

2014 Markets: Year of the Horse: “Let the Race Begin”

Live Webcast hosted by:

Jeffrey Gundlach
Chief Executive Officer

January 14, 2014



Upcoming Webcast Announcements

Brendt Stallings & Husam Nazer – January 21, 2014

Equities Webcast – Small Cap & Equities Growth

Go to www.doublelinefunds.com, Home page under “Events”

2014 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

Jeffrey Sherman & Sam Garza – February 11, 2014

Multi-Asset Growth Fund Webcast

Go to www.doublelinefunds.com, Home page under “Events”

2014 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

Philip Barach – February 25, 2014

Low Duration Webcast

Go to www.doublelinefunds.com, Home page under “Events”

2014 Webcast Schedule to register

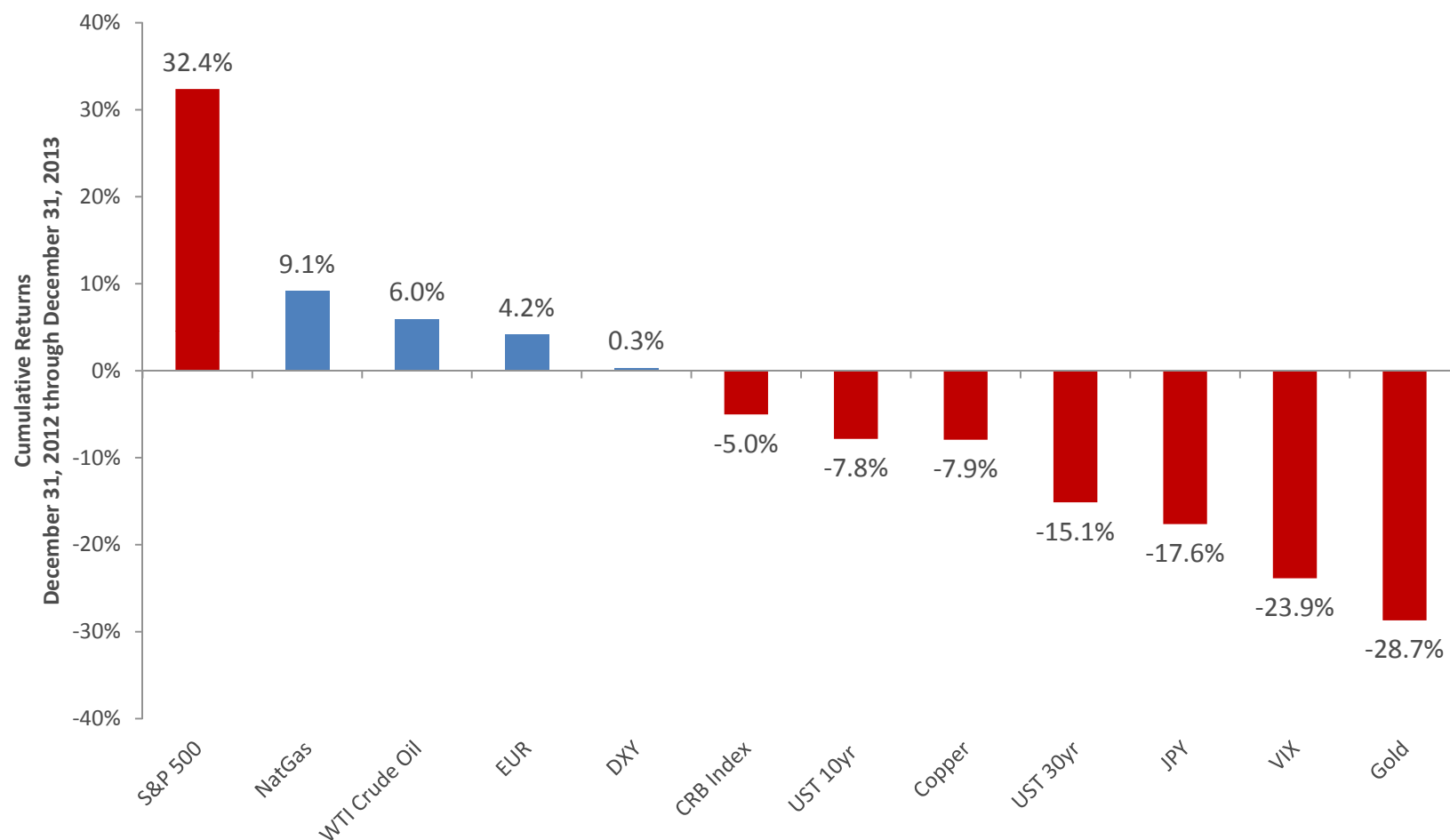
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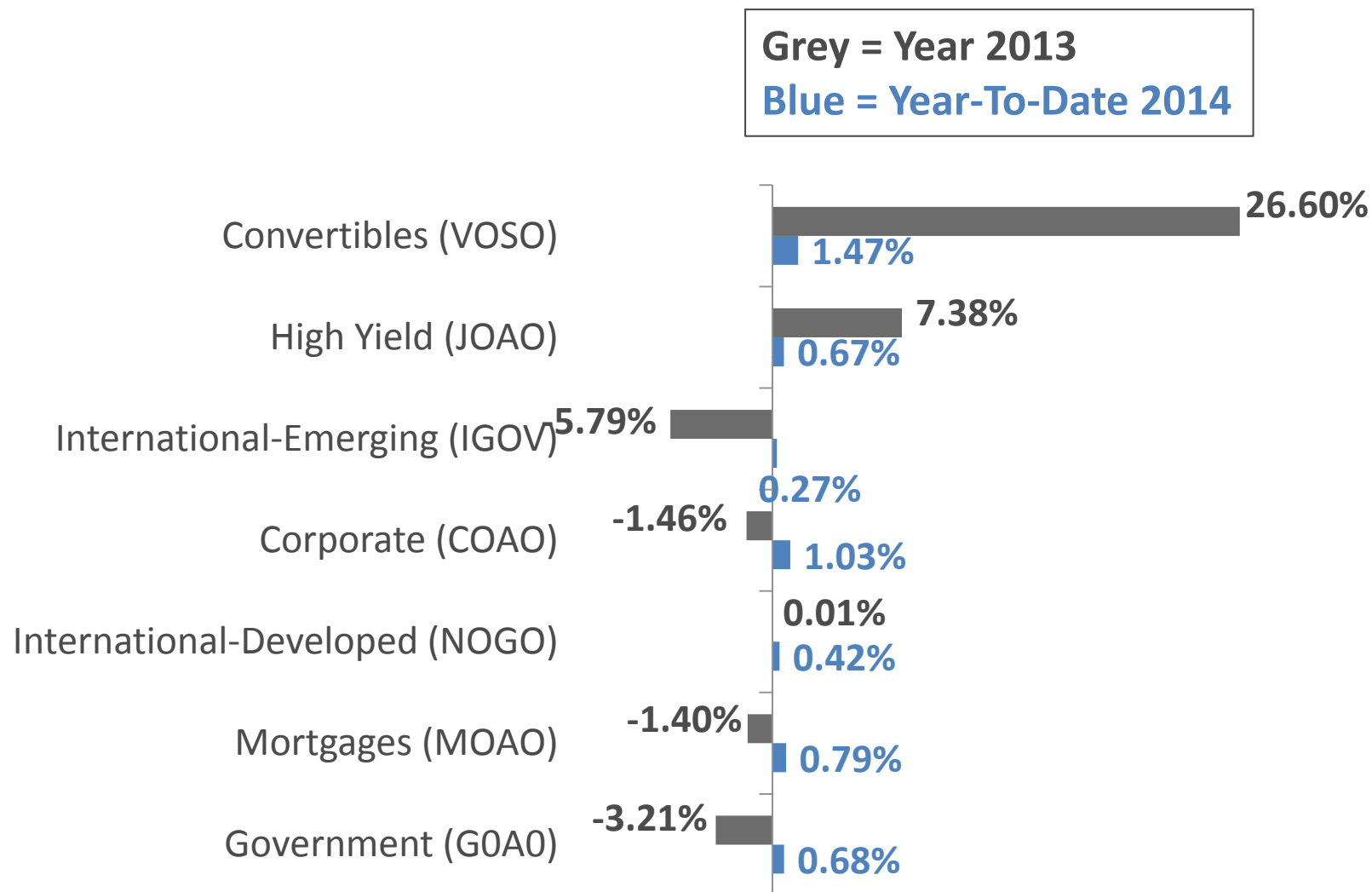
2013 Performance By Asset Class



Source: Bloomberg

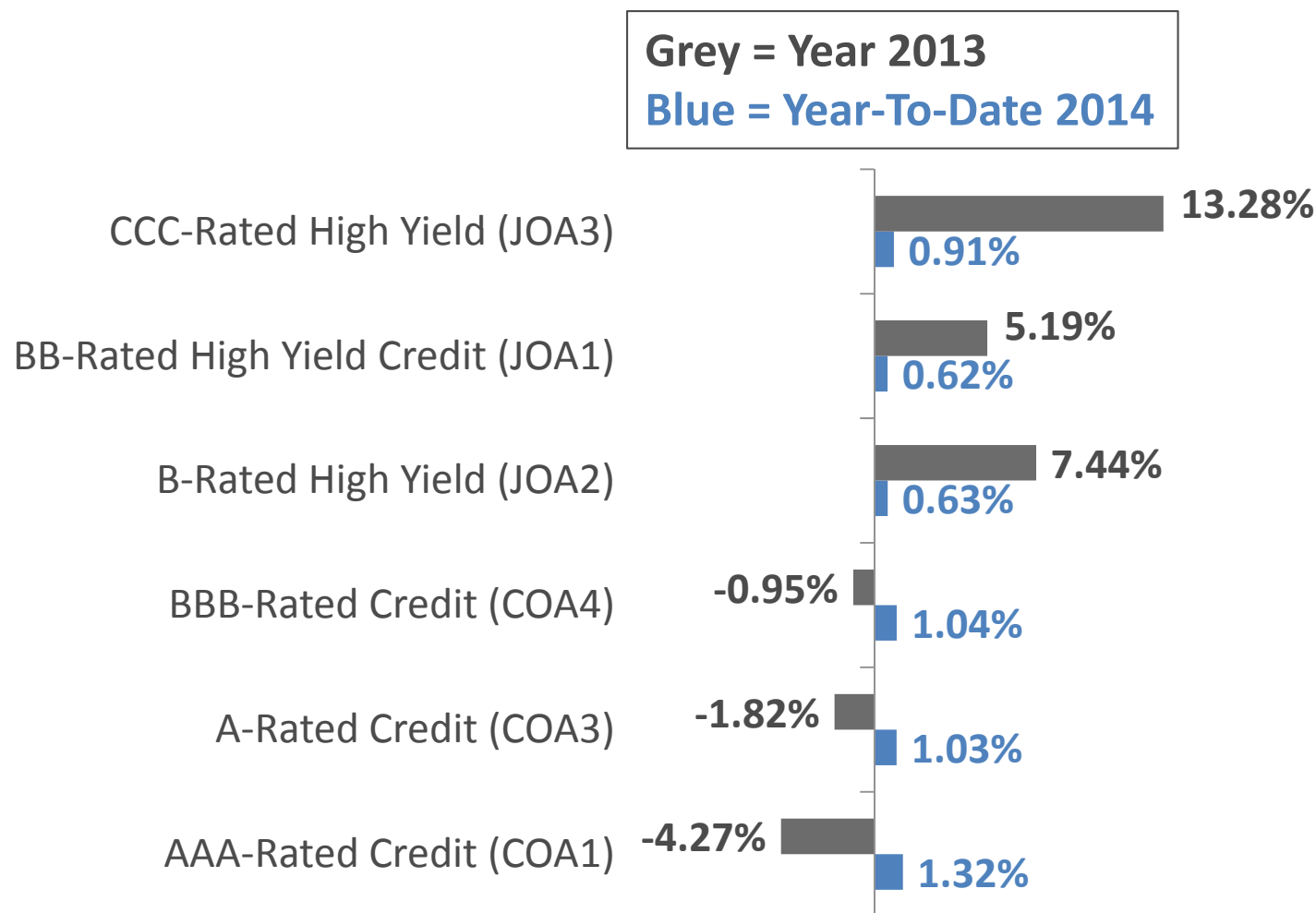
Nat Gas = Generic natural gas futures contract. WTI Crude Oil =generic futures contract for crude oil. EUR = Euro index spot price. DXY = US Dollar index indicating spot price. CRB Index = Index of spot market prices is a measure of price movements of 22 sensitive basic commodities. Copper= Generic copper futures contract. JPY = Japanese spot price. VIX = Volatility index reflects a market estimate of future volatility based on the weighted average of implied volatilities for a wide range of strikes. Gold = spot price for gold.
An investment cannot be made in an index directly. Please see appendix for index definitions

BofA/Merrill Fixed Income Index Returns



Data Source: BofA/Merrill Lynch Indices through year-end December 31, 2013 and January 10, 2014 for the respective years indicated. Please see the Appendix for index definitions. An investment cannot be made directly in an index.

BofA/Merrill Fixed Income Index Returns



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.

Source: BofA/Merrill Lynch Indices as of December 31, 2013 and January 10, 2014 and for their respective years indicated.

Please see appendix for Index definitions

An investment cannot be made directly in an index.

US Fixed Income Performance By Sector

December 31, 2012 through December 31, 2013



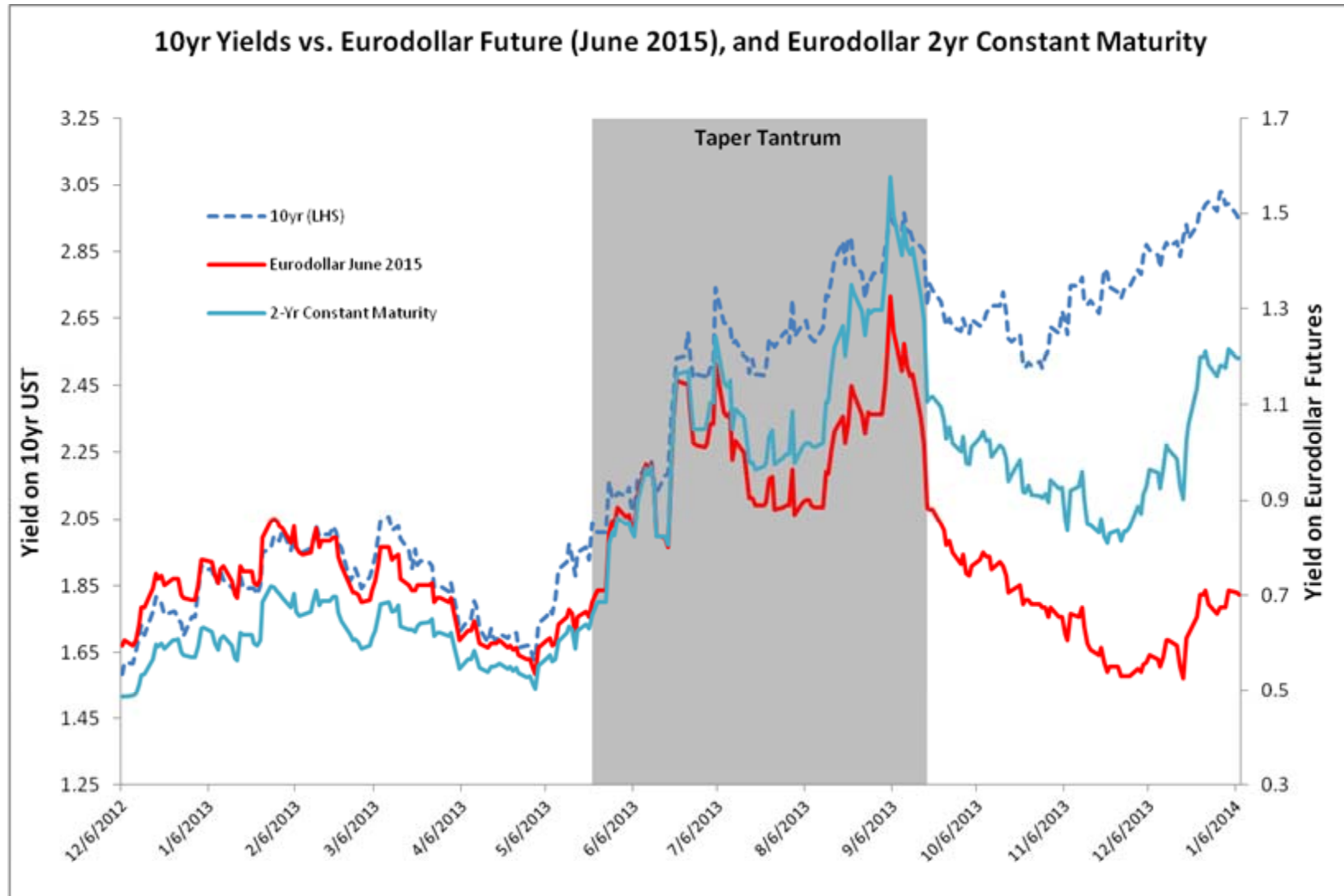
Source: Bank of America Merrill Lynch, Bloomberg, DoubleLine Capital

IG = Investment Grade, HY = High Yield, DM = Developed Markets, EM = Emerging Markets, MBS = Mortgage-Backed Securities

An investment cannot be made directly in an index.

US Federal Reserve Rate Hike Cycle

December 6, 2012 through January 6, 2014



10-Year US Treasury Yields

January 1, 1790 through December 18, 2013

DoubleLine®



Source: Goldman Sachs, "Top of Mind", December 18, 2013.

US 2-Year and 5 Year Treasury Index

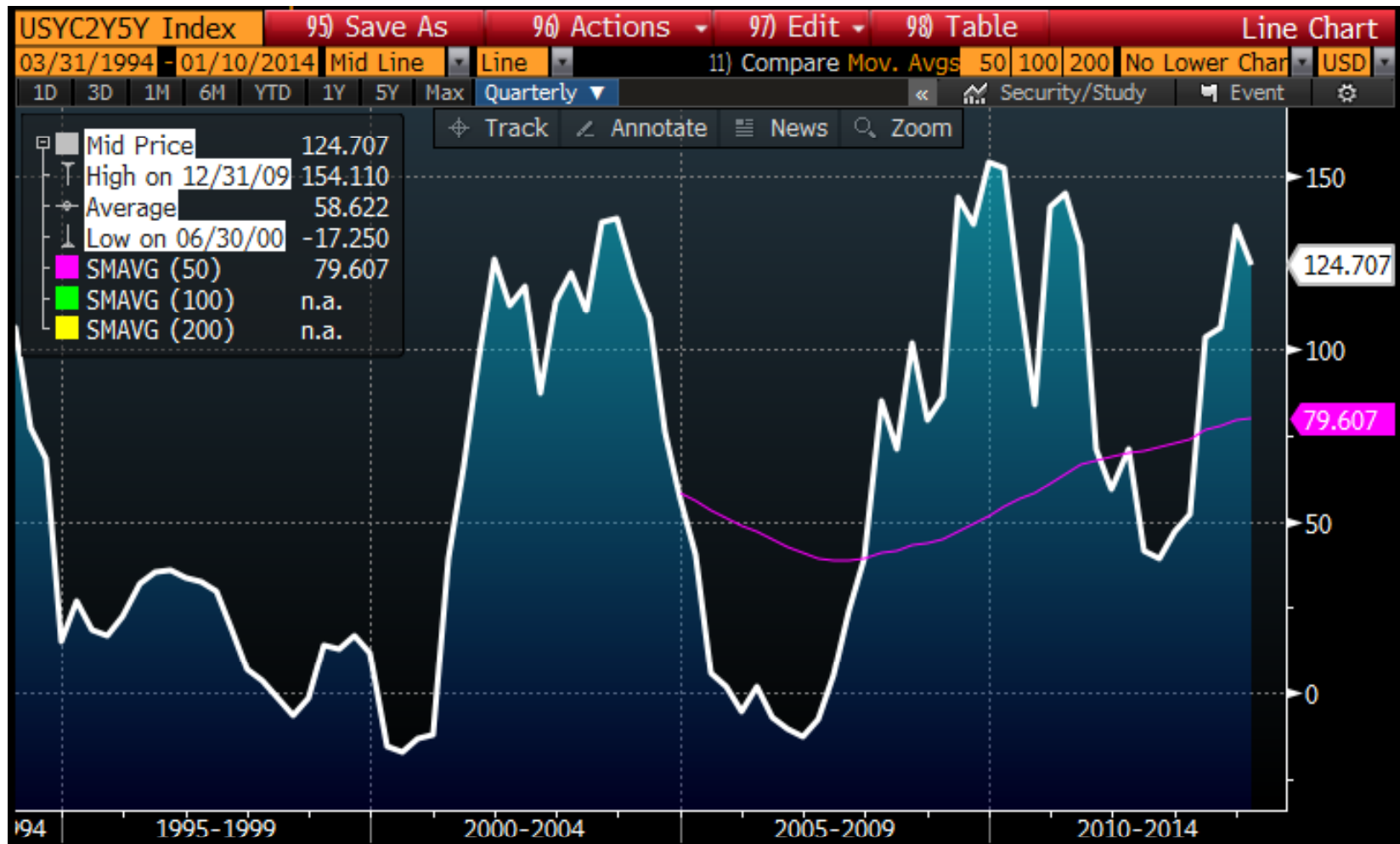
January 10, 2013 through January 10, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP
An investment cannot be made directly in an index. Please see appendix for index definitions.

US 2-Year and 5 Year Treasury Index

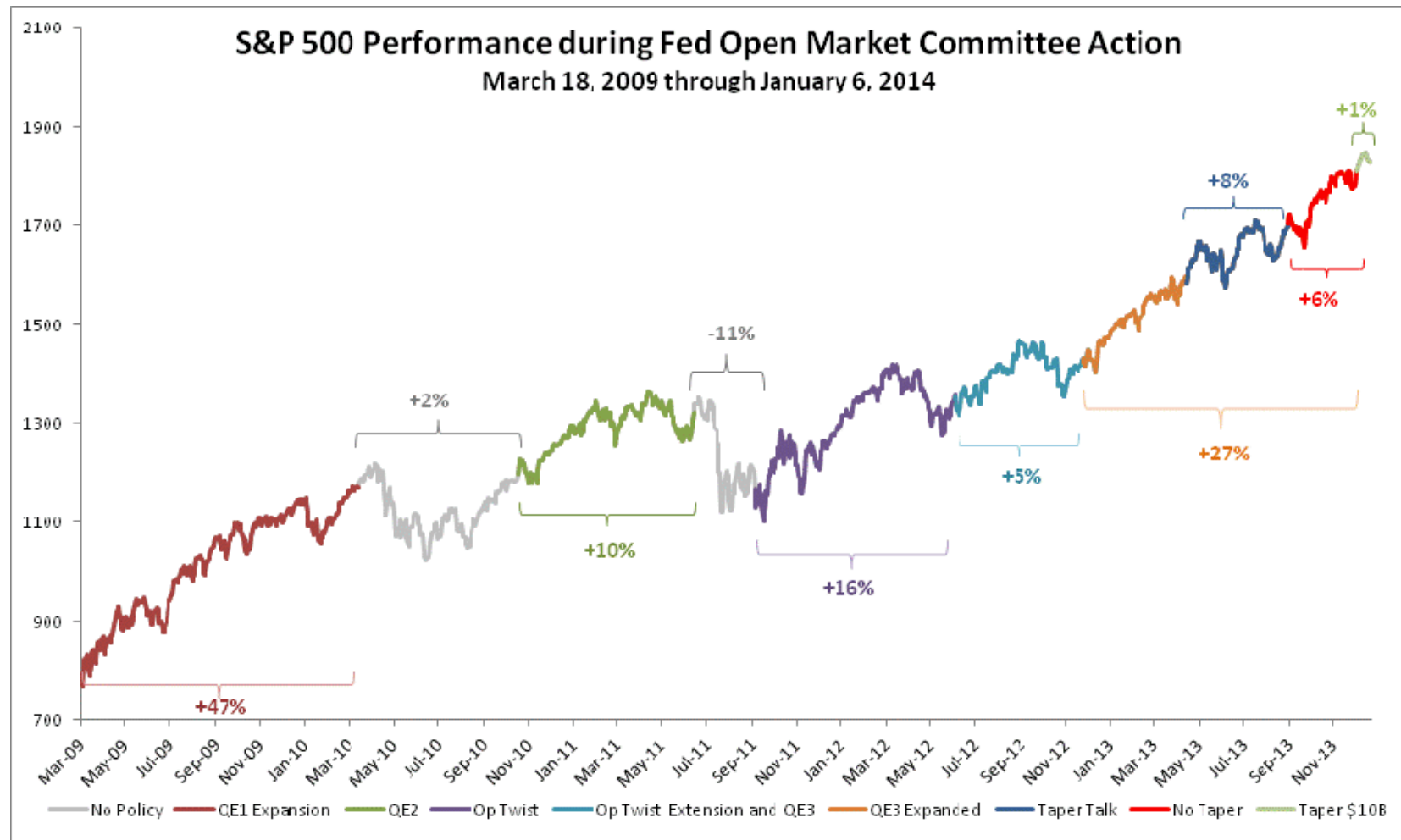
March 31, 1994 through January 10, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP
An investment cannot be made directly in an index. Please see appendix for index definitions

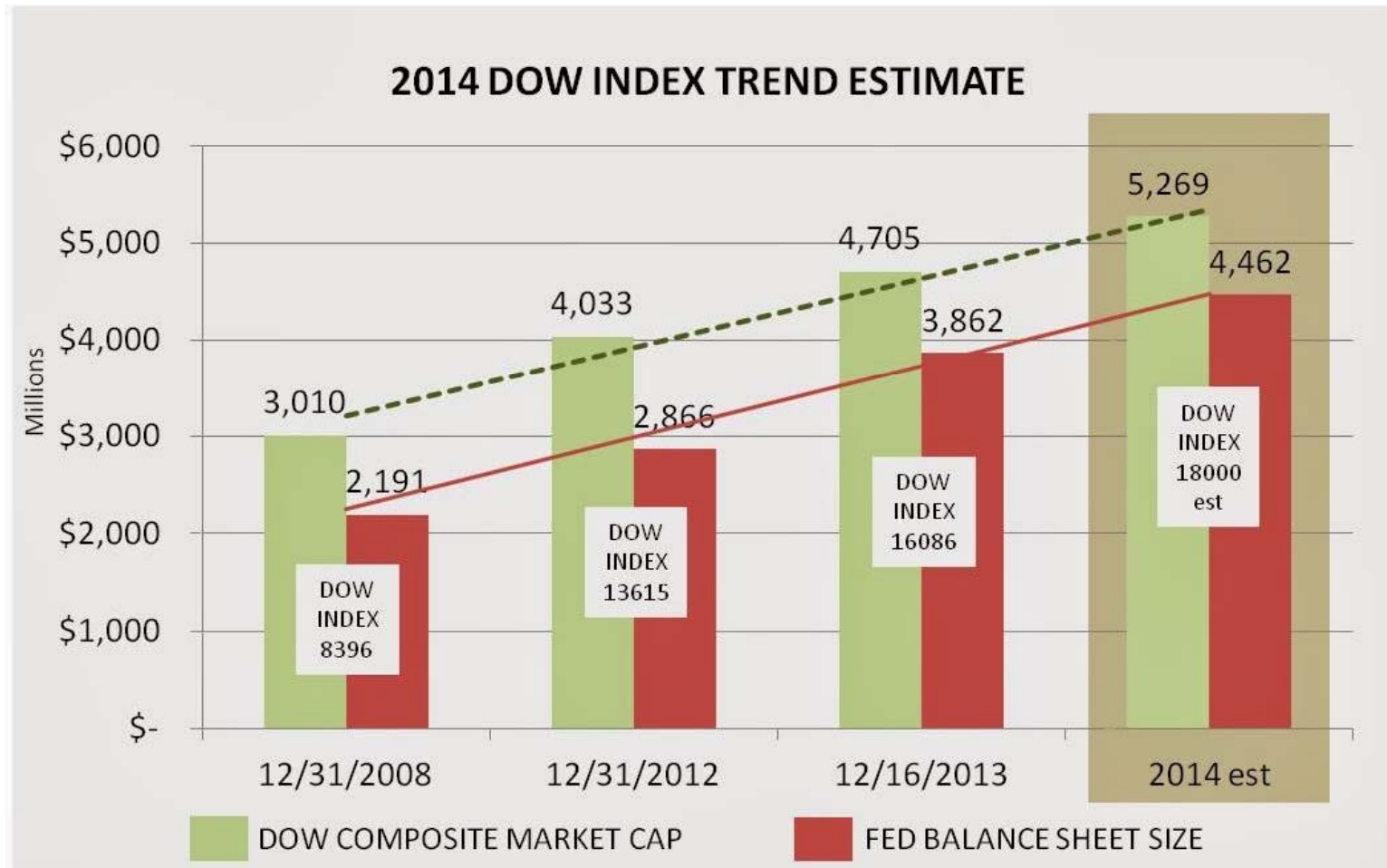
Federal Reserve QE Effects on the Stock Market

March 18, 2009 through January 6, 2014



Source: Bloomberg, DoubleLine Capital
An investment cannot be made in an index directly.
Please see appendix for index definitions.

DOW Index Trend Estimates

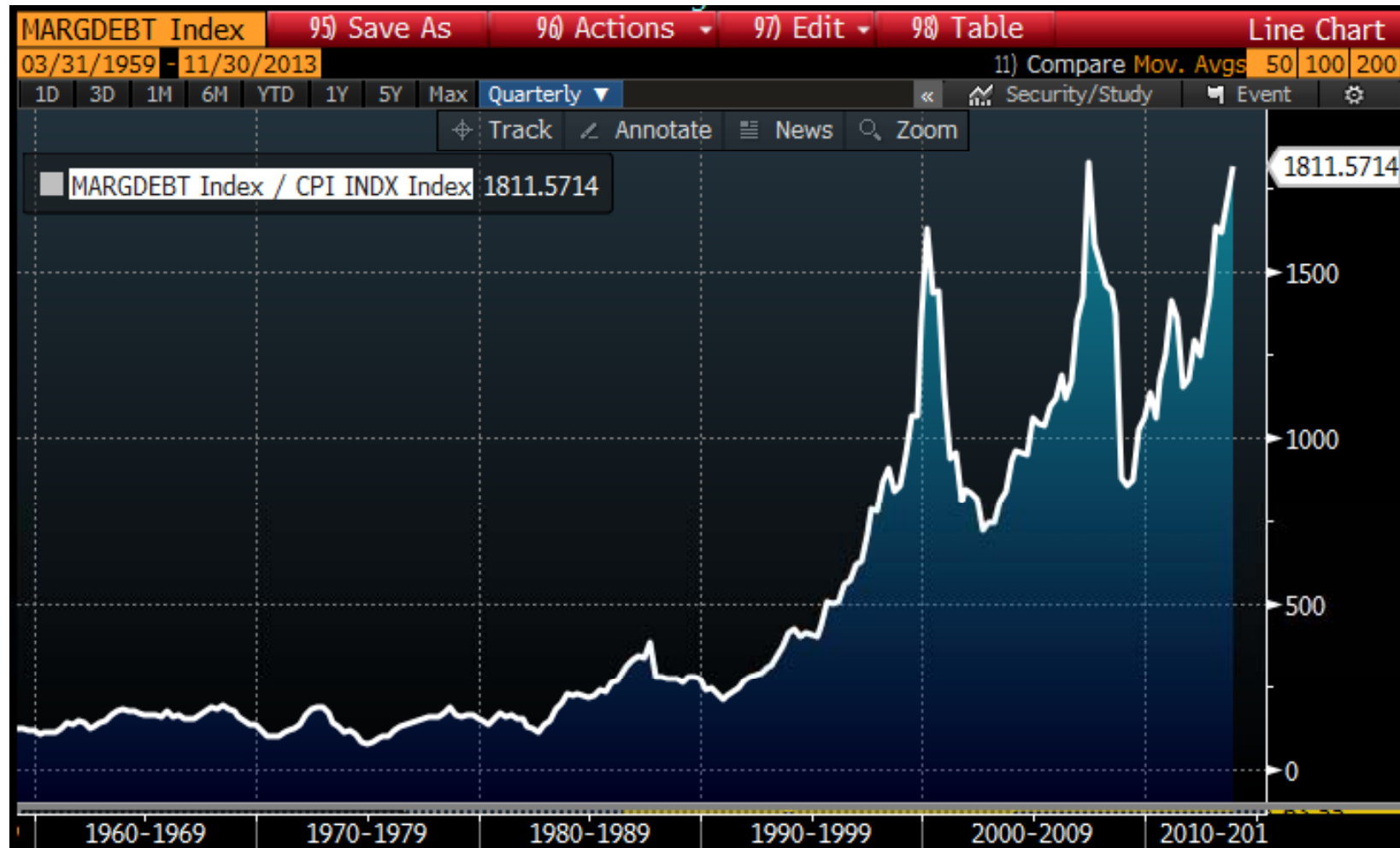


Source: <http://financialvigilante.blogspot.com/2013/12/stock-market-in-2014-can-run-continue.html>, December 20, 2013 "Stock Market in 2014 – Can the Run Continue?"

Dow Index = Dow Jones Industrial Average is a price weighted average of 30 blue-chip stocks that are generally the leader in their industry. An investment cannot be made directly in an index.

Margin Borrowing CPI Adjusted

March 31, 1959 through November 30, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP
MARGDEBT = Debt balances in margin accounts. CPI = Consumer Price Index
An investment cannot be made directly in an index. Please see appendix for definitions.

CRB Commodity Index

Year-End 2007 through January 13, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP

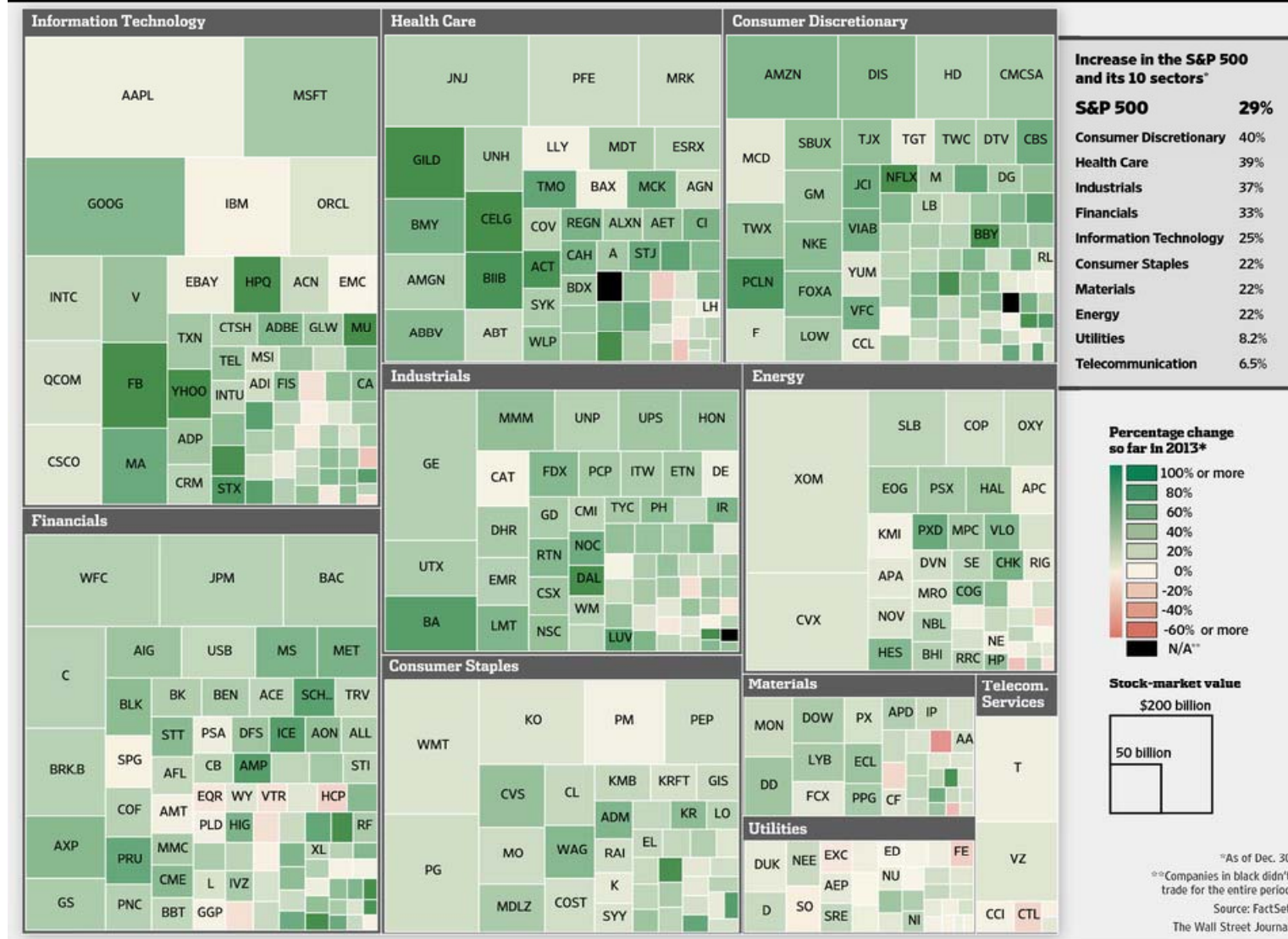
Note: The TR/J CRB Commodity Excess Return Index is an arithmetic average of commodity futures prices with monthly rebalancing. An investment cannot be made directly in an index.

S&P 500 Sector Breakdown for 2013

Entire Year 2013



Green Light | All sectors of the S&P 500 were winners in 2013, with growth-sensitive companies posting the biggest gains



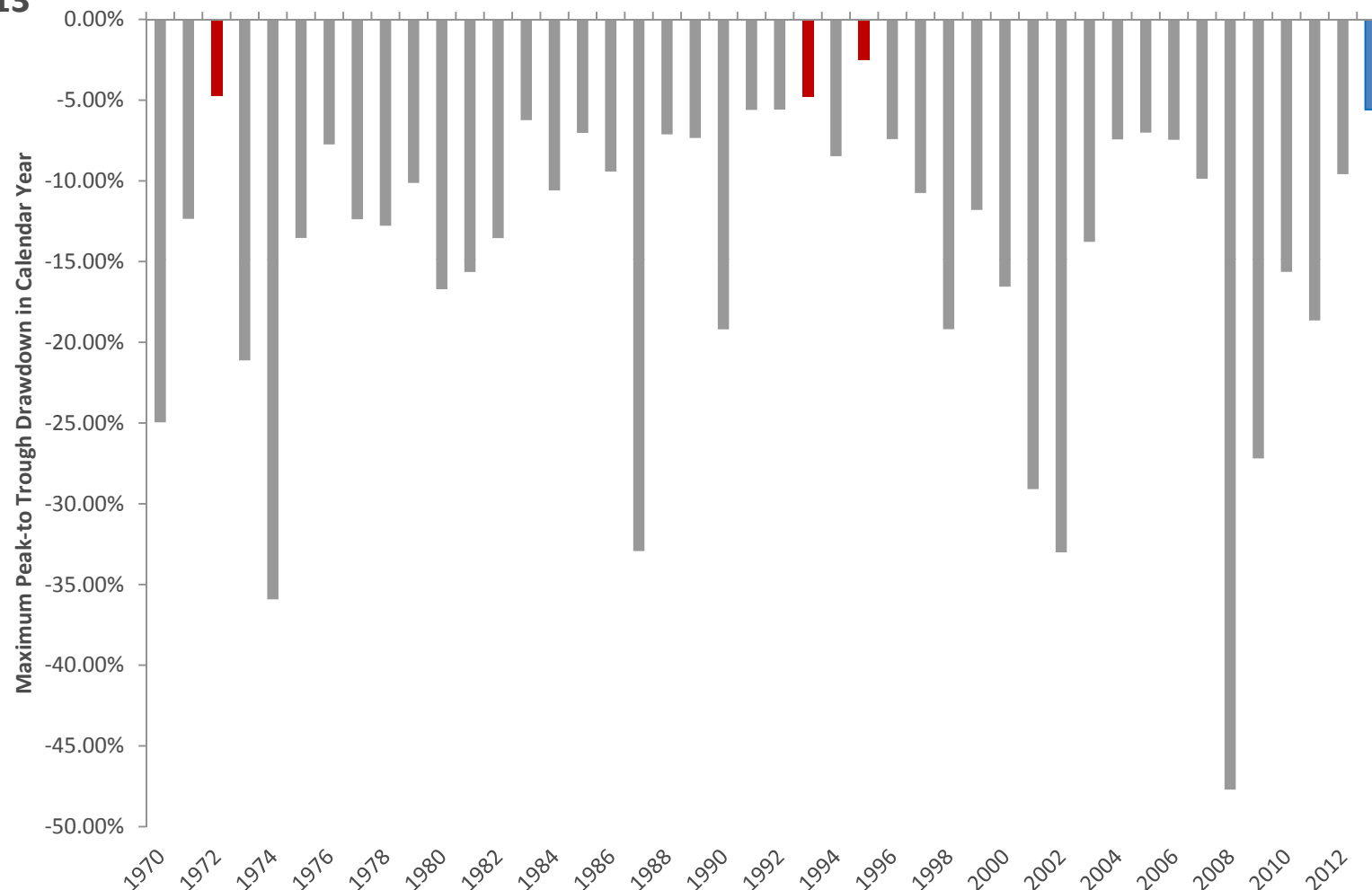
Source: http://s.wsj.net/public/resources/images/MI-CA398B_STOCK_G_20131230184809.jpg

An investment cannot be made in an index directly.

Please see appendix for index definitions.

S&P 500 Total Return Maximum Drawdown in a Calendar Year (January 1, 1970 through December 31, 2013)

- In the previous 43 years, only 3 have experienced a lower peak-to-trough drawdown than 2013



Data Source: DoubleLine Capital, Bloomberg

Maximum drawdown = Is the measure of the decline from a historical peak in cumulative profit.

An investment cannot be made in an index directly.

S&P 500 Never Broke its 200-day Moving Average in 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP
 SPX = S&P 500 Index. Moving Average = is the unweighted mean of the previous data points.
 An investment cannot be made directly in an index. Please see appendix for index definitions.

DJUBS Commodity Index - Broke its 200-Day Moving Average in Mid-February and Never Recovered

December 31, 2012 through December 31, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

DJUBS = Dow Jones UBS Commodity Index is calculated on excess return basis & composed of futures and contracts on 22 physical commodities.

An investment cannot be made directly in an index.

Gold Broke its 200-Day Moving Average Slightly Earlier

December 31, 2012 through December 31, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

GC1 = Gold Options generic contract.

An investment cannot be made directly in an index. Please see appendix for index definitions

S&P 500 Realized 6-Month (126 days) Standard Deviation

January 7, 2009 through January 7, 2014

DoubleLine®



Source: Bloomberg Financial Services, DoubleLine Capital LP

SPX = S&P 500 Index. Standard Deviation = It shows how much variation there is from the "average" (mean, or expected/budgeted value).

An investment cannot be made directly in an index. Please see appendix for index definitions.

DJUBS Commodity Index - Realized 6-Month (126 days) Standard Deviation



January 7, 2009 through January 7, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP

DJUBS = Dow Jones UBS Commodity Index is calculated on excess return basis & composed of futures and contracts on 22 physical commodities. SPX = S&P 500 Index. See definitions for Standard Deviation.

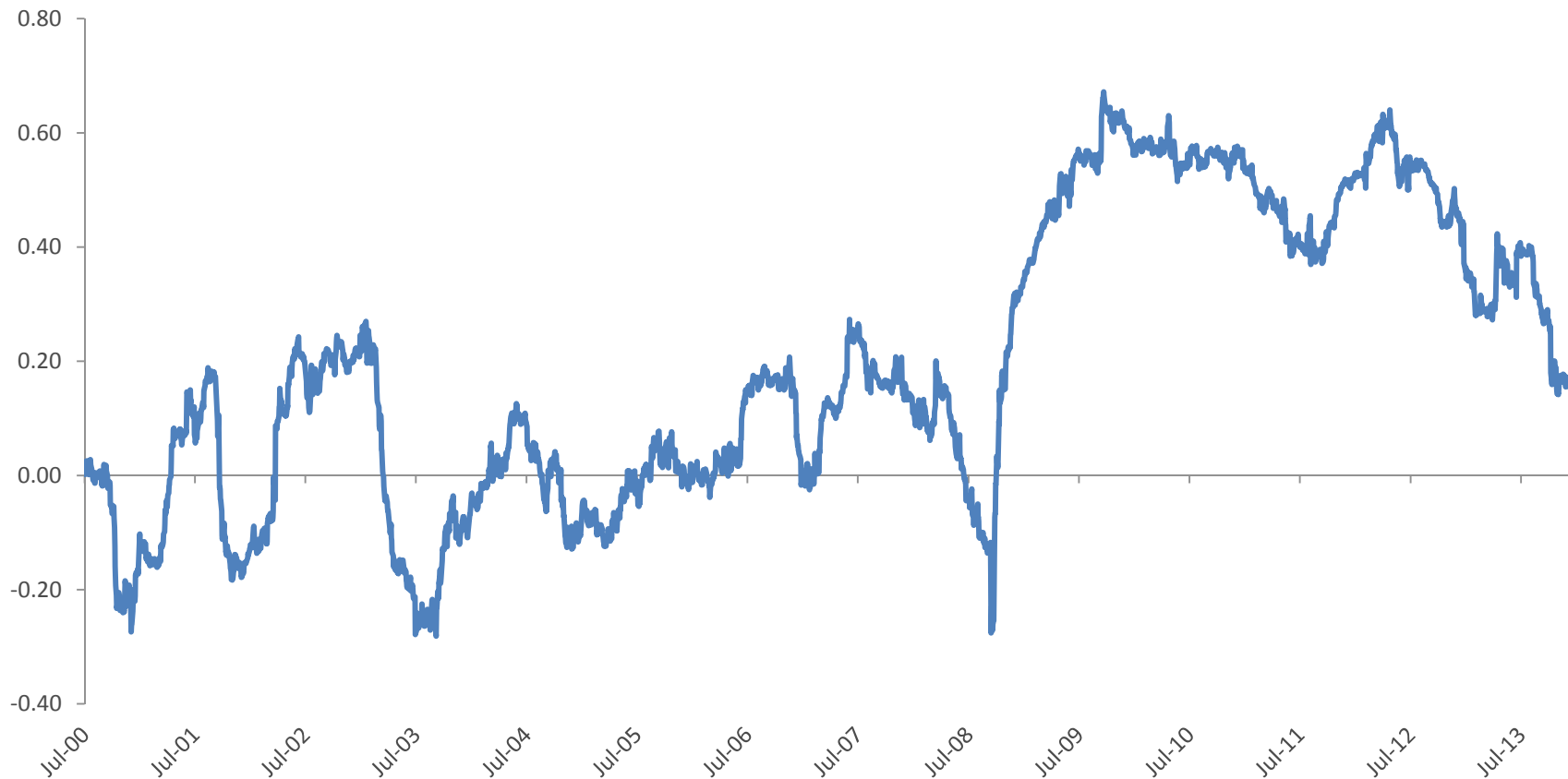
An investment cannot be made directly in an index.

Commodities Broke the “Risk-On, Risk-Off” Behavior of the US Equity Market

July 1, 2000 through January 10, 2014



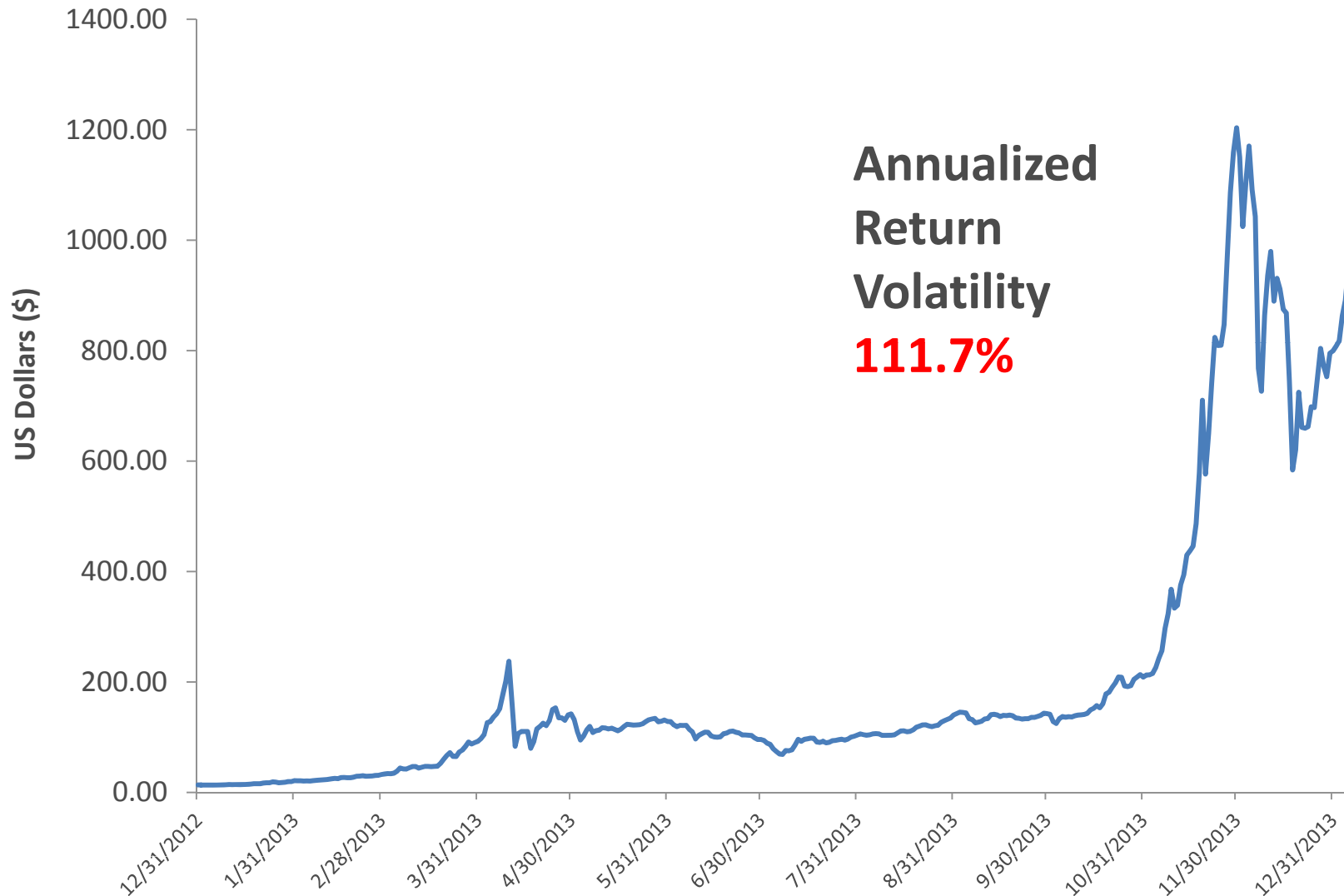
6 Mo Correlation(S&P 500, DJUBS)



Source: Bloomberg Financial Services, DoubleLine Capital LP
For definitions please see the appendix section of this presentation.
An investment cannot be made directly in an index.

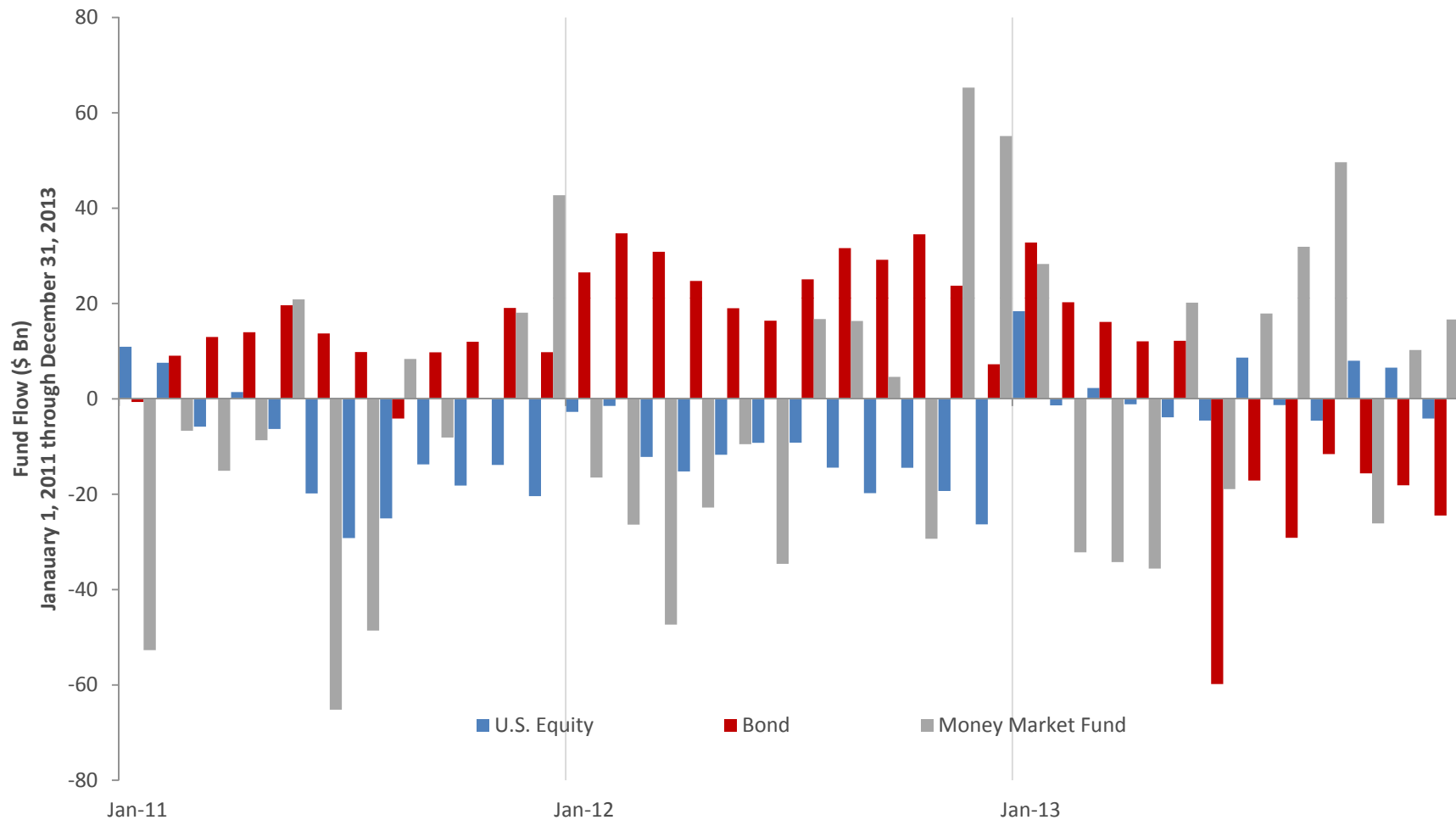
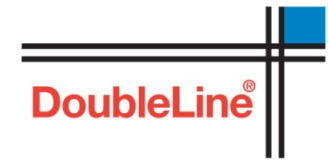
The Rise of Cryptocurrency – Bitcoin (BTC)

December 31, 2012 through December 31, 2013



US Mutual Fund Flows

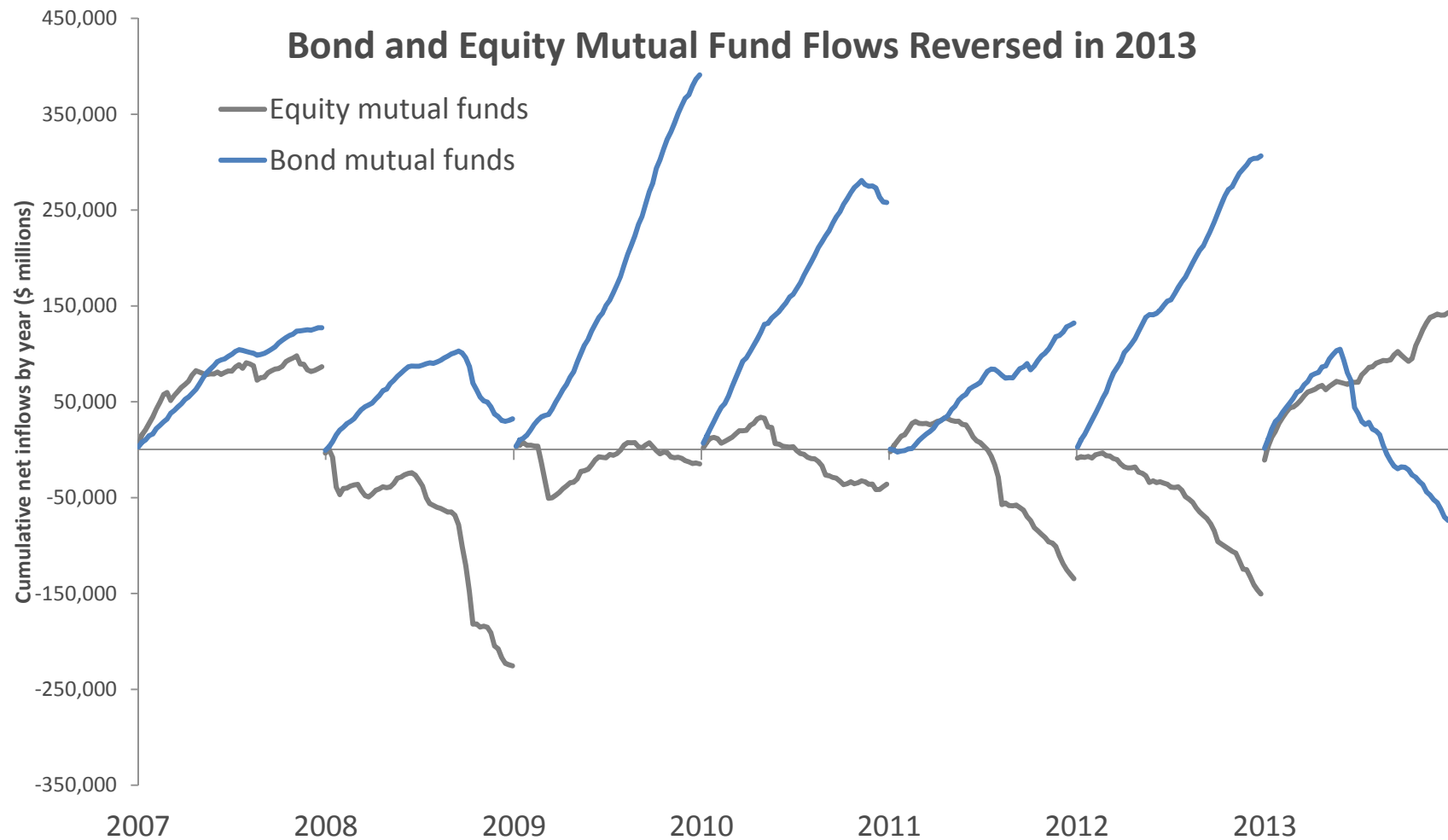
January 1, 2011 through December 31, 2013



Source: Investment Company Institute (ICI), DoubleLine Capital

US Equity & Bond Mutual Fund Flows By Year

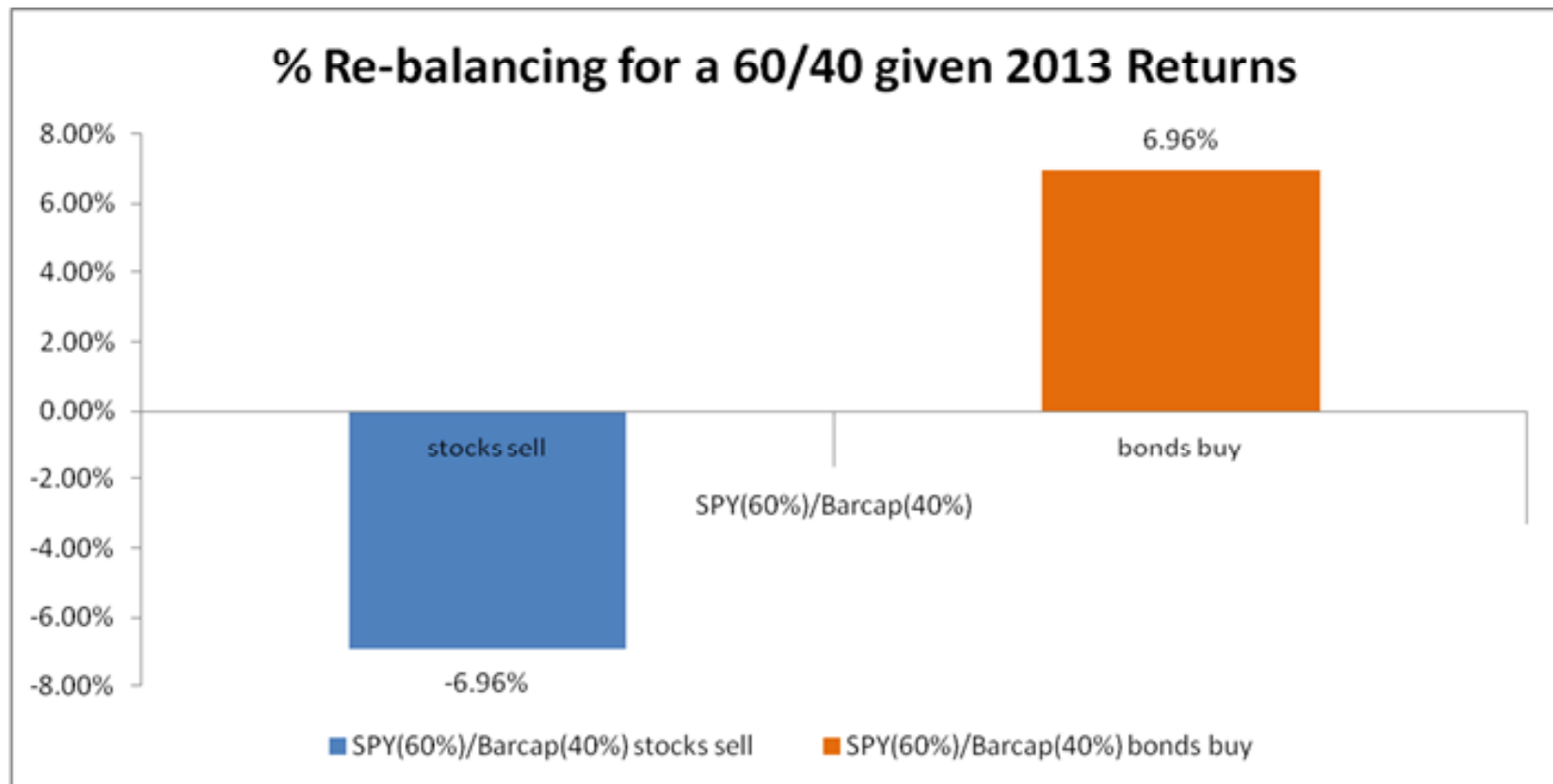
January 1, 2007 through December 31, 2013



60/40 Portfolio Rebalancing For 2014



- With equity profits in 2013, many pension plans, defined benefit plans, etc., will need to rebalance their portfolios into bonds in 2014 to maintain a 60/40 mix of bonds to equity.



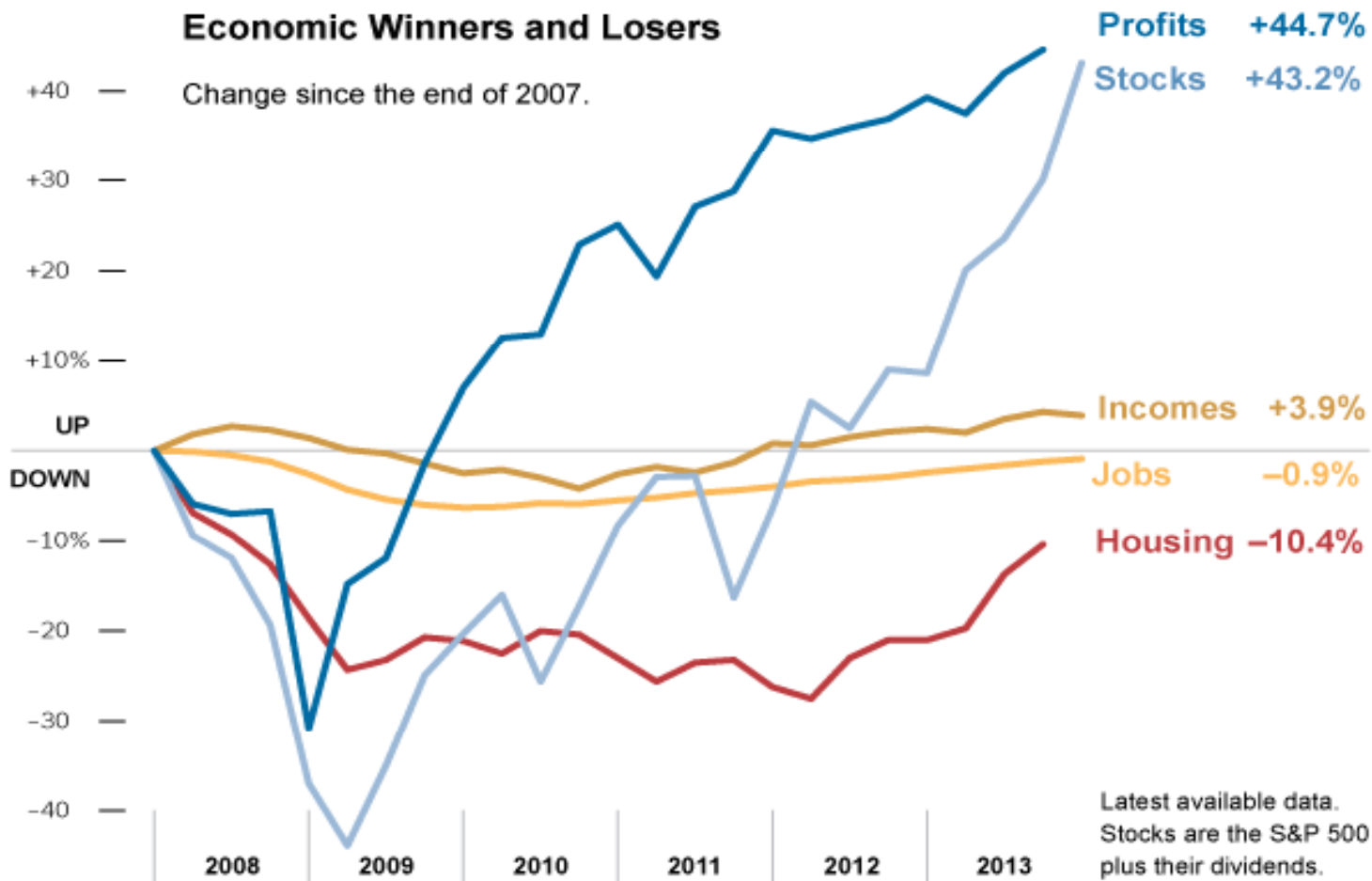
Source: <http://www.nytimes.com/2013/12/30/opinion/america-in-2013-as-told-in-charts.html?pagewanted=all>

SPY = SPDR S&P 500 ETF Trust is a unit investment trust incorporated in the US. Barcap = Barclays US Aggregate Index.

Please see the appendix for Index definitions.

US Economic Winners & Losers

December 31, 2008 through December 31, 2013



Sources: Bureau of Economic Analysis; Bloomberg; Sentier Research; Bureau of Labor Statistics; Case-Shiller

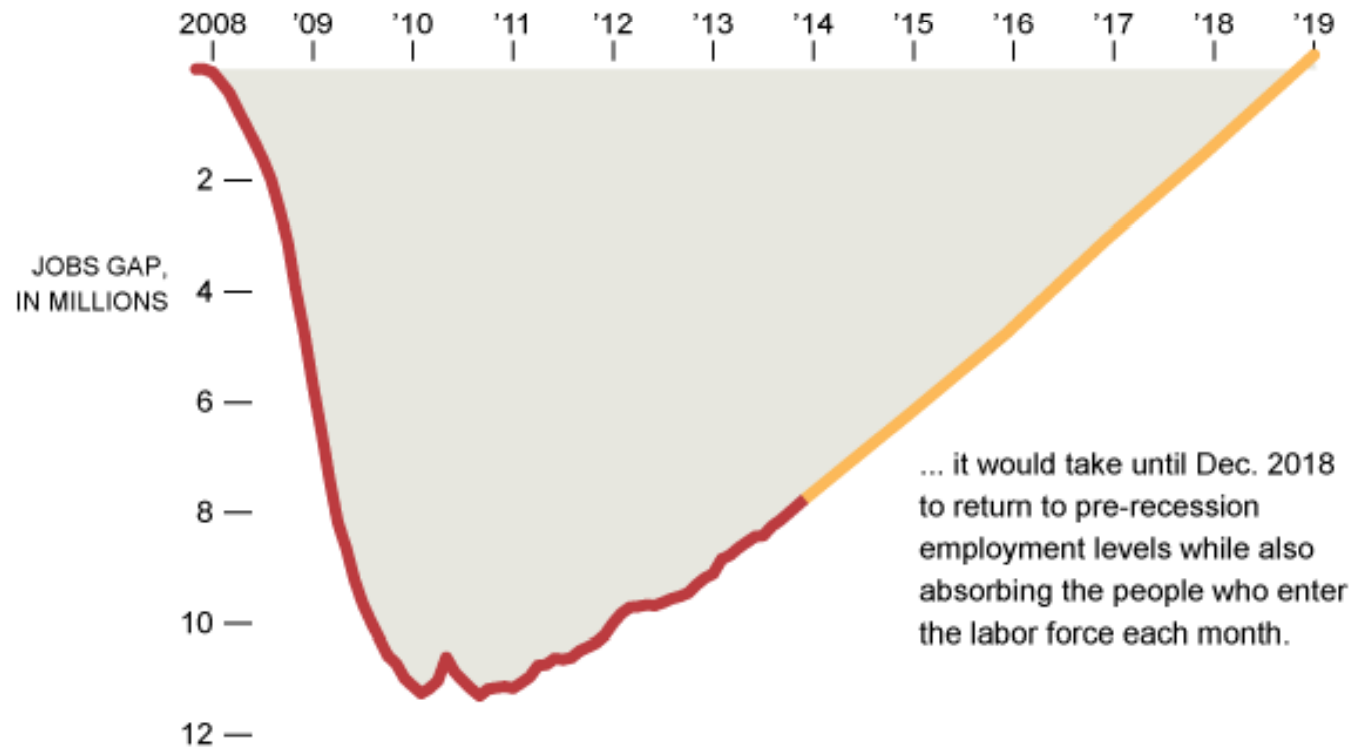
US Job Gap Since 2008

January 1, 2008 through Projected Year 2019



The Yawning Jobs Gap

If the economy added jobs at the current rate of about 200,000 a month ...



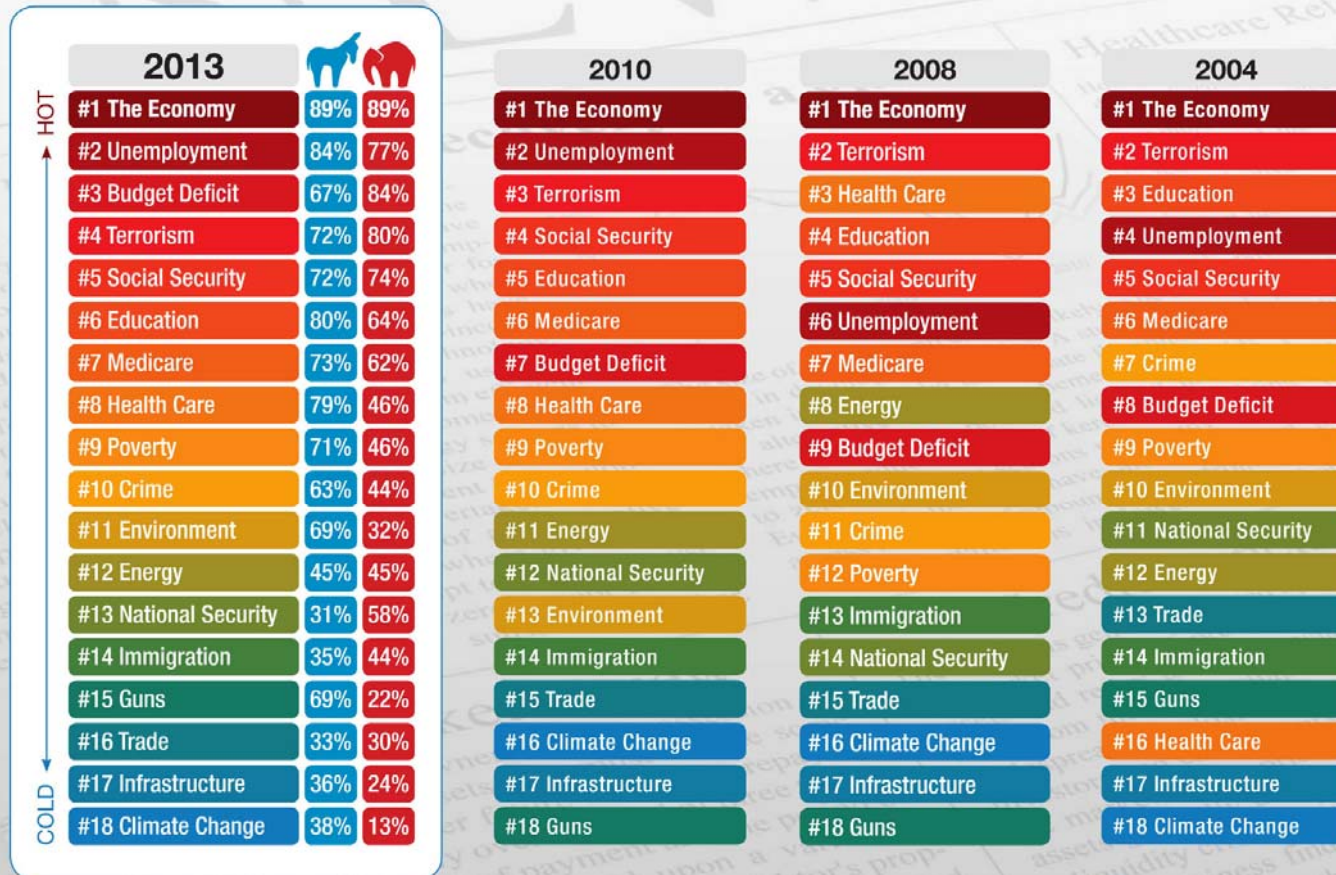
Source: The Hamilton Project, Brookings Institution

Public Opinion Polls for 2014



BREAKING: It's *Still* The Economy, Stupid.

Headlines come and go, but 'strength of the economy' is still hottest among the public's top priorities.



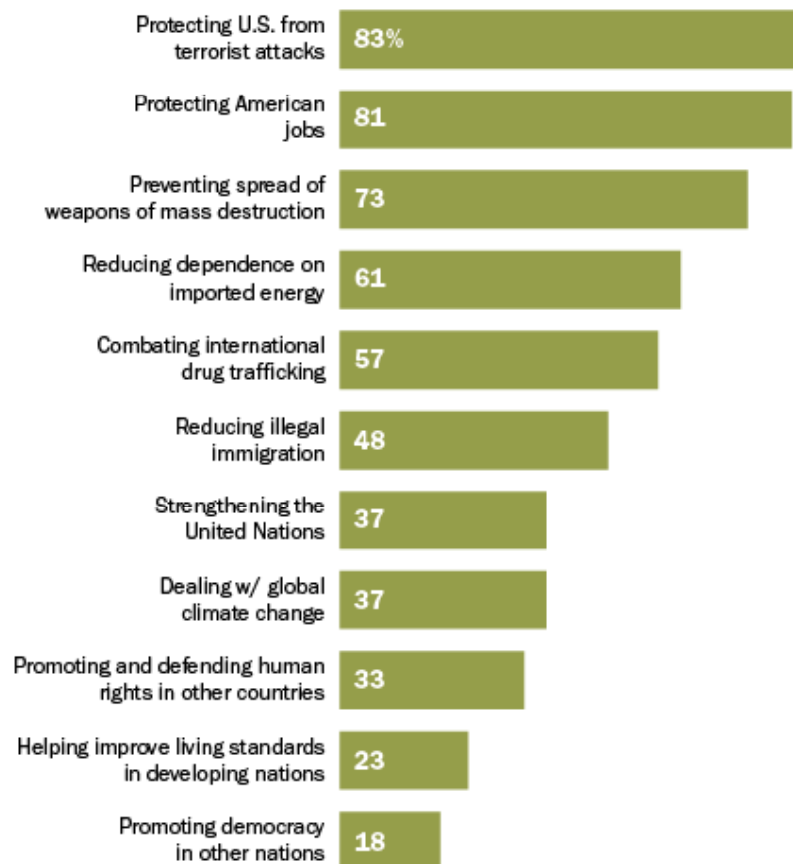
From Inside Politics with Bill Schneider, December 2013. Polling data from Pew Research Center for People and the Press, *Deficit Reduction Rises on Public's Agenda for Obama's Second Term*. Available at: <http://www.people-press.org/interactives/top-priorities/>
 © 2013 Third Way. Free for re-use with attribution/link. For more, please visit www.thirdway.org. Infographic by Bill Rapp with research assistance from Michelle Diggles.



Public Opinion Polls for 2014

Public's Long-Range Foreign Policy Goals

Percent saying each should be a top policy priority...



Source: America's Place in the World 2013

PEW RESEARCH CENTER

Wells Fargo/Gallup Small Business Index -- Optimism for 2014

All in all, are you more optimistic about your business' future going into 2014 than you were going into 2013, less optimistic, or about the same?

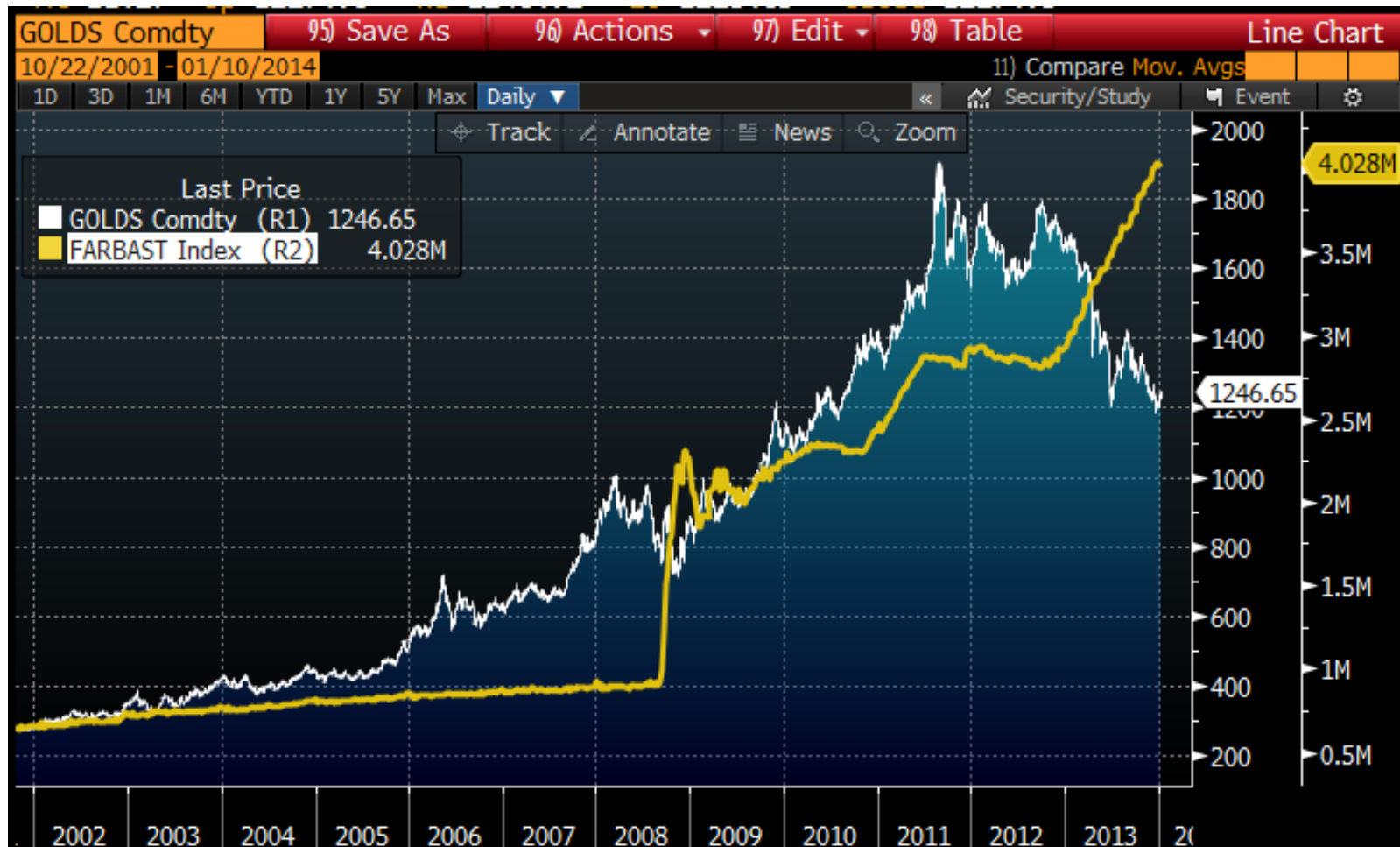
	More optimistic	About the same	Less optimistic	Don't know/Refused
	%	%	%	%
Quarter 4 2013	23	49	28	0
Quarter 4 2011*	21	47	32	0

*Asked about 2012

GALLUP® December 30, 2013, <http://www.gallup.com/poll/166658/small-business-owners-mixed-expectations-2014.aspx>

Price of Gold vs. Federal Reserve Bank Total Assets

October 22, 2001 through January 10, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP
 GOLDS Comdty = Spot Price of Gold. FARBAST = US Condition of all Federal Reserve Banks Total Assets
 An investment cannot be made directly in an index. Please see appendix for index definitions

Gold ETF Holdings Peaked Year-End 2012 ...early 2013 Reversing the previous three years of inflows



December 31, 2008 through December 31, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

ETFGTOTL Index = the known gold holdings traded funds worldwide tracked by: SPDR, ETF securities, ZKB, iShares, Swiss & Global, Central Funds, Credit Suisse, Source, New Gold, Sprott Gold, Deutsche Bank, Central Goldtrust, Claymore (now iShares) and Goldlist.

An investment cannot be made directly in an index.

10-Year US Treasury Yield

Year-End 2007 through January 14, 2014



Source: Bloomberg Financial Services

An investment cannot be made in an index directly. Please see the appendix for definition.

Investment Grade Index Yields

Year-End 2007 through January 13, 2014

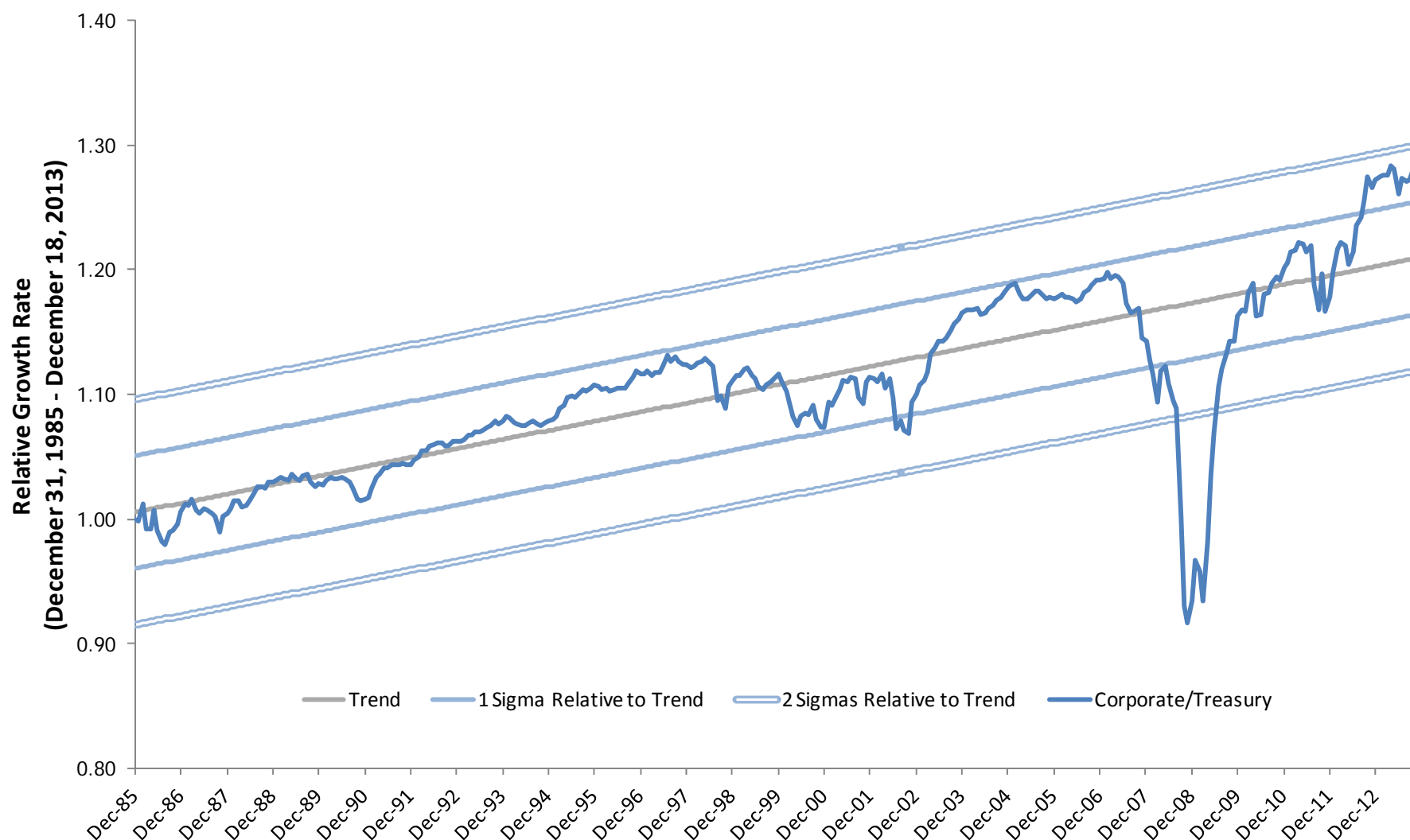


Source: Bloomberg Financial Services, JP Morgan

JACIICYM = The JP Morgan Investment Grade Corporate Index, Yield –to-Maturity. Investment grade means that the security is rated by one of the three nationally recognized major rating agencies, Moodys, S&P or Fitch, as above BBB. Please see the appendix of this presentation for further ratings descriptions.

An investment cannot be made directly in an index.

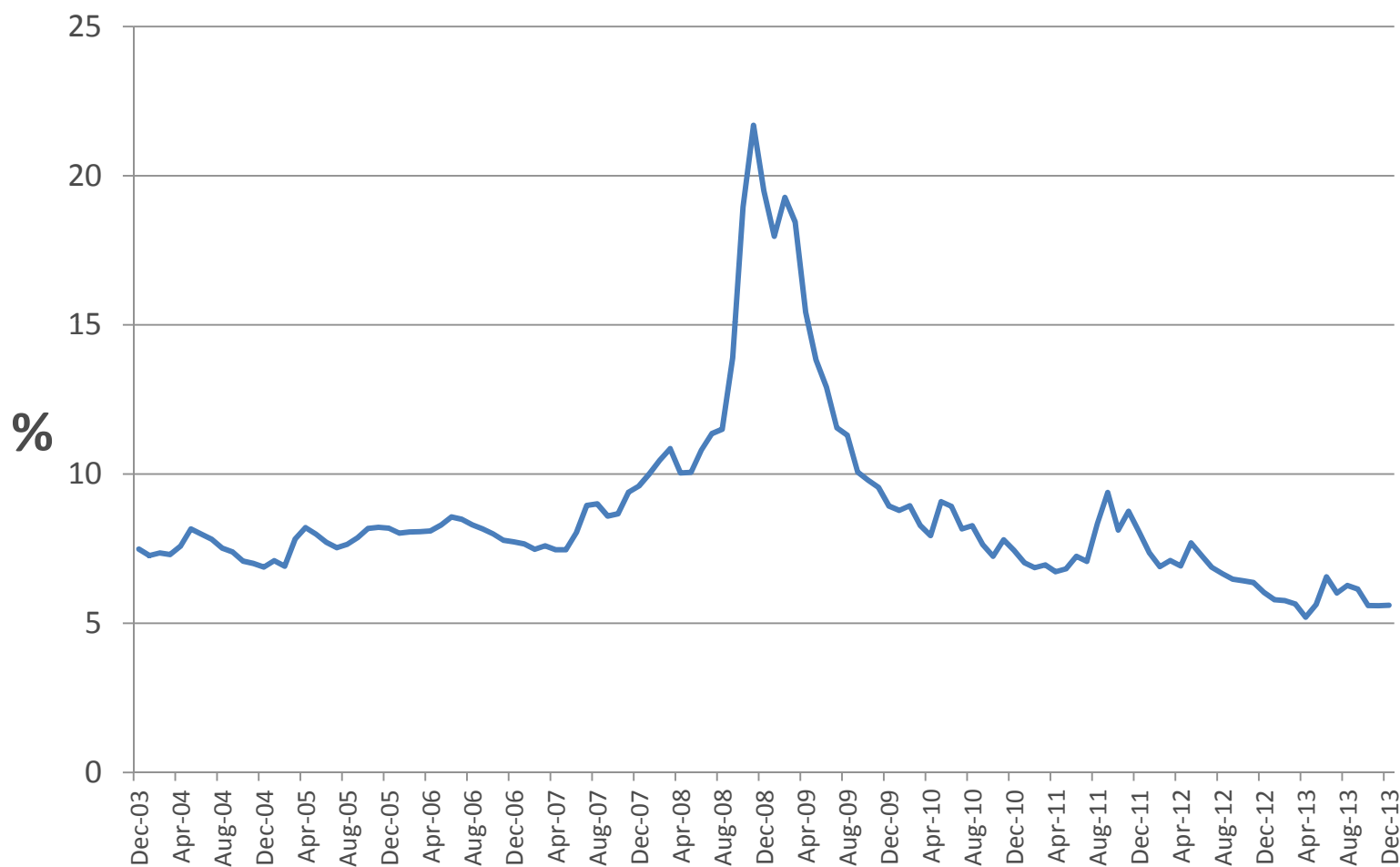
Relative Growth of Merrill Corporate Index to Merrill Treasury Index



Data Source: Merrill Lynch (COA0; GOQ0); Monthly data with most recent observation appended.
An investment cannot be made in an index directly. Please see appendix for index definitions

High Yield Index Yields

December 1, 2003 through December 31, 2013

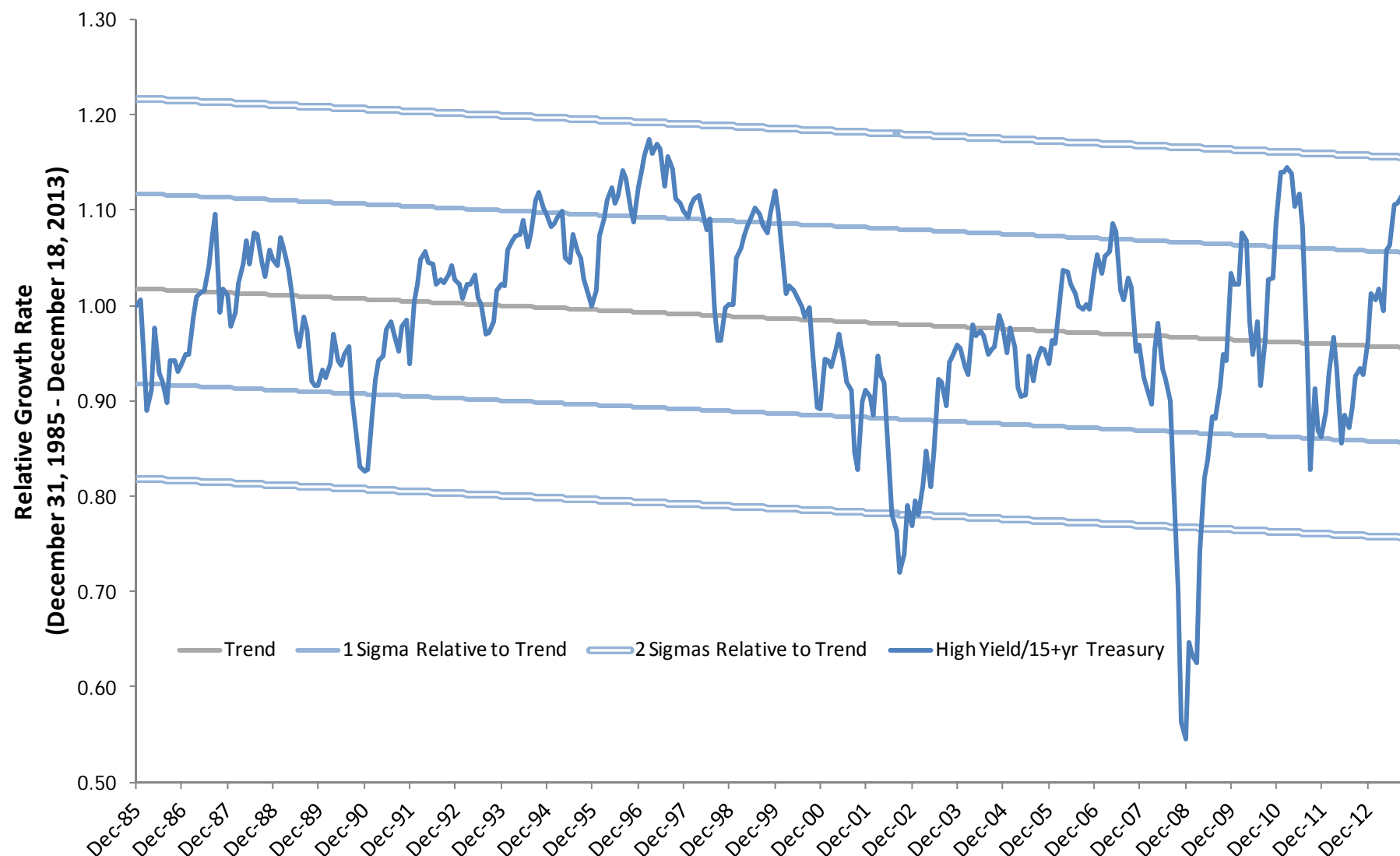


Source: Bloomberg Financial Services, JP Morgan

Please see the appendix for definition of BofA/Merrill Lynch High Yield Cash Pay Index (JOA0).

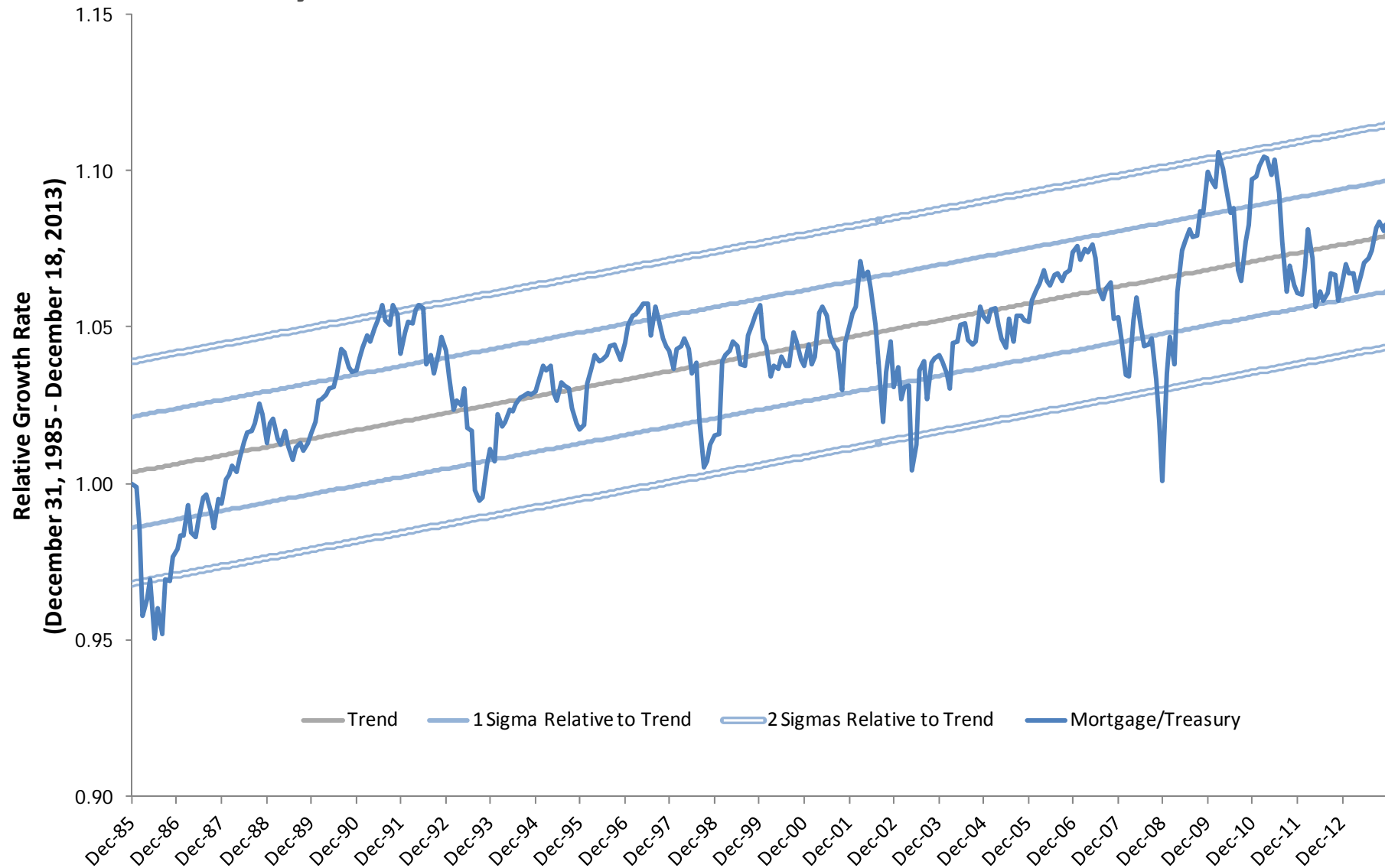
An investment cannot be made directly in an index.

Relative Growth of Merrill High Yield Cash Pay Index to Merrill 15+ Year Treasuries Index



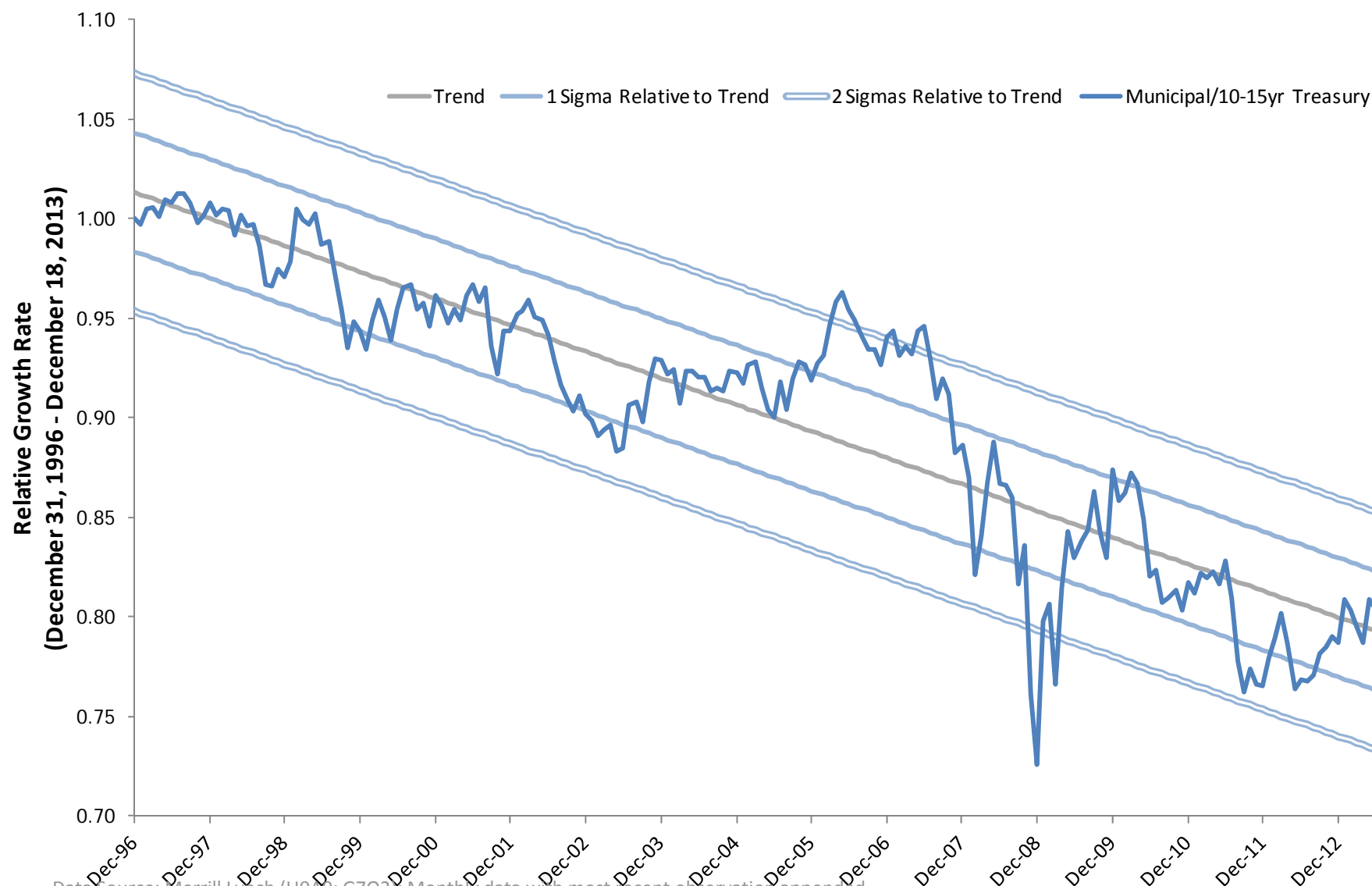
Data Source: Merrill Lynch (JOA0; G8O2); Monthly data with most recent observation appended.
An investment cannot be made in an index directly. Please see appendix for index definitions

Relative Growth of Merrill Mortgage Index to Merrill Treasury Index



Data Source: Merrill Lynch (M0A0; G0Q0); Monthly data with most recent observation appended.
An investment cannot be made in an index directly. Please see appendix for index definitions

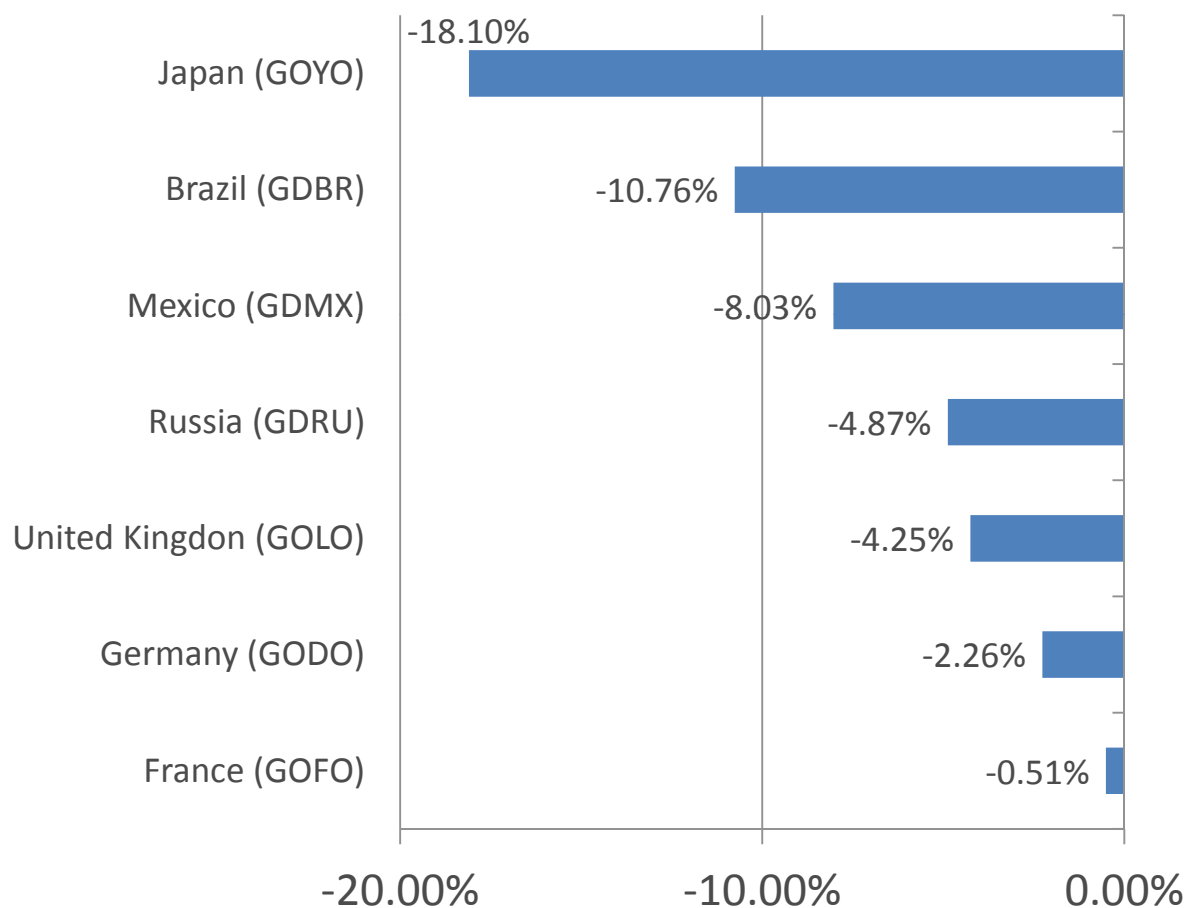
Relative Growth of Merrill US Municipal Index to Merrill 10-15 Year Treasury Index



Data Source: Merrill Lynch (U0A0; G7O2); Monthly data with most recent observation appended.
An investment cannot be made in an index directly. Please see appendix for index definitions

Merrill International Fixed Income Index Returns

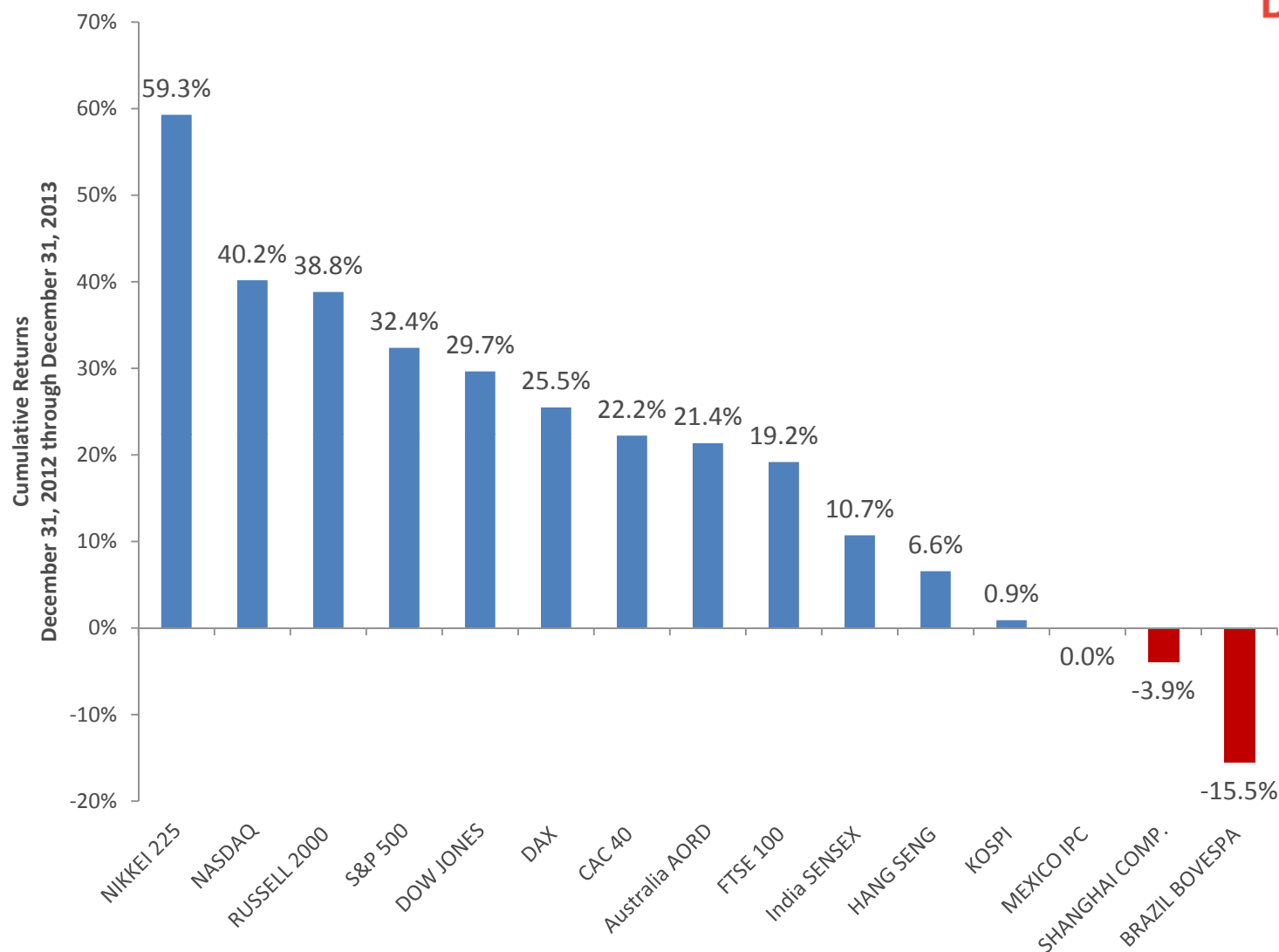
Last 12- Months Ending December 31, 2013 (In local Currency)



Data Source: Merrill Lynch

All indices are BofA/Merrill Lynch. GOYO = Japan Government Index. GDBR = Brazil Government Index. GDMX = Mexican Government index. GDRU = Russian Government Index. GOLO = United Kingdom Government Index. GODO = German Government Index. GOFO = French Government Index. An investment cannot be made in an index directly. Please see appendix for index definitions

2013 Global Equity Returns



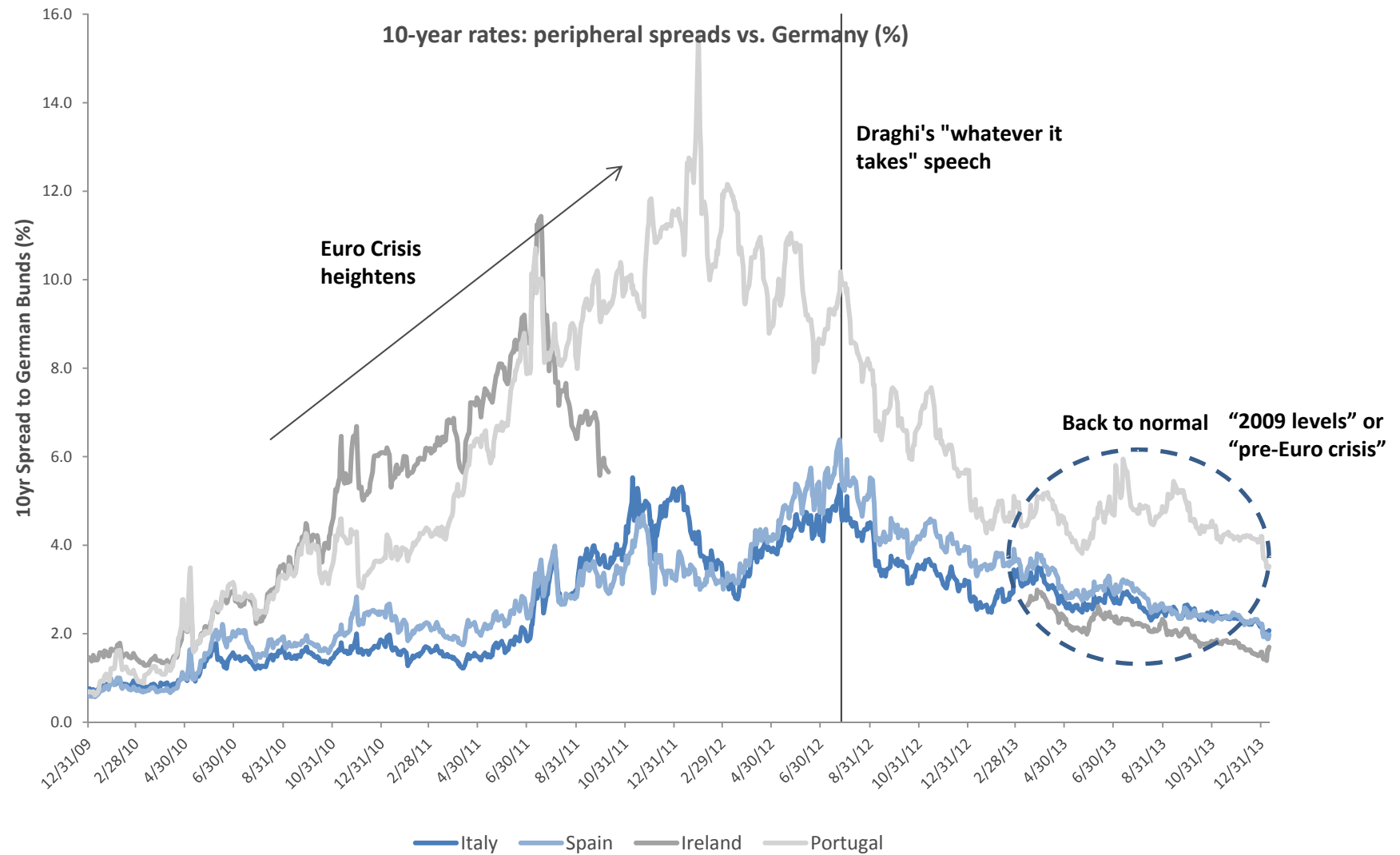
Source: Bloomberg

Nikkei 225 (NKY) = Nikkei-225 stock average is price-weighted average of 225 top-rated Japanese companies listed on the Tokyo exchange. NASDAQ = US broad based capitalization-weighted index of stocks. Russell 2000 (RTY) = Index comprised of the smallest 2000 companies in the Russell 3000 index. DAX = The German Stock Index of 30 selected German blue-chip stocks traded on the Frankfurt exchange. CAC 40 = the most widely-used indicator in Paris, reflects the performance of the 40 largest equities listed in France. Australia AORD =capitalized-weighted index of the largest 500 companies listed in Australia. FTSE 100 = capitalized-weighted 100 most highly capitalized stocks traded on London Stock Exchange. India SENSEX = S&P BSE Sensex index is cap-weighted Indian Stock Exchange. Hang Seng = Hong Kong free- float cap-weighted stock exchange. KOSPI = Korean cap-weighted stock exchange. Mexico IPC = Cap-weighted index of the leading stocks on the Mexican Exchange. Brazil Bovespa = gross total return weighted stocks on the Sao Paulo stock exchange.

An investment cannot be made in an index directly. Please see appendix for index for other definitions

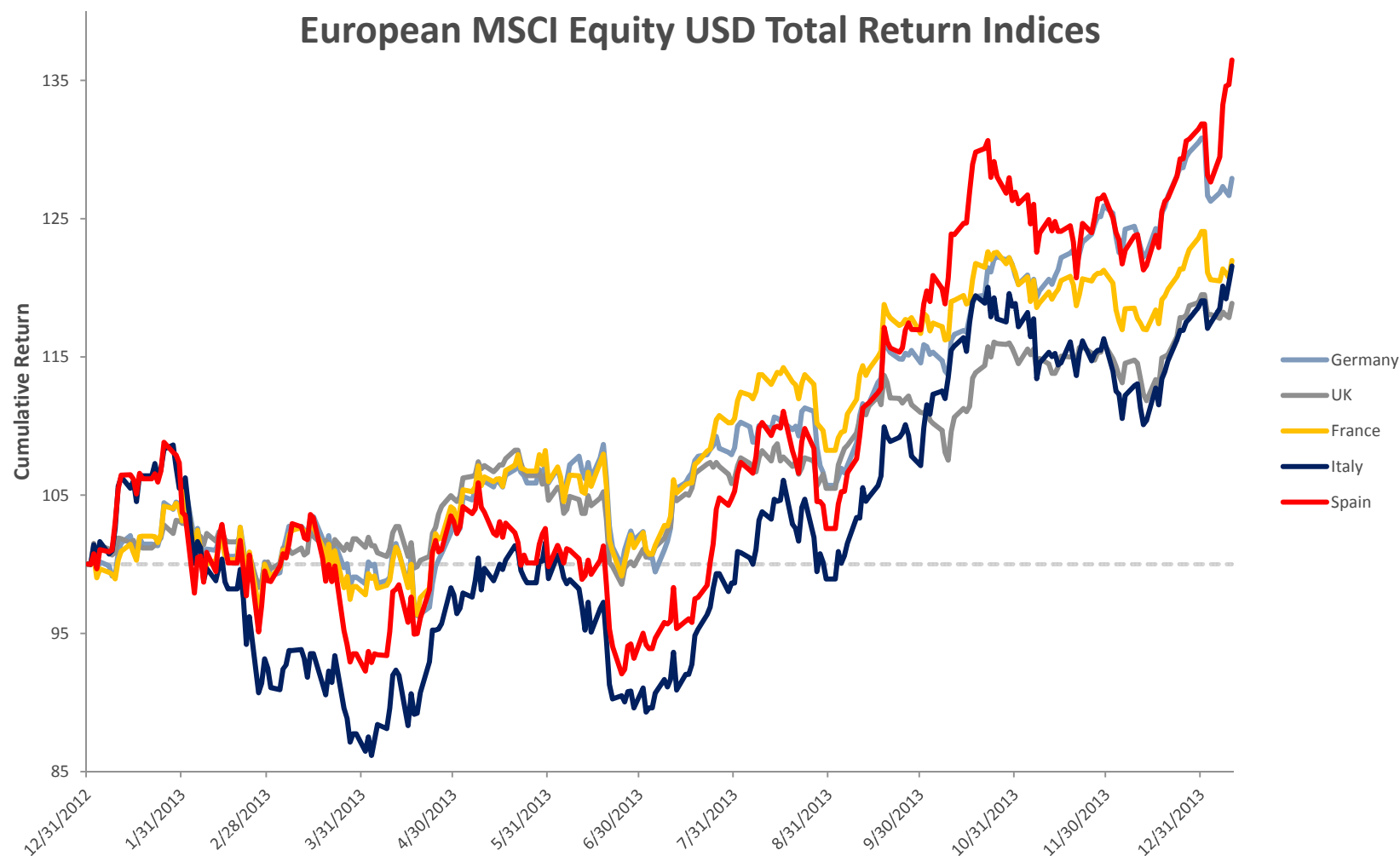
Europe has Stepped Out of Crisis Mode

December 31, 2009 through January 10, 2014



Equities: European Equity Returns

December 31, 2012 through December 31, 2013

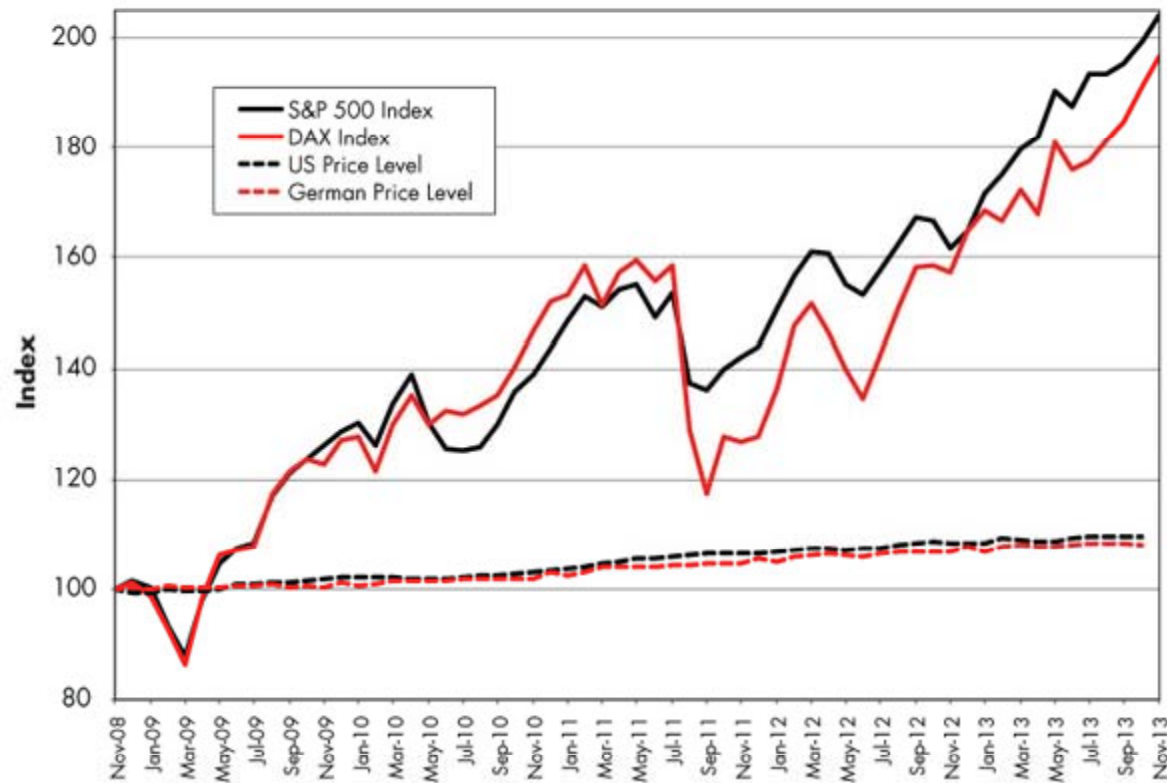


Source: Bloomberg; Doubleline

MXEU = MSCI Europe index is a free float weighted equity index designed to measure the equity market performance of the developed markets in Europe. An investment cannot be made in an index directly. Please see appendix for index definitions.

Closing Stock Prices & Price Levels in the US & Germany

November 30, 2008 through November 30, 2013



Sources: Bloomberg; Eurostat; and US Department of Labor, Bureau of Labor Statistics

Note: US price levels are measured using the CPI for all urban consumers and all items. German price levels are measured using the Harmonized Index of Consumer Prices for all items. All stock prices and price levels are normalized with November 2008 equal to 100.

Source: http://www.aei.org/files/2013/11/20/img-figure-4eo_164836859602.jpg
<http://www.aei.org/outlook/economics/monetary-policy/central-banks-need-a-new-plan-for-2014/>

An investment cannot be made in an index directly.
Please see appendix for index definitions.

Global Real Rates (CPI minus 10-Year)

January 12, 2009 through January 10, 2014



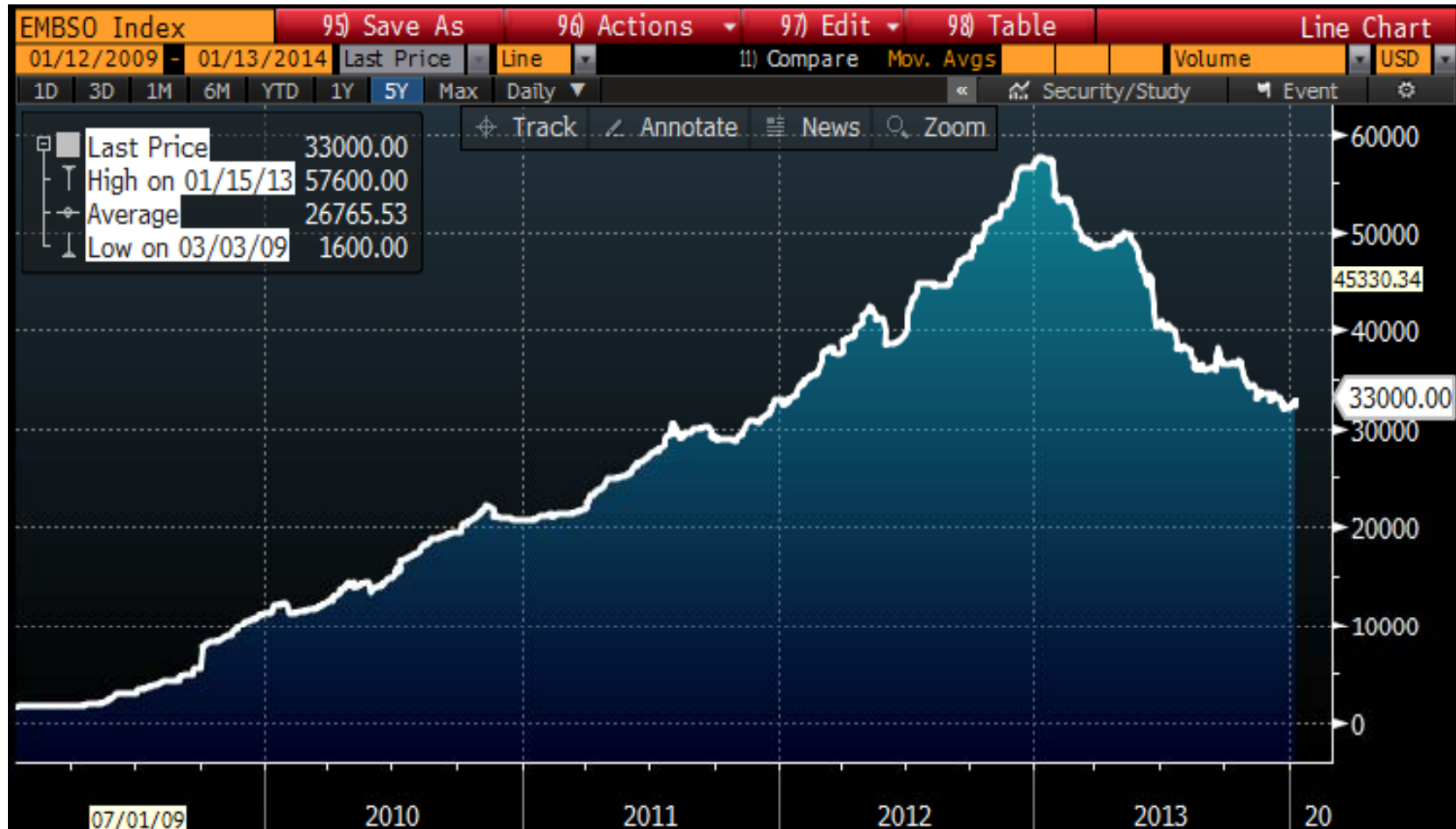
Source: Bloomberg

USGG10Y = US generic 10 Year US Treasury. GTJP10Y = Japanese generic 10 year Treasury. GTAUD10Y = Australian generic 10 Y Treasury. GTESP10Y = Spanish generic 10 year Treasury. GTDEM10 = German generic 10 year Treasury. CPI = Consumer Price Index
An investment cannot be made in an index directly. Please see appendix for index definitions

Emerging Markets Bond Fund Shares Outstanding Rose and Fell With “QE Infinity” Hopes



January 12, 2009 through January 13, 2014



Source: Bloomberg

EMBSO = iShares JP Morgan USD Emerging Markets Bond Fund Shares Outstanding Index represents the current index shares outstanding. The index is US Dollar-denominated. You cannot invest directly in an index.

QE = Quantitative Easing

S&P 500 vs. Emerging Markets Equities

January 10, 2012 through January 13, 2014



Source: Bloomberg Financial Services, DoubleLine Capital LP. The chart illustrates the S&P 500 / Emerging Markets Equities.

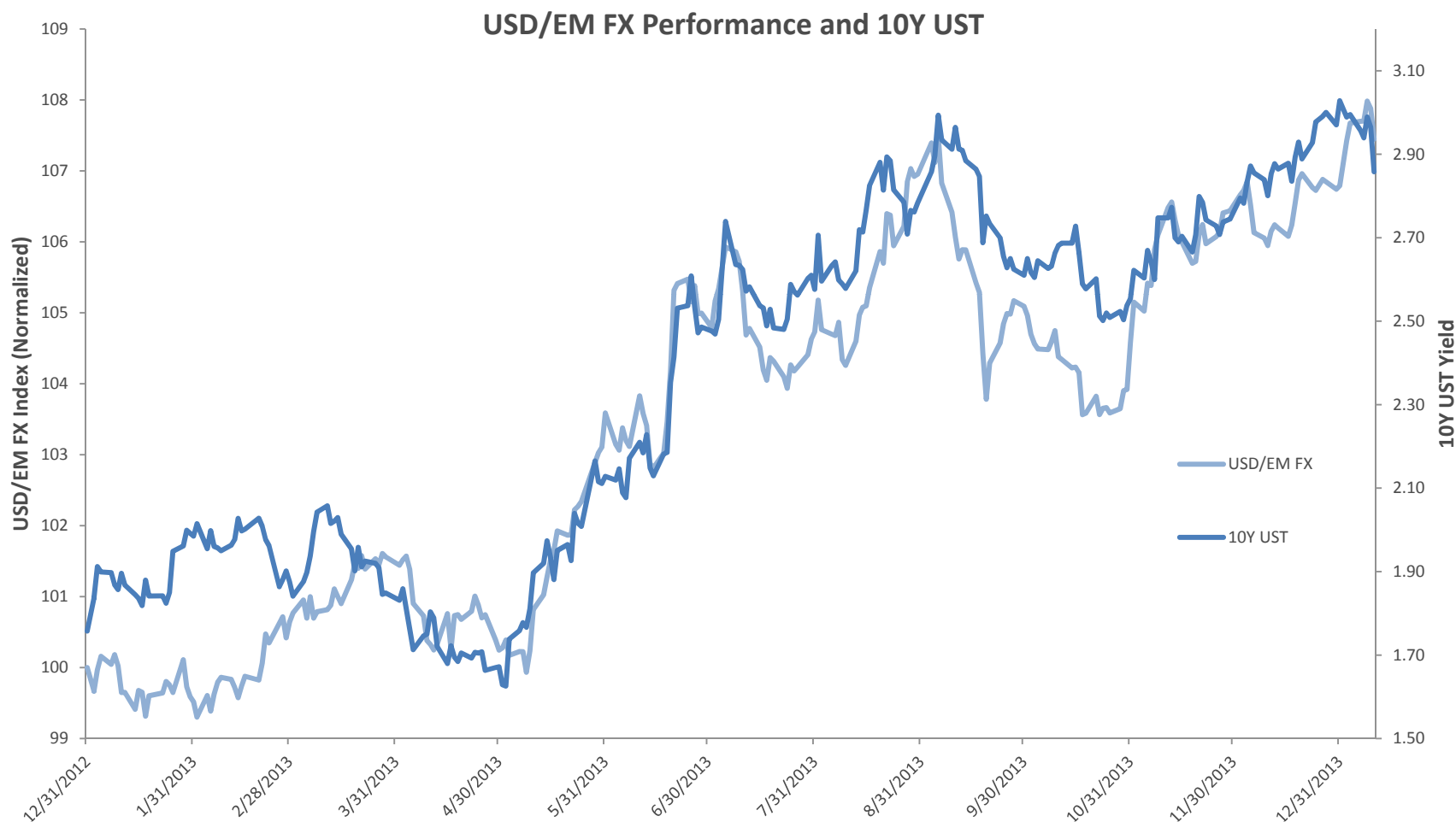
SPX = Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy.

MXEF = MXEF Index = The MSCI Emerging Markets Index is a free float weighted equity index.

An investment cannot be made directly in an index.

USD/EM FX and 10y UST Yield Since 12/31/12

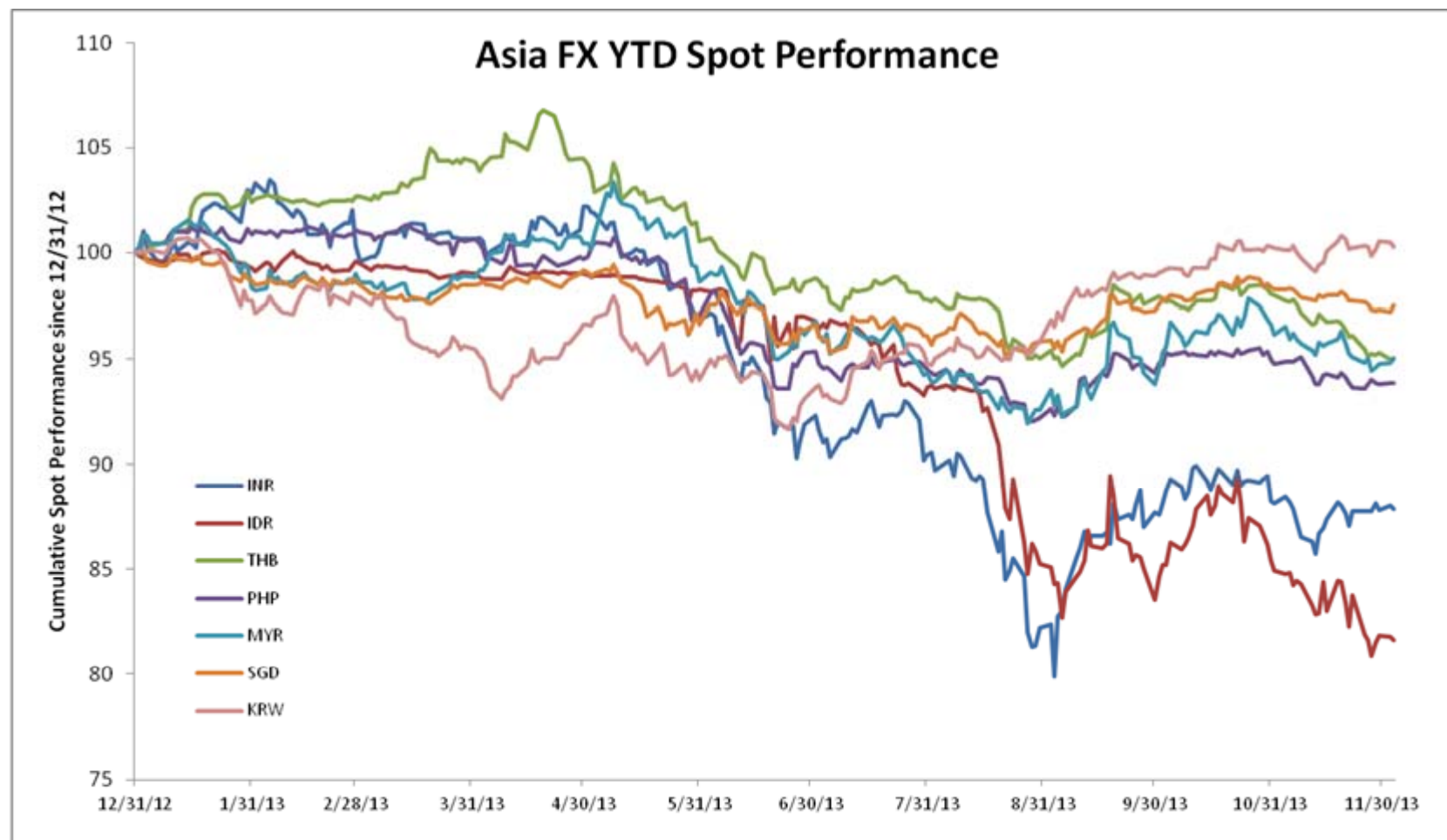
As of 1/10/14



Note: USD/EM FX is an index created from equally weighted spot returns of INR, IDR, MYR, SGD, KRW, THB, PHP, CNY, HKD, TWD, BRL, ARS, MXN, COP, PEN, CLP, CZK, PLN, HUF, TRY, RUB, ZAR, ISK, RON, SKK
An investment cannot be made in an index directly. Please see appendix for index definitions.

Asia Foreign Exchange Chart

December 31, 2012 through November 30, 2013



Source: Bloomberg Financial Services, DoubleLine Capital LP

INR = Indian Rupee. USD = US Dollar. This is the Indian Rupee converted into US Dollars. IDR = Indonesian Rupiah in US dollars.

THB = Thai Baht currency in US dollars. PHP = Philippine Peso in US dollars. MYR = Malaysian Ringgit in US dollars. SGD = Singapore dollar in US dollars. KRW = South Korean Won in US Dollars.

An investment cannot be made in an index directly. Please see appendix for index definitions

Emerging Markets Relative to Developed World –

Last Five Years (1-10-08 to 1-10-14)



Source: Bloomberg

MXEF Index = The MSCI Emerging Markets Index is a free float weighted equity index.

MXWO Index = The MSCI World Index is a free float weighted equity index. It was developed with a base value of 100 as of December 31, 1969. It includes developed world markets and does not include emerging markets.

An investment cannot be made in an index directly. Please see appendix for index definitions

Emerging Markets Relative to Developed World –

Last Ten Years (1-10-04 to 1-10-14)



Source: Bloomberg

MXEF Index = The MSCI Emerging Markets Index is a free float weighted equity index.

MXWO Index = The MSCI World Index is a free float weighted equity index. It was developed with a base value of 100 as of December 31, 1969. It includes developed world markets and does not include emerging markets.

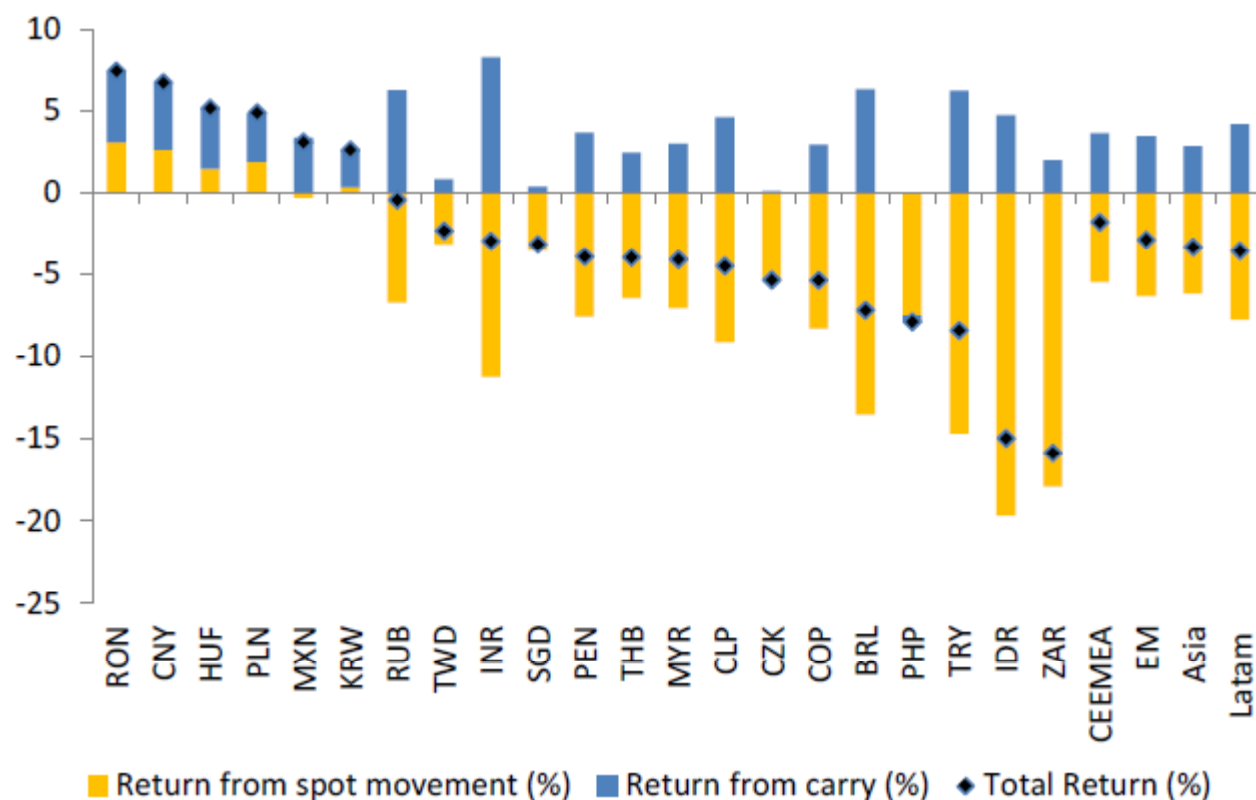
An investment cannot be made in an index directly. Please see appendix for index definitions

Emerging Markets Currencies

As of December 31, 2013

Exhibit 9

A Bad Year for EM Currencies (2013)



Source: Bloomberg, Morgan Stanley Research

RON = Romanian Leu spot price. CNY = Chinese Renminbi spot price. HUF = Hungarian forint spot price. PLN = Polish Zloty spot price. MXN = Mexican Peso spot price. KRW = South Korean Won Spot price. RUB = Russian Ruble spot price. TWD = Taiwanese dollar spot price. INR = Indian Rupee spot price. SGD = Singapore dollar spot price. PEN = Peruvian New Sol spot price. THB = Thai Baht spot price. MYR = Malaysian Ringgit spot price. CLP = Chilean Peso spot price. CZK = Czech Koruna spot price. COP = Colombian Peso spot price. BRL = Brazilian Real spot price. PHP = Philippine peso spot price. TRY = Turkish Lira spot price. IDR = Indonesian Rupiah spot price. ZAR = South African Rand spot price. CEEMEA = Central Eastern Europe, Middle East and Africa, EM = Emerging Markets. Asia = Asia and Latam = Latin America.

Shanghai Index

December 31, 2009 through January 13, 2014



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.

U.S. Dollar Index Spot –

Year-End 2007 through January 13, 2014



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.

30-Year U.S. Mortgage Rates

December 31, 2007 through January 10, 2014

DoubleLine®



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.

An investment cannot be made in an index directly. Please see appendix for index definitions

Lumber vs. Homebuilders Index

January 11, 2010 through January 10, 2014

DoubleLine®

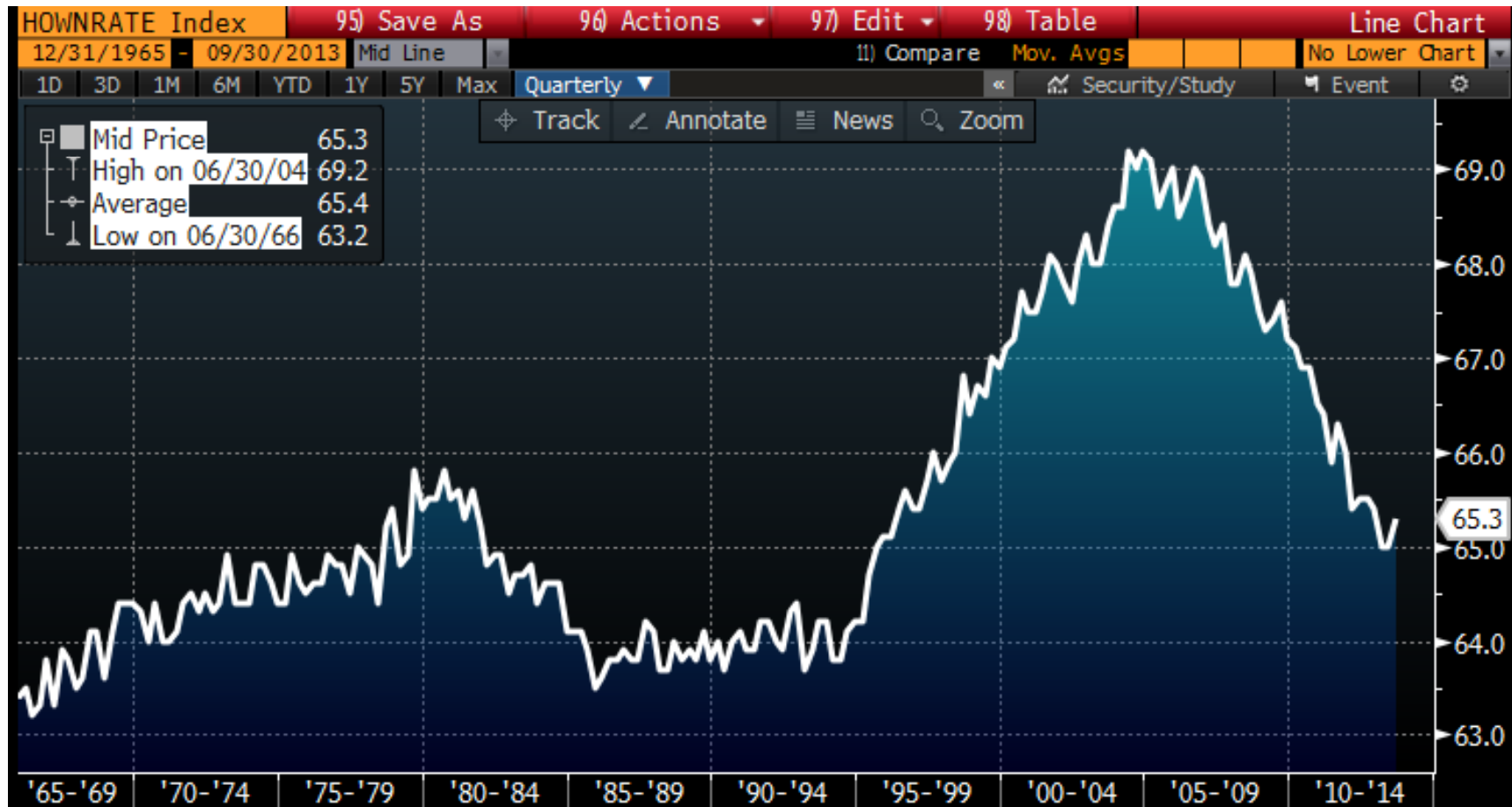


Source: Bloomberg Financial Services, DoubleLine Capital LP

LB1 COMD = the generic lumbar options contract. SPSIHOTR Index = S&P Homebuilders Index

An investment cannot be made directly in an index.

Homeownership Rate



Source: Bloomberg Financial Services

HOWNRATE = The homeownership rate index. Homeownership affordability measured quarterly and subject to a one month lag.

An investment cannot be made directly in an index.

Mortgage Refinancing Index

January 17, 2003 through January 3, 2014



Source: Bloomberg Financial Services

MBAVREFO Index = 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.

ABX AAA 07-1 Index



December 31, 2009 through January 13, 2014

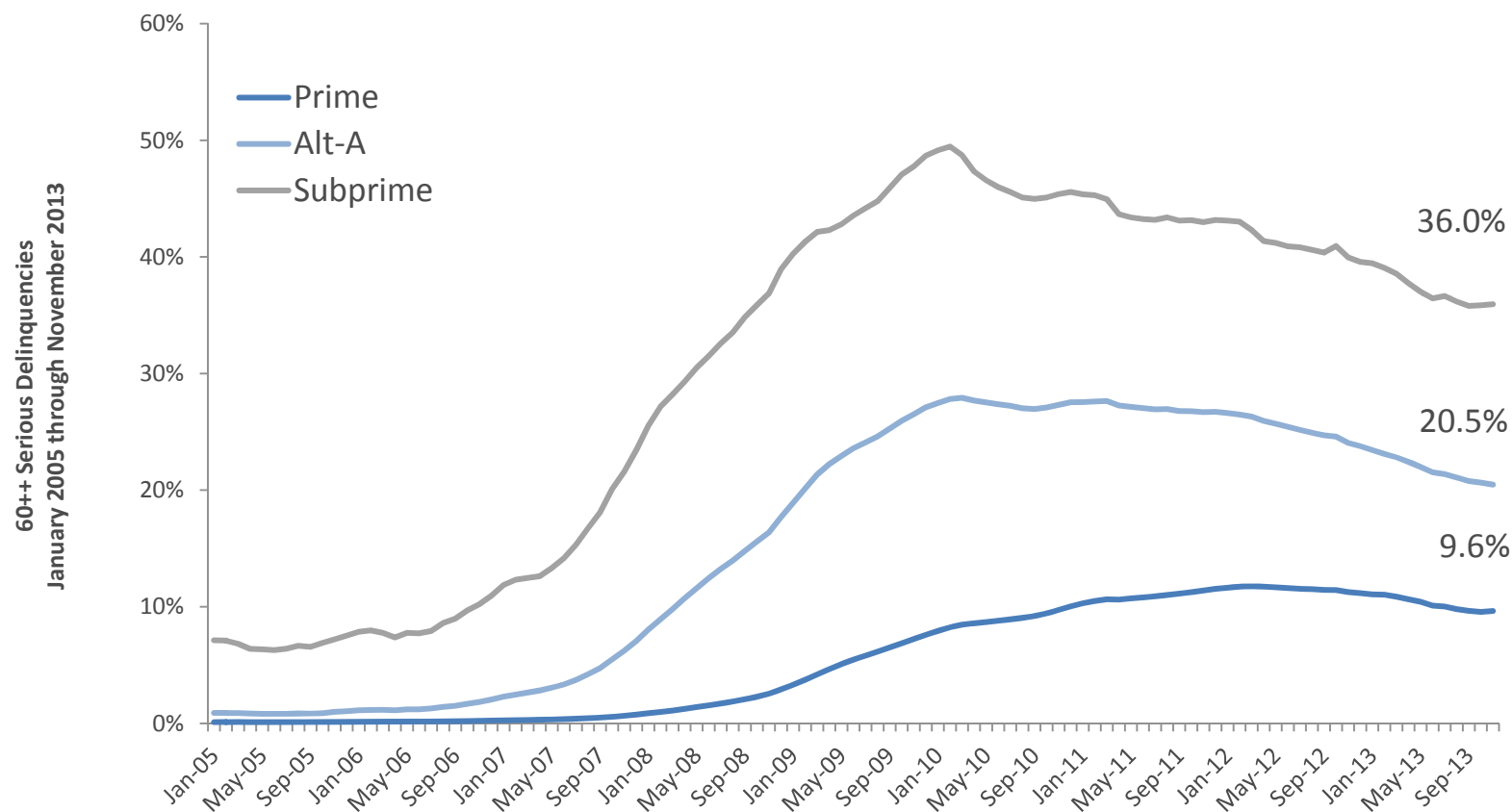


Source: Bloomberg Financial Services, DoubleLine Capital LP

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 Residential MBS (RMBS) 60++ Delinquency Rate

January 31, 2005 through November 30, 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

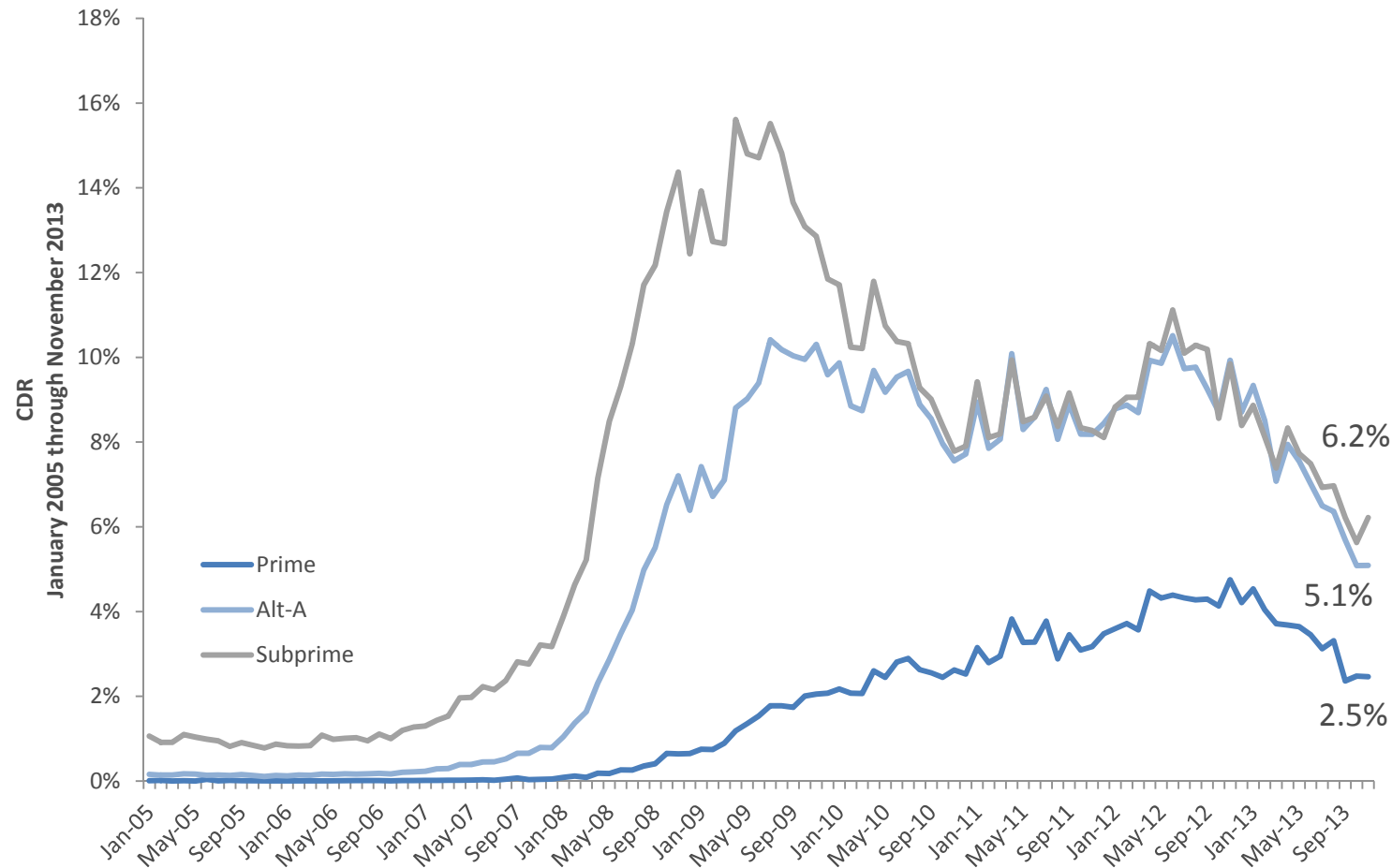
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital

Non-Agency RMBS Conditional Default Rate

January 31, 2005 through November 30, 2013



RMBS = Residential Mortgage-Backed Securities

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

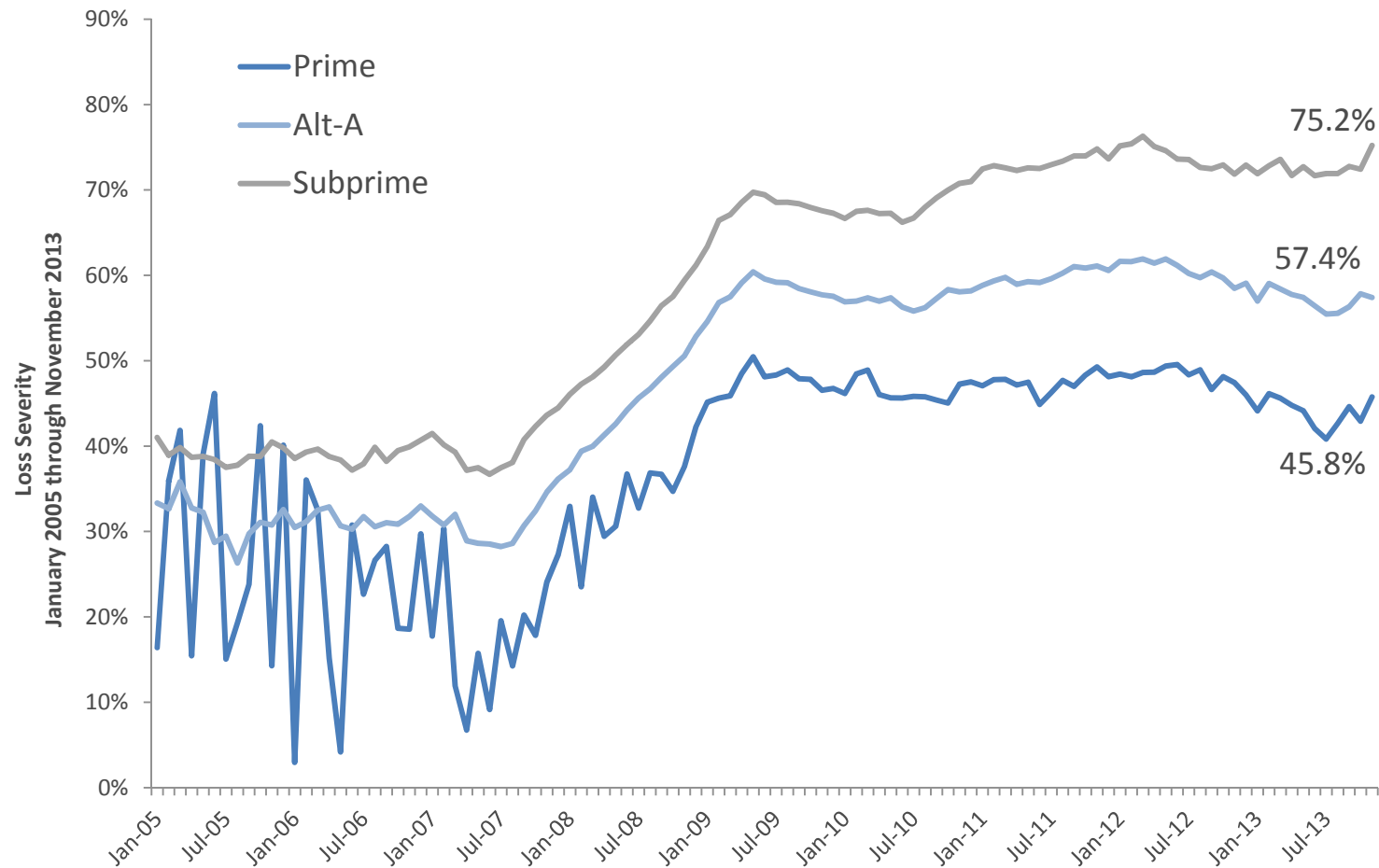
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital

Non-Agency RMBS Loss Severity

January 31, 2005 through November 30, 2013



RMBS = Residential Mortgage-Backed Securities

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

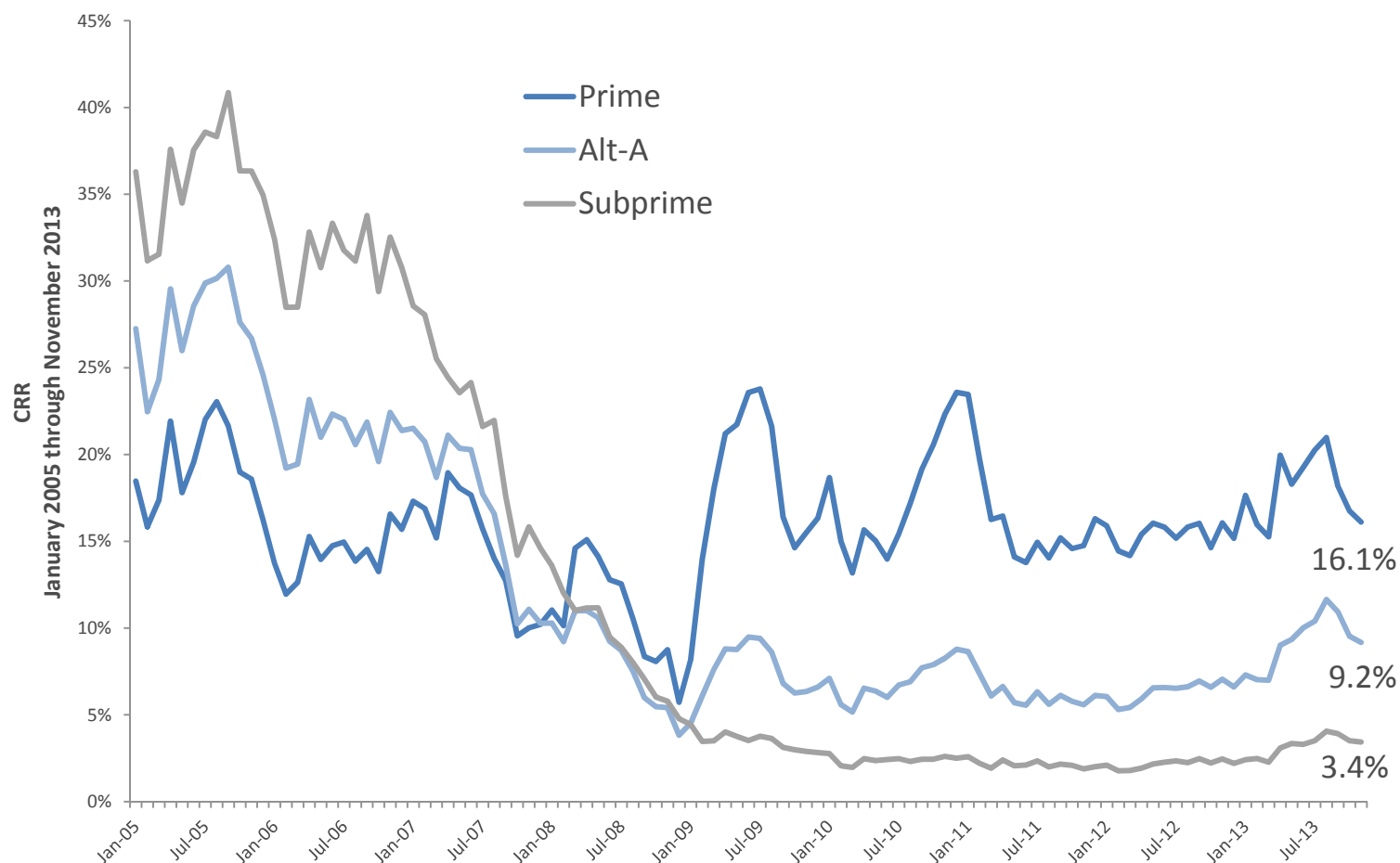
Alt-A defined as FICO 675-725; or FICO > 725 and LTV >= 75

Subprime defined as FICO < 675

Source: Loan Performance, Vichara, DoubleLine Capital

Non-Agency RMBS Conditional Repayment Rate

January 31, 2005 through July 31, 2013



RMBS – Residential Mortgage-Backed Securities

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

2014 Markets: Year of the Horse: “Let the Race Begin”

Live Webcast hosted by:

Jeffrey Gundlach
Chief Executive Officer

January 14, 2014



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fundinfo@doubleline.com

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 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.

BofA Merrill Lynch Municipal Master Index (UOAO) - The Merrill Lynch US Municipal Securities Index tracks the performance of US dollar denominated investment grade tax-exempt debt publically issued by US states and territories, and their political subdivisions, in the US domestic market.

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).

BofA/Merrill Lynch Mexican Government Index (GDMX) - The index tracks the performance of USD denominated sovereign debt publicly issued by the Mexican government in the Mexican domestic market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch United Kingdom Government Index (GOLO) - The index tracks the performance of GBP denominated sovereign debt publicly issued by the UK⁶⁵ government in its domestic market. Fixed rate securities with minimum one-year maturity remaining.

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.

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.

BofA/Merrill Lynch French Government Index (GOFO) – The index tracks the performance of EUR denominated sovereign debt publicly issued by the French government in the French domestic or eurobond market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch German Government Index (GODO) – The index tracks the performance of EUR denominated sovereign debt publicly issued by the German government in the German domestic or eurobond market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch Russian Government Index (GDRU) – The index tracks the performance of USD denominated sovereign debt publicly issued by the Russian government in the Russian domestic market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch Japan Government Index (GOYO) – The index tracks the performance of JPY denominated sovereign debt publicly issued by the Japanese government in the Japanese domestic market. Fixed rate securities with minimum one-year maturity remaining.

BofA/Merrill Lynch Brazilian Government Index (GDBR) – The index tracks the performance of USD denominated sovereign debt publicly issued by the Brazilian government in the Brazilian domestic market. Fixed rate securities with minimum one-year maturity remaining.

Index Descriptions

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 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 1/100th 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.

Disclaimer

Important Information Regarding This Report

Issue selection processes and tools illustrated throughout this presentation are samples and may be modified periodically. Such charts are not the only tools used by the investment teams, are extremely sophisticated, may not always produce the intended results and are not intended for use by non-professionals. DoubleLine has no obligation to provide revised assessments in the event of changed circumstances. While we have gathered this information from sources believed to be reliable, DoubleLine cannot guarantee the accuracy of the information provided. Securities discussed are not recommendations and are presented as examples of issue selection or portfolio management processes. They have been picked for comparison or illustration purposes only. No security presented within is either offered for sale or purchase. DoubleLine reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available.

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

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

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