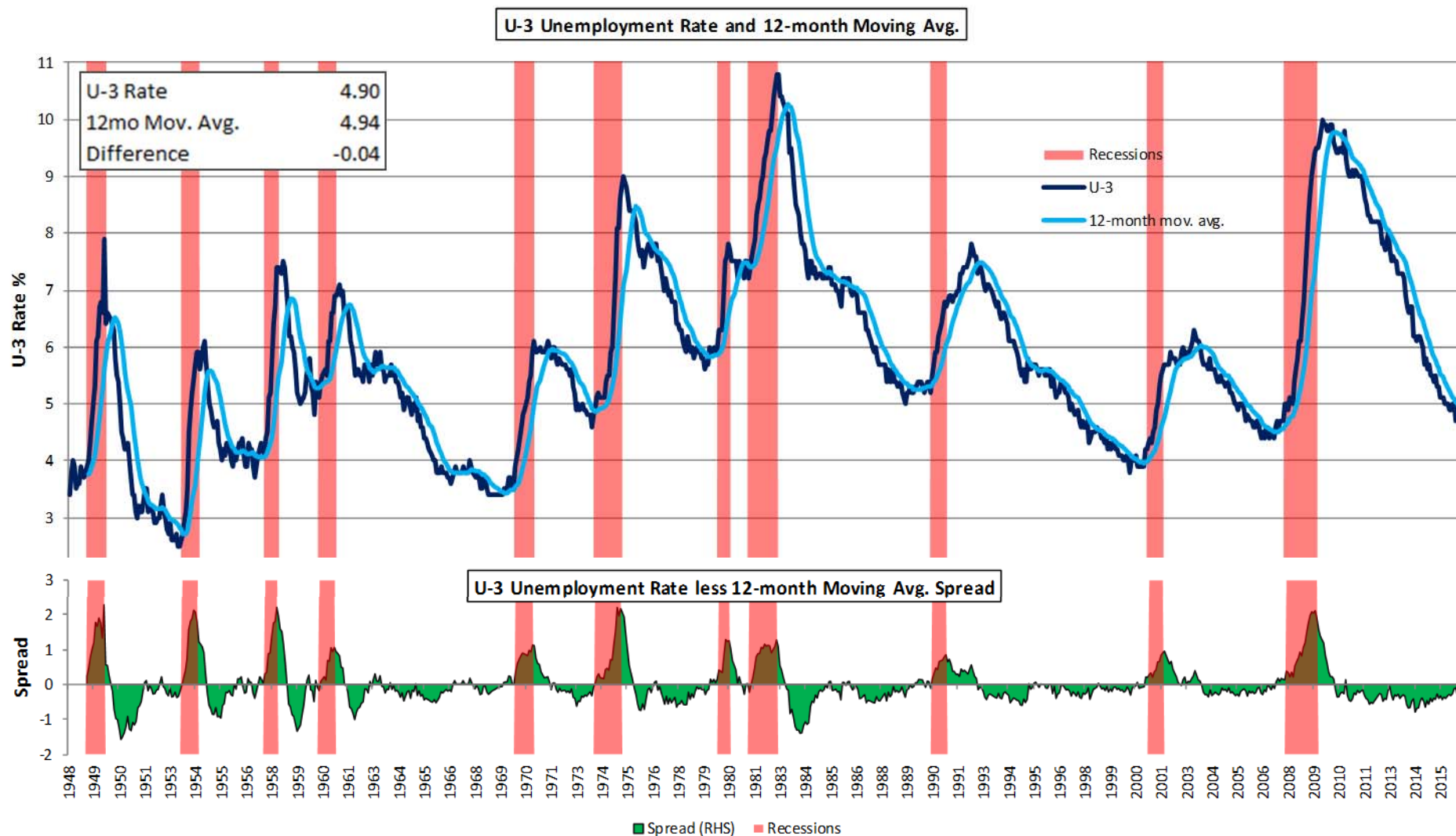


Source: Federal Reserve

THE WALL STREET JOURNAL.

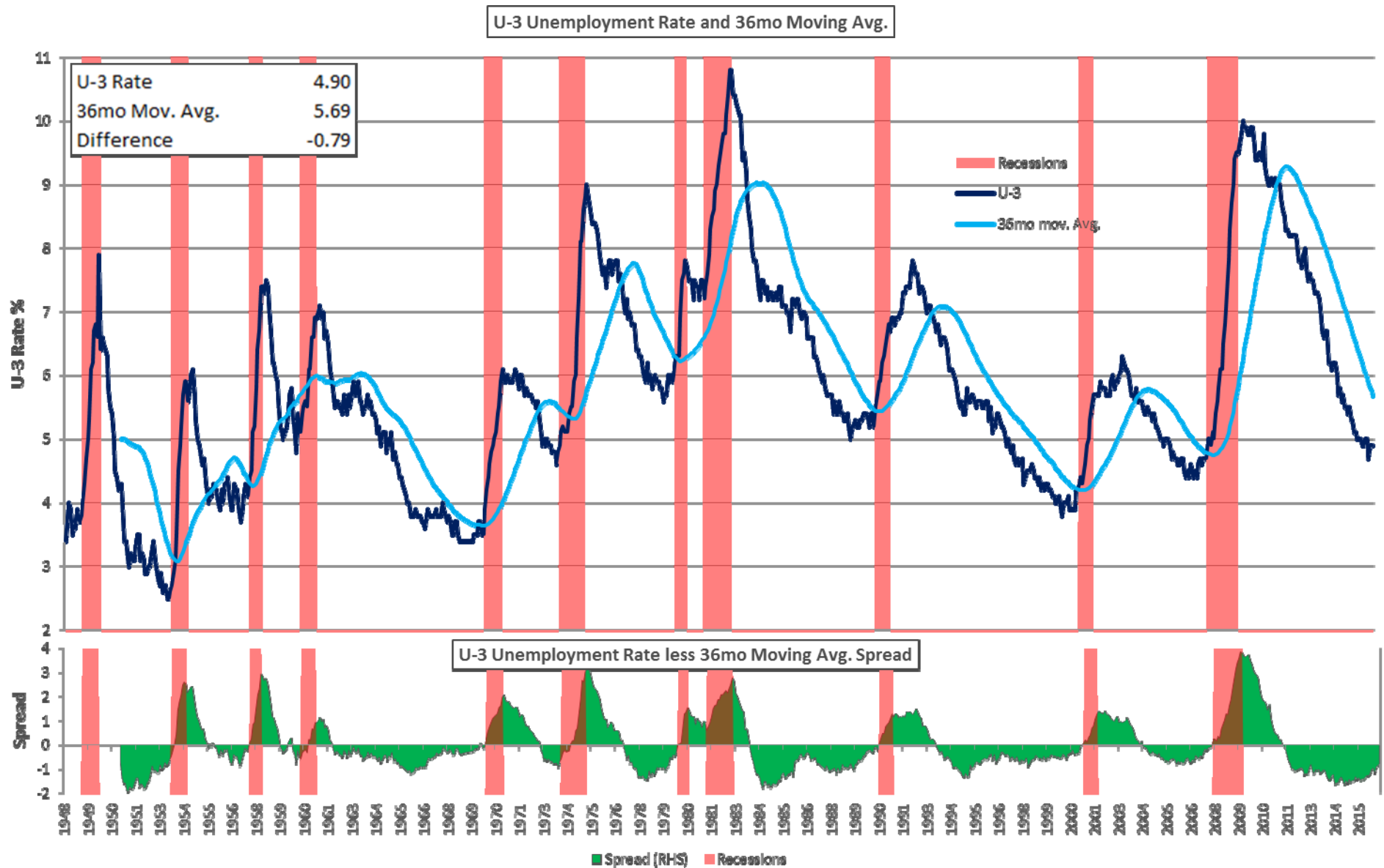


# Unemployment Rate vs. 12 Month Moving Avg.



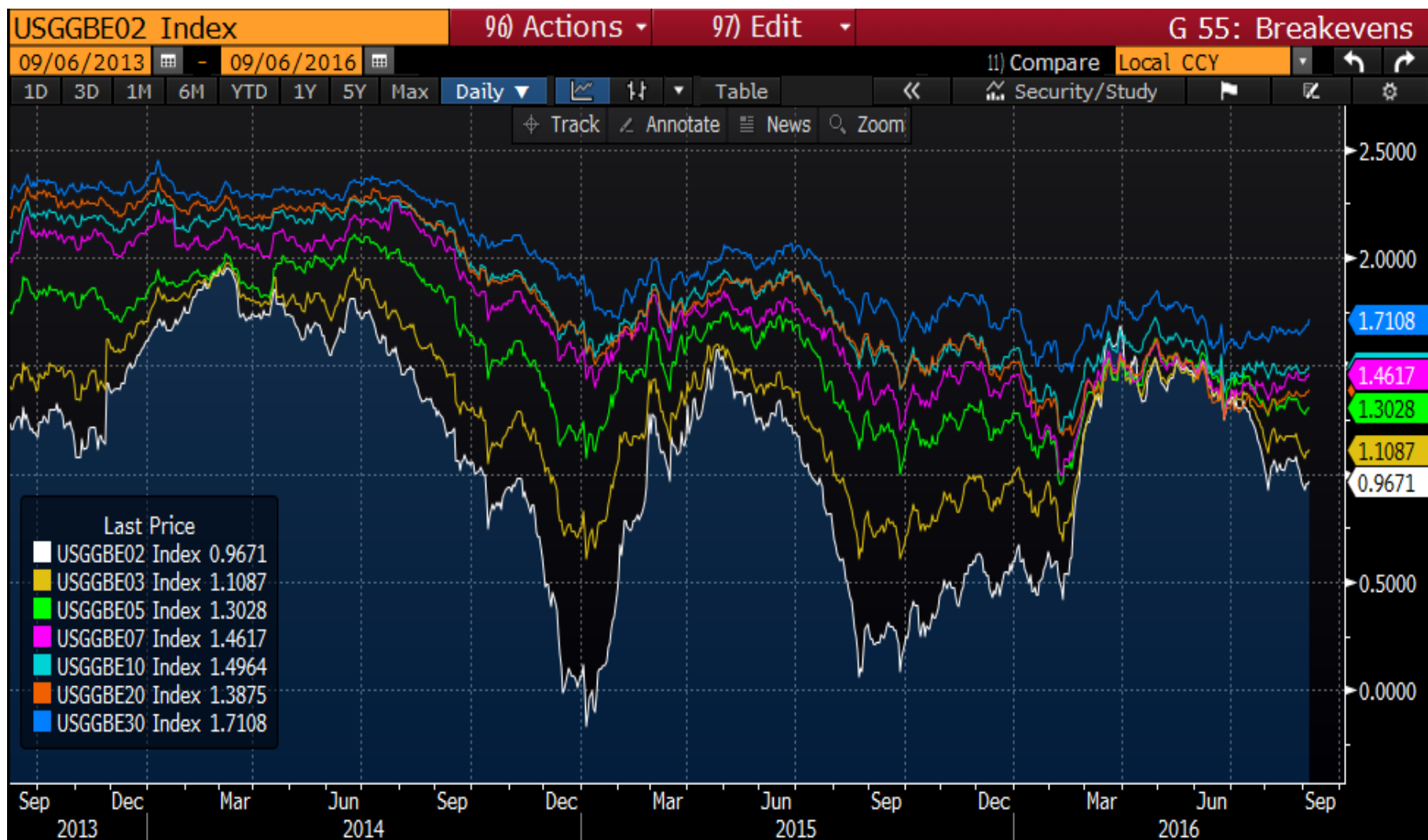
Source: Bloomberg, DoubleLine as of September 2, 2016  
YoY = year-over-year. You cannot invest directly in an index.

# Unemployment Rate and 36mo Moving Average



Source: Bloomberg, DoubleLine as of September 2, 2016  
You cannot invest directly in an index.

# U.S. Breakevens September 6, 2013 to September 6, 2016

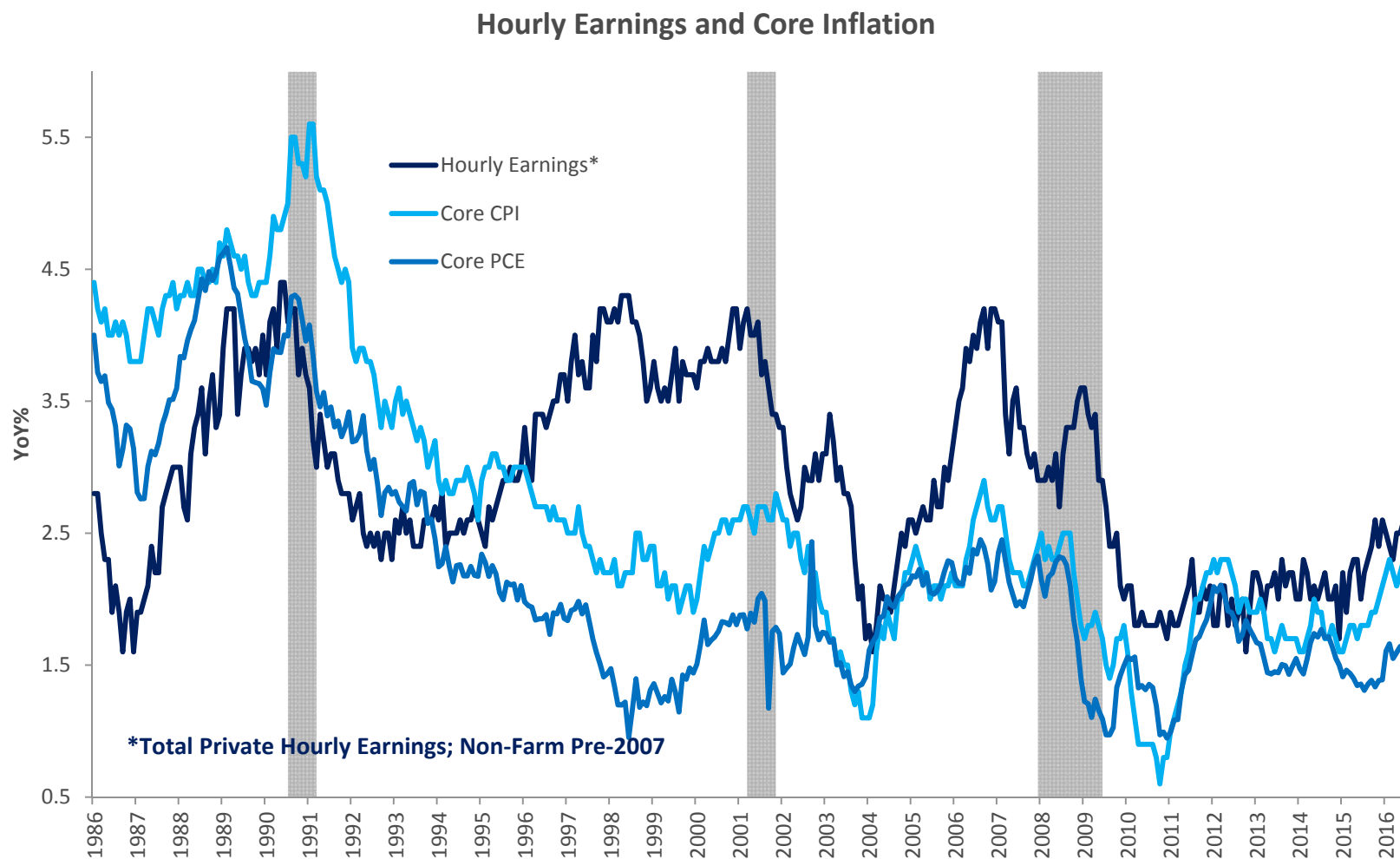


Source: DoubleLine, Bloomberg

Breakevens = They are calculated by subtracting the real yield of the inflation linked maturity curve from the yield of the closest nominal Treasury maturity. WTI = West Texas Crude oil spot price based on futures. You cannot invest directly in an index.

# Average Hourly Earnings and Core Inflation

March 31, 2007 through August 30, 2016

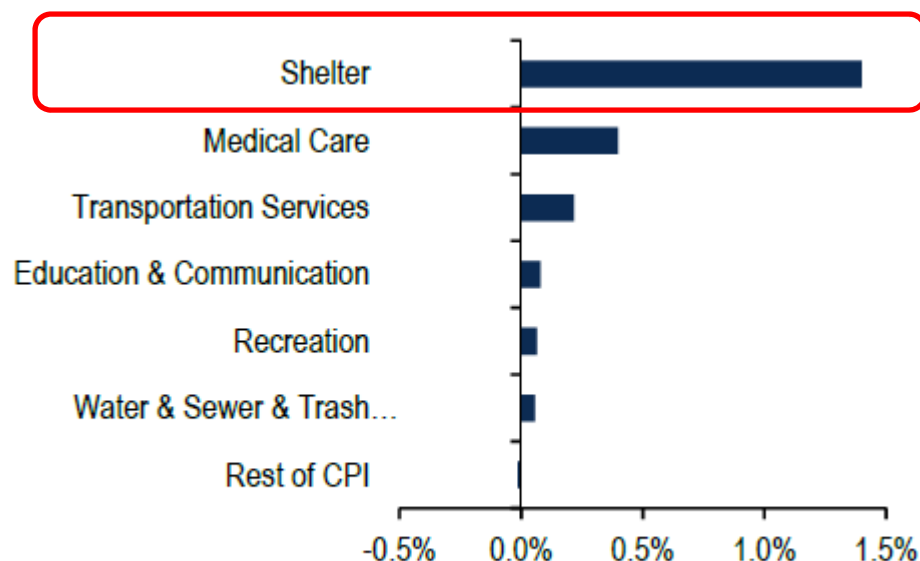


Source: Bloomberg, DoubleLine

YoY = year-over-year. You cannot invest directly in an index.

# Contribution to Core CPI 2.2% (YoY)

As of August 18, 2016



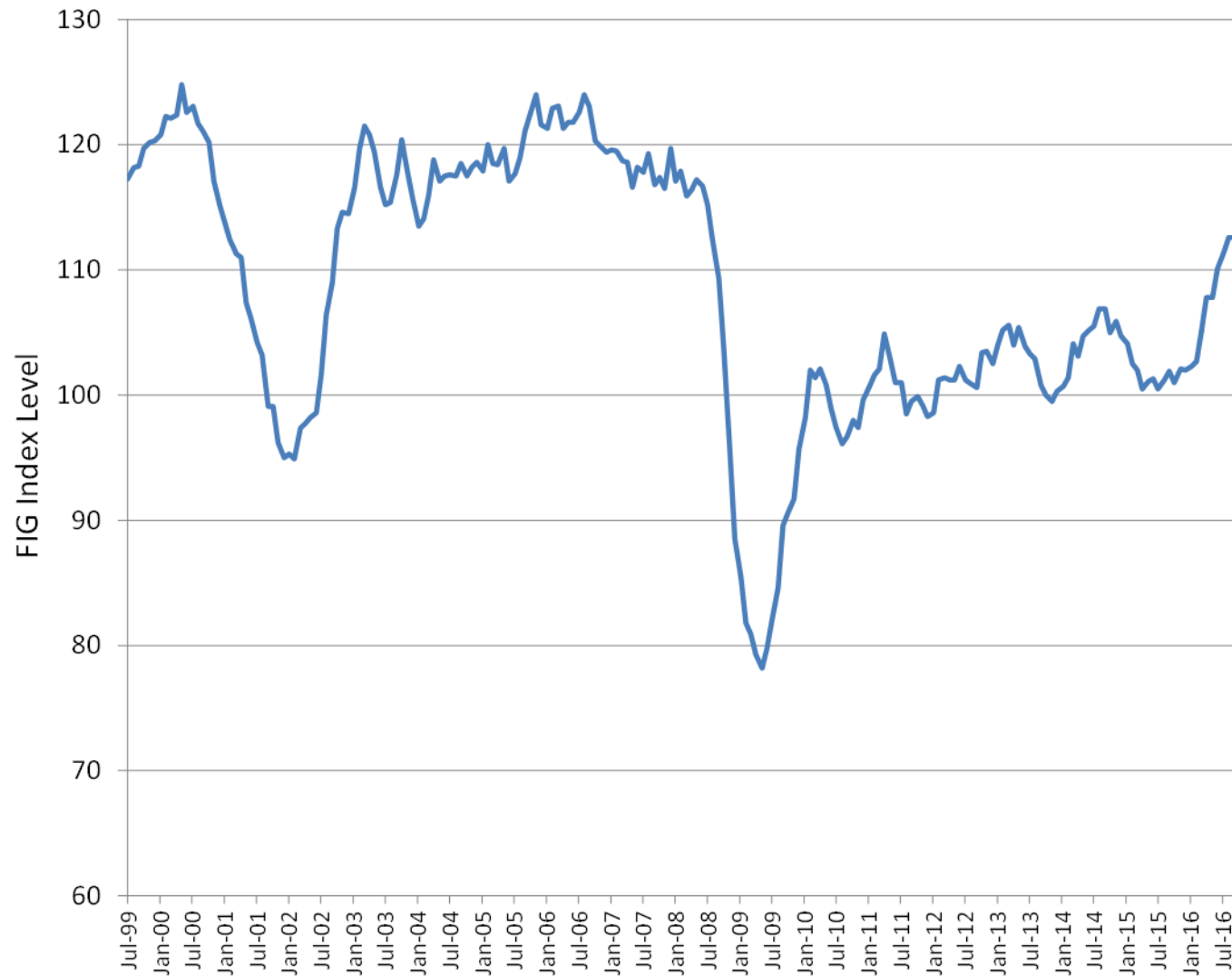
Source: BofA Merrill Lynch Global Research, Bureau of Labor Statistics

CPI = Consumer Price index measures that examine the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. You cannot invest directly in an index.

# U.S. Future Inflation Gauge (FIG)

As of September 2, 2016

## ECRI U.S. Future Inflation Gauge

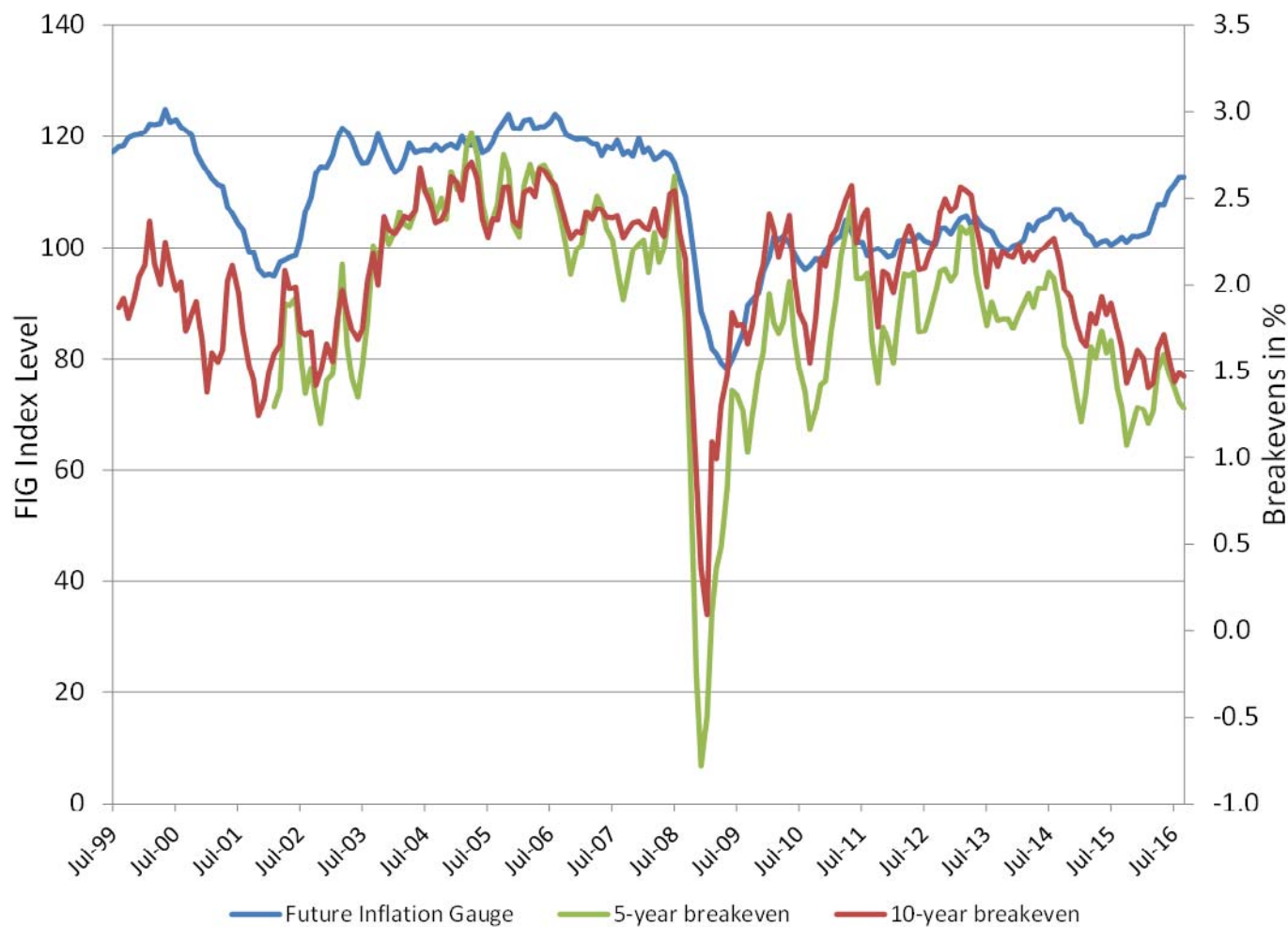


The Future Inflation Gauge is a forward-looking measure of cyclical peaks and troughs in overall inflation. There is both a monthly and a weekly version of the FIG. The data starts in 1948 ECRI = Economic Cycle Research Institute. You cannot invest directly in an index..

# U.S. Future Inflation Gauge (FIG) vs. Breakevens

As of September 2, 2016

**ECRI U.S. Future Inflation Gauge (left scale) vs. 5-year and 10-year Breakevens (right scale)**



Source: DoubleLine, Bloomberg  
ECRI = Economic Cycle Research Institute. You cannot invest directly in an index.



# Gold

September 8, 2006 through September 7, 2016



Source: Bloomberg Financial Services, DoubleLine Capital LP

GC1 = Generic 1<sup>st</sup> gold futures contract quoted in Troy ounces. You cannot invest directly in an index.



# U.S. Dollar Index Spot

December 31, 2007 through September 6, 2016



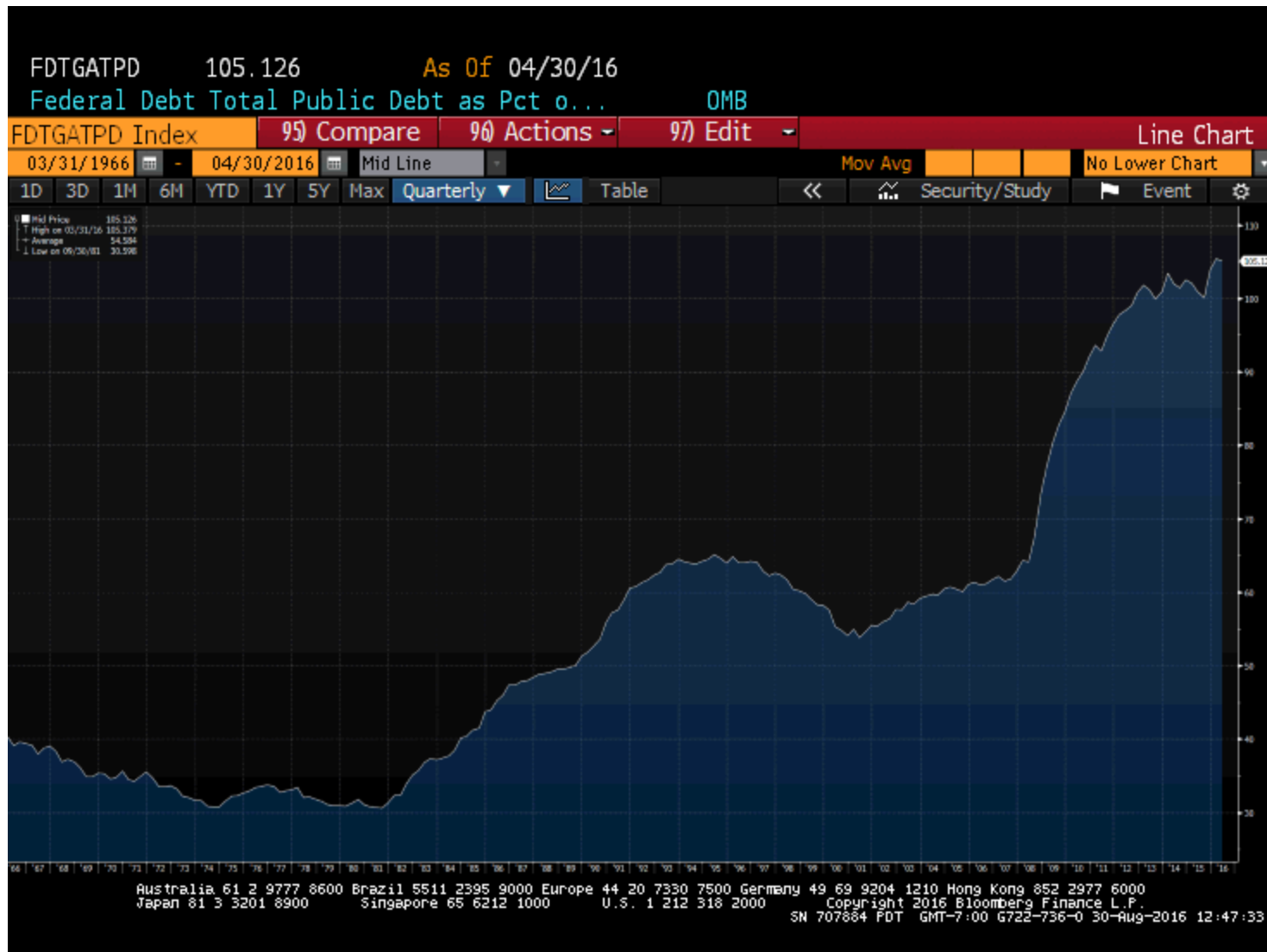
Source: Bloomberg Financial Services, DoubleLine Capital LP

DXY = DXY is the US Dollar Index (USDIX) indicates the general value of the US dollar. Average exchange rates between the US dollar and six major world currencies. An investment cannot be made directly in an index.

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# Debt as a % of U.S. GDP

March 31, 1966 – April 30, 2016

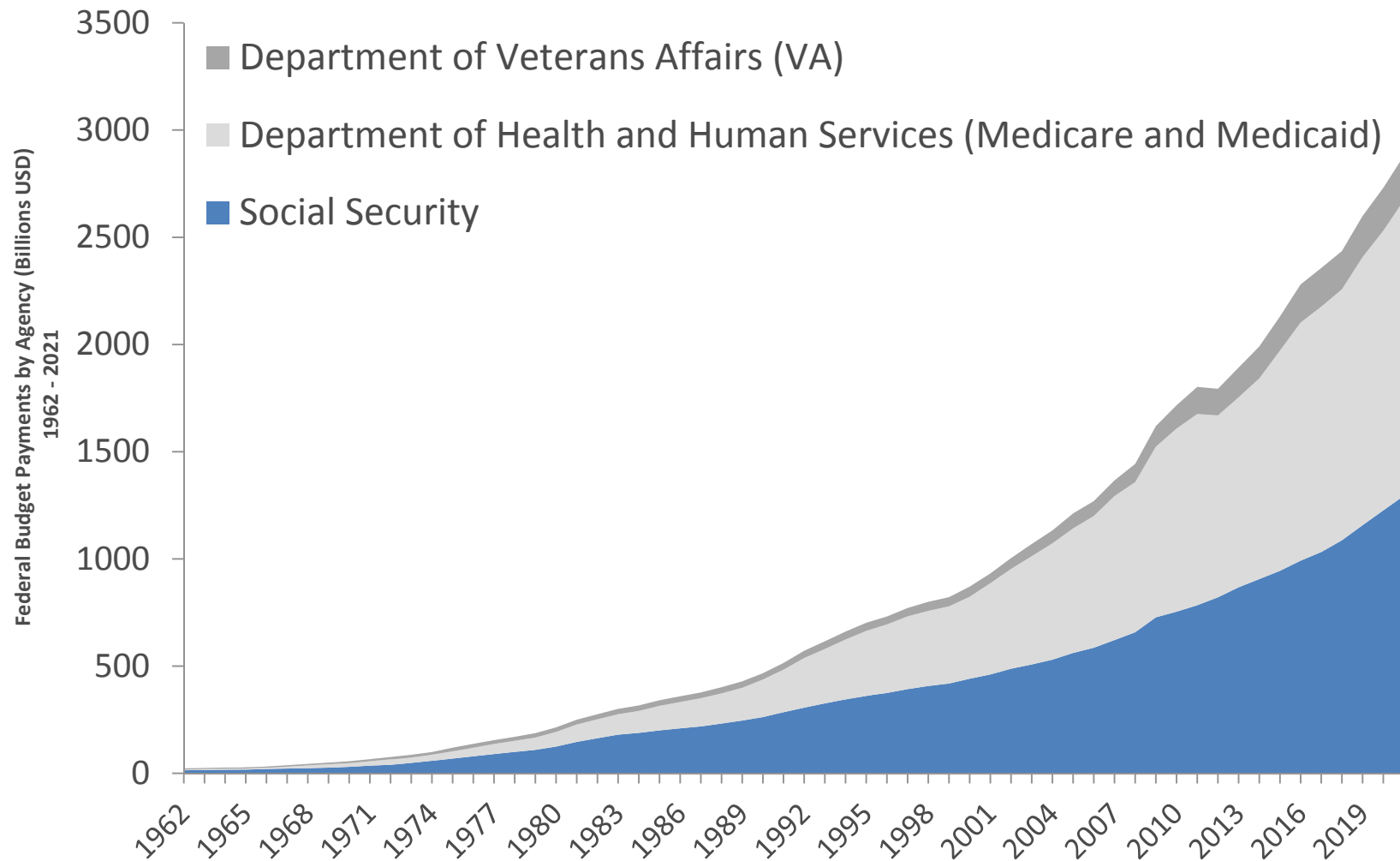


Source: Bloomberg

FDTGATPD = Federal Debt Total Public Debt as a percentage of GDP quarterly seasonally adjusted. GDP = the amount of goods and service produced within a given country/ territory. You cannot invest directly in an index

# U.S. Government Payments by Agency

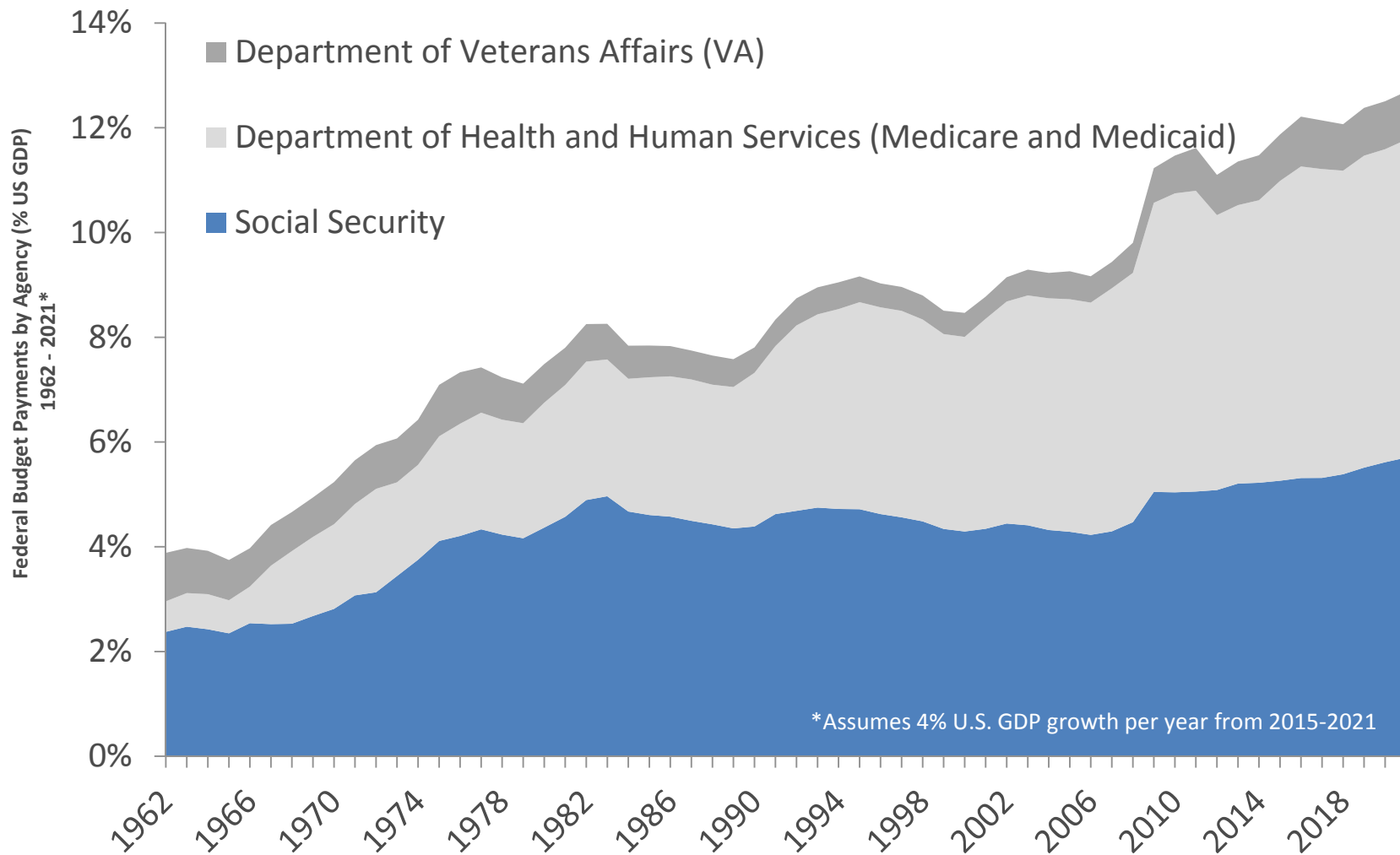
January 1, 1962 Projected through 2021(Forecast from 2016 to 2021)



Source: Bloomberg, DoubleLine

# U.S. Government Payments by Agency as a % of U.S. GDP

January 1, 1962 Projected through 2021

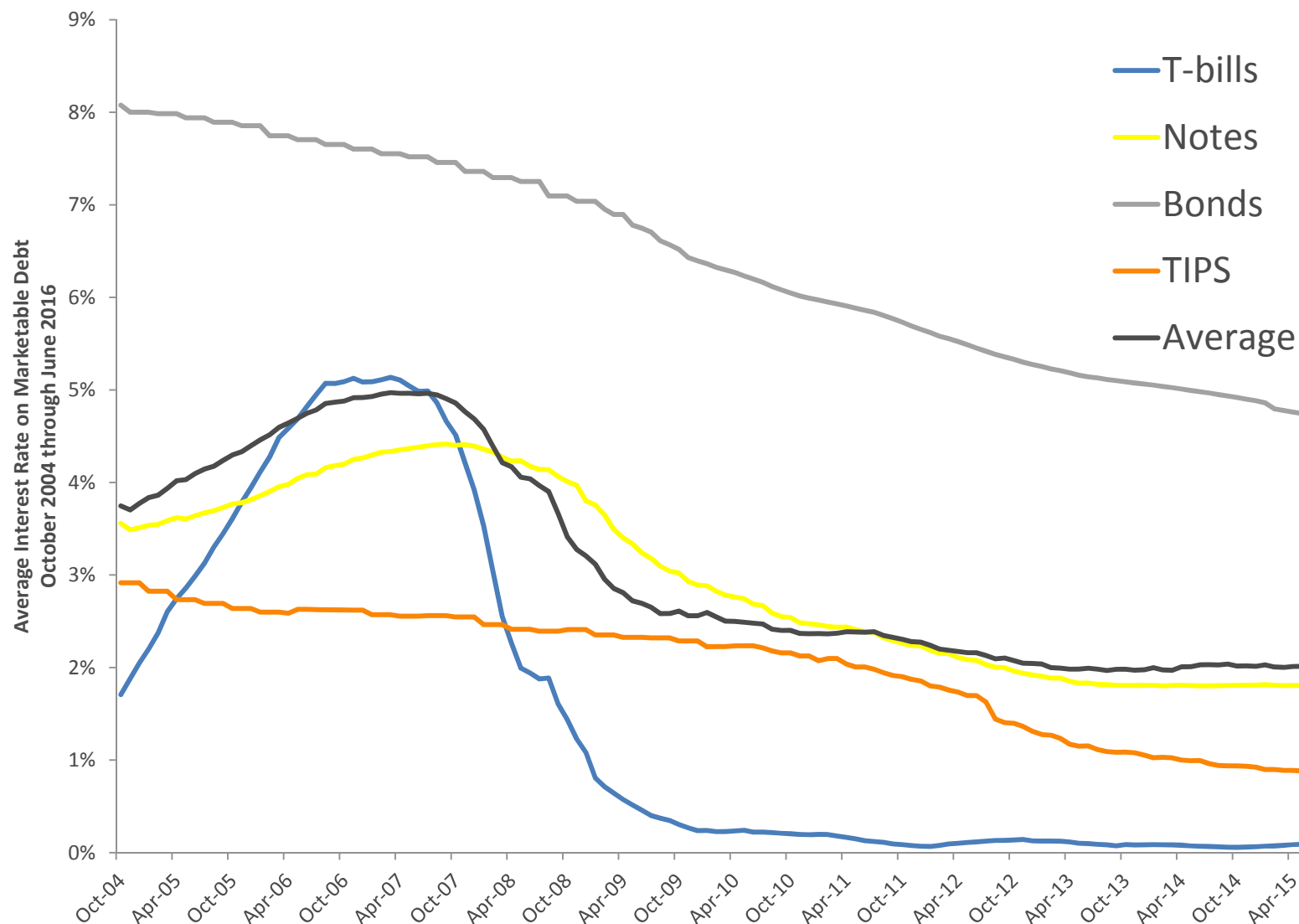


Source: Bloomberg, DoubleLine

GDP = the amount of goods and service produced within a given country/ territory. You cannot invest directly in an index

# Average Interest on Marketable U.S. Treasury Debt

October 1, 2004 – June 30, 2016



Source: Bloomberg, DoubleLine

T-Bills = a short-term debt obligation backed by the U.S. government with a maturity of less than one year. TIPS = Treasury Inflation Protected Securities refers to a treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation.

# U.S. Debt vs. Interest Payments (\$ Trillions)

October 1, 2004 – June 30, 2016



# Pension Funding Levels

## Companies face deepening deficits

Pension funding levels (assets as % of liabilities)



Source: Mercer

FT

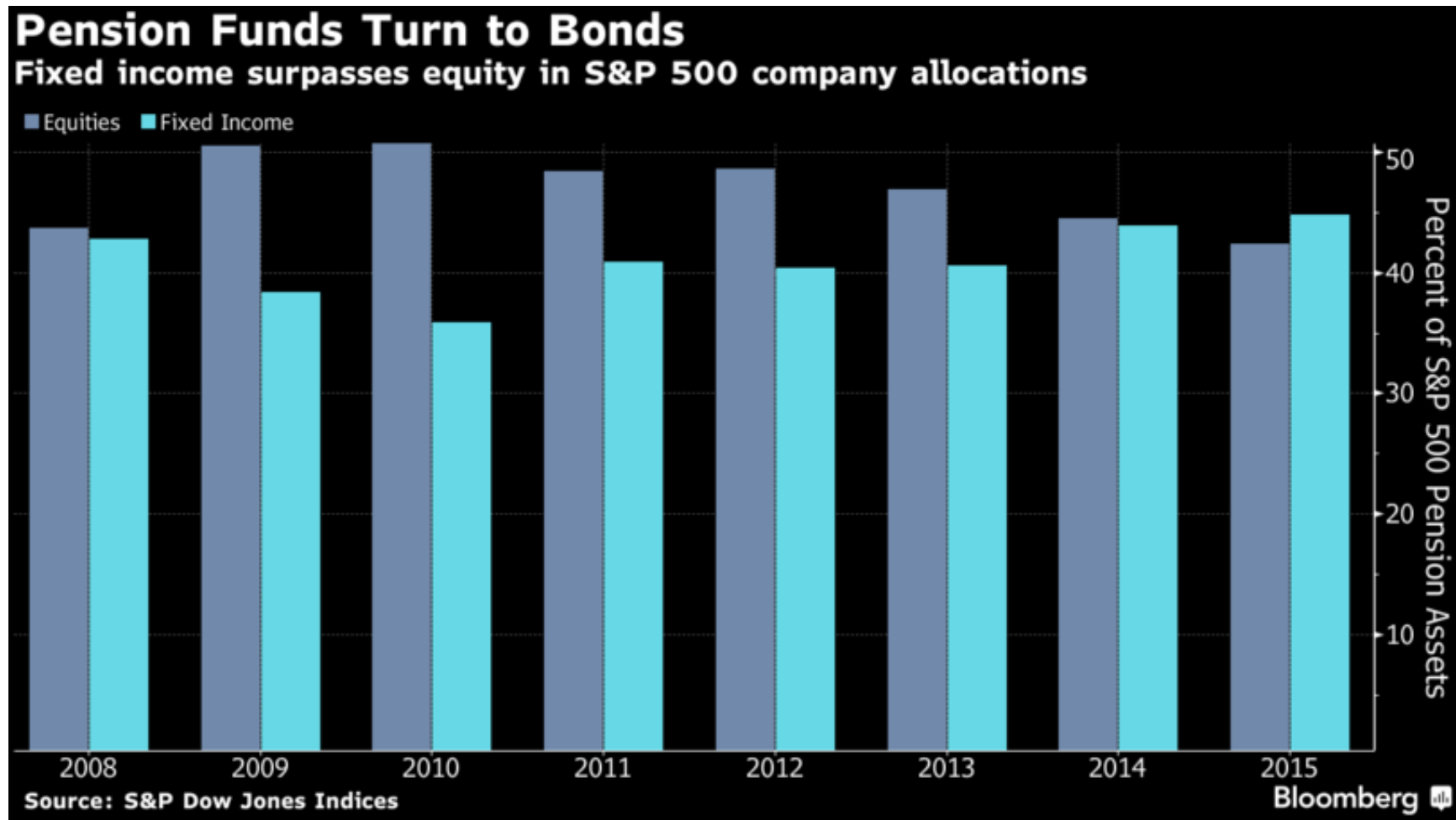
S&P 1500 = Is an index of U.S. stocks made by Standard & Poor's and includes stocks in the S&P 500, S&P 400 and S&P 600. The index covers 90% of the market capitalization of U.S. stocks..

FTSE 350 = Is a capitalization weighted stock market incorporating the largest 350 companies by capitalization listed on the London Stock Exchange.

You cannot invest directly in an index.

# Corporate Pension Funds Equity and Bond Allocations

January 1, 2008 to December 31, 2015



You cannot invest directly in an index.





# U.S. Government Gross Investment as % of GDP 1947 through 2015



Source: Bureau of Economic Analysis, Bank of America Merrill Lynch, January 1, 1947 to December 31, 2015  
GDP = the amount of goods and service produced within a given country/ territory. You cannot invest directly in an index.

# Need Fiscal Policy Stimulus: A Bridge/ Road to the Future

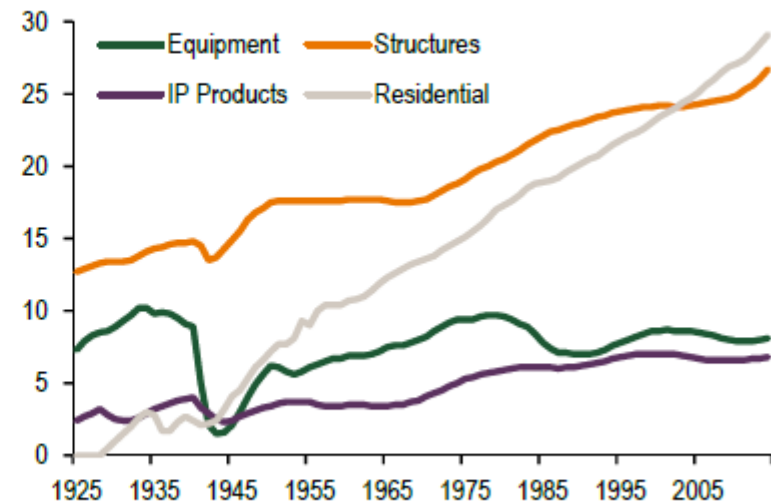
As of August 18, 2016

Chart 1: Government gross investment (% GDP)



Source: Bureau of Economic Analysis

Chart 2: Average age of government fixed assets (years)



Source: Bureau of Economic Analysis

Note: Structures make up about 80% of the net stock of government fixed assets.

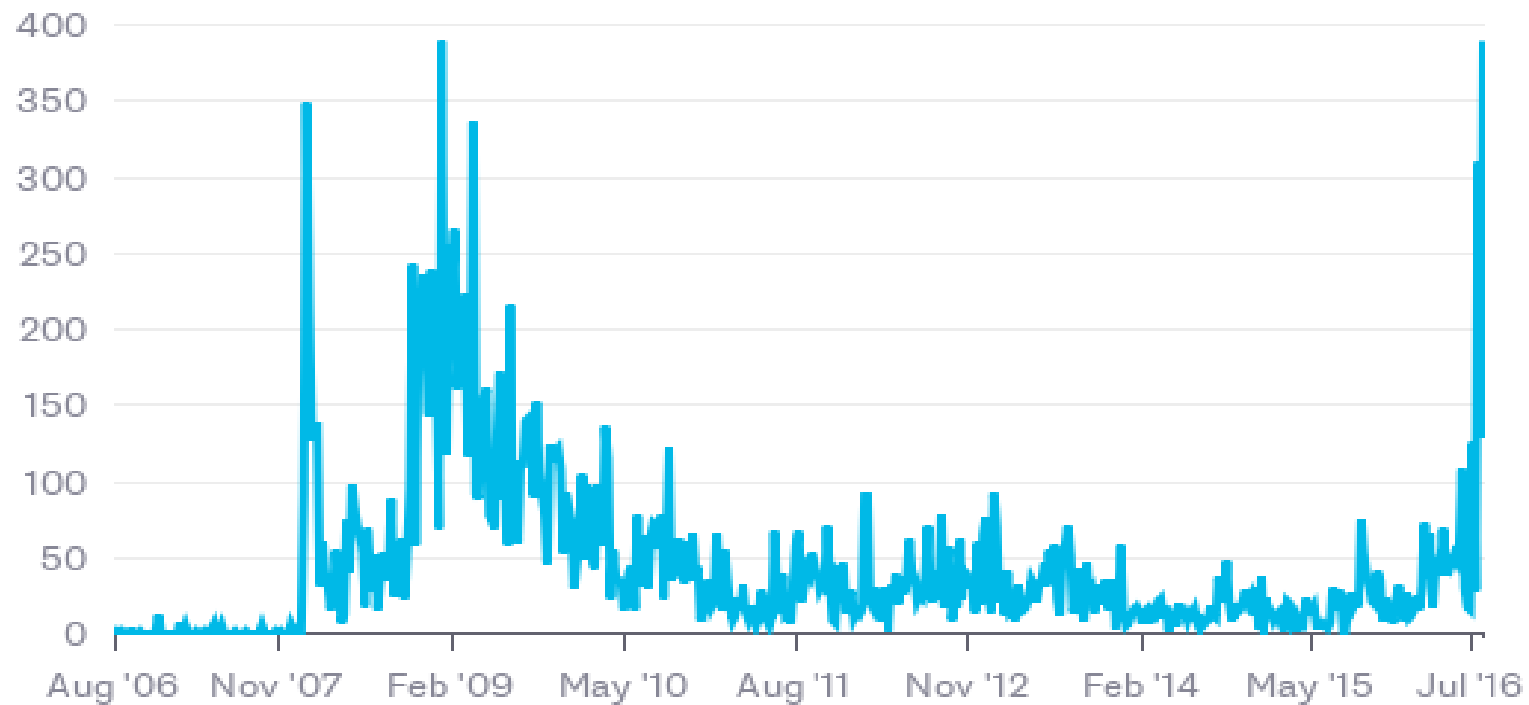
GDP = the amount of goods and service produced within a given country/ territory. You cannot invest directly in an index

# Fiscal Stimulus in News Articles

August 1, 2006 through July 31, 2016

## Great Expectations

Occurrences of the phrase "Fiscal Stimulus" in news articles



Source: Bloomberg's News Trends (NT) function

BloombergView

# Hillary Clinton's Infrastructure Plan:

“As President, Hillary will launch our country’s boldest investments in infrastructure since the construction of our interstate highway system in the 1950s.”

**\$275 billion, five-year plan to rebuild our infrastructure**

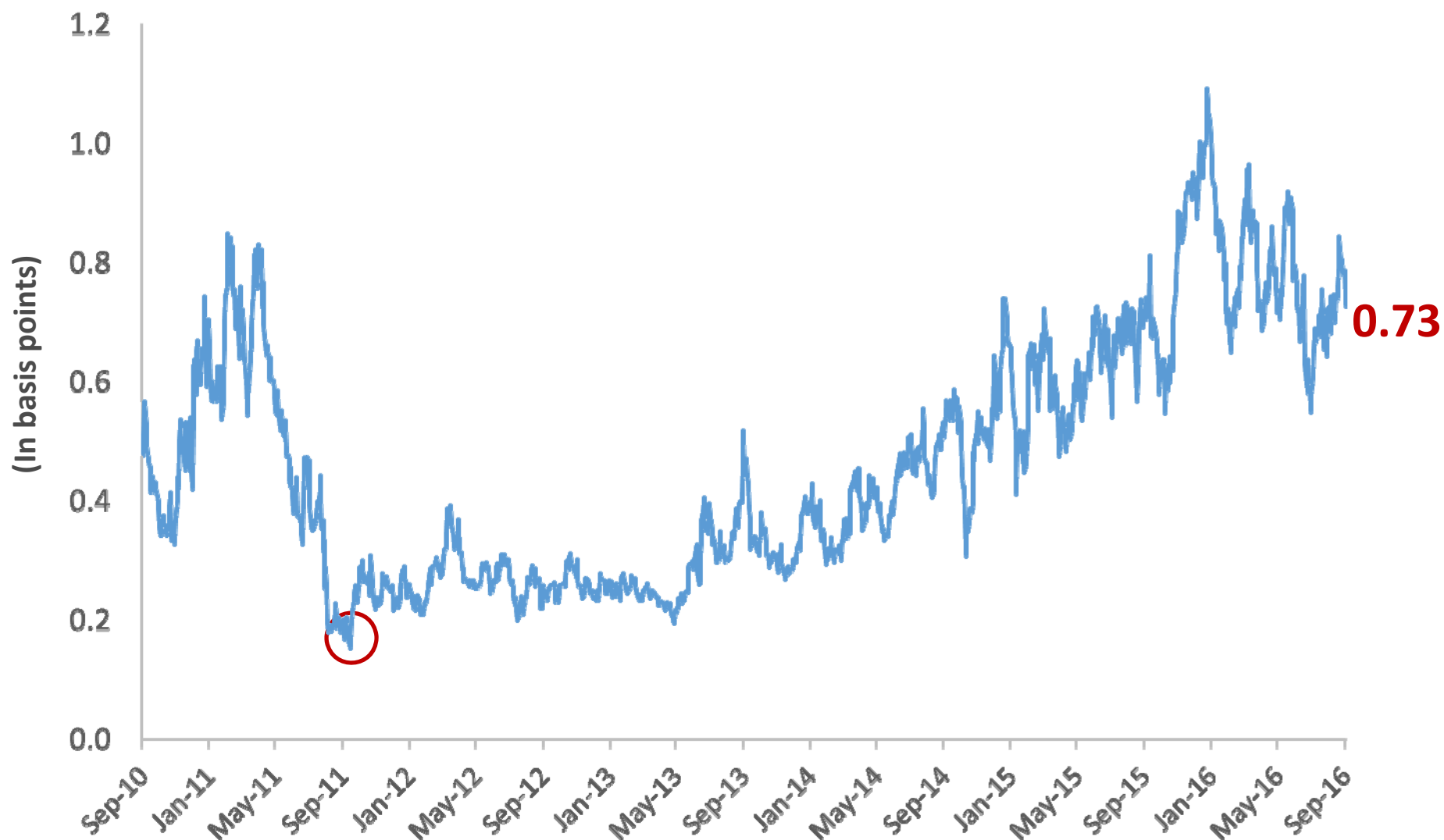
# Donald Trump's Economic Vision:

## Infrastructure:

Part of Trump's Economic Vision, to be rolled out in the near future. 28% of our roads are in substandard condition and 24% of bridges are structurally deficient or worse. Trump's plan will provide the growth to boost our infrastructure, Hillary Clinton's will not.

# U.S. 2-Year Treasury

September 6, 2010 through September 7, 2016



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT02 = US 2 Year Treasury Bond. You cannot invest directly in an index.

# U.S. 5-Year Treasury

September 6, 2010 through September 7, 2016

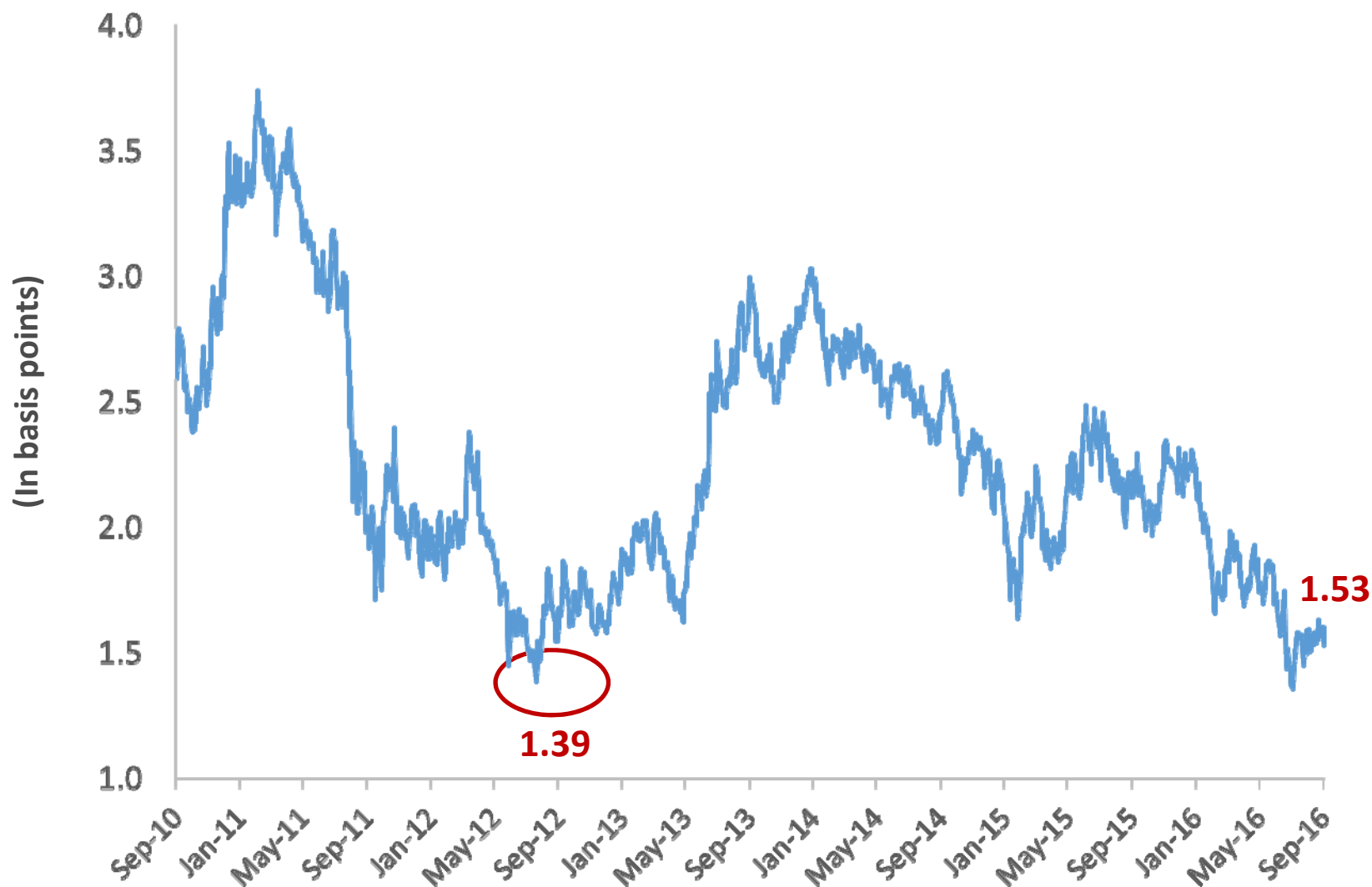


Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT5 = US 5 Year Treasury Bond. You cannot invest directly in an index.



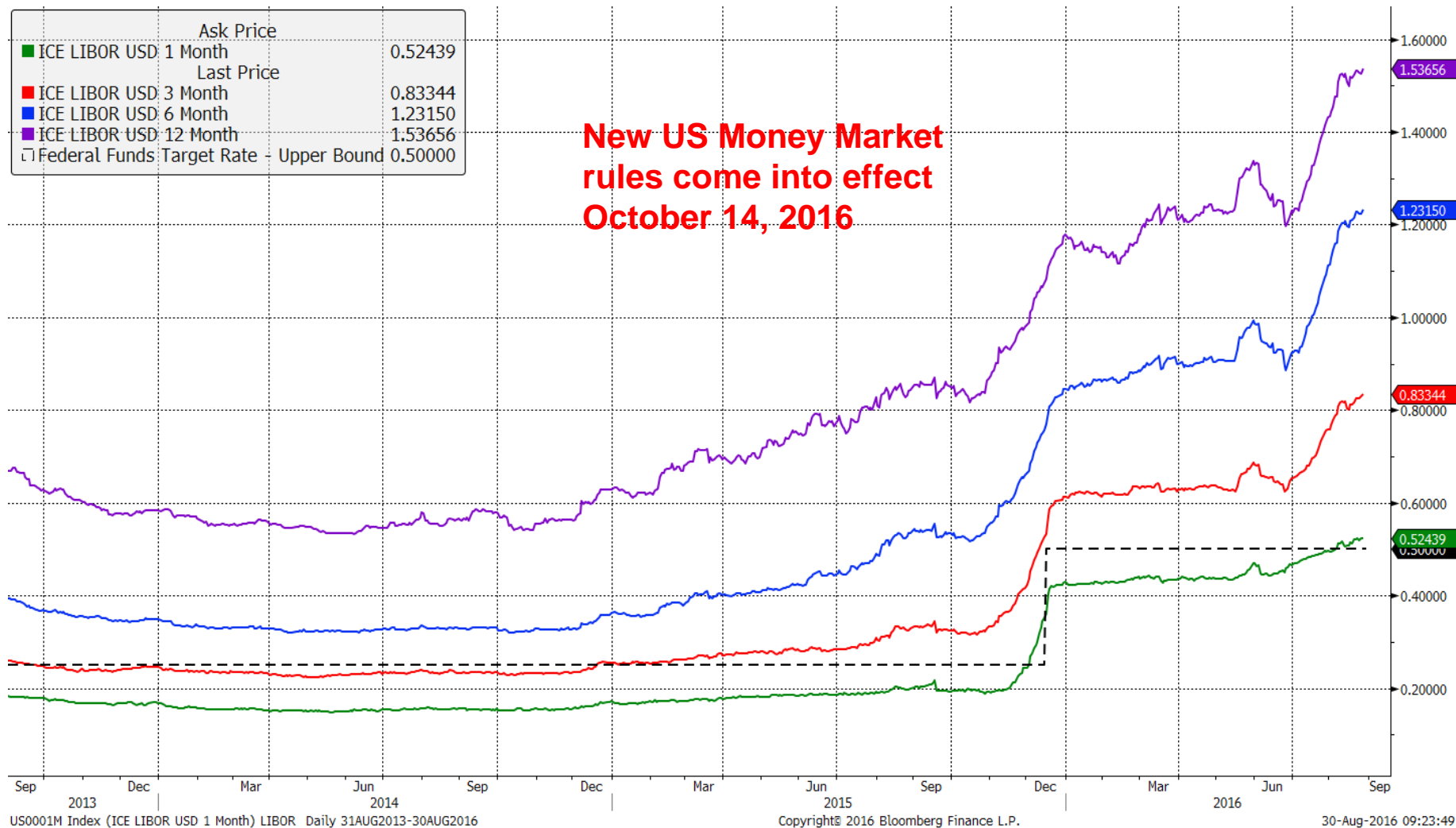
# U.S. 10-Year Treasury

September 6, 2010 through September 7, 2016



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT10 = US 10 Year Treasury Bond. You cannot invest directly in an index.

# Fed Funds Target with LIBOR Curve



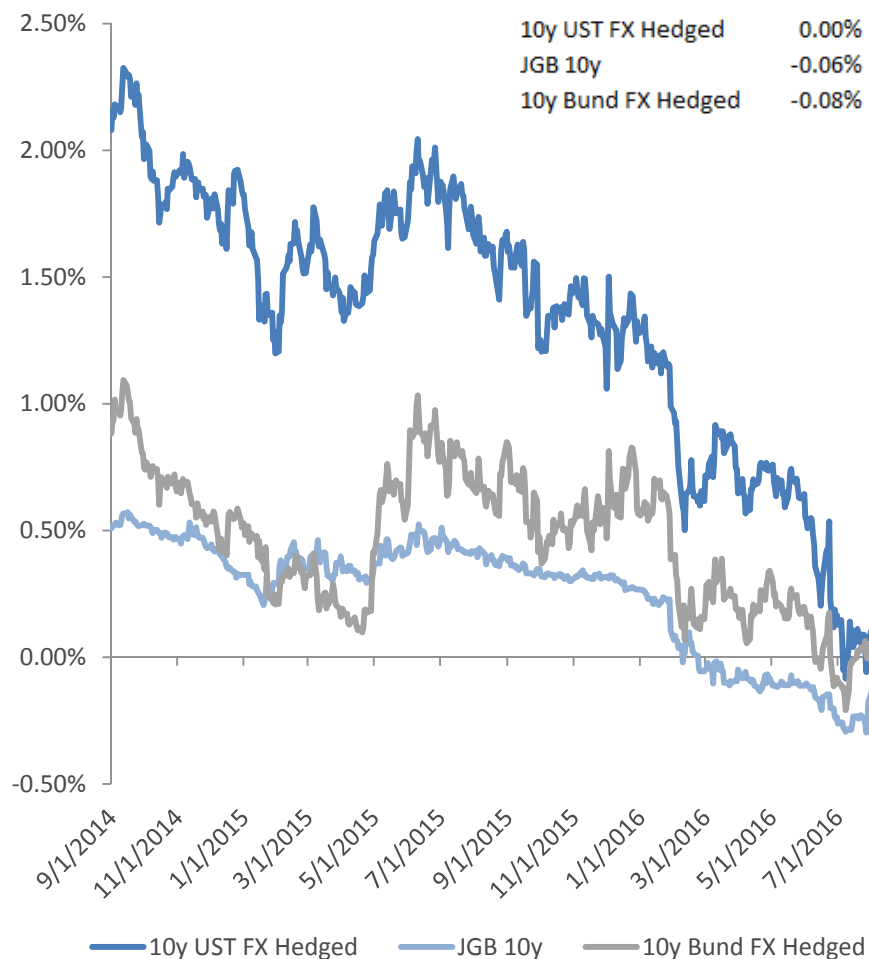
Source: Bloomberg

ICE LIBOR = London Interbank Offered rate administered by ICE Benchmark Administration Fixing for U.S. Dollar. The fixing is conducted each date at 11 am. It's an average derived from the quotations provided by the banks determined by the ICE Benchmark Administration.

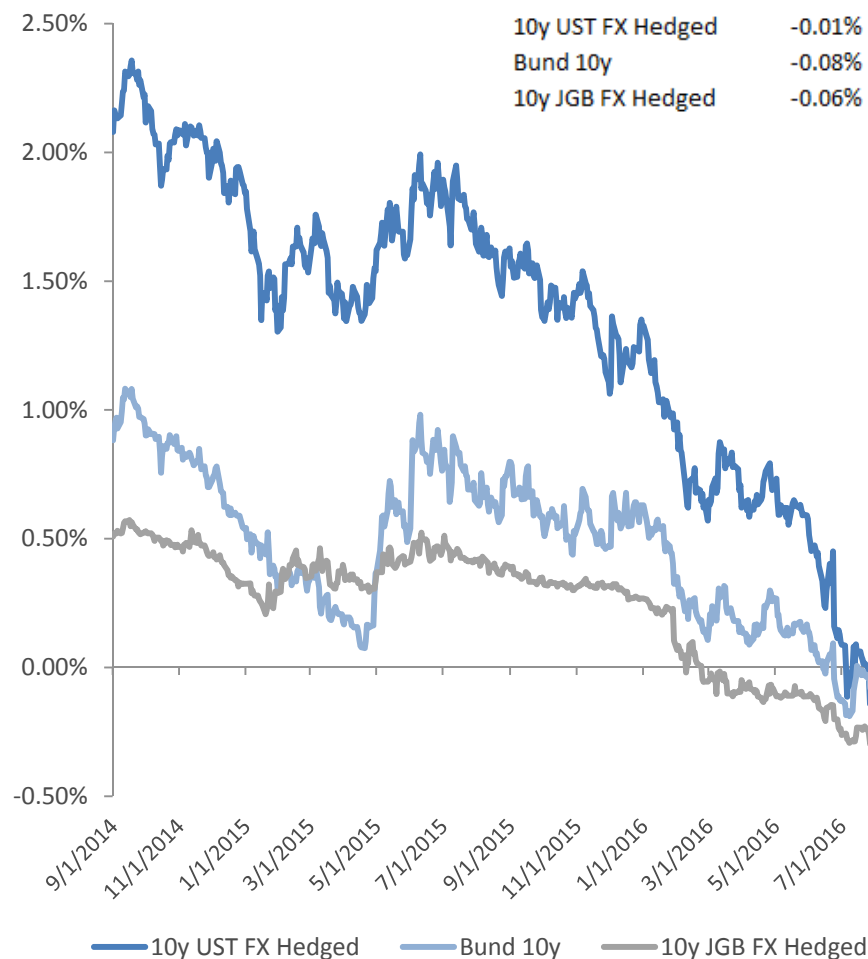
# FX Hedged 10-Year Yields for Japanese and European Investors

As of 8/29/16

10y Yield for Japanese Investors (Assumes FX Hedged)



10y Yield for European Investors (Assumes FX Hedged)



Source: Bloomberg, DoubleLine

Note: Hedged with 3m FX forwards and rolled. FX = Foreign exchange, JGB = Japanese Government Bonds, Bund = German 10-year Government Bonds.

# U.S. Rates: 10y Yield Forecast



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT10 = US 10 Year Treasury Bond. You cannot invest directly in an index.

# U.S. 30-Year Treasury

September 6, 2010 through September 7, 2016



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT30 = US 30 Year Treasury Bond. You cannot invest directly in an index.

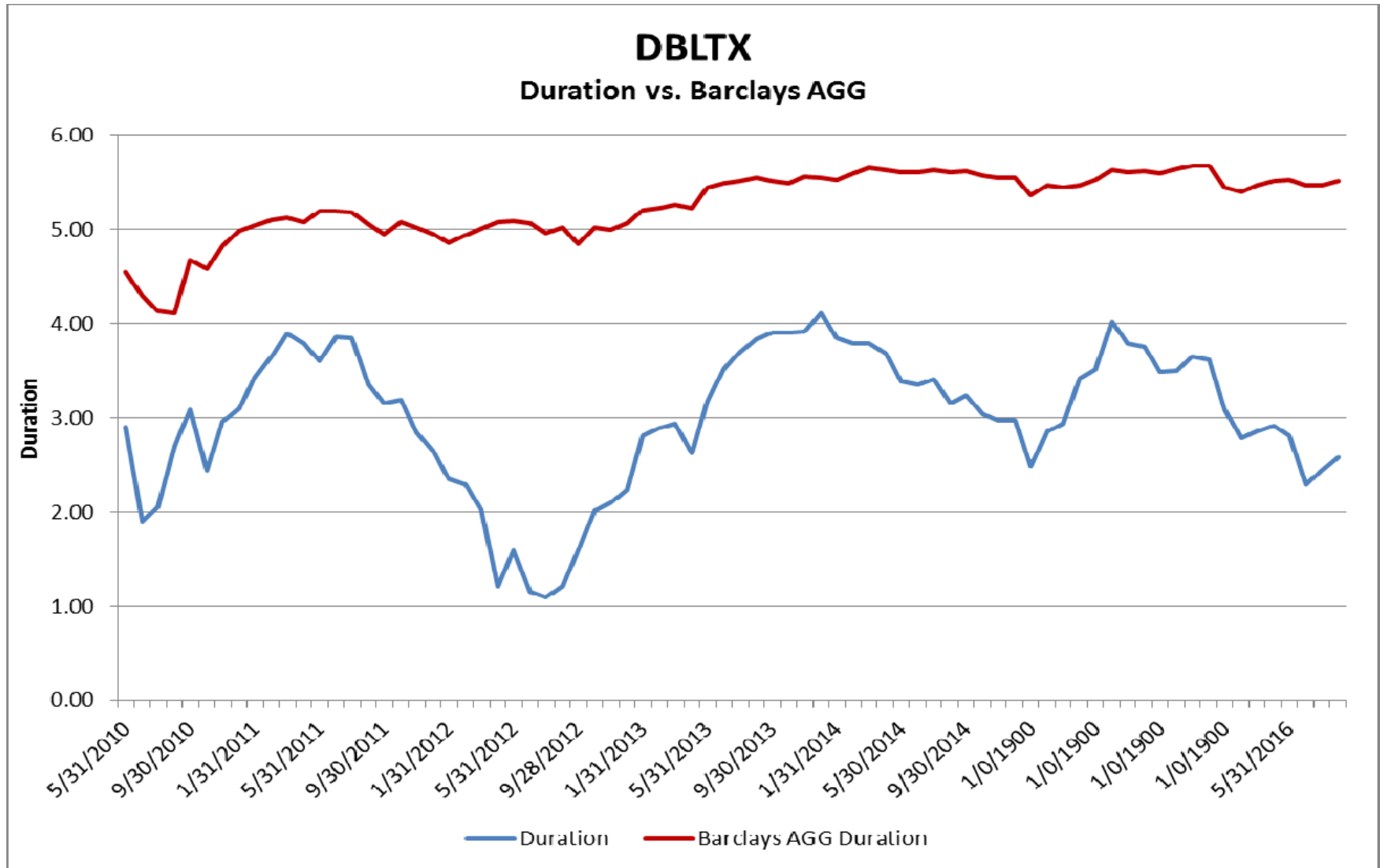
# TAB VII

## DoubleLine Total Return Bond Fund

# Duration: DBLTX vs. Barclays U.S. Aggregate Index



April 30, 2010 through August 31, 2016



Source: DoubleLine, Barclays

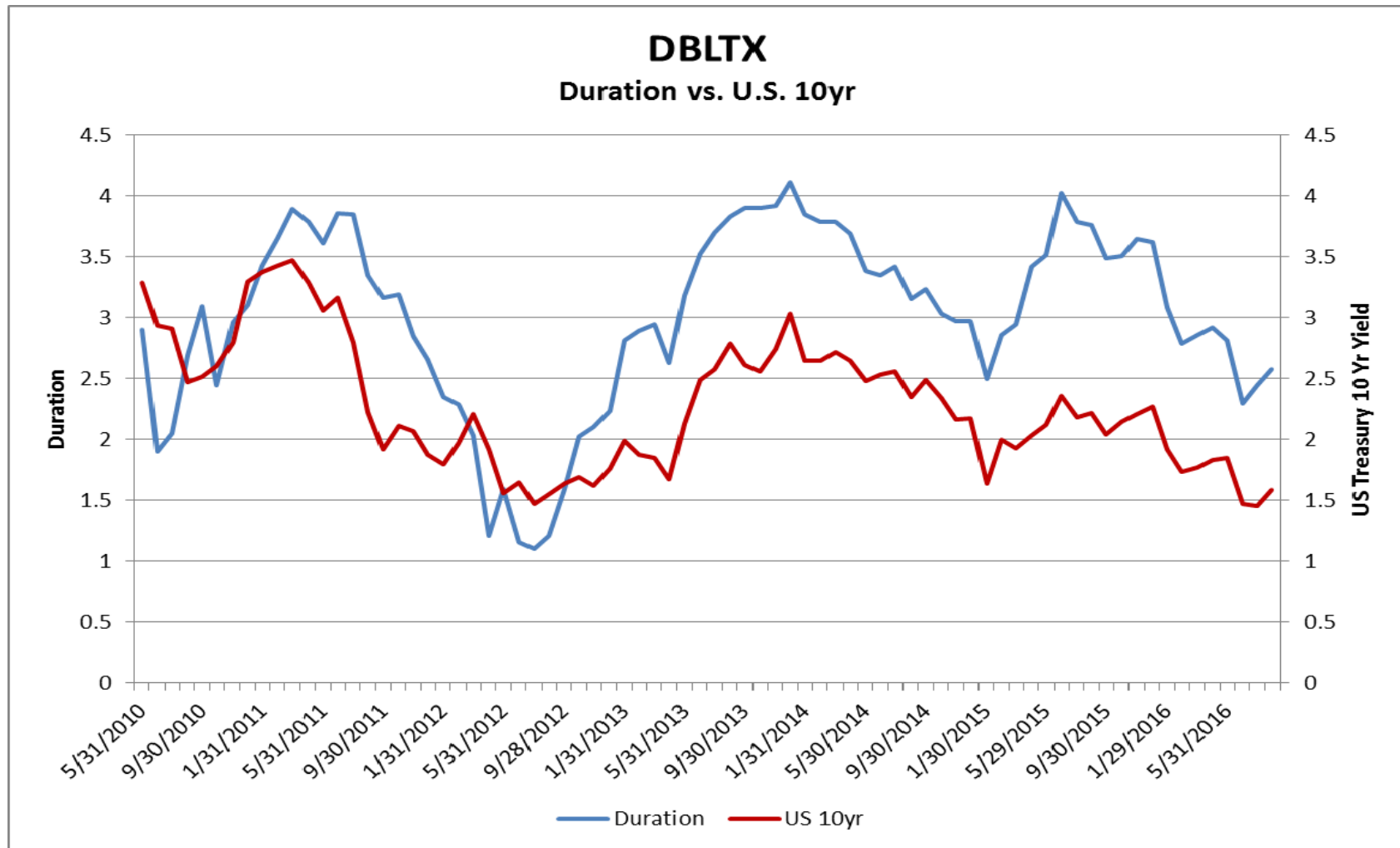
Barclays AGG Duration = Barclays US Aggregate Index duration. Duration is a measure of sensitivity of the price of a fixed income investment to a change in interest rates. It's expressed in years

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# DBLTX Duration vs. 10 Year U.S. Treasury Yield



April 30, 2010 through August 31, 2016



Source: DoubleLine, Bloomberg  
Duration is a measure of sensitivity of the price of a fixed income investment to a change in interest rates. It's expressed in years.



# Total Return Bond Fund Portfolio Statistics



	Total Return Bond Fund	Barclays Capital U.S. Aggregate Index
Average Price	\$100.51	\$107.06
Duration	2.44	5.51
Average Life	4.05	7.80

Portfolio statistics as of August 31, 2016 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.

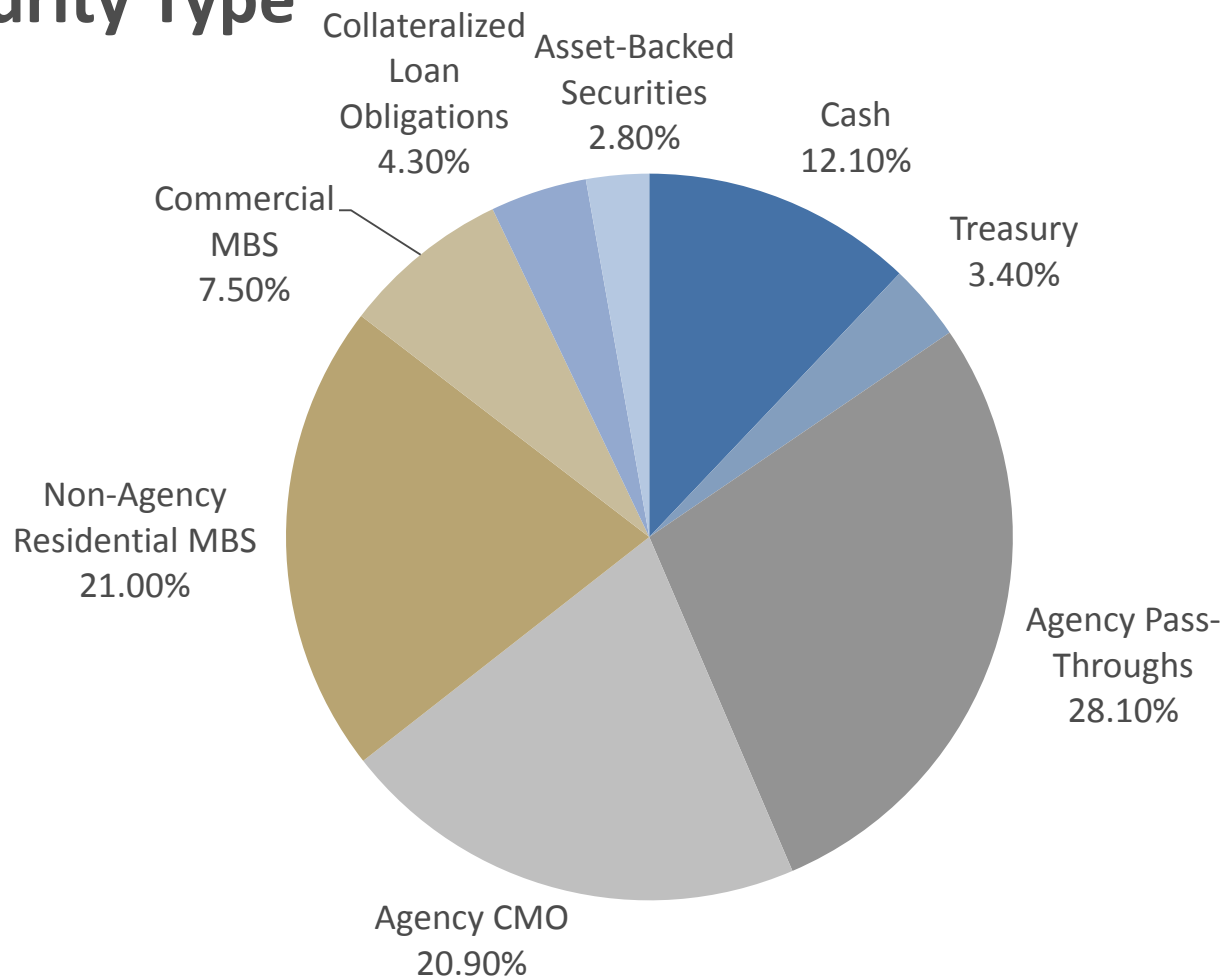
**Average Duration** = Duration is used as a risk measure. It measures the price volatility of a security given a change in interest rate movements.

**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

You cannot invest directly in an index. Please see index definition in the appendix.

# Total Return Bond Fund Portfolio Composition By Security Type



Portfolio composition as of August 31, 2016. 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.

**Government** – U.S. treasury securities.

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

**Non-Agency** = 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.

**CLO** = Collateralized Mortgage Obligations



# Turning Points

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**September 8, 2016**



# Definitions



**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 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 (CRY)**- 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 (SPX)**- 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 data 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).

**"Copper"**= Copper Spot Price (HGI) Copper is the world's third most used metal behind iron and aluminum primarily used in highly cyclical industries including construction and industrial machinery manufacturing. Spot price quoted in USD/lb.

**"Gold"**= Gold Spot Price (Golds) The Gold Spot price is quoted as US Dollar per Troy Ounce.

**Crude Oil**= Crude oil varies greatly in appearance depending on its composition. West Texas intermediate (WTI) = Texas light sweet crude is used as a benchmark in oil pricing. It's "light" because of the low density and sweet because of low sulfur. Brent crude = Is a major trading classification of sweet light crude. Brent is the oil maker also known as Brent Blend.

**Volatility Index (VIX)** -The VIX shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge".

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

**Yield-to-Maturity (YTM)** - The discount rate at which the sum of all future cash flows from the bond (coupons and principal) is equal to the price of the bond. The YTM calculation takes into account the bond's current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupon payments are reinvested at the same rate as the bond's current yield.

# Definitions

## **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 U.S. High Yield Index (HOA0)**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on average of Moody's, S&P and Fitch) at least 18 months to final maturity at time of issue of issuance, a final maturity, a fixed coupon schedule and a minimum amount outstanding of \$100 MM.

## **BofA Merrill Lynch U.S. High Yield Excluding Energy, Metals and Mining Index (HXNM)**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market excluding energy, metals and mining.

## **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.

# Definitions



**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.

**BofA Merrill Lynch US Treasury Index (GOQ0)** -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 (GOQ0).

**BofA Merrill Lynch Municipal Index**-The Merrill Lynch Municipal

**BofA Merrill Lynch Current 10 year UST Index** – This index is the 10 year component of the US Government index.

**BofA Merrill Lynch Current 30 year UST Index** – This index is the 30 year component of the US Government index.

**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.

**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.

# Definitions



**BofA/Merrill Lynch Inflation Linked Index (GOQ1)** – The BofA Merrill Lynch US Inflation-Linked Treasury Index tracks the performance of US dollar denominated inflation linked sovereign debt publicly issued by the US government in its domestic market.

**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 CMBS Index** – tracks the performance of US dollar-denominated securitized commercial mortgage-backed securities.

**Russell 2000** – measures the performance of the small-cap segment of the US equity universe. Russell 2000 is a subset of the Russell 3000 index representing approximately 10% of the total market capitalization of that index.

**S&P GSCI** – is a composite index of commodity sector return representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

**S&P GSCI Agriculture** – is a composite index of agriculture commodity futures unleveraged, long-only investment.

**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.

**DAX** - This index is the German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange.

**CAC 40** – This index the most widely-used indicator of the Paris market, reflects the performance of the 40 largest equities listed in France, measured by free-float market capitalization and liquidity.

**FTSE 100** – Is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

**Nikkei 225** – The Nikkei-225 Stock average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

**Barclays U.S. High Yield Index** – An index that is composed of fixed-rate, publicly issued, non-investment grade debt.

**Barclays Euro Corporate Index** – A subset of the Barclays EuroAgg measures the investment grade, euro-denominated, fixed rate bond market, including treasuries, government-related, corporate and securitized issues.

**Barclays Euro High Yield Index** – Measures the market of non-investment grade, fixed-rate corporate bonds denominated in Euro. Inclusion is based on the currency of issue, and not the domicile of the issuer.

**JPMorgan Corporate EMBI Broad Diversified Index (JBDCOMP)** – This index tracks a broad basket of performance of investment grade corporate debt, including smaller issues covering a wider array of publically issued across a range of emerging market countries.

**JPMorgan Corporate Emerging Market Index (JCMHCOR)** – This index is a liquid basket of emerging markets corporate issues which include 80 bonds, representing 60 issuers and 16 countries. It has strict liquidity criteria for inclusion in order to provide replicability, tradability, robust pricing and data integrity.

**JPMorgan Global Bond Index ex-EM (JGAGGUSD)** – is a comprehensive global investment grade benchmark excluding emerging markets.

**JPMorgan EM Bond Index Global Diversified** – tracks total returns for traded external debt instruments in the emerging markets limiting the weights of those index countries with larger debt stocks by only including a specified portion of these countries eligible current face amounts of debt outstanding..

**Barclays U.S. Corporate Index** – Is a subset of the Barclays U.S. Aggregate index which is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed rate taxable bond market. IT includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS. This subset represents the investment grade portion of that index.



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# Turning Points

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**September 8, 2016**



# Upcoming Webcast Announcements

## Asset Allocation Webcast – July 12, 2016

Jeffrey Gundlach will discuss

**Core Fixed Income and Flexible Income Funds**

Go to [www.doublelinefunds.com](http://www.doublelinefunds.com), Home page under “Events”

2016 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## Total Return Webcast – September 8, 2016

Jeffrey Gundlach will host

**Total Return Fund webcast**

Go to [www.doublelinefunds.com](http://www.doublelinefunds.com), Home page under “Events”

2016 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

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