DoubleLine®

Quarterly Commentary

Long Duration Total Return Bond Fund

DBLDX/DLLDX

March 31, 2017

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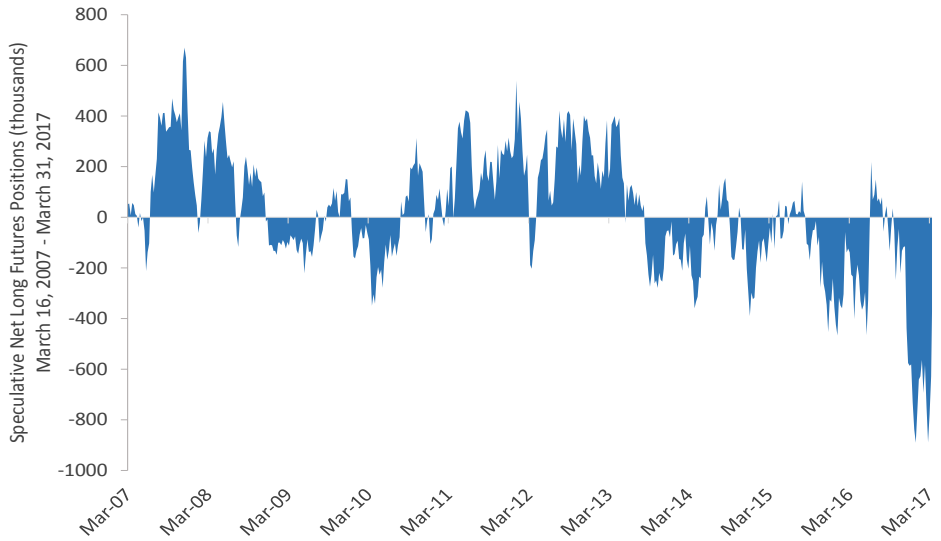
Overview

The first two months of the quarter were, for the most part, a continuation of the post-election rally as risk assets continued to see demand from investors. Additionally, several economic indicators such as the Purchasing Manufacturing Indices (PMI) and Citigroup Economic Surprise Indices across developed markets (DM) validated a global economic upturn. However, the month of March introduced the widely anticipated Federal Reserve ("Fed") rate hike, inflation above 2% and a failed healthcare reform bill, leading many to wonder what would follow.

At the start of the year, Mr. Gundlach called for a move lower in the 10-year U.S. Treasury (UST) yield which was likely to be met by at least two if not three rates hikes during 2017. While many economists were calling for increased UST yields, data supported the possibility of a move lower. During the first quarter UST speculative positioning as reported by the Commodity Futures Trading Commission (CFTC), showed that investors were net short Treasury futures at the highest level in years. With investors piling on to a one-sided trade, an unwinding of these positions could only add to demand.

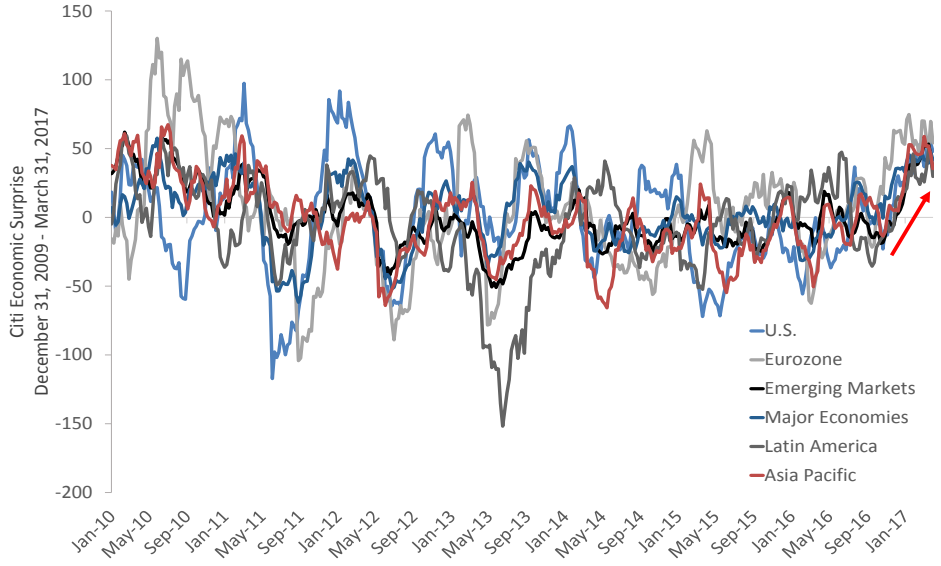
As investors began to take down short positions through March, we have also kept an eye on inflation as it appears to be peaking out over the month of April especially as the base effects from energy begin to roll off. As such, it is our belief that the Headline Consumer Price Index (CPI) could peak around 2.9% and then trend lower as we head into summer months, a move that could also be supportive of lower rates over the near-term. Of course, investors should continue to pay close attention to rhetoric from the Fed and the first quarter's Gross Domestic Product (GDP). A rate hike in June, coupled with a stronger first quarter GDP, could once again push yields higher. As of March 31st, the 10-year UST yield was 2.39%, some 20 basis points (bps) lower than the December 2016 high and we could see yields fall to the 2.20% range.

Commitment of Traders Report Treasury Speculative Positioning
March 16, 2007 to March 31, 2017



Source: DoubleLine, Bloomberg

Upturn in Select Citigroup Economic Surprise Indices*
January 1, 2010 to March 31, 2017

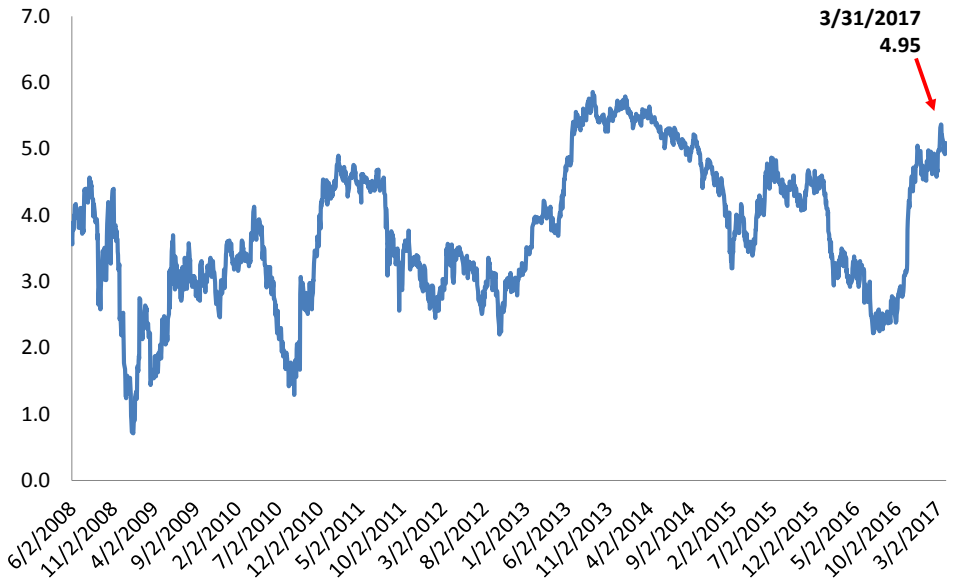


Source: DoubleLine, Bloomberg

Agency Mortgage-Backed Securities

- During March, aggregate prepayment speeds increased by about 19% month-over-month (MoM). Despite the numbers being high on a percentage basis, prepayments have been range-bound year-to-date (YTD) as aggregate prepayment speeds were approximately 9 conditional prepayment rate (CPR) for the month of February and 11 CPR for the month of March. These slower speeds have been consistent with seasonal factors during the winter months, though we expect them to pick up for spring.
- Total gross issuance for March was roughly $99 billion in the Agency Mortgage-Backed Securities (MBS) space, bringing volumes to just under $350 billion YTD, approximately 20% higher than the issuance seen in the first quarter 2016. One of the main contributors to this higher issuance is higher purchasing activity and higher housing turnover relative to last year.
- The mortgage basis based on current coupon spreads started the year tighter than last year and was range-bound for the first quarter of 2017.
- Based on the Bloomberg Barclays MBS Index, duration extended from 4.61 at 2016 year-end to 4.95 at the end of March.

Duration of Barclays U.S. Mortgage-Backed Securities Bond Index
June 2, 2008 to March 31, 2017



Source: DoubleLine, Bloomberg

U.S. Government Securities

- Starting the year, market participants had high hopes that interest rates were going to climb higher given President Trump's promises about tax reform and spiked consumer confidence under

U.S. Treasury Yield Curve

	2/28/2017	3/31/2017	Change
3 month	0.60%	0.75%	0.15%
6 month	0.74%	0.90%	0.16%
1 year	0.82%	1.02%	0.20%
2 year	1.26%	1.25%	-0.01%
3 year	1.52%	1.49%	-0.03%
5 year	1.93%	1.92%	-0.01%
10 year	2.39%	2.39%	0.00%
30 year	3.00%	3.01%	0.01%

Source: Bloomberg

Conditional Prepayment Rates (CPR)												
2017	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Fannie Mae (FNMA)	14.2%	15.0%	16.3%	15.0%	20.0%	18.9%	17.9%	17.0%	15.1%	10.7%	8.6%	10.6%
Freddie Mac (FHLMC)	14.1%	15.0%	16.1%	14.8%	19.8%	18.6%	17.7%	16.6%	14.7%	10.4%	8.6%	13.6%
Ginnie Mae (GNMA)	18.5%	19.6%	21.5%	19.9%	23.8%	22.5%	21.7%	21.2%	18.5%	13.1%	11.8%	10.2%

Bloomberg Barclays Capital U.S. MBS Index	1/31/2017	2/28/2017	3/31/2017	MoM Change
Average Dollar Price	$103.19	$103.40	$103.17	-$0.23
Duration	4.83	4.66	4.95	0.29

Bloomberg Barclays Capital U.S. Index Returns	1/31/2017	2/28/2017	3/31/2017
Aggregate	0.20%	0.67%	-0.05%
MBS	-0.03%	0.48%	0.03%
Corporate	0.34%	1.11%	-0.15%
Treasury	0.23%	0.49%	-0.05%

Source: eMBS, Barclays Capital

the new regime. However, the 10-year UST yield went sideways for the most part and eventually ended the first quarter lower, from 2.45% to 2.39%.

- During January and February, the 10-year largely traded within the narrow range of 2.30% to 2.50%. It broke up to the upper side at the end of February, when the Fed made it clear that a March hike was more likely than the market had anticipated. To adjust to this new guidance, the market sold off for nine consecutive days, pushing 10-year yields upwards. It reached the highest point of the year on March 13th at 2.63% and then turned around to head down after the March Federal Open Market Committee (FOMC) meeting.
- One factor that contributed to the late March rally was extreme market positions. By mid-March, the market had seen substantial short positions on treasuries from speculators. The aggregate short positions reached a historic high point. Then the pendulum swung back. As interest rates didn't go up as expected, speculators were forced to cover their shorts, which in turn supported the rally of the UST market.

U.S. Generic 10-Year Yield
December 31, 2008 to March 31, 2017

Source: Bloomberg

Fund Performance

Month-End Returns March 31, 2017	March	Year-to-Date	Annualized 1-Year	Annualized Since Inception (12-15-14 to 3-31-17)	1-Yr Std Deviation[2]
I-share	-0.39%	1.81%	-2.82%	2.15%	9.39%
N-share	-0.41%	1.65%	-3.08%	1.86%	9.33%
Benchmark[1]	-0.56%	1.58%	0.98%	2.26%	9.35%

Quarter-End Returns March 31, 2017	1Q17	Year-to-Date	Annualized 1-Year	Annualized Since Inception (12-15-14 to 3-31-17)
I-share	1.81%	1.81%	-2.82%	2.15%
N-share	1.65%	1.65%	-3.08%	1.86%
Benchmark[1]	1.58%	1.58%	0.98%	2.26%

Calendar Year Returns	2016	2015	2014[3]
I-share	1.71%	1.13%	0.26%
N-share	1.45%	0.89%	0.26%
Benchmark[1]	6.67%	-3.30%	0.45%

Expense Ratio	Gross	Net[4]
I-share	0.84%	0.65%
N-share	1.09%	0.90%

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

1. Benchmark: Bloomberg Barclays Long U.S. Government/Credit Index includes publicly issued U.S. Treasury debt, U.S. government agency debt, taxable debt issued by U.S. states and territories and their political subdivisions, debt issued by U.S. and non-U.S. corporations, non-U.S. government debt and supranational debt. It is not possible to invest in an index. 2. Standard Deviation = A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Calculated by the square-root of the variance. 3. The Fund's inception date is 12-15-2014, thus the calendar year performance for 2014 is an unannualized partial year return. 4. The advisor has contractually agreed to waive fees and reimburse expenses through July 31, 2017.
The performance information shown assumes the reinvestment of all dividends and distributions.

Performance Attribution

For the first quarter of 2017, the DoubleLine Long Duration Total Return Bond Fund outperformed the Bloomberg Barclays Long Government/Credit Index return of 1.58%. The U.S. Treasury curve flattened over this period with 2-year yields increasing by 7 bps, 10-year yields declining by 6 bps, and 30-year yields declining by 6 bps; the Fund was within 0.5 years duration relative to the benchmark throughout this period. The Fund's outperformance was primarily driven by the fixed-rate Agency collateralized mortgage obligations (CMO) as they benefited from valuations improving during this time as the long-end of the yield curve declined. The Government portion of the Fund also benefited from the yield environment and continues to be mainly exposed to the intermediate to the long portions of the yield curve; additionally, the Fund maintains a mix of Treasury Inflation-Protected Securities (TIPS), Agency Debentures, and U.S. Treasuries within its U.S. Government exposure.

DoubleLine®

DoubleLine Long Duration Total Return Bond Fund
Ticker: DBLDX/DLLDX
As of March 31, 2017

Fund Statistics

Portfolio Characteristics

# of Issues	36
Ending Market Value	$61,699,337
Market Price[1]	$94.84
Duration[2]	15.12
Weighted Avg Life[3]	19.80

Duration Breakdown[2]

(Percent of Portfolio)	
Less than 10 years	5.4%
10 to 15 years	43.9%
15 to 20 years	39.4%
20 to 25 years	10.3%
25+ years	0.0%
Cash	1.1%
Total:	**100.0%**

Current Quality Credit Distribution[4]

(Percent of Portfolio)	
Government	15.0%
Agency	83.9%
Investment Grade[5]	0.0%
Below Investment Grade[6]	0.0%
Unrated Securities	0.0%
Cash	1.1%
Total:	**100.0%**

Sector Breakdown

(Percent of Portfolio)	
Treasury	5.7%
Agency Debentures	13.7%
Agency CMOs	79.5%
Other	0.0%
Cash	1.1%
Total	**100.0%**

Weighted Average Life[3] Breakdown

(Percent of Portfolio)	
Less than 10 years	5.4%
10 to 15 years	13.3%
15 to 20 years	54.8%
20 to 25 years	10.6%
25+ years	14.8%
Cash	1.1%
Total:	**100.0%**

Asset Mix

(Percent of Sector)	
Fixed Rate	98.9%
Floating Rate	0.0%
Cash	1.1%
Total	**100.0%**

SEC 30-Day Yield	I-Share	N-Share
Gross	2.85%	2.61%
Net	3.01%	2.76%

Past performance does not guarantee future results.

1. Market price - The weighted average of the prices of the Fund's portfolio holdings. While a component of the fund's Net Asset Value, it should not be confused with the Fund's NAV. 2. Duration - A commonly used measure of the potential volatility of the price of a debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration. 3. Weighted Average Life - The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. 4. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Agency ("NRSRO", generally S&P, Moody's and Fitch). DoubleLine chooses to display credit ratings using S&P's rating convention, although the rating itself might be sourced from another NRSRO. 5. Investment Grade - Refers to a bond considered investment grade if its credit rating is BBB– of higher by Standard & Poor's or Baa3 or higher by Moody's. Ratings are based on a corporate bond model. The higher the rating the more likely the bond will pay back par/100 cents on the dollar. 6. Below Investment Grade - Refers to a security that is rated below investment grade. These securities are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back 100 cents on the dollar.
Sector allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Portfolio holdings generally are made available fifteen days after month-end by calling 1-877-DLine11. The source for the information in this report is DoubleLine Capital, which maintains its data on a trade date basis.

Definitions

Bloomberg Barclays Capital U.S. Aggregate Bond Index - The Barclays Capital U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Bloomberg Barclays U.S. Corporate Index -An index designed to be a broad-based measure of the global investment-grade, fixed rate, fixed income corporate markets outside the United States.

Bloomberg Barclays Capital U.S. MBS Index -The Barclays Capital U.S. MBS Index measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of the Government-Sponsored Enterprises (GSEs): Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays Long U.S. Government/Credit Index - The index includes publicly issued U.S. Treasury debt, U.S. government agency debt, taxable debt issued by U.S. states and territories and their political subdivisions, debt issued by U.S. and non-U.S. corporations, non-U.S. government debt and supranational debt.

Bloomberg Barclays U.S. Treasury Index -The Barclays Capital U.S. Treasury Index is the U.S. Treasury component of the U.S. Government Index. Public obligations of the U.S. Treasury with a remaining maturity of one year or more.

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

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.

Consumer Price Index (CPI) - A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

Duration - A commonly used measure of the potential volatility of the price of a debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

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

Institute for Supply Management Manufacturing Purchasing Managers Index (ISM PMI) - An index made up of data from 300 manufacturing firms collected by the Institute of Supply Management (ISM). It indicates the economic health of the manufacturing sector.

Institute for Supply Management Non-Manufacturing Purchasing Managers Index (ISM PMI) - An index made up of data from 400 non-manufacturing firms collected

Disclaimers

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contains this and other important information about the investment company, and it may be obtained by calling 1 (877) 354-6311/ 1 (877) DLINE11, or visiting www.doublelinefunds.com. Read it carefully before investing.

Mutual fund investing involves risk; Principal loss is possible. Investments in debt securities typically decrease 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 including 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 great risk of loss to principal and interest than higher rated securities. Investments in foreign securities, which involve political, economic, and currency risks, greater volatility, and differences in accounting methods. These risks are greater for investments in emerging markets. The fund may also invest in securities related to real estate, which may decline in value as a result of factors affecting the real estate industry. The fund may use certain types of exchange traded funds or investment derivatives. Derivatives involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. ETF investments involve additional risks such as the market price trading at a discount to its net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. The Fund may use leverage which may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the fund to be more volatile than if leverage was not used. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested.

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

While the Fund is no-load, management fees and other expenses still apply.

Please refer to the prospectus for further details.

DoubleLine Capital LP is the advisor to the DoubleLine Funds, which are distributed by Quasar Distributors, LLC.

The source for the information in this report is DoubleLine Capital, which maintains its data on a trade date basis.

As of March 31, 2017 DoubleLine Long Duration Total Return Bond Fund held 36.2% in Fannie Mae (FNMA), 33.7% in Freddie Mac (FHLMC) and 9.2% in Ginnie Mae (GNMA). Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

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, as well as portfolio construction, without notice as market conditions dictate or as additional information becomes available. This material may include statements that constitute "forward-looking statements" under the U.S. securities laws. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to a client's account, or market or regulatory developments.

Ratings shown for various indices reflect the average for the indices. Such ratings and indices are created independently of DoubleLine and are subject to change without notice.

Important Information Regarding Risk Factors

Investment strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision-making, economic or market conditions or other unanticipated factors. The views and forecasts expressed in this material are as of the date indicated, are subject to change without notice, may not come to pass and do not represent a recommendation or offer of any particular security, strategy, or investment. Past performance (whether of DoubleLine or any index illustrated in this presentation) is no guarantee of future results. You cannot invest in an index.

Important Information Regarding DoubleLine

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

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

Important Information Regarding DoubleLine's Investment Style

DoubleLine seeks to maximize investment results consistent with our interpretation of client guidelines and investment mandate. While DoubleLine seeks to maximize returns for our clients consistent with guidelines, DoubleLine cannot guarantee that DoubleLine will outperform a client's specified benchmark. 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.

Important Information Regarding Client Responsibilities

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