



# Asset Allocation Webcast

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**May 8, 2018**



# Fund Offerings

## Core Fixed Income Fund

Retail and Institutional Class  
No Load Mutual Fund

Ticker	Retail N-share DLFNX	Inst. I-share DBLFX
Min Investment	\$2,000	\$100,000
Min IRA Investment	\$500	\$5,000
Gross Expense Ratio	0.74%	0.49%

## Flexible Income Fund

Retail and Institutional Class  
No Load Mutual Fund

Ticker	Retail N-share DLINX	Inst. I-share DFLEX
Min Investment	\$2,000	\$100,000
Min IRA Investment	\$500	\$5,000
Gross Expense Ratio	1.10%	0.85%

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. Loss of Principal is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in 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 increase susceptibility to adverse economic developments. Investments in foreign securities may involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for investments in emerging markets. In order to achieve its investment objectives, 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 more 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 the fund's ability to sell its shares. 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 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. Investments in real estate securities may involve greater risk and volatility including greater exposure to economic downturns and changes in real estate values, rents, property taxes, interest rates, tax and other laws. A REIT's share price may decline because of adverse developments affecting the real estate industry.

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 Core Fixed Income Fund

Fund Performance							
Month-End Returns		Annualized					1-Yr Std Deviation
March 31, 2018	Mar	YTD	1-Year	3-Year	5-Year	Since Inception	
I-share	0.54%	-0.74%	2.51%	2.20%	2.73%	5.22%	1.94%
N-share	0.52%	-0.80%	2.26%	1.92%	2.47%	4.96%	1.94%
Benchmark*	0.64%	-1.46%	1.20%	1.20%	1.82%	3.02%	2.37%
Quarter-End Returns		Annualized					
March 31, 2018	1Q18	YTD	1-Year	3-Year	5-Year	Since Inception	
I-share	-0.74%	-0.74%	2.51%	2.20%	2.73%	5.22%	
N-share	-0.80%	-0.80%	2.26%	1.92%	2.47%	4.96%	
Benchmark*	-1.46%	-1.46%	1.20%	1.20%	1.82%	3.02%	
Calendar Year Returns		2017	2016	2015	2014	2013	
I-share		4.66%	4.11%	0.63%	6.86%	-1.20%	
N-share		4.41%	3.76%	0.39%	6.60%	-1.36%	
Benchmark*		3.54%	2.65%	0.55%	5.97%	-2.02%	

Expense Ratio	I-Share	N-Share
Gross	0.49%	0.74%

*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).*

\*Bloomberg Barclays 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. It is not possible to invest in an index.

# Performance

## DoubleLine Flexible Income Fund

Fund Performance						
Month-End Returns		Annualized				1-Yr Std Deviation
March 31, 2018	Mar	YTD	1-Year	3-Year	Since Inception	
I-share	0.12%	0.23%	3.94%	3.29%	3.45%	0.99%
N-share	0.10%	0.27%	3.69%	3.04%	3.21%	0.88%
BAML 1-3 Year Eurodollar Index	0.10%	-0.22%	0.76%	1.16%	1.18%	0.54%
LIBOR USD 3 Month	0.17%	0.46%	1.44%	0.89%	0.74%	
Quarter-End Returns		Annualized				
March 31, 2018	1Q18	YTD	1-Year	3-Year	Since Inception	
I-share	0.23%	0.23%	3.94%	3.29%	3.45%	
N-share	0.27%	0.27%	3.69%	3.04%	3.21%	
BAML 1-3 Year Eurodollar Index	-0.22%	-0.22%	0.76%	1.16%	1.18%	
LIBOR USD 3 Month	0.46%	0.46%	1.44%	0.89%	0.74%	

Expense Ratio	I-share	N-share
Gross	0.85%	1.10%

*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).*

London Interbank Offering Rate (LIBOR) is an indicative average interest rate at which a selection of banks known as the panel banks are prepared to lend one another unsecured funds on the London money market.

BAML 1-3 Year Eurodollar Index is a subset of the BAML Eurodollar Index including all securities with a remaining term to final maturity less than 3 years. The BAML Eurodollar Index tracks the performance of US dollar-denominated investment grade quasigovernment, corporate, securitized and collateralized debt publicly issued in the eurobond markets. One cannot invest directly in an index.

# Upcoming Webcast Announcements

## Jeffrey Gundlach – May 22, 2018

Closed End Funds Webcast

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

2018 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

---

## Jeffrey Gundlach – June 12, 2018

Total Return Webcast

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

2018 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

---

## Phil Barach and Robert Cohen – July 10, 2018

Rising Rates Webcast

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

2018 Webcast Schedule to register

1:15 pm PDT/4:15 pm EDT

## To Receive Presentation Slides:

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



# Asset Allocation Webcast

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

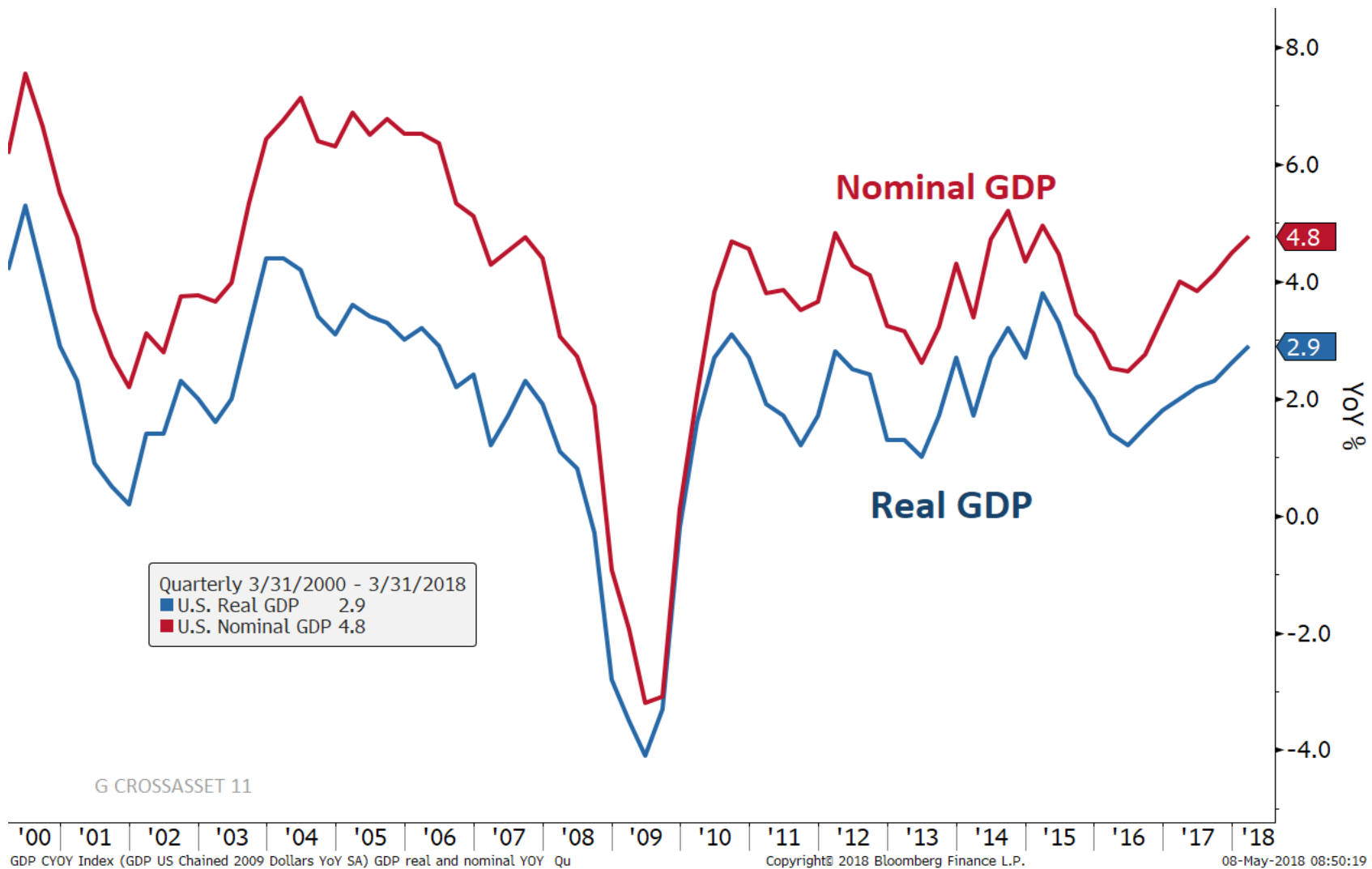
**May 8, 2018**



# TAB I

## U.S. Overview

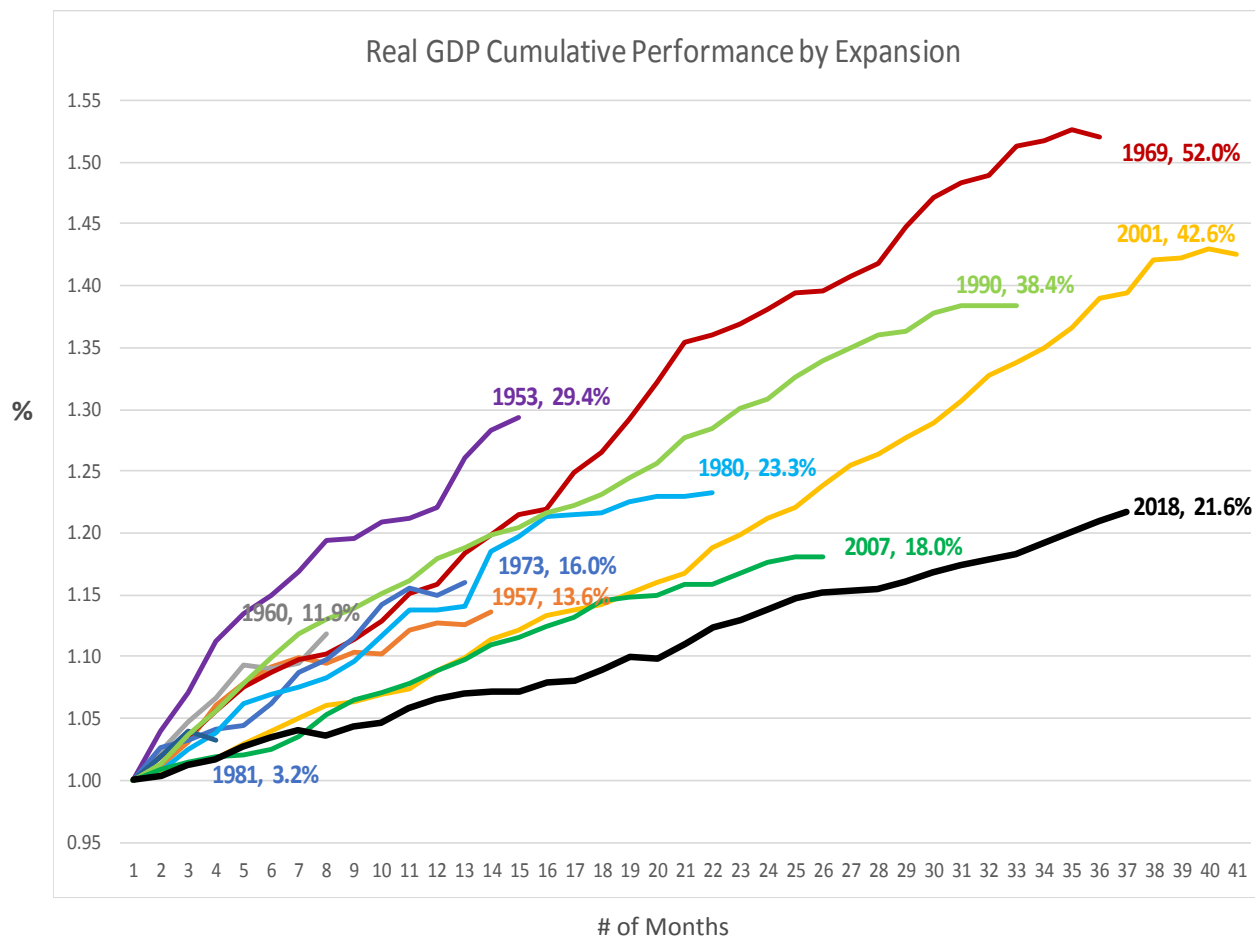
# Gross Domestic Product – Real and Nominal



Source: Bloomberg  
 YoY - year-over-year; GDP = Gross Domestic Product includes the total amount of goods and services produced within a given country. Nominal GDP is adjusted for inflation.  
 You cannot invest directly in an index.



# U.S. Economic Expansions: Cumulative Real GDP



Expansion	Annual Growth	Cumulative Growth	Duration Quarters	Rank
1970	4.8%	52.0%	35	1
2001	3.5%	42.6%	40	2
1990	4.0%	38.4%	32	3
1953	7.1%	29.4%	14	4
1980	3.9%	23.3%	21	5
2018	2.1%	21.6%	36	6
2007	2.6%	18.0%	25	7
1973	4.7%	16.0%	12	8
1957	3.7%	13.6%	13	9
1960	5.8%	11.9%	8	10
1981	3.2%	3.2%	4	11

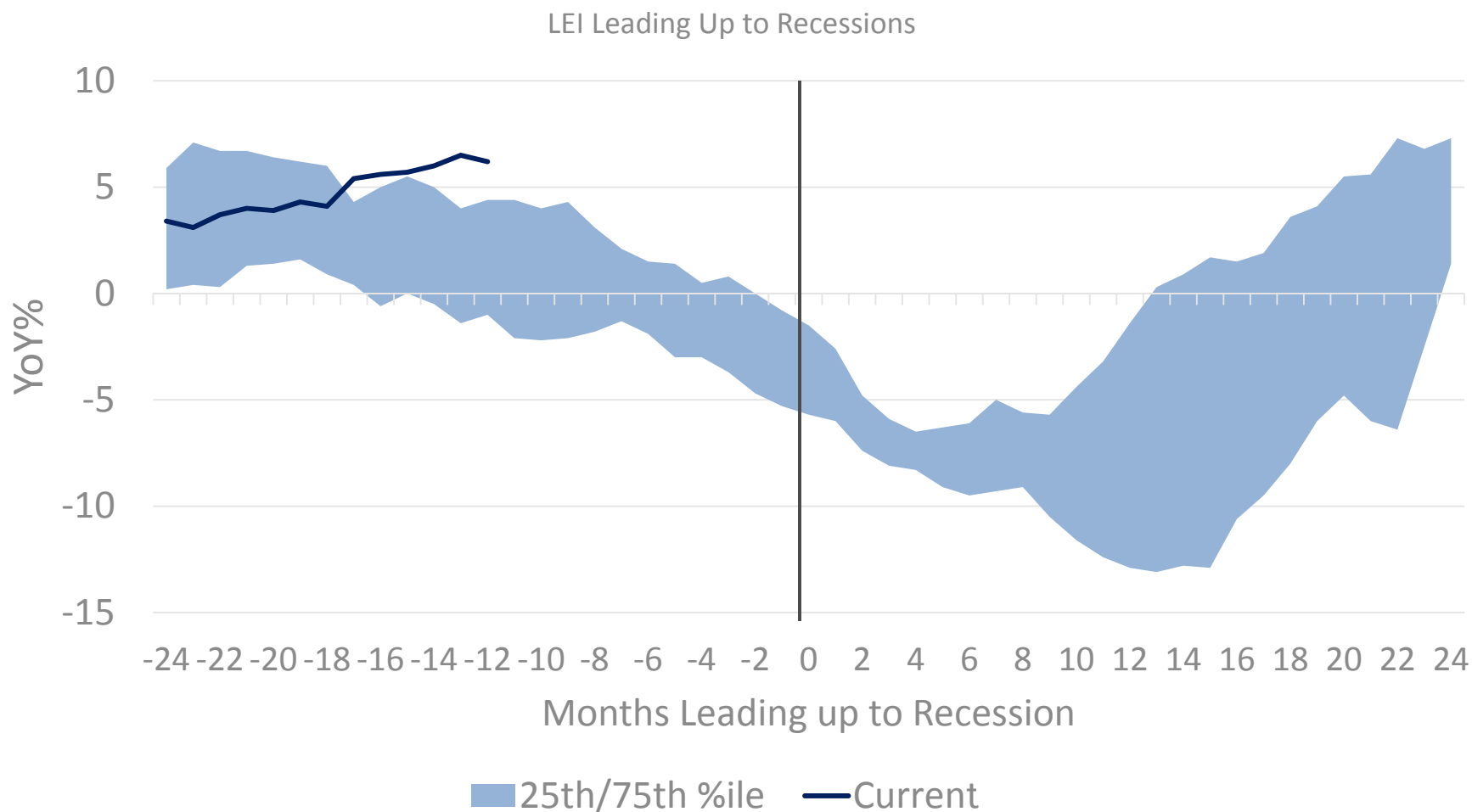
Source: Bloomberg, DoubleLine

GDP = Gross Domestic Product is the measure of goods and services with in a given country. NSA = Non-Seasonally Adjusted, YoY= year-over-year.

You cannot invest directly in an index.

# LEI (YoY) Heading into Recessions

Since January 1968

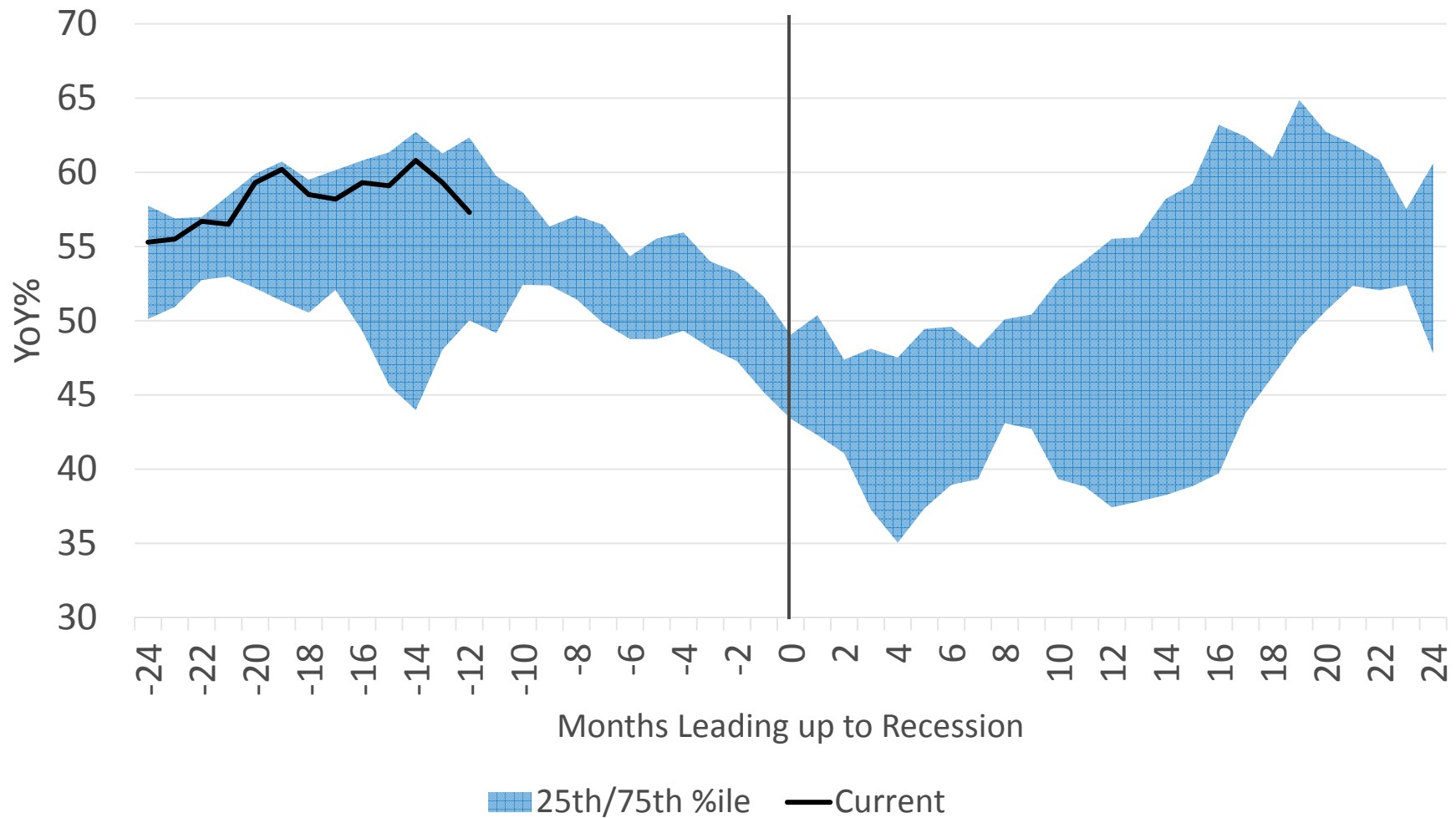


Source: Bloomberg, DoubleLine as of March 31, 2018

LEI = Leading Economic Indicators is a measurable economic factor that changes before the economy starts to follow a particular pattern or trend. YoY = year-over-year..

# ISM PMI Leading Up to Recessions

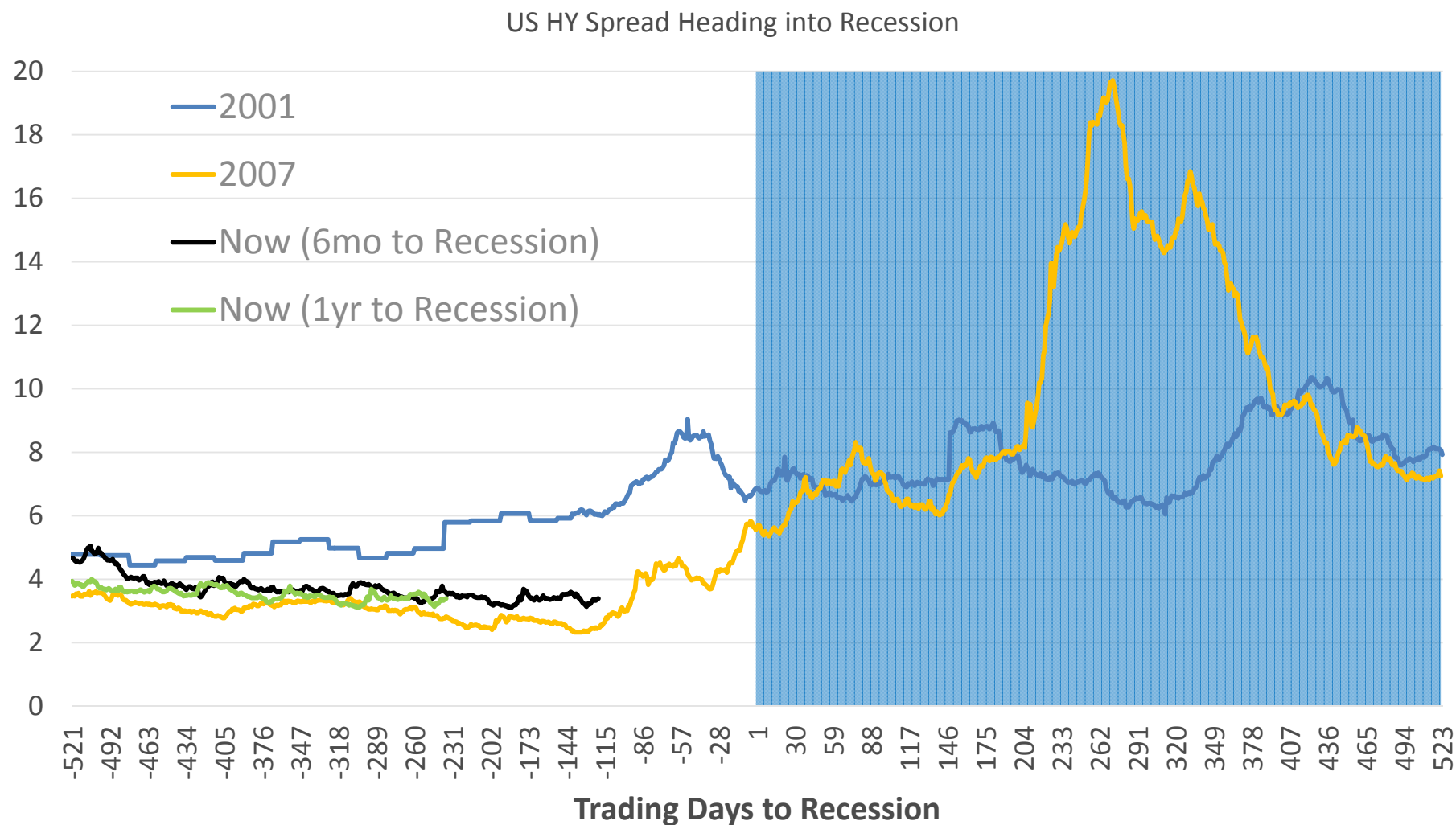
December 31, 1947 to April 30, 2018



Source: Bloomberg, DoubleLine as of April 30, 2018

ISM = Institute of Supply Management. Purchase Manager's Index (PMI) is an indicator of the economic health of the manufacturing sector and is based on: new orders, inventory levels, production, supplier deliveries and the employment environment. YoY = year-over year. You cannot invest directly in an index.

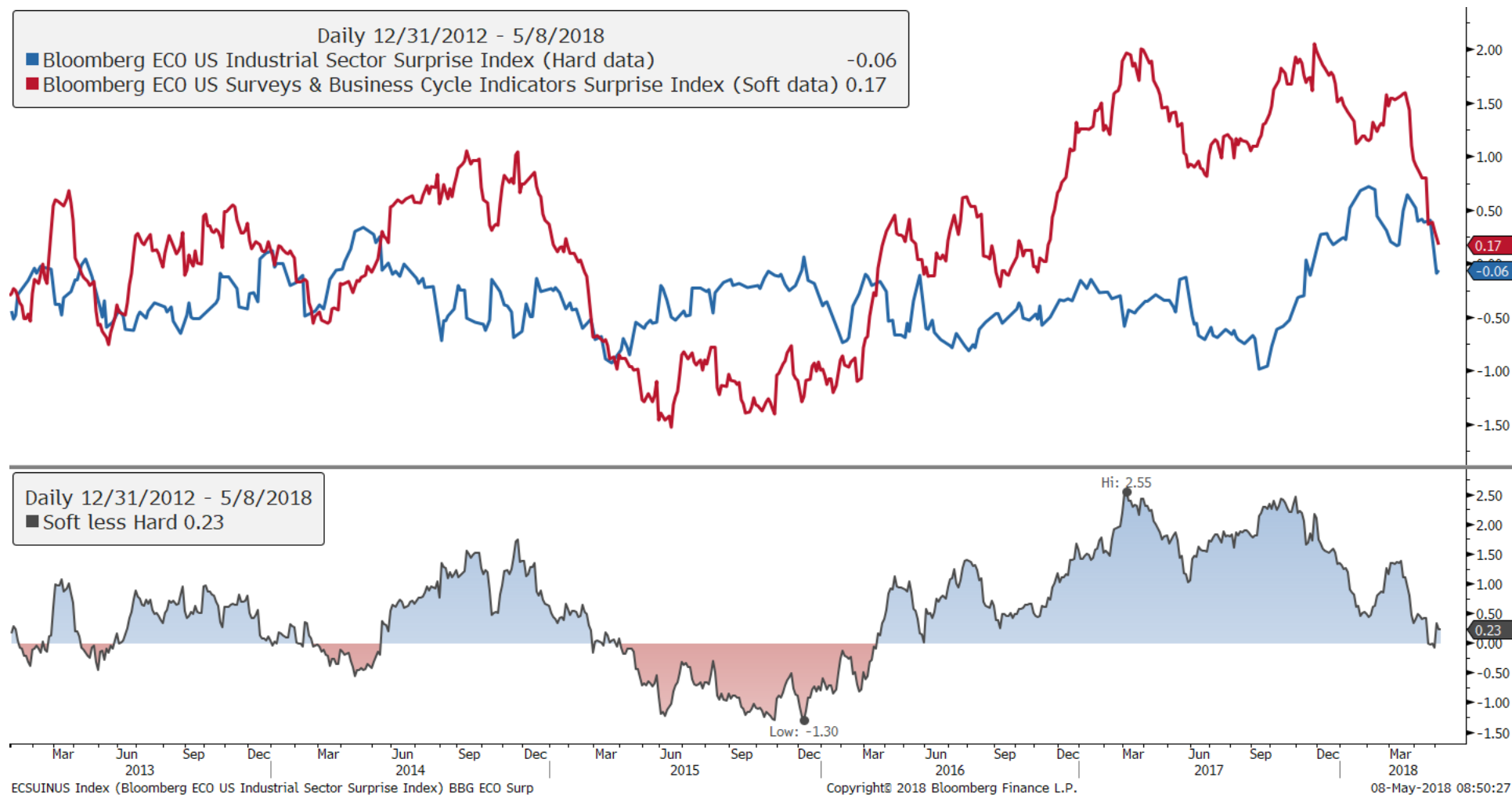
# U.S. High Yield Spread Heading into Recession



Source: Bloomberg, DoubleLine as of May 1, 2018

US HY = Moody's Bond Indices Corporate BAA Index are an average of the daily values for the corresponding month and weekly values are averages for the daily yields of the corresponding week. Spread = the difference between the yields of two bonds with differing credit ratings. You cannot invest directly in an index.

# Economic Surprise – Hard vs. Soft Data

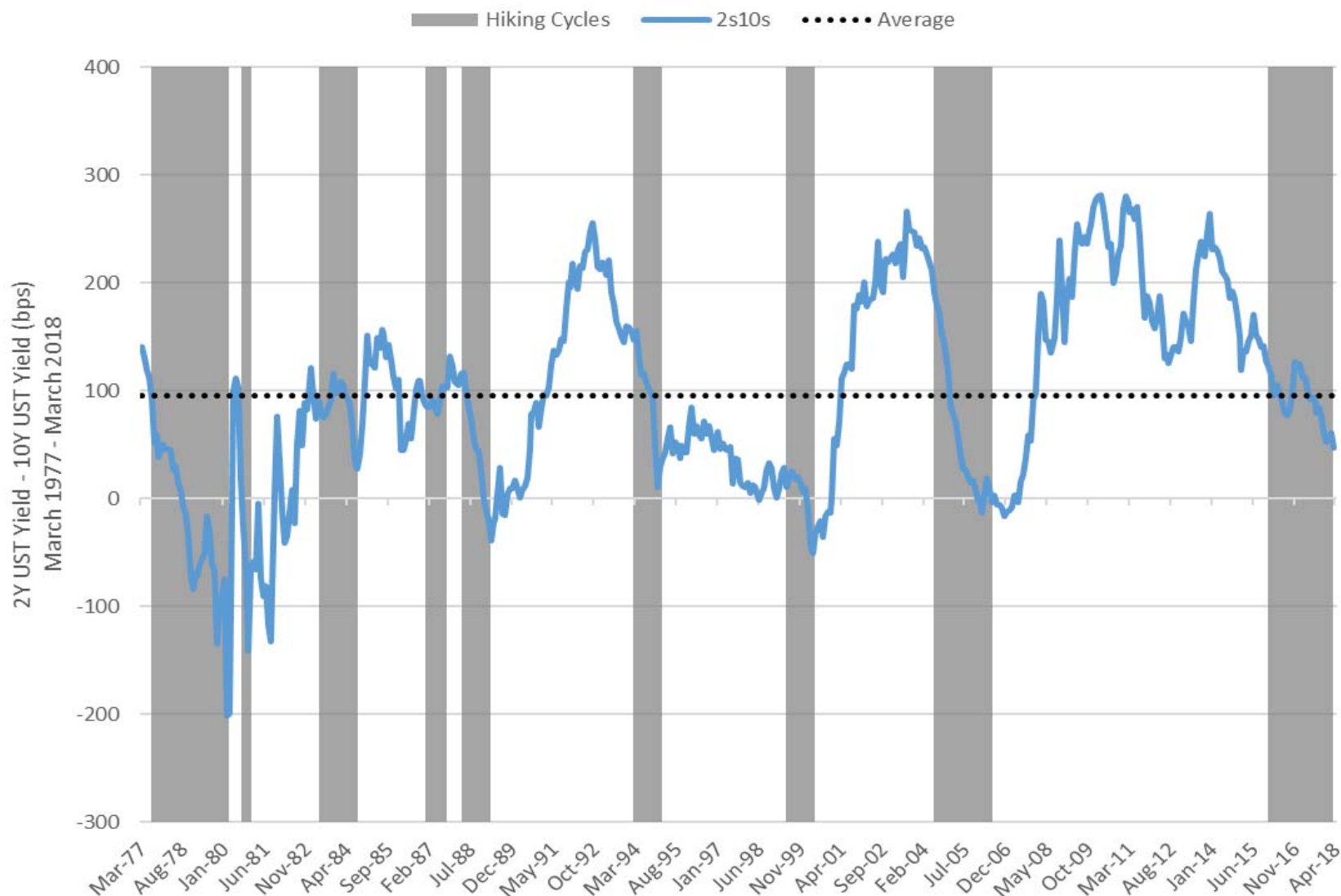


Source: Bloomberg, DoubleLine

The Bloomberg ECO Surprise Index shows the degree to which economic analysts under-or-over estimate the trends in the business cycle. The surprise is the percentage difference between analyst forecasts and the published value. Bloomberg ECO US Industrial Sector Surprise Index shows the degree of over and under estimation of the Industrial sector.

You cannot invest directly in an index.

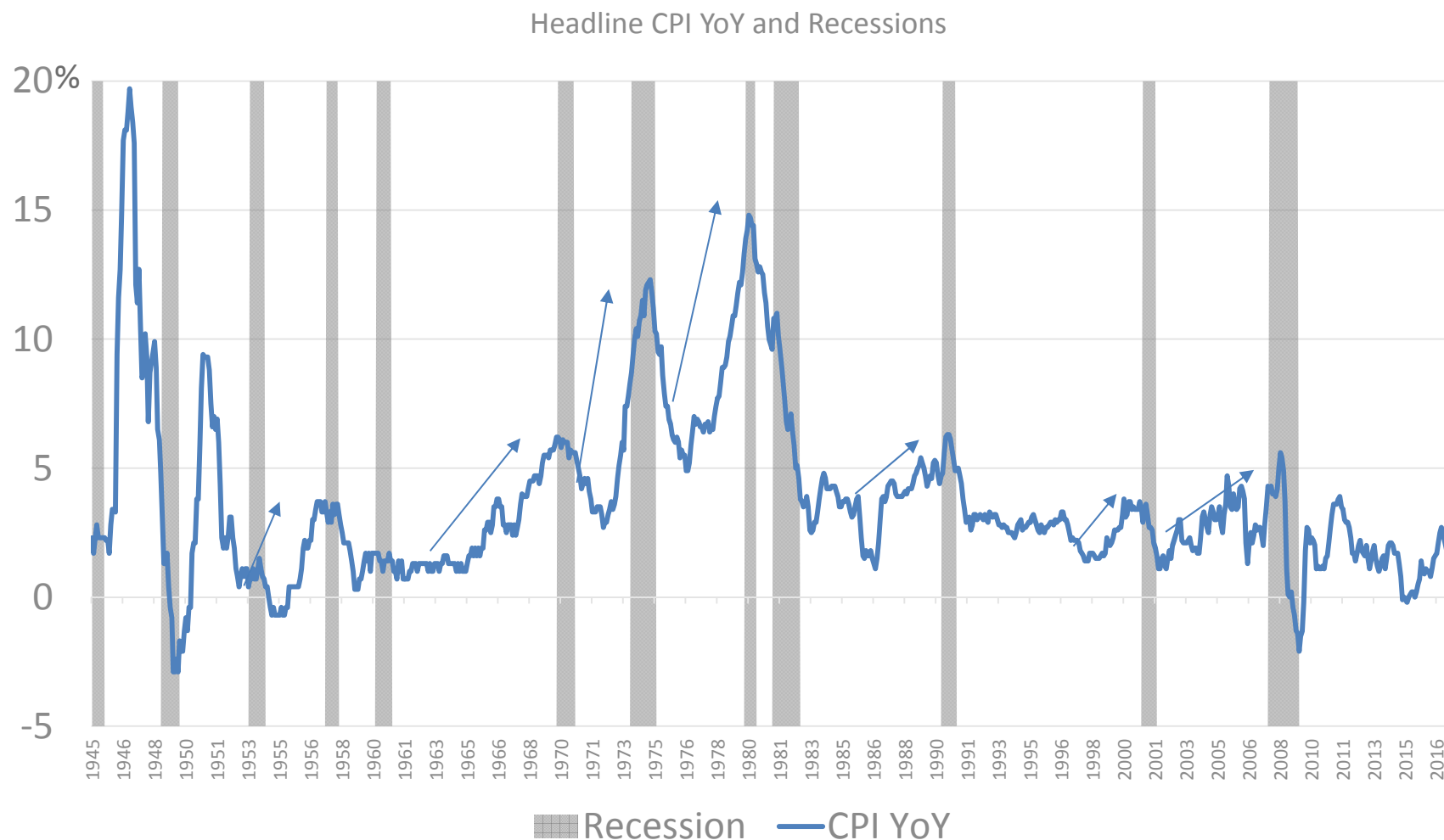
# U.S. Treasury 2s to 10s & Fed Hiking Cycles



Source: Bloomberg Financial Services, DoubleLine Capital LP

2s to 10s - U.S. 2-year Treasury vs. 10-year U.S. Treasury. GT10 - US 10 Year Treasury Bond. GT02 - 2-year U.S. Treasury bond. You cannot invest directly in an index.

# CPI YoY and Economic Cycles

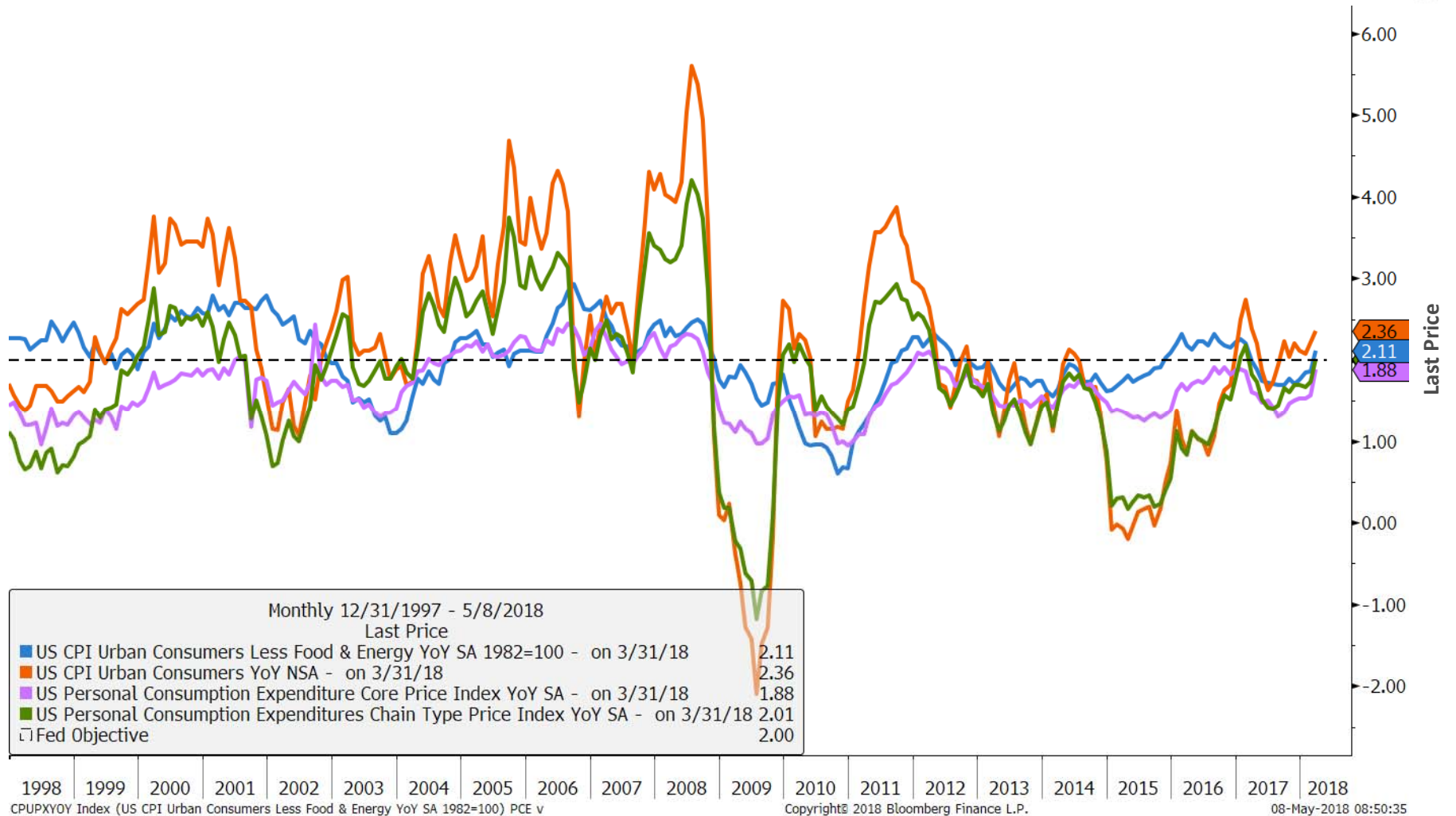


Source: Bloomberg, DoubleLine

CPI = Consumer Price Index is the weighted average of prices of a basket of consumer goods and services, like transportation, food and medical care. .YoY = year-over year. You cannot invest directly in an index.



# Headline and Core CPI & PCE

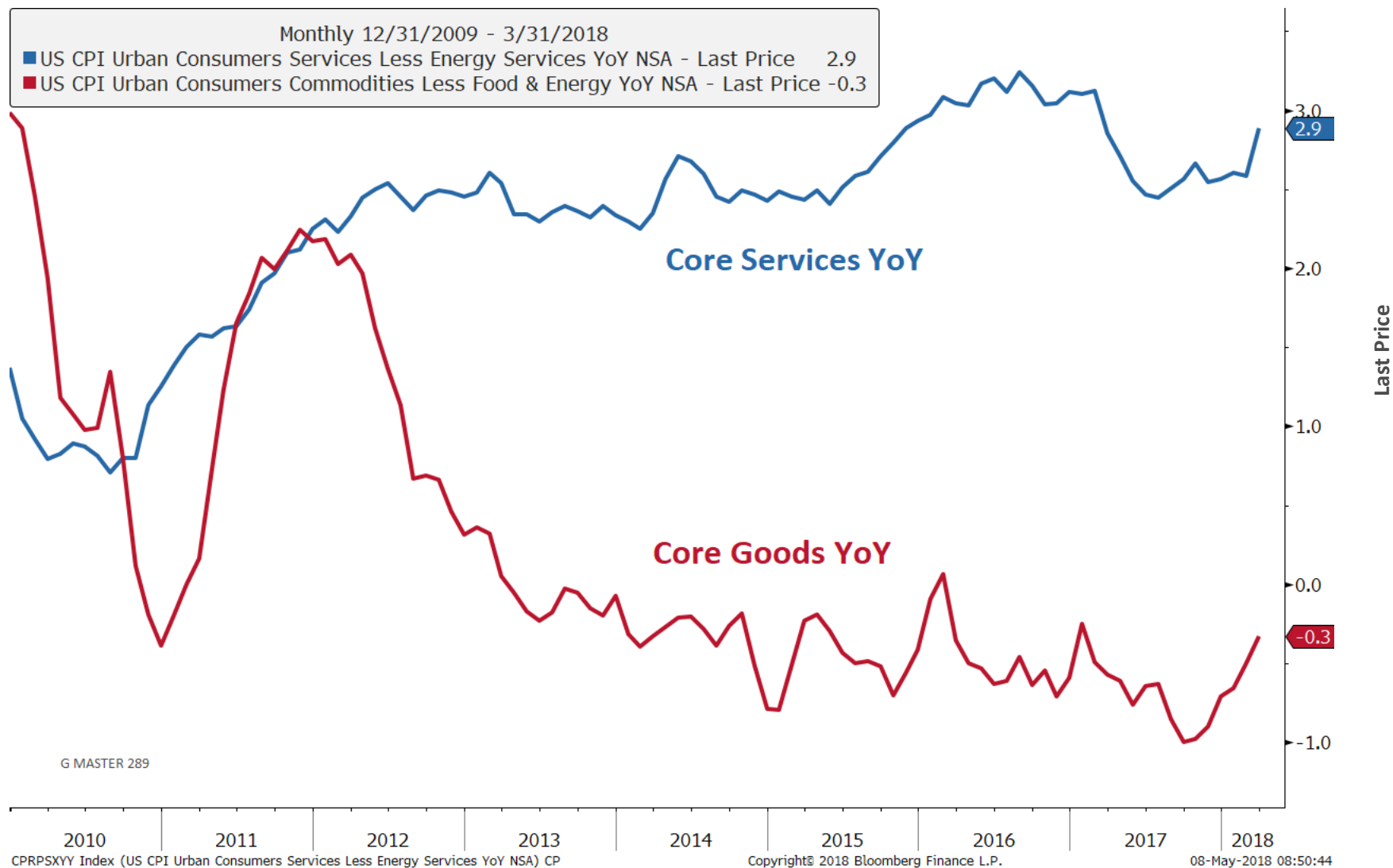


Source: Bloomberg, DoubleLine

US CPI Urban Consumer = consumer Price Index measures the weighted average basket of goods and services such as transportation, food and medical care. CPI Less Food and Energy is CPI Urban Consumers minus what they paid for food and energy which tend to fluctuate more often. US Personal Consumption Expenditure Core Price Index (PCE) = Personal Consumption expenditures measures consumer spending on goods and services in the U.S. economy. PCE Chain Type Price Index = PCE deflator track overall price changes for goods and services purchased by consumers. YoY = year-over-year. NSA = Non-seasonally adjusted. You cannot invest directly in an index.



# U.S. Inflation

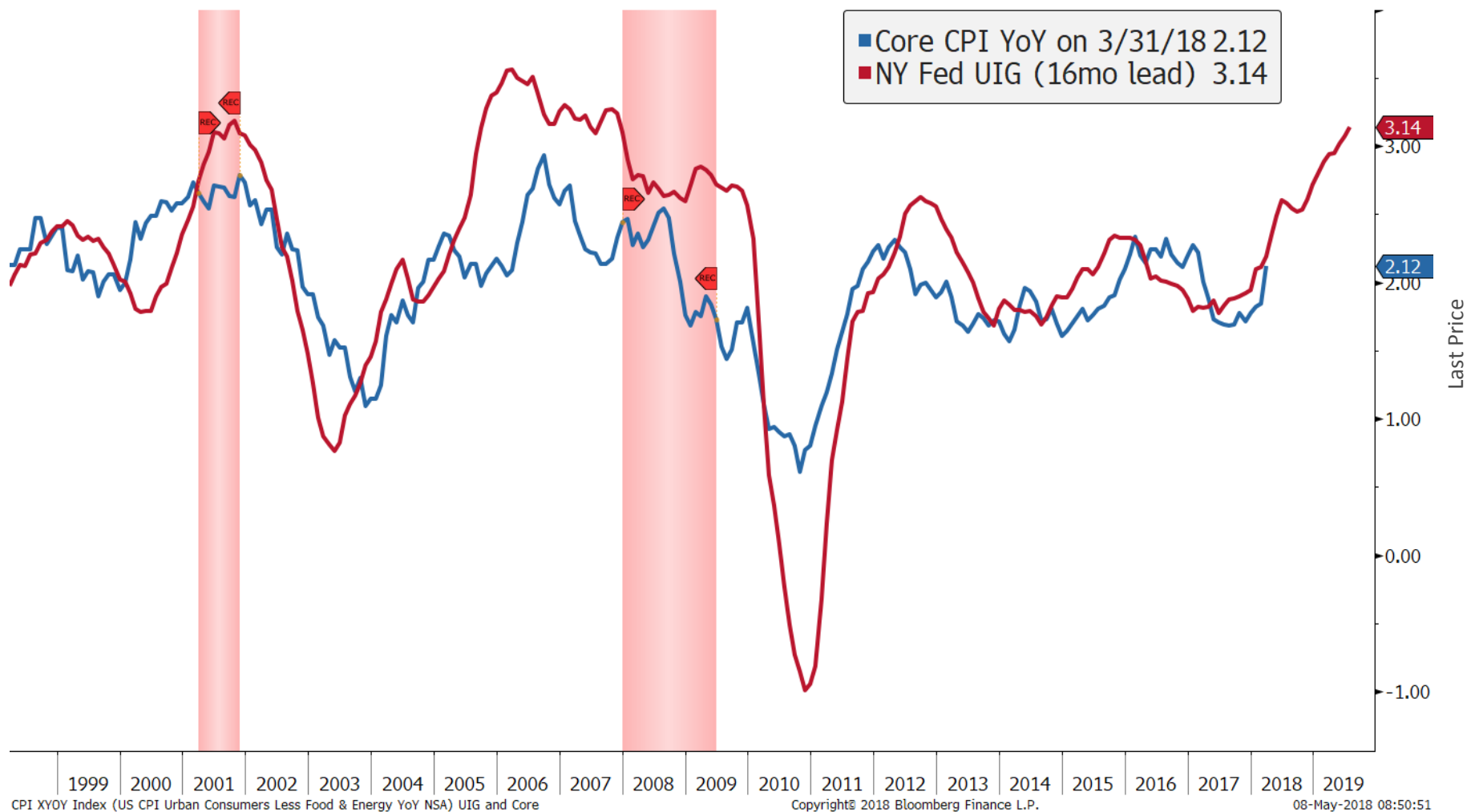


Source: Bloomberg, DoubleLine

CPI = Consumer Price index measures the average price for a basket of goods and services, such as transportation, food and medical care., Y/Y = year-of-year. You cannot invest directly in an index.

# Core CPI and NY Fed UIG (16 month lead)

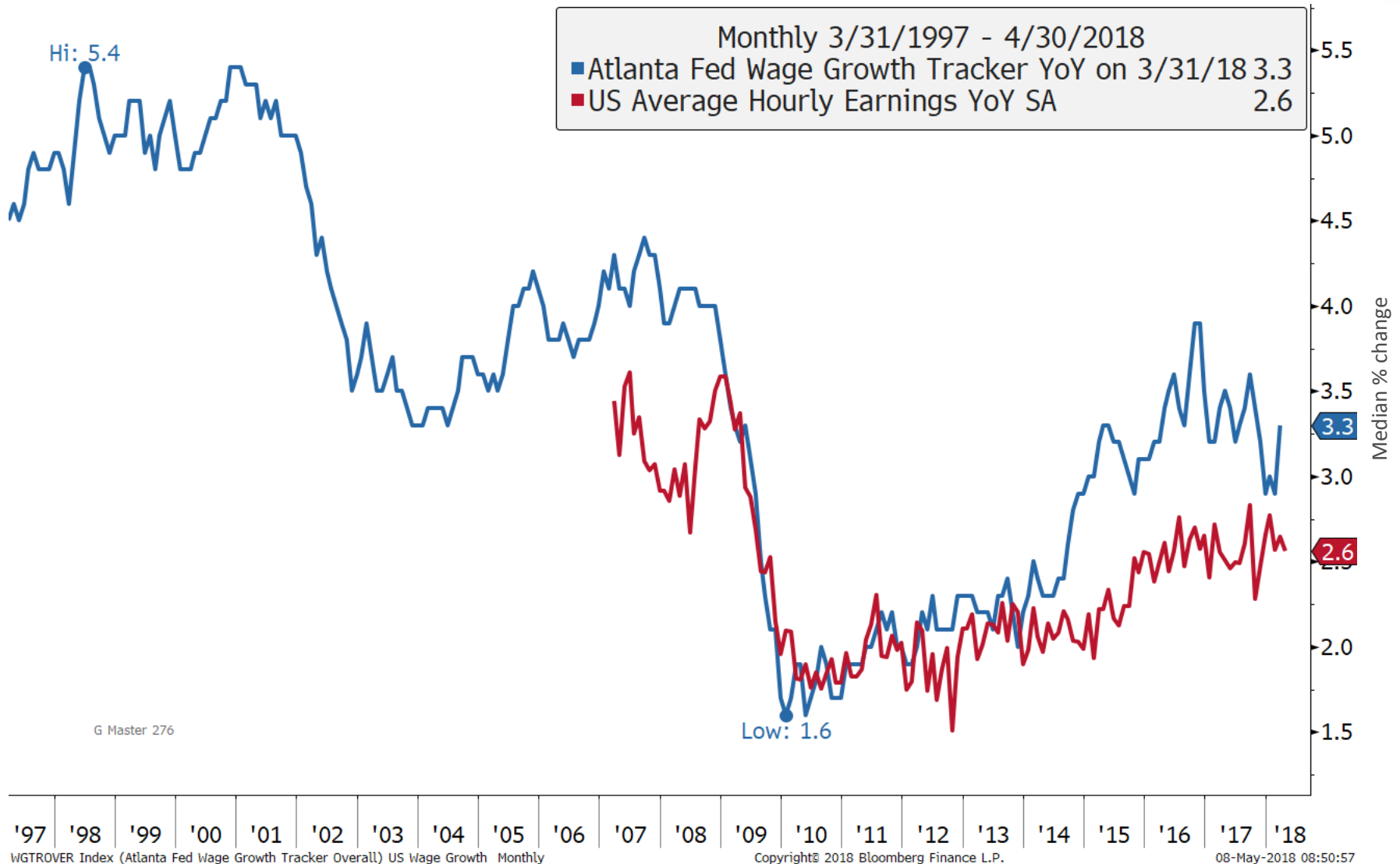
**Correlation with 16 Month Lead: 80%**



Source: Bloomberg, DoubleLine

Core CPI = An inflation measure which excludes transitory price volatility as in the case of some commodities such as food and energy. UIG = Underlying Inflation Gauge. YoY = year-over year. Correlation is a statistical measure that indicated the extent to which two or more variables fluctuate together. You cannot invest directly in an index.

# U.S. Wage Growth & Average Hourly Earnings

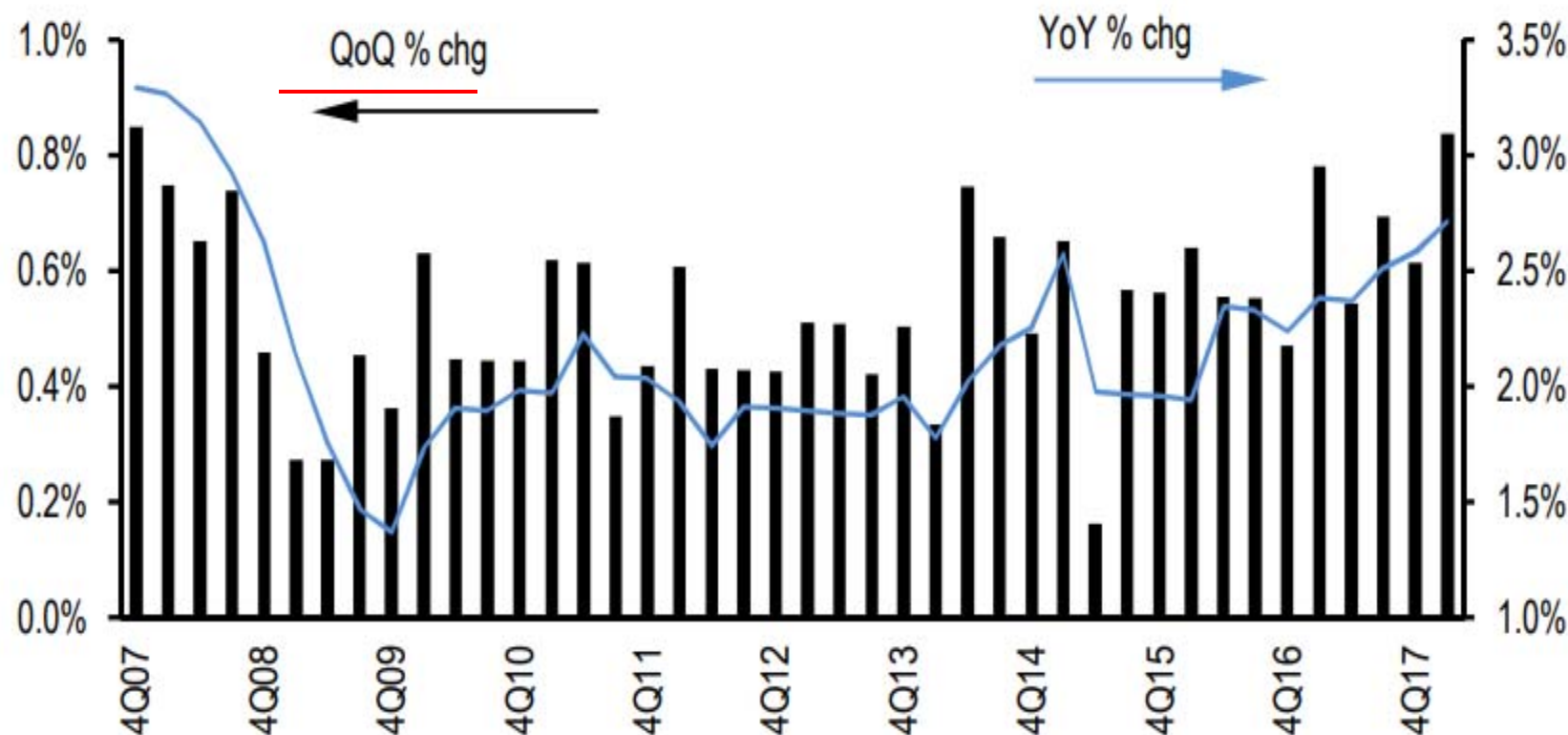


Source: Atlanta Fed, DoubleLine  
Hourly Wage Index is based on a survey of wages and wage-related costs. You cannot invest directly in an index.

# Employment Cost Index Hit 2.7% (YoY)

Exhibit 2: The ECI rose 0.84% in 1Q18, its biggest quarterly gain since 4Q07, and the year-over-year rate rose to a cycle high

Quarter-over-quarter (sa) versus year-over-year (nsa) percent change in the Employment Cost Index; %



Source: Bureau of Labor Statistics

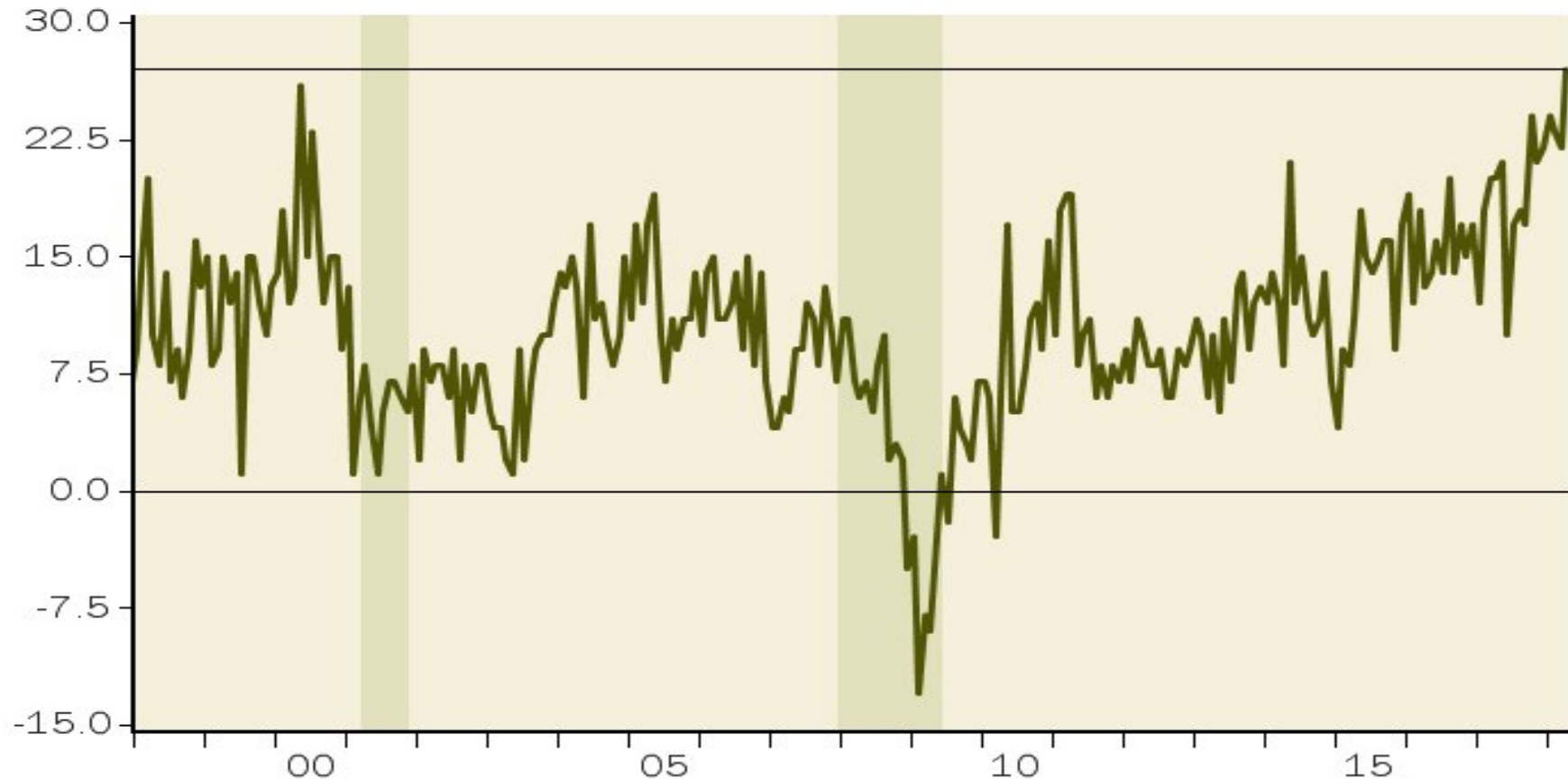
Source: JPMorgan as of April 30, 2018

Employment Cost Index is a quarterly economic series published by the Bureau of Labor Statistics that details the growth of total employee compensation YoY = year-over-year, QoQ=Quarter-over-quarter. Chg = change, SA = seasonally adjusted, NSA= non-seasonally adjusted. You cannot invest directly in an index.

# Richmond Fed Manufacturing Survey: Wages

## Richmond Fed Mfg Survey: Wages

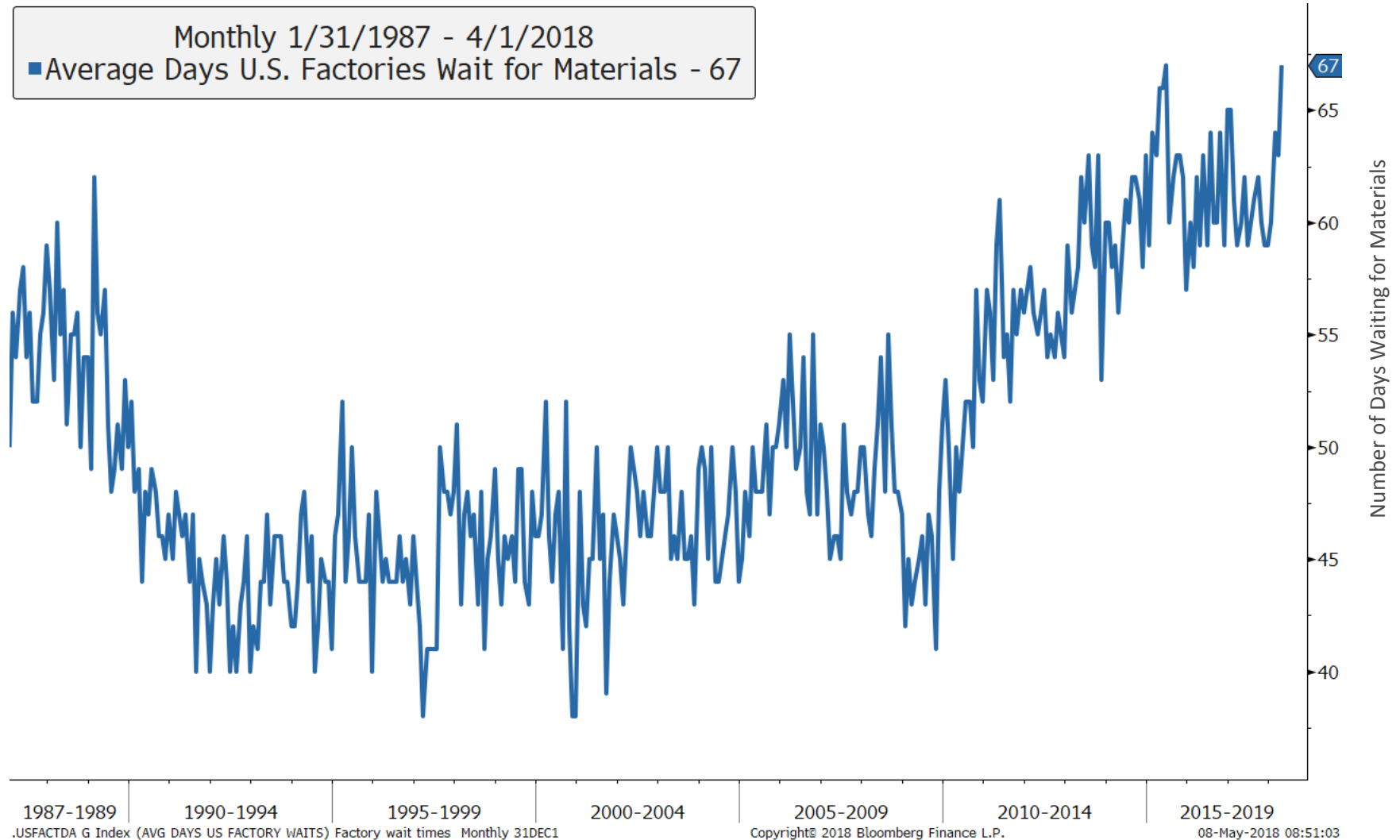
(% of firms reporting an increase less % reporting a decrease)



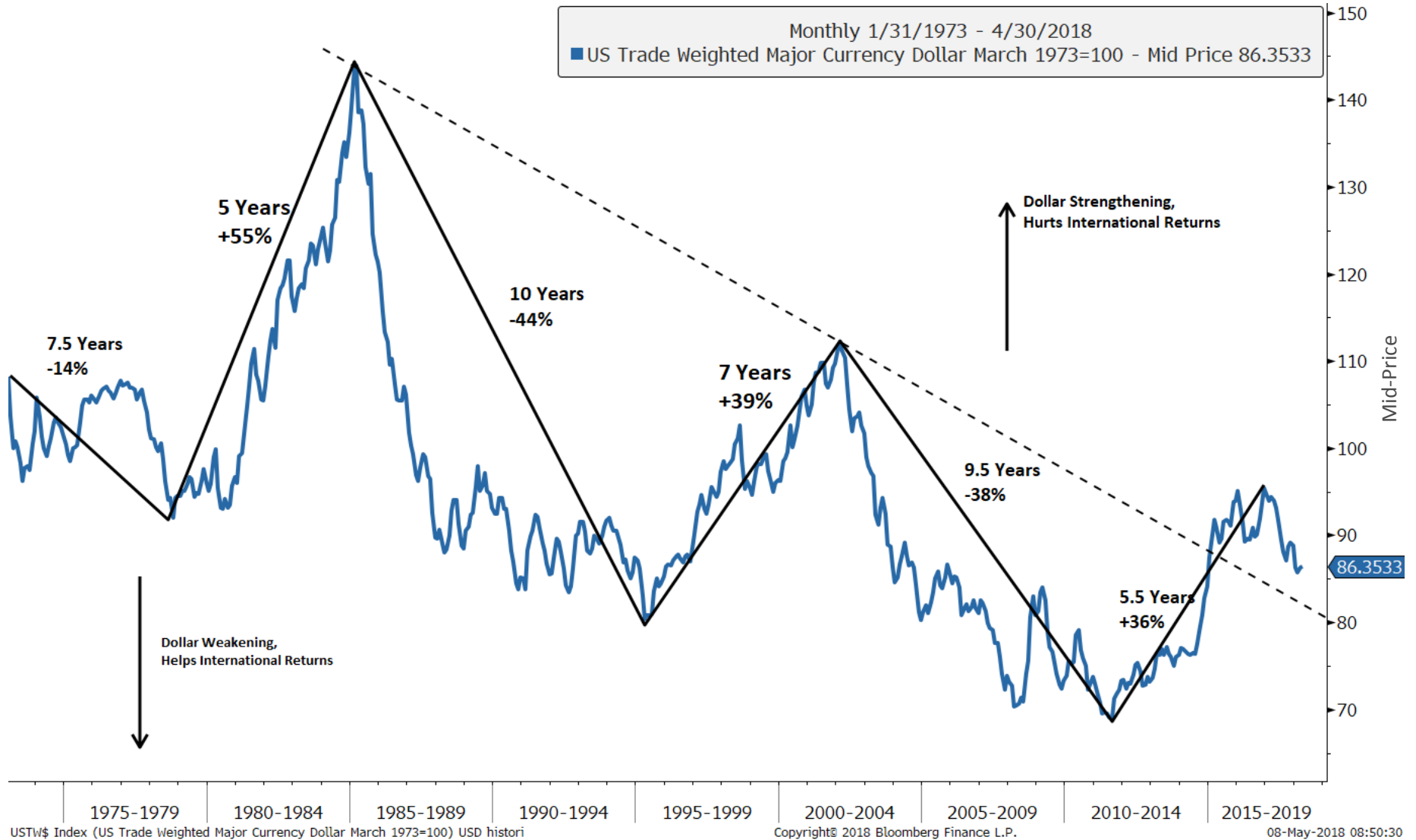
Source: Haver Analytics, Gluskin Sheff

Source: DoubleLine, Bloomberg

# U.S. Producers Struggling to Keep Up



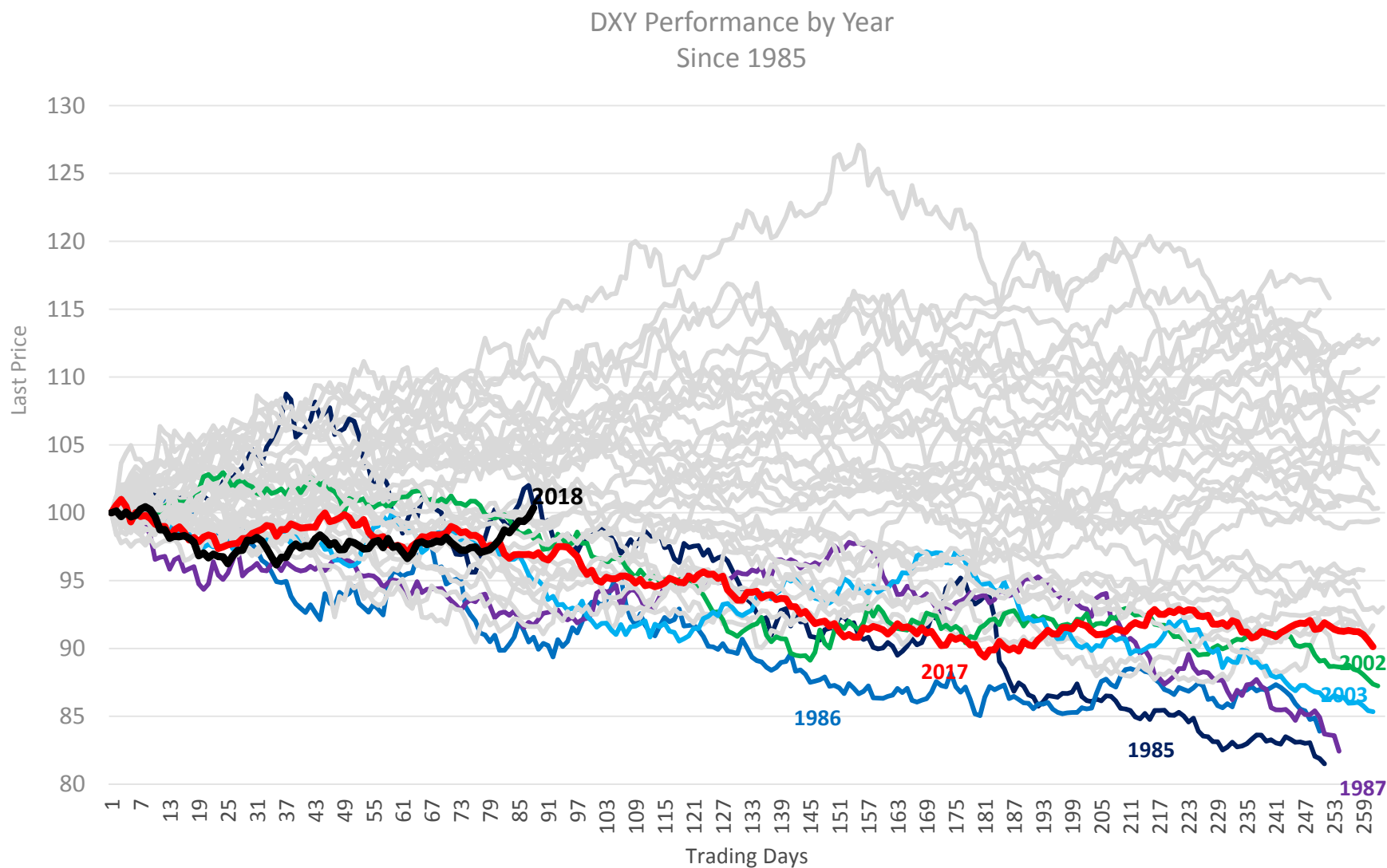
# U.S. Dollar



Source: JPMorgan, Bloomberg, DoubleLine

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.

# DXY Performance by Year

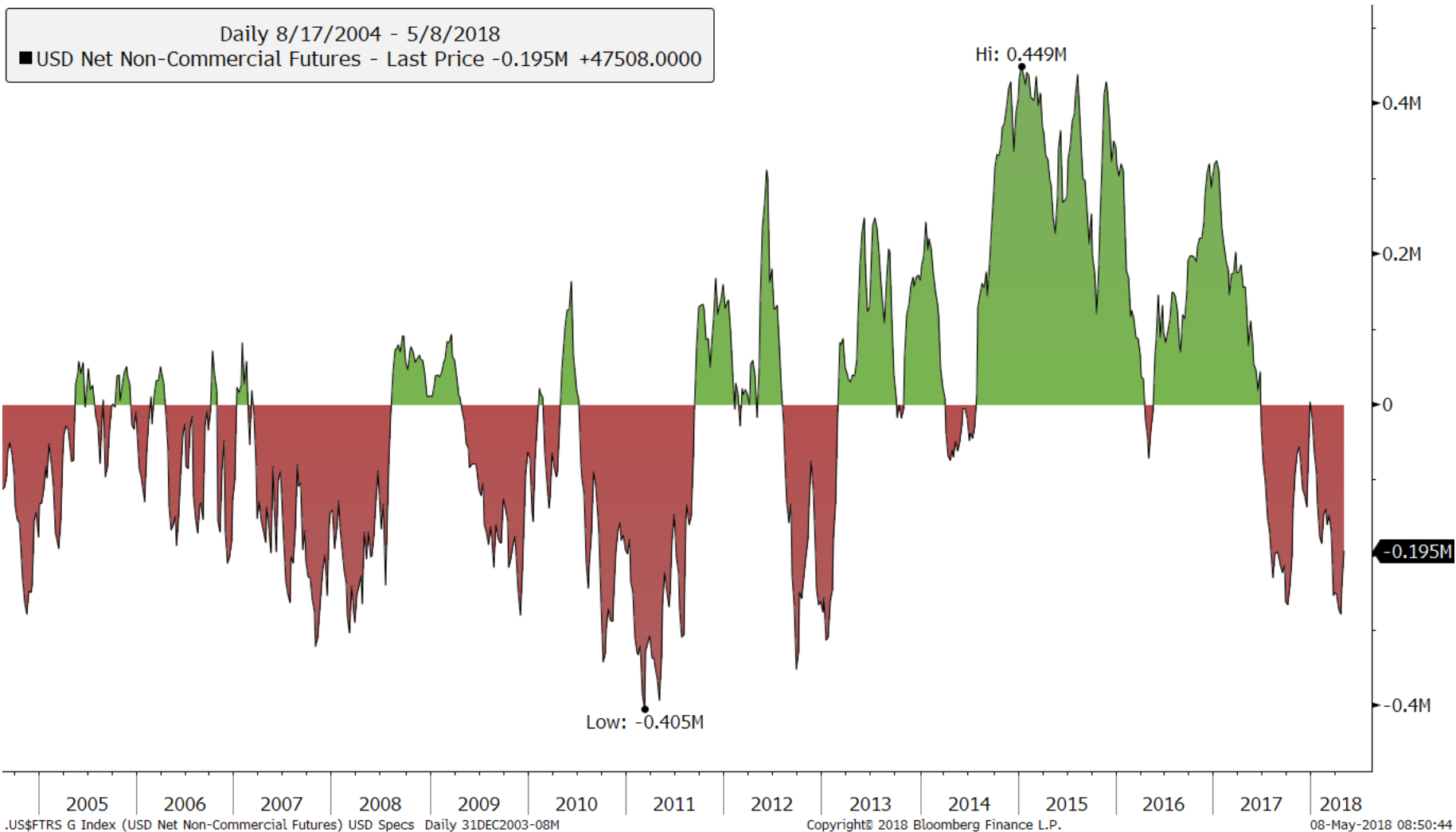


Source: Bloomberg Financial Services, DoubleLine Capital LP

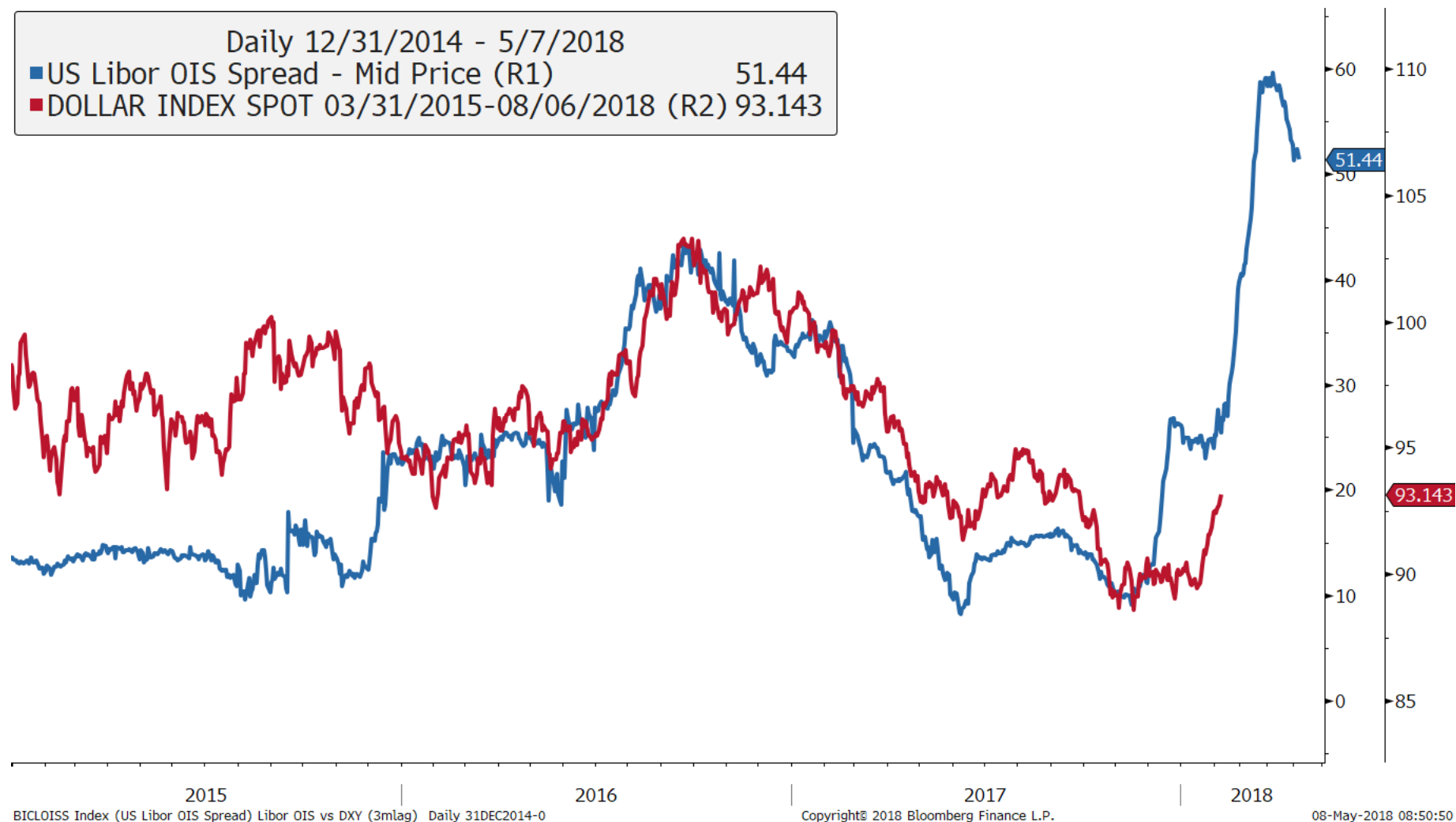
DXY = DXY is the US Dollar Index (USDIX) indicates the general value of the US dollar. Average exchange rates between the US dollar and six major world currencies. An investment cannot be made directly in an index.



# USD Net Speculative Positioning



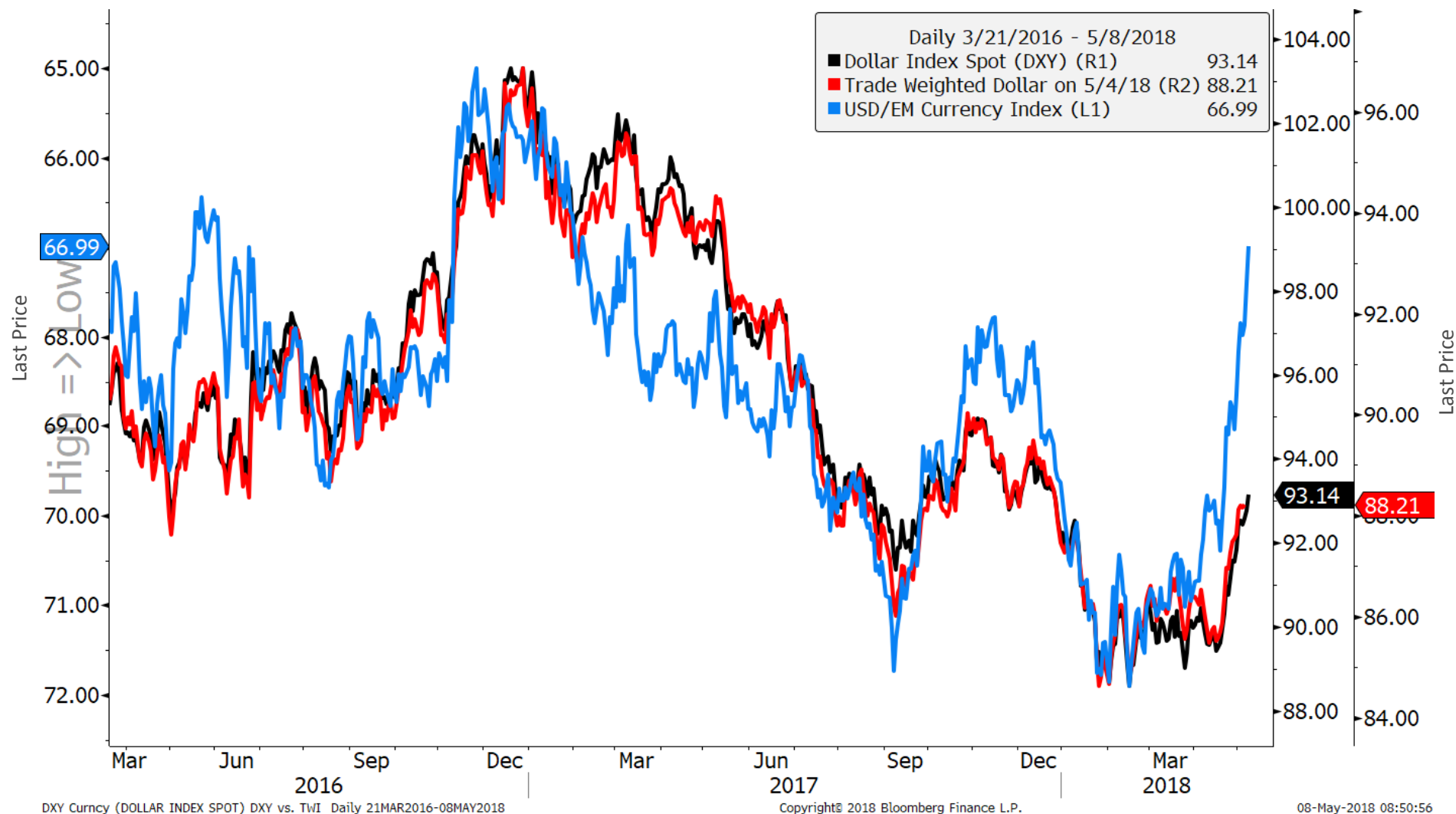
## 3mo LIBOR-OIS Spread vs. DXY (3mo Lag)



Source: Bloomberg, DoubleLine, Citi

LIBOR = London Inter-Bank Offered Rate is the exchange rate/average exchange rates estimated by each of the leading banks in London that it would be charged to borrow from other banks. OIS Spread= Is the Overnight Indexed Swap 90IS) rate. DXY is the U.S. Dollar exchange-traded fund used as a proxy for the U.S dollar in this exhibit. You cannot invest directly in an index.

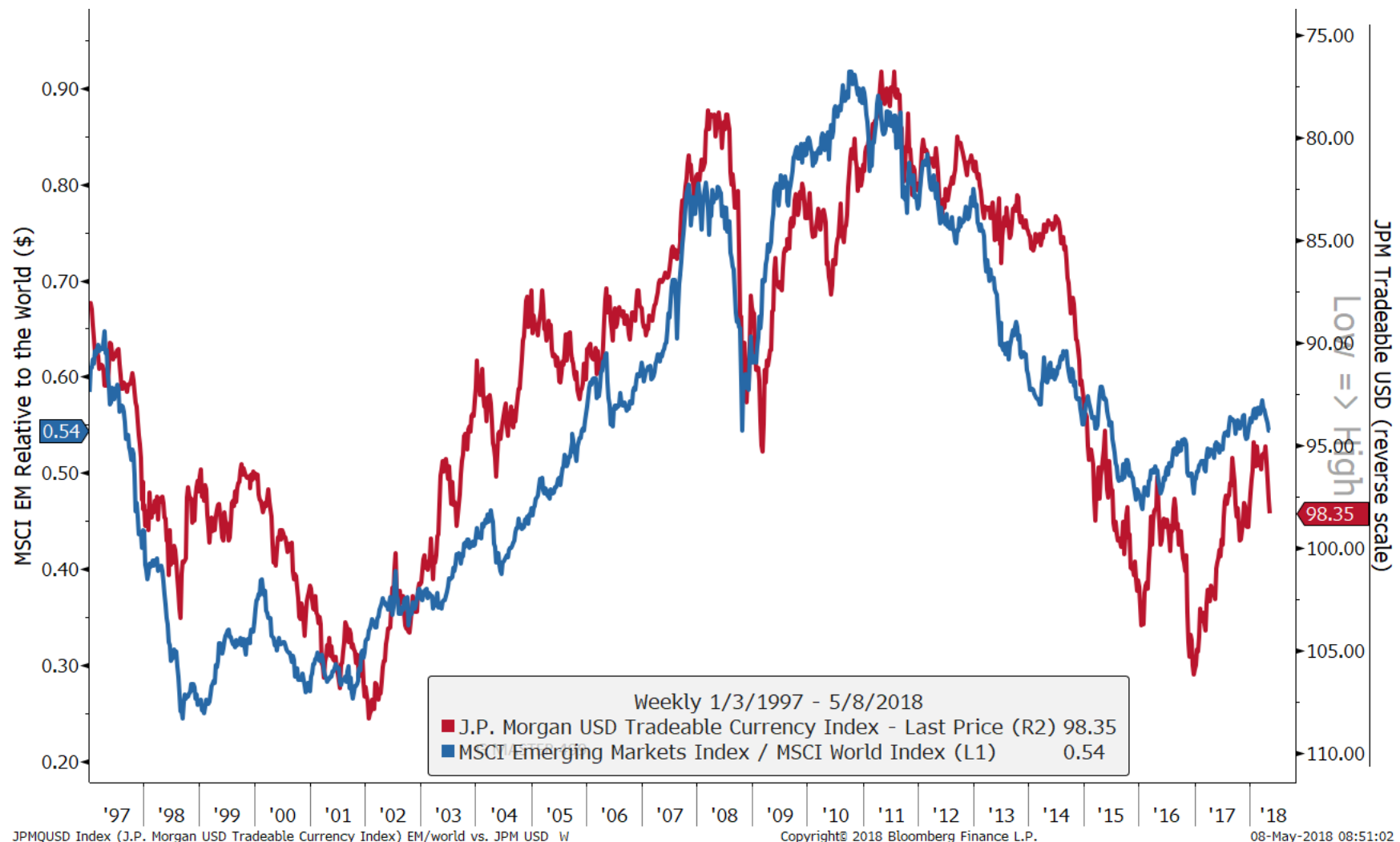
# DXY, Trade Weighted USD and USD/EM Performance



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. USD/EM Currency Index = The US Dollar spot price currency/EM Currency Index is the MSCI EM Currency Index that sets the weight of each currency equal to the relevant country weight in the MSCI EM Index. An investment cannot be made directly in an index.

# Emerging Markets vs. Developed Markets and U.S. Dollar

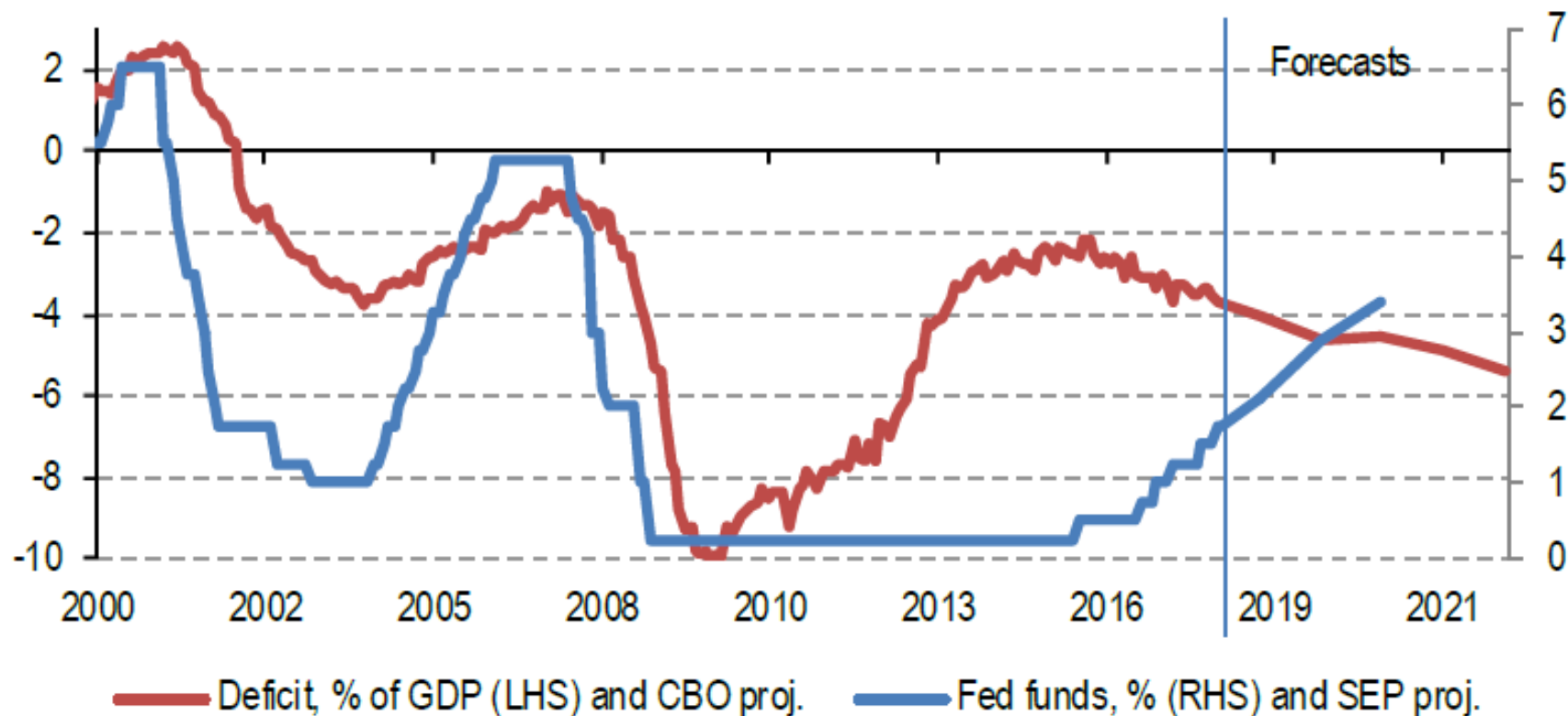


Source: Datastream, Bloomberg

MSCI EM Index - A float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. JP Morgan USD Tradeable Currency Index - Is an index that is not investable. It tracks the volatility in the U.S. dollar. DM - Developed Market. USD - U.S. Dollar. You cannot invest directly in an index.

# Rising Deficits and Rising Rates

**Chart 2: Unusual combination of rising deficits and rising rates**

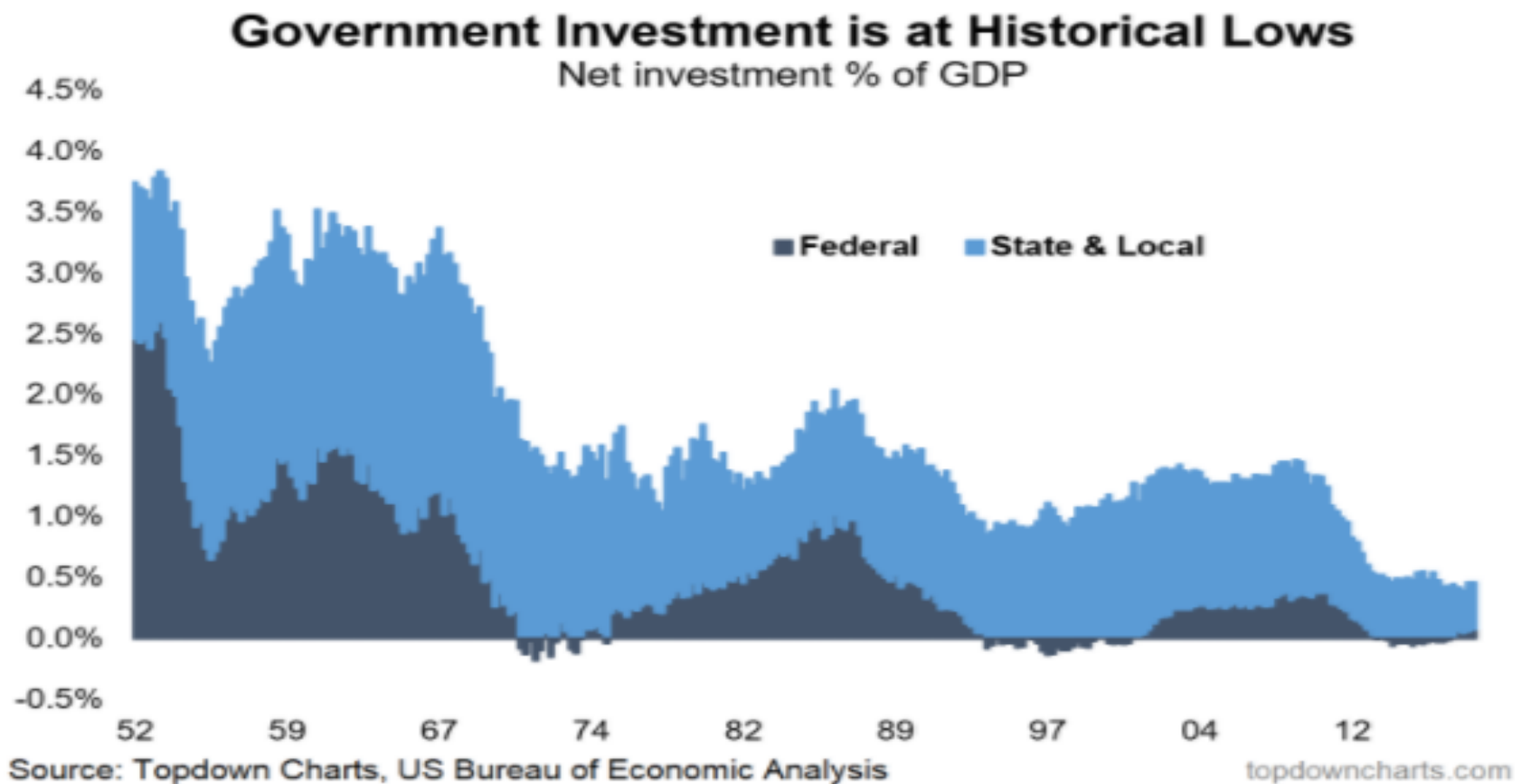


Source: Bloomberg, BofA Merrill Lynch Global Research

As of May 2, 2018

GDP = Gross Domestic Product is the amount of goods and services produced within a given country. LHS = left hand side, RHS = right hand side. CBO = Congressional Budget Office. SEP = September projections. You cannot invest directly in an index

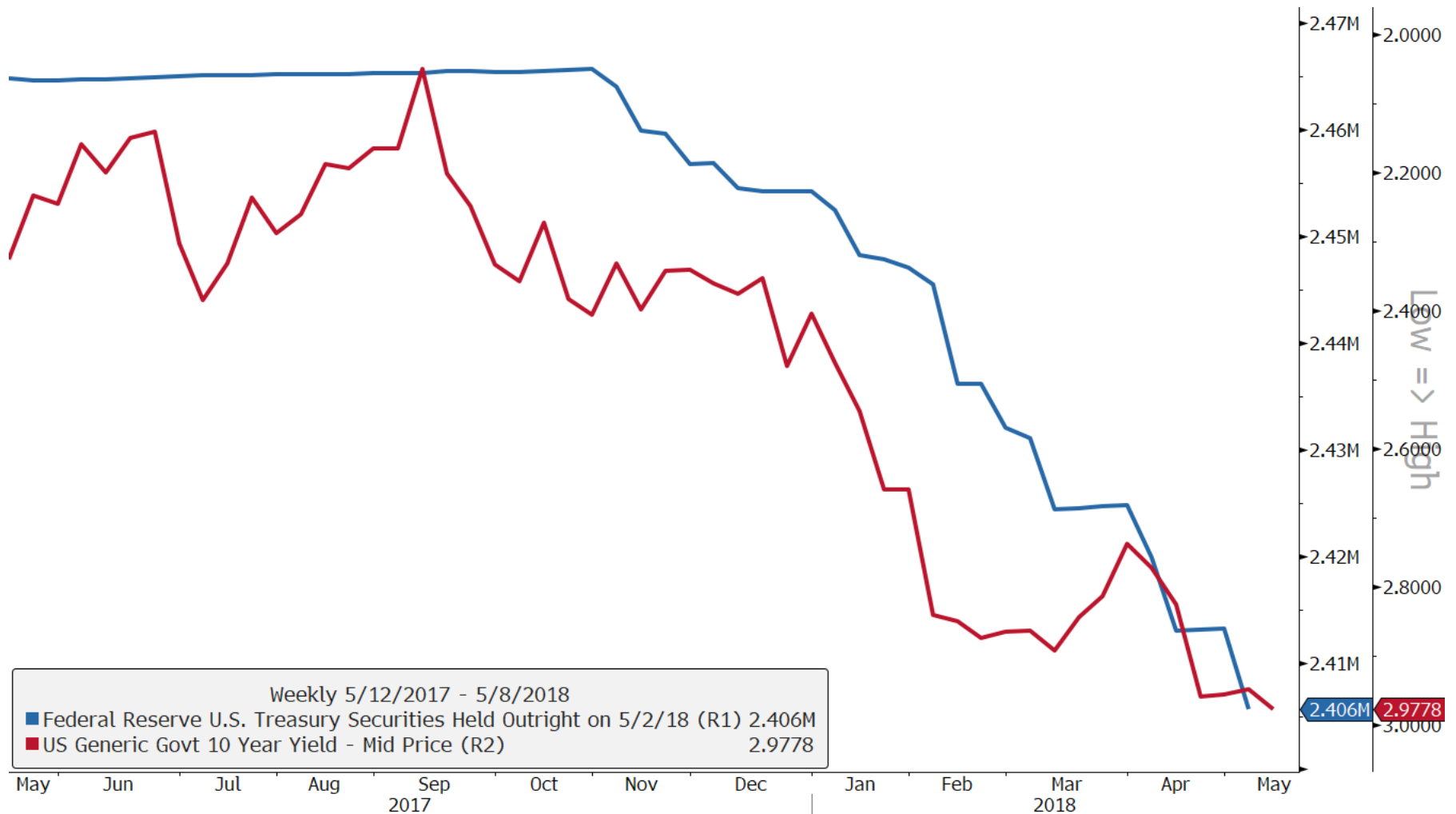
# Government Investment as % of GDP



Source: TopdownCharts as of April 27, 2018

GDP = Gross Domestic Product is the amount of goods and services produced within a given country. You cannot invest directly in an index.

# Fed Treasury Holdings vs. 10-Year Yield (Inverted)



Source: Topdown Charts, Bloomberg

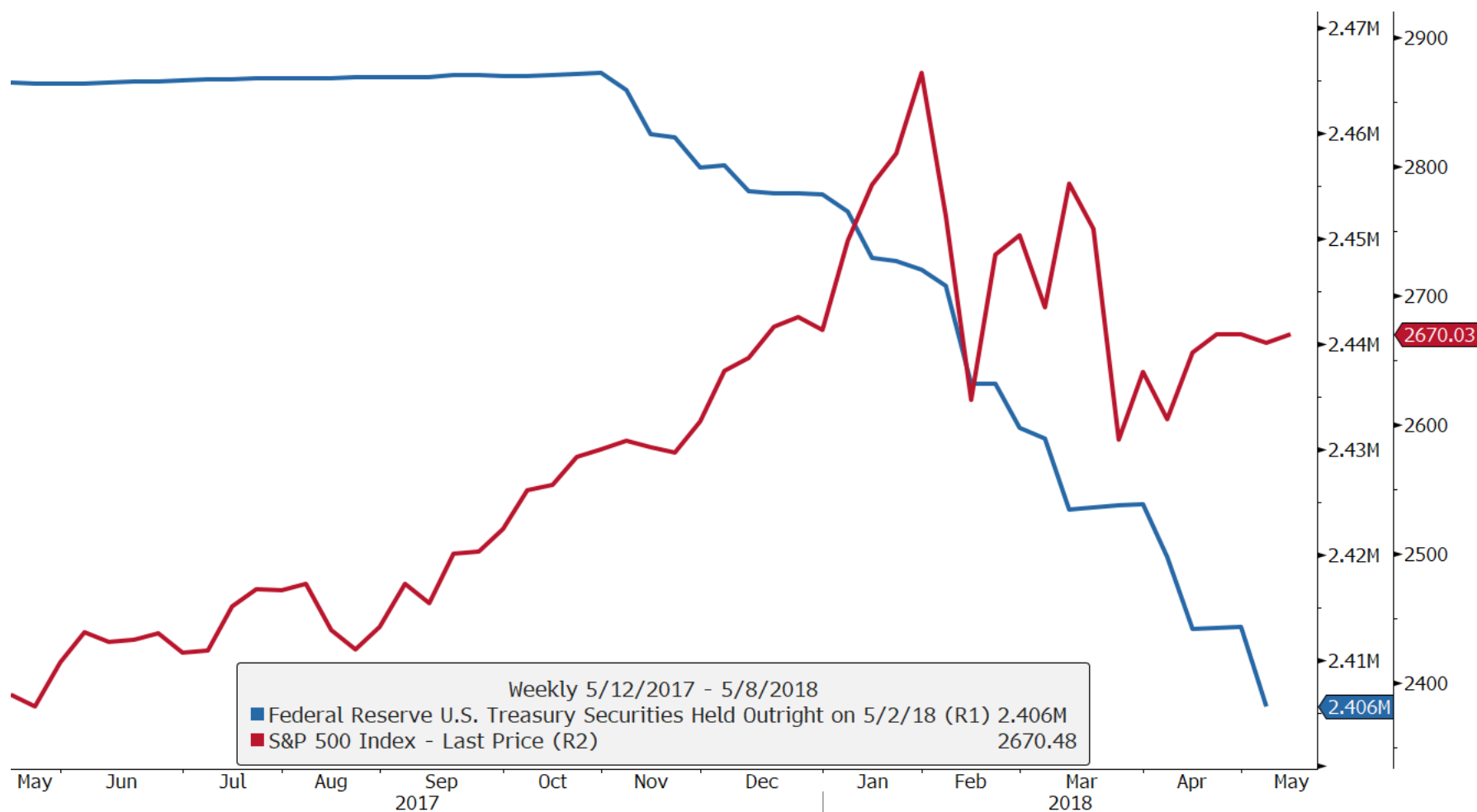
FARBTRSY Index (US Factors Supplying Reserve Funds US Treasury Securities Held 0

Copyright© 2018 Bloomberg Finance L.P.

08-May-2018 08:50:17

Source: Bloomberg, DoubleLine

# Fed Treasury Holdings vs. S&P 500



Source: Topdown Charts, Bloomberg

FARBTRSY Index (US Factors Supplying Reserve Funds US Treasury Securities Held O

Copyright© 2018 Bloomberg Finance L.P.

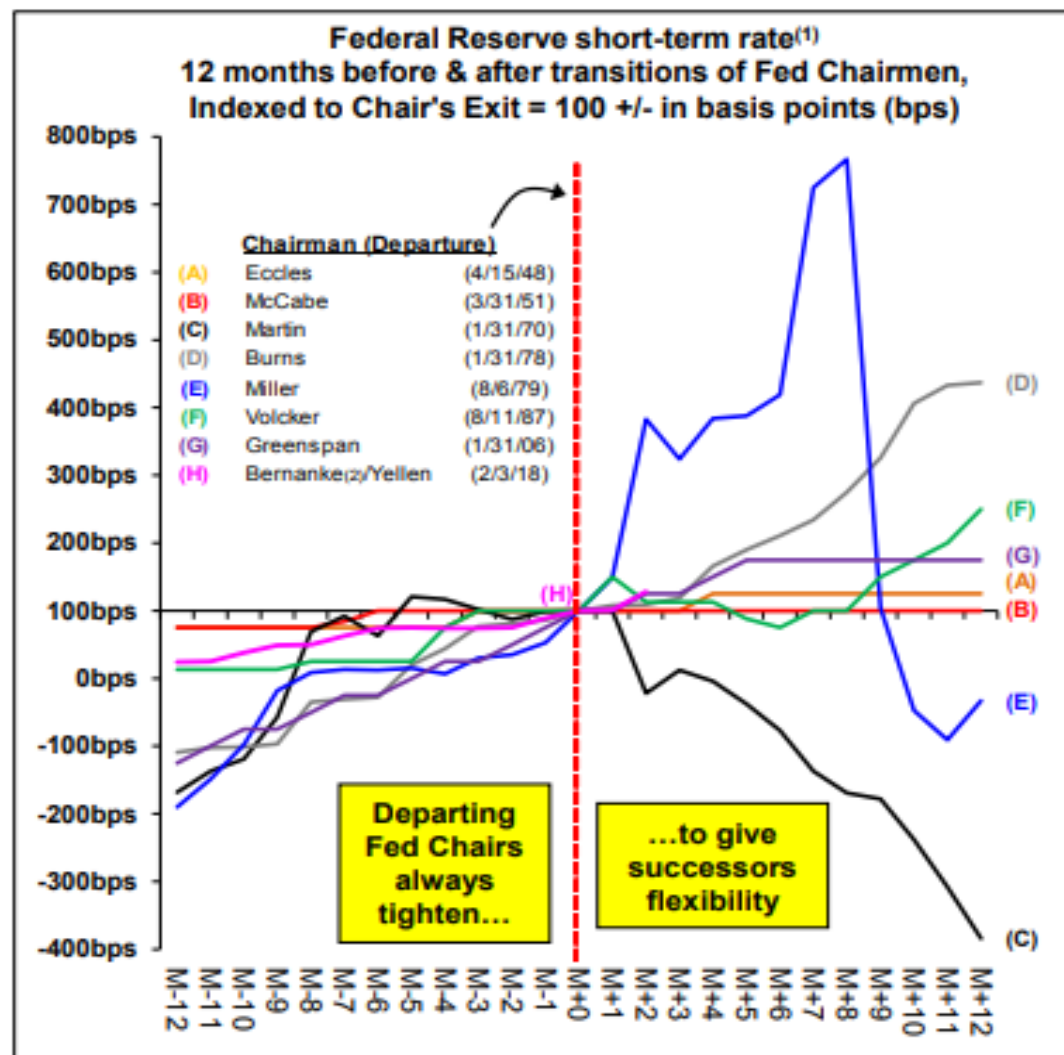
08-May-2018 08:50:25

Source: Bloomberg, DoubleLine

S&P 500 Index is a capitalized-weighted index of the 500 largest companies listed on the NYSE and NASDAQ. You cannot invest directly in an index.

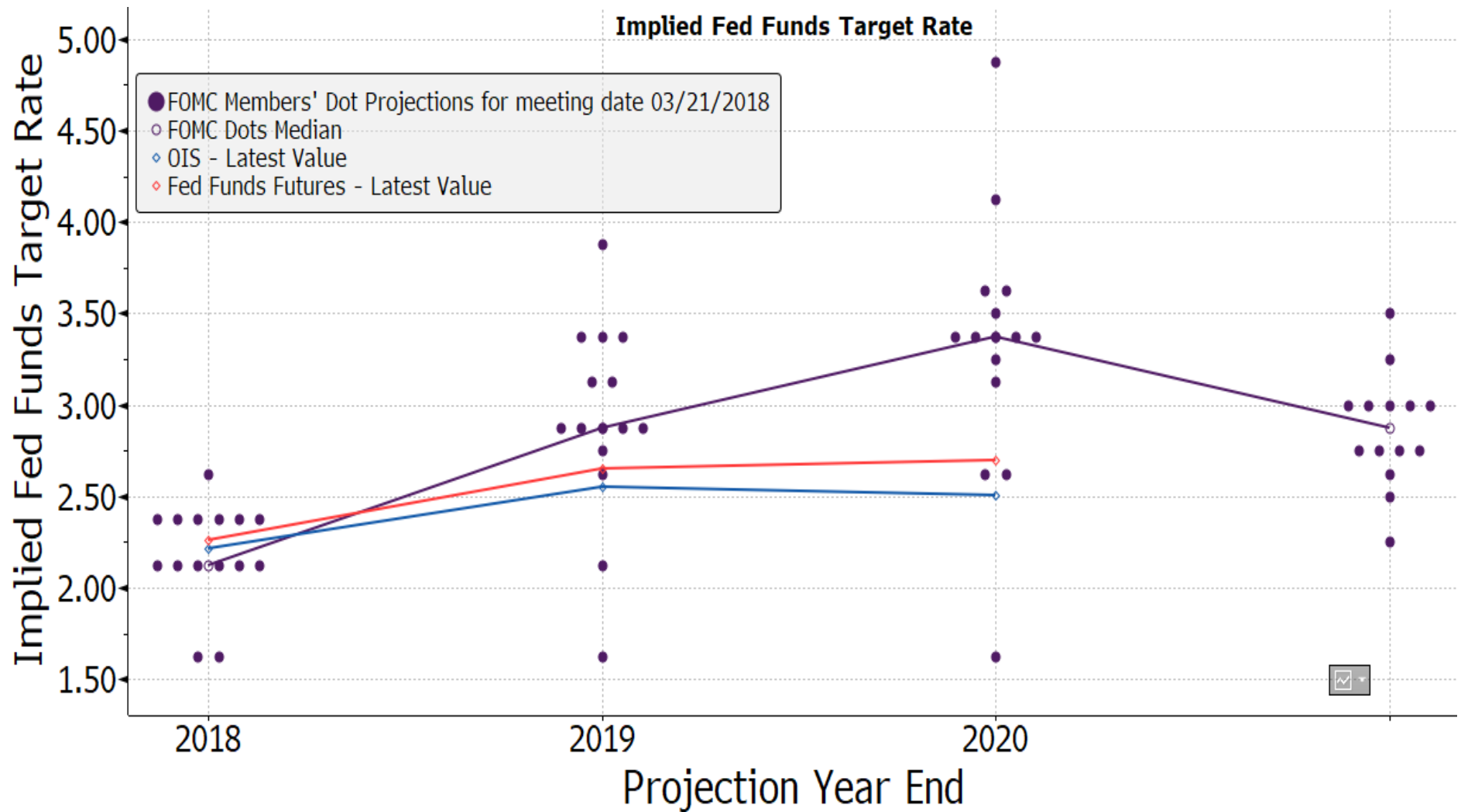


# Fed Short-Term Rates After New Fed Chair Starts

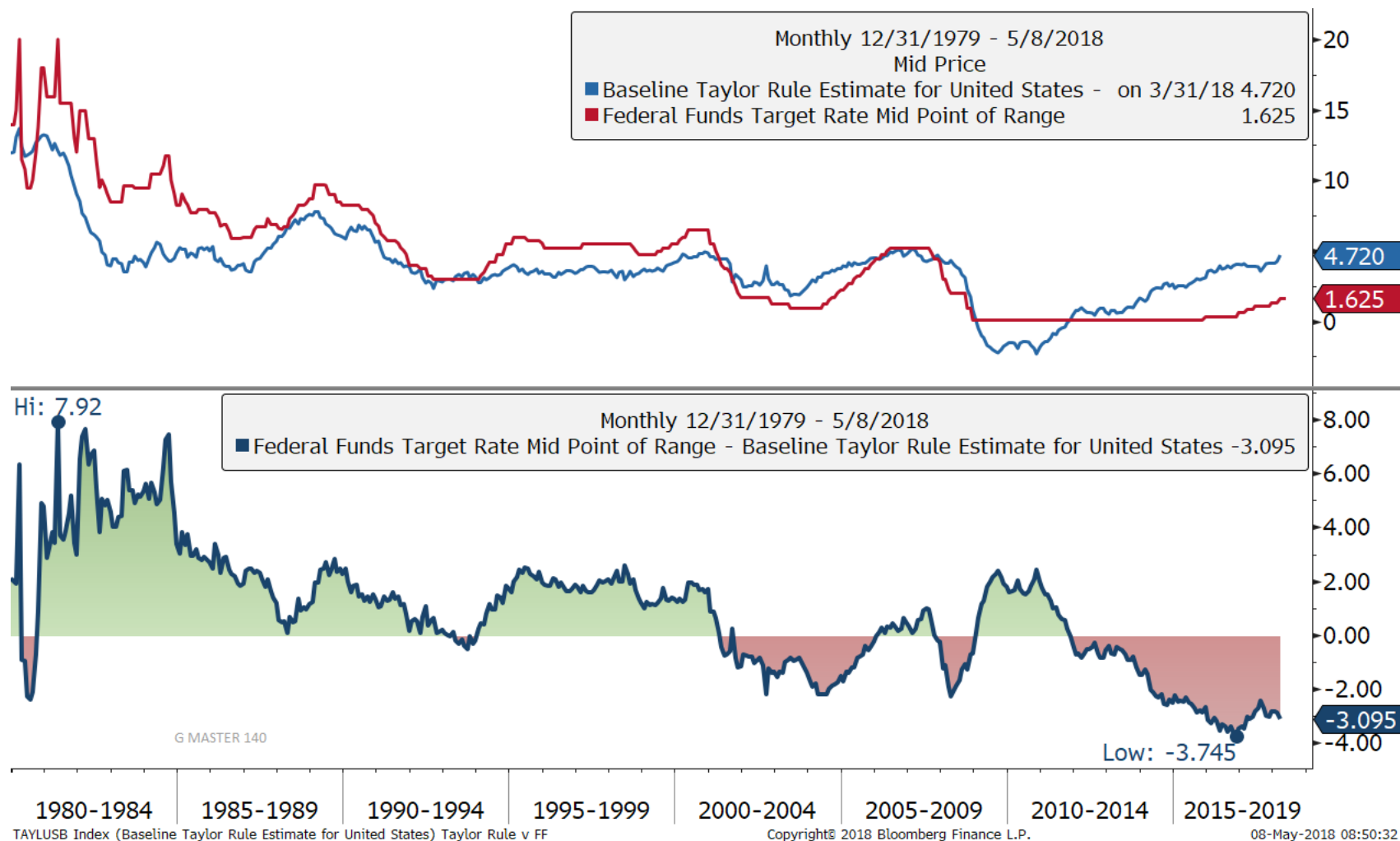


Source: U.S. Federal Reserve, Bloomberg data, Stifel format and estimates.

# FED Implied Dot Plot



# Taylor Rule vs. Fed Funds Rate

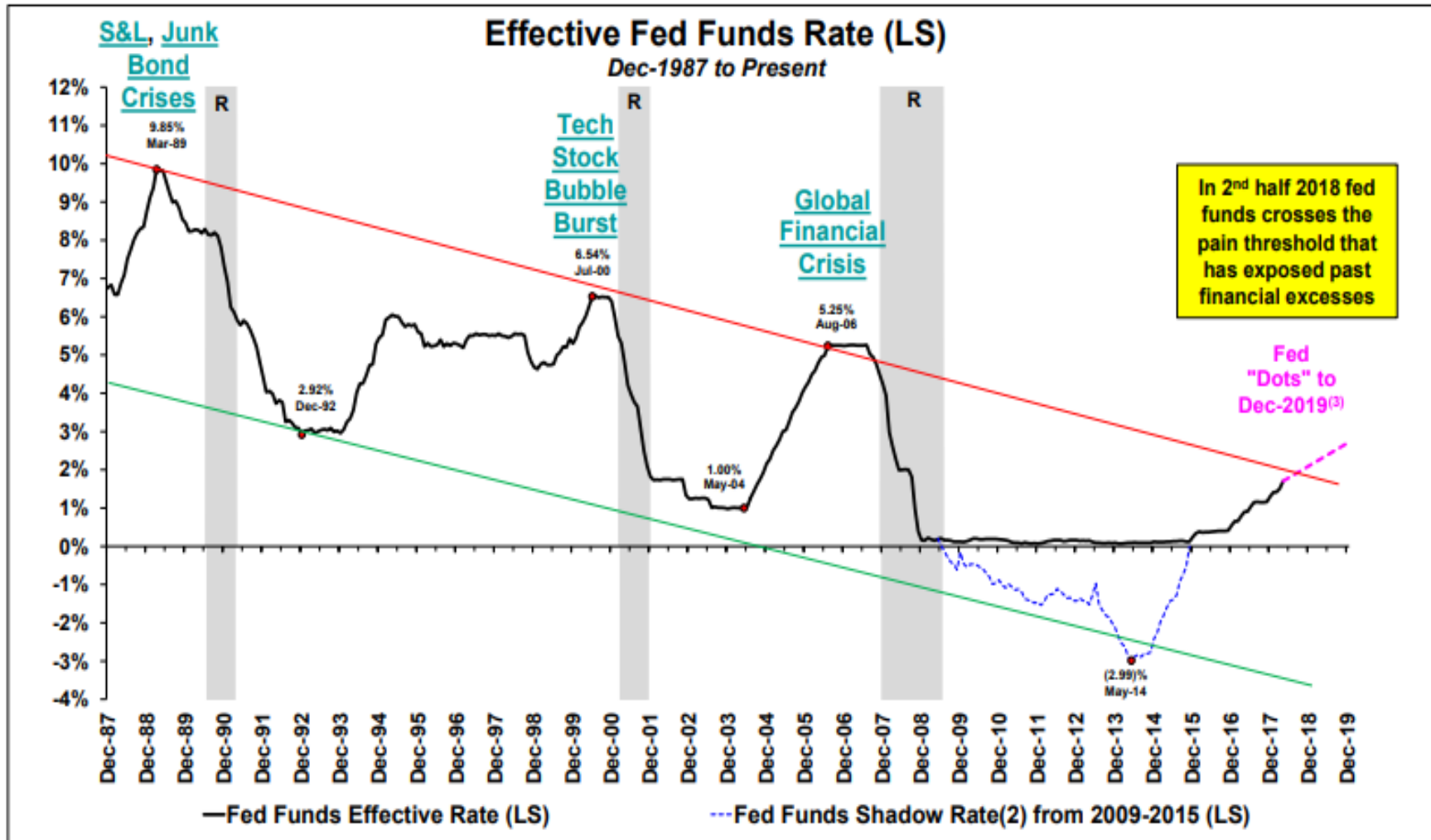


Source: Bloomberg

A Taylor rule is a reduced form approximation of the responsiveness of the nominal interest rate, as set by the central bank, to changes in inflation, output, or other economic conditions. You cannot invest directly in an index.

# Effective Fed Fund Rates

December 31, 1987 to December 31, 2017 Projected through December 2019



Source: Bloomberg data, Stifel format and estimates.

# TAB II

## Bloodless Verdict of the Market

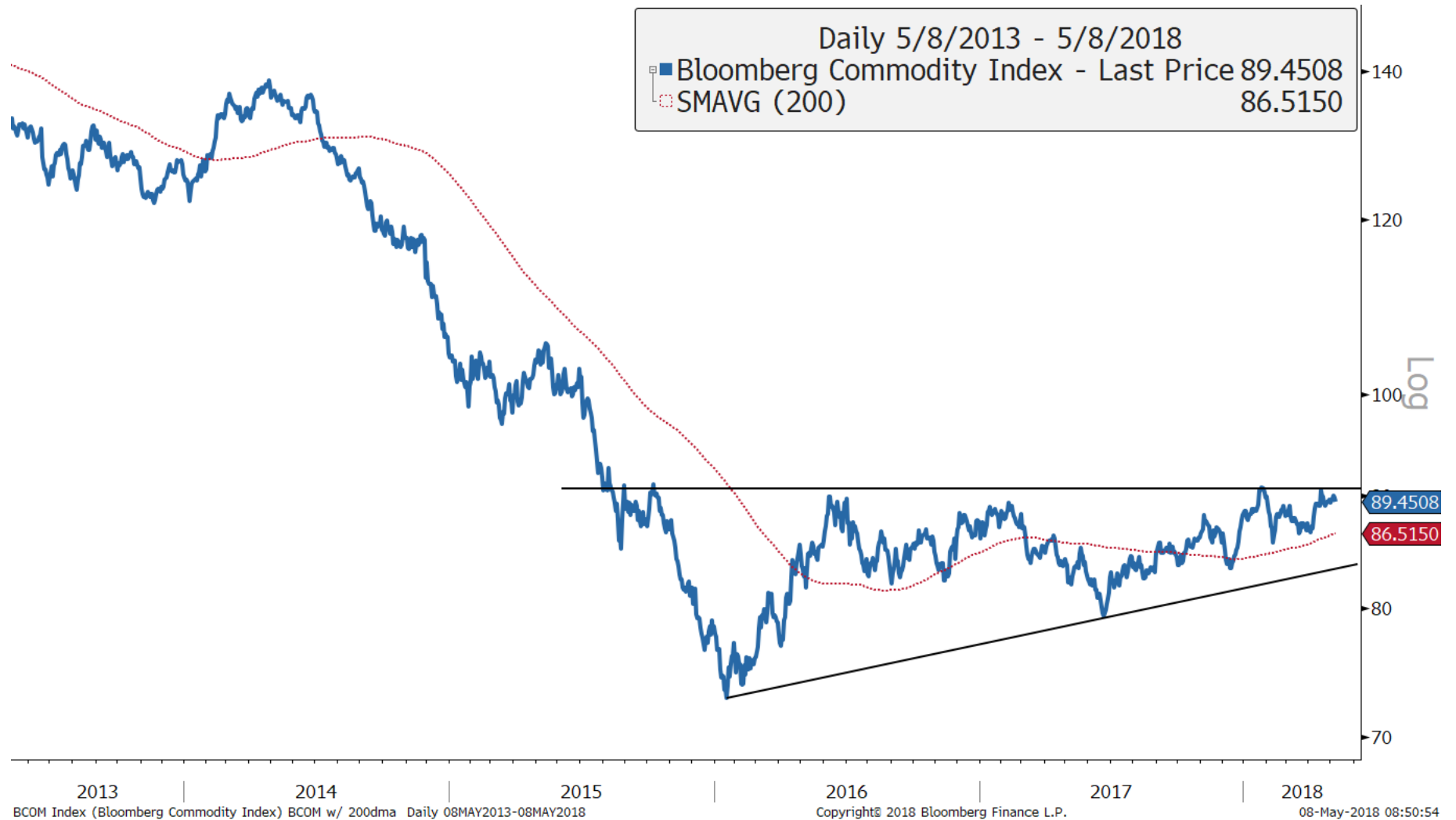
# Gold Spot



Source: Bloomberg, DoubleLine

Spot price of gold quoted in Troy ounces. SMAV = standard moving average. You cannot invest directly in an index.

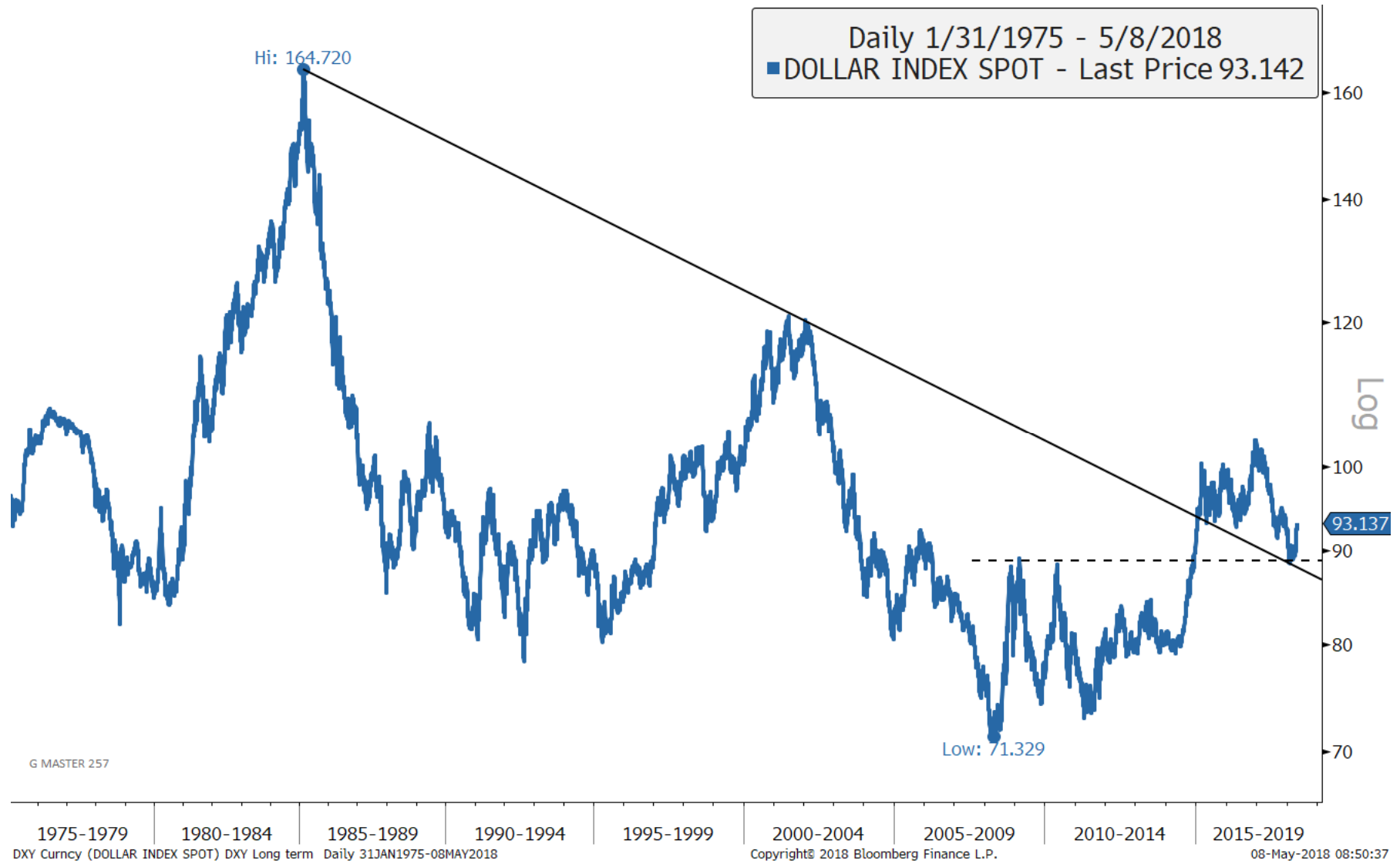
# Bloomberg Commodity Index (BCOM)



Source: Bloomberg

BCOM Index= Bloomberg Commodity Index is calculated on an excess return basis and reflects commodity futures price movements with monthly rebalancing. SMAVG = Moving average. You cannot invest directly in an index.

# U.S. Dollar Index Spot (DXY) Long Term

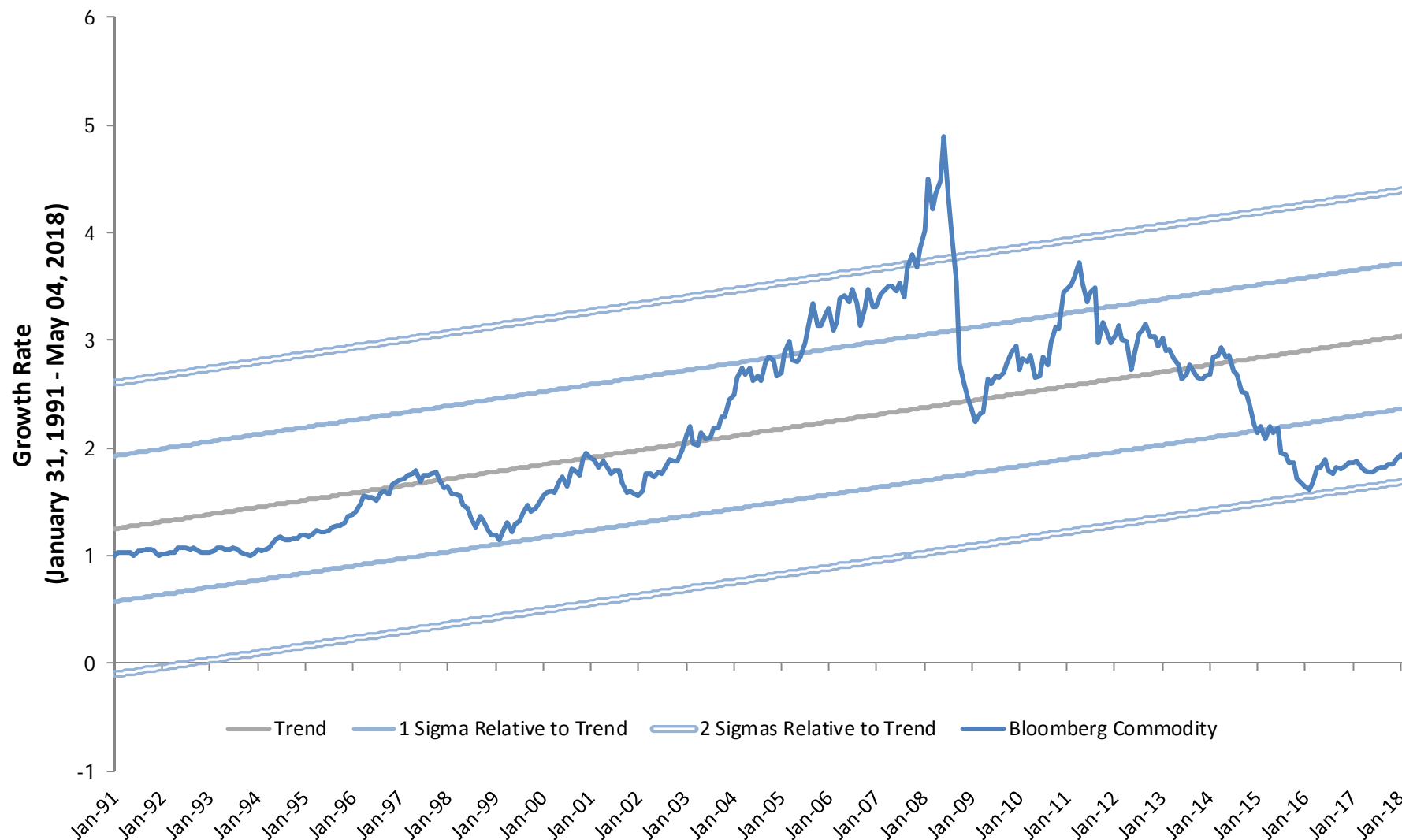


Source: Bloomberg Financial Services

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.

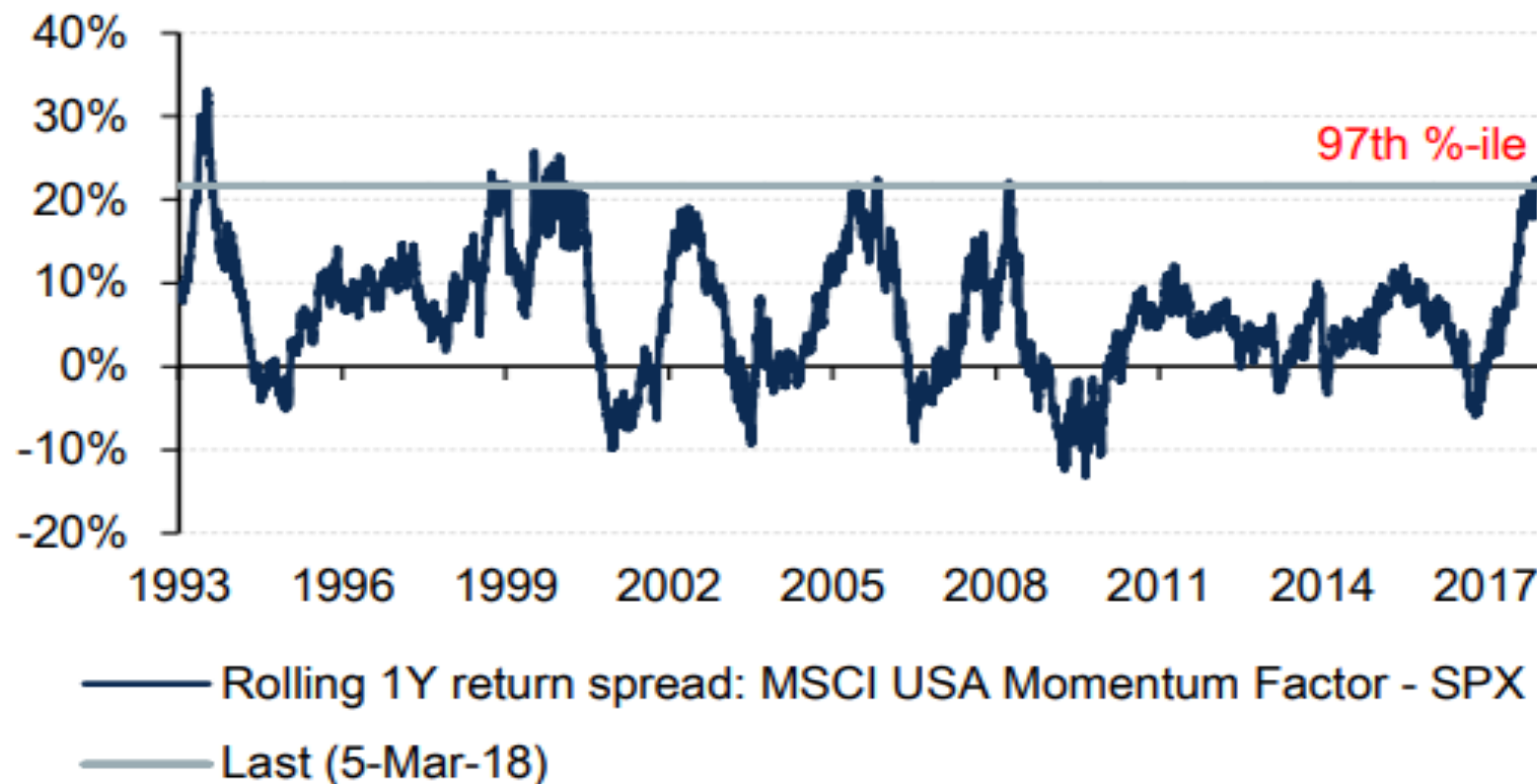


# Growth Rate of Bloomberg Commodity Index



# Can “Momentum” Stocks Continue to Run Higher?

**Chart 13: The outperformance of momentum stocks vs. the broader US equity market over the past 12 months is near 25yr highs**

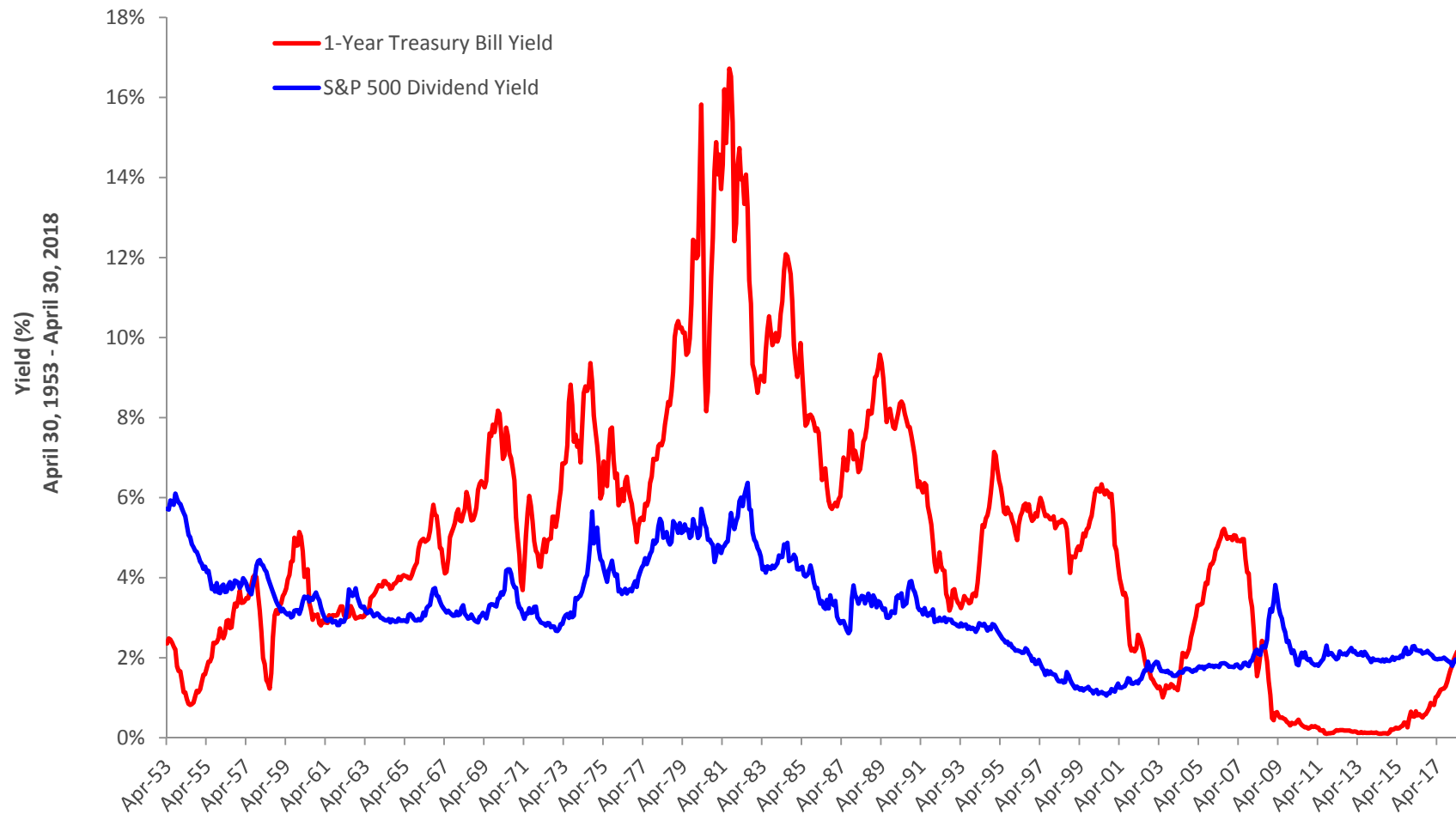


Source: BofA Merrill Lynch Global Research. Daily data from 1-Apr-92 through 5-Mar-18. MSCI US Momentum Factor represented by the M2US000\$ Index.

Source: BAML as of March 6, 2018

M2 = Is the U.S. calculation of the money supply that includes all elements of M1 as well as “near money”. M1 includes cash and checking deposits, while near money refers to savings deposits, money market securities, mutual funds and other time deposits. MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid-cap stocks of the U.S. stock market. It’s designed to reflect the performance of an equity momentum strategy. SPX = SPDR is an exchange traded fund (ETF) that tracks the Standard & Poor’s 500 Index. You cannot invest directly in an index.

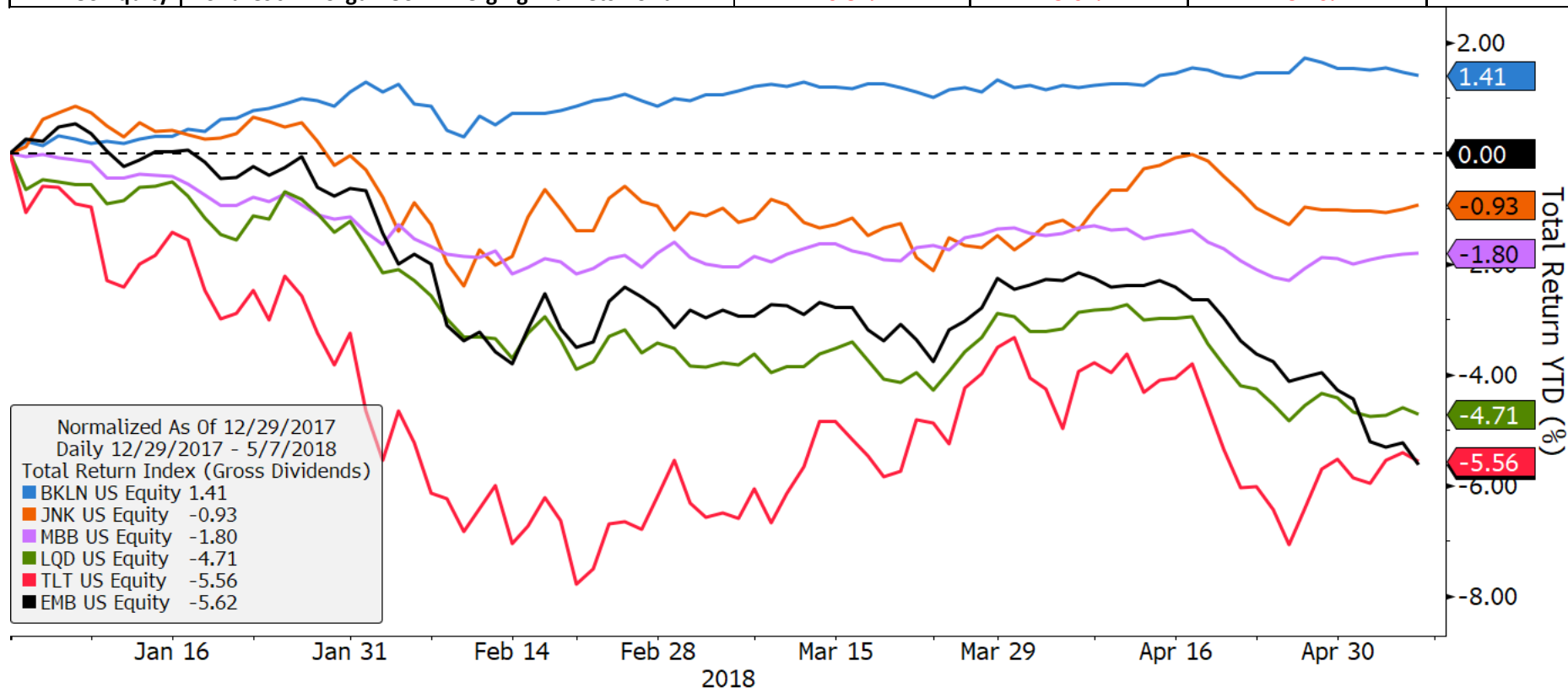
# S&P 500 vs. 1-year U.S. Treasury



Dividend yield is represented as a percentage and can be calculated by dividing the dollar value of dividends paid in a given year per share held by the dollar value of one share of stock. You cannot invest directly in an index.

# Duration: The Only Game In Town

Ticker	Company Name	Price Change YTD (%)	Total Return YTD (%)	Annualized Equivalent	Duration
BKLN US Equity	PowerShares Senior Loan Portfolio	0.17%	1.41%	4.04%	4.0
JNK US Equity	SPDR Bloomberg Barclays High Yield Bond ETF	-2.67%	-0.93%	-2.62%	4.1
MBB US Equity	iShares MBS ETF	-2.74%	-1.80%	-5.01%	5.5
LQD US Equity	iShares iBoxx \$ Investment Grade Corporate Bond ETF	-5.77%	-4.71%	-12.75%	8.6
TLT US Equity	iShares 20+ Year Treasury Bond ETF	-6.35%	-5.56%	-14.94%	17.5
EMB US Equity	iShares JP Morgan USD Emerging Markets Bond ETF	-6.82%	-5.62%	-15.10%	7.2



BKLN US Equity (PowerShares Senior Loan Portfolio) Duration Daily 29DEC2017-07M

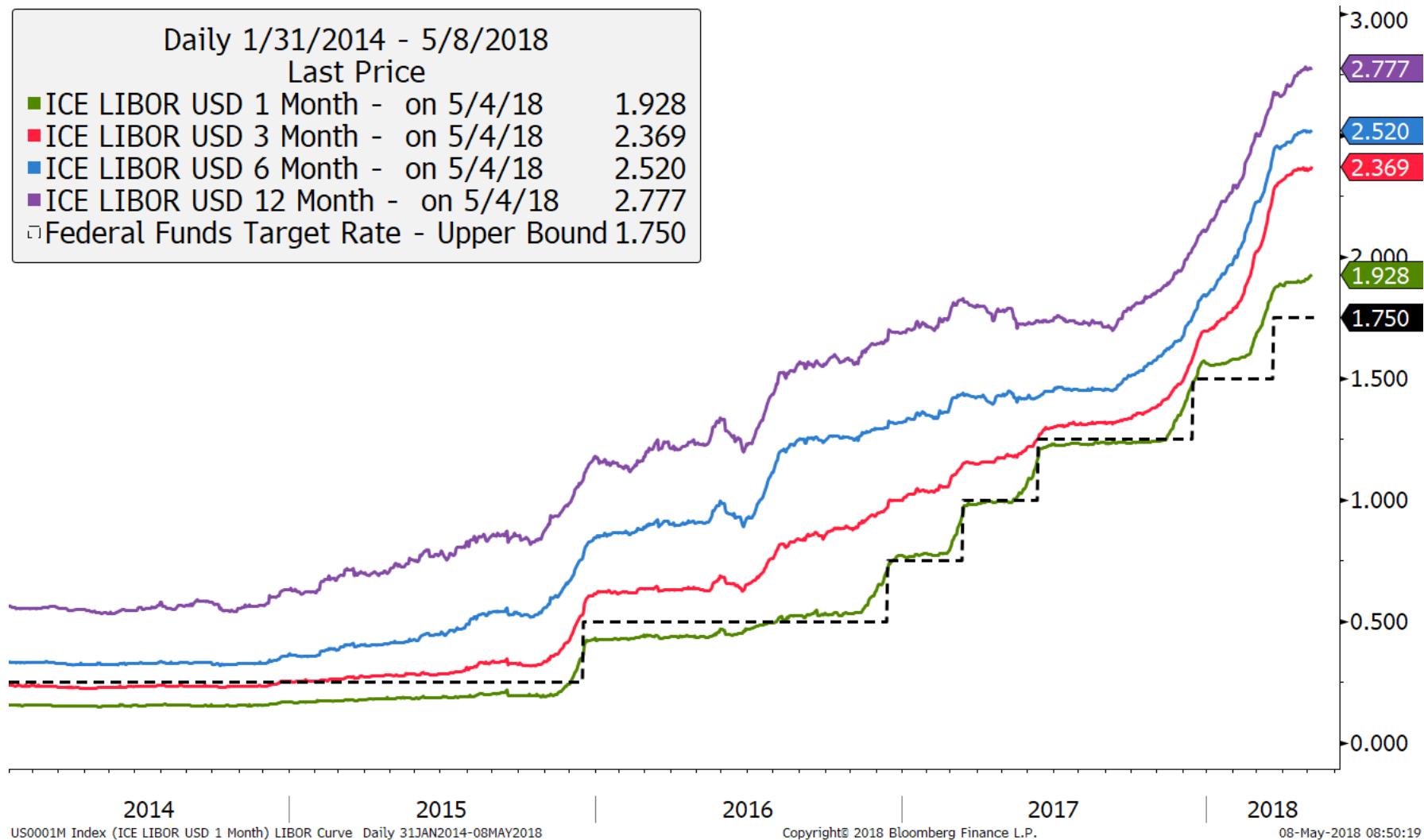
Copyright© 2018 Bloomberg Finance L.P.

08-May-2018 09:02:44

Source: Bloomberg, As of 05/07/2018

Please see appendix for ETF descriptions: objective, standardized performance and fees.

# LIBOR Curve



Source: Bloomberg

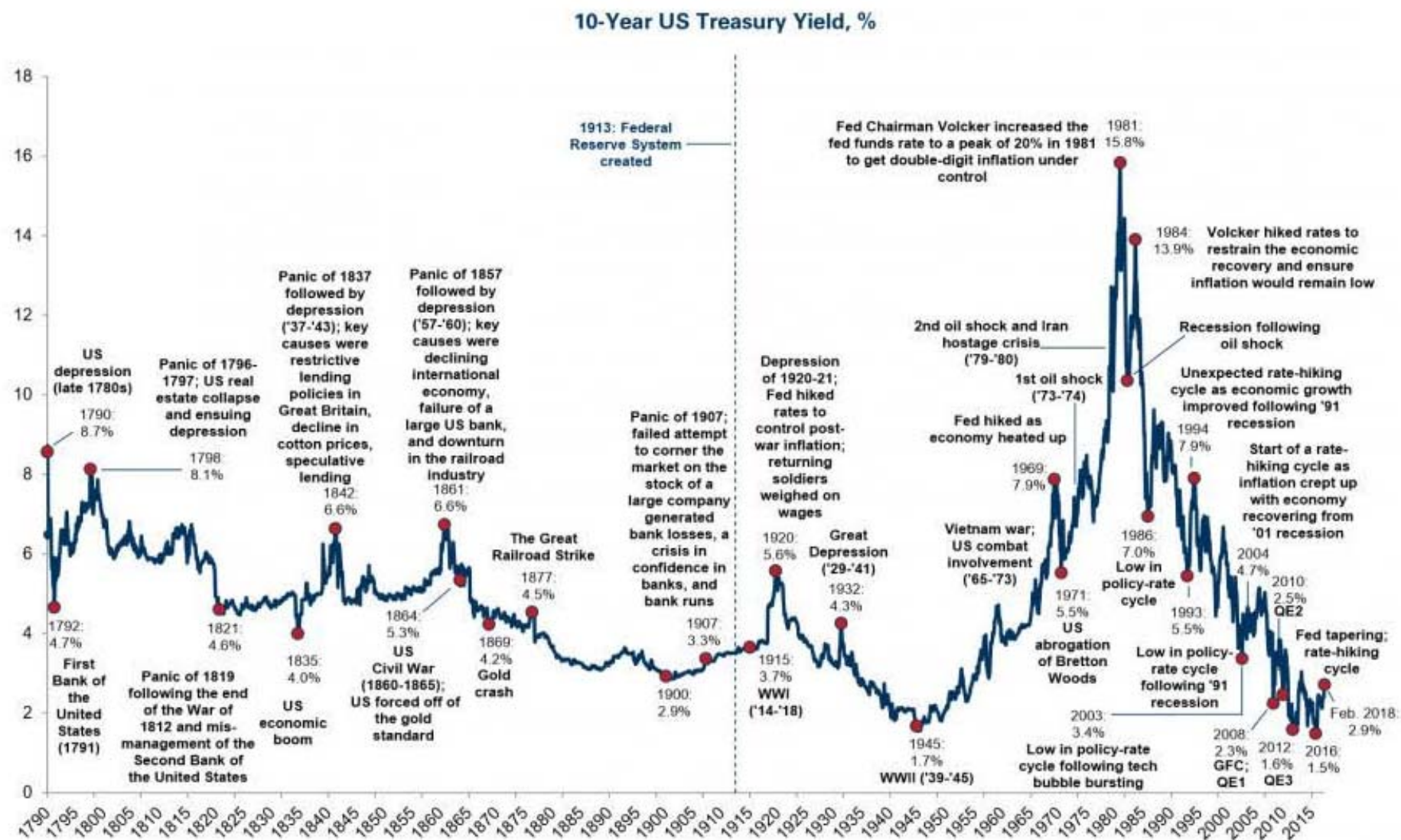
ICE LIBOR - London Interbank Offered rate administered by ICE Benchmark Administration Fixing for U.S. Dollar. The fixing is conducted each date at 11 am. It's an average derived from the quotations provided by the banks determined by the ICE Benchmark Administration.

# U.S. 10-Year Treasury



# History of 10-Year U.S. Treasury Yield

December 31, 1790 to February 28, 2018



Source: Global Financial Data, Inc., Federal Reserve Board, Haver Analytics, Goldman Sachs Global Investment Research.

Source: Global Financial Data, Federal Reserve, Haver Analytics, Goldman Sachs Investment Research



# German 10-Year



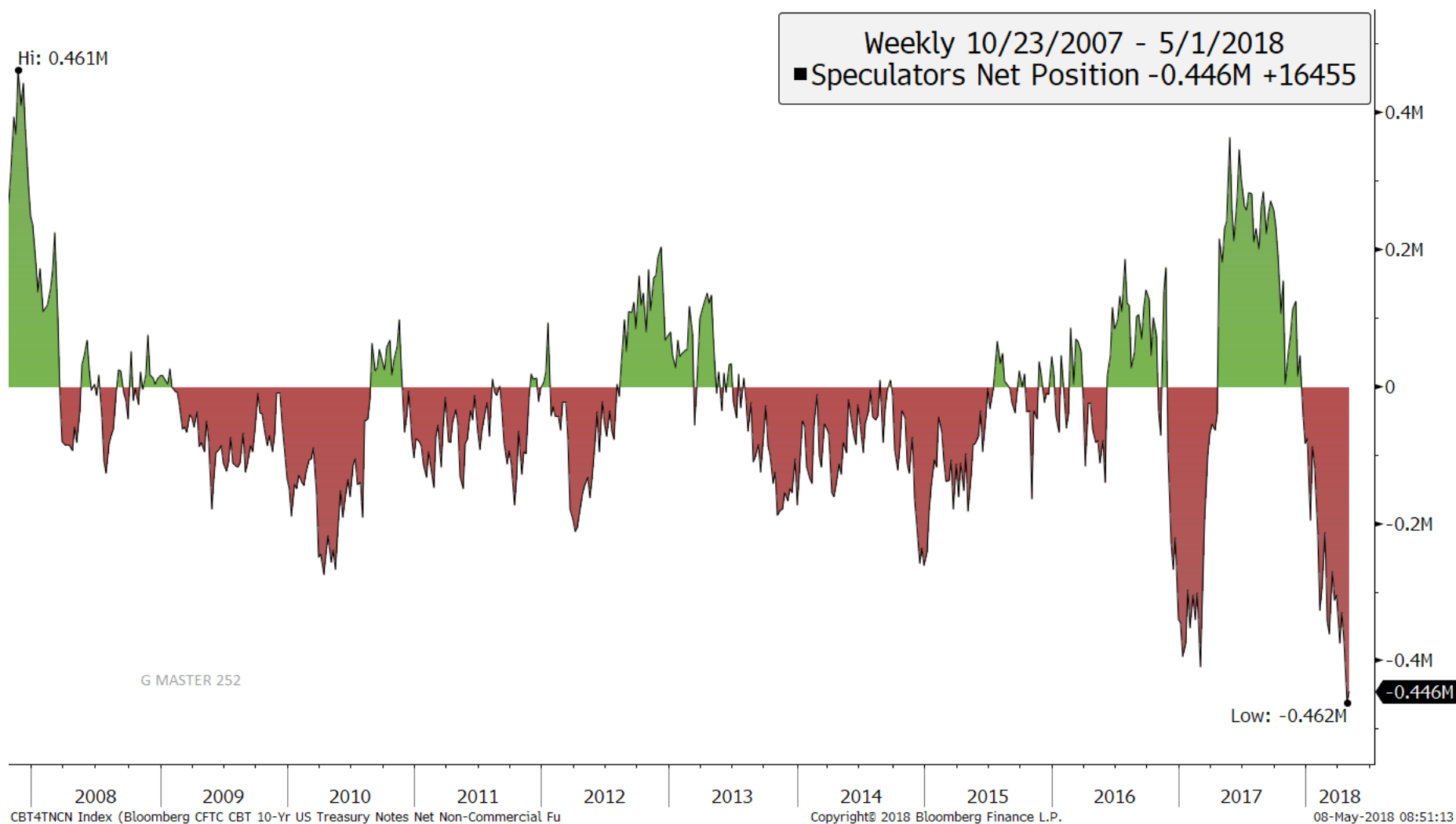
Source: Bloomberg, DoubleLine  
SMAVG = Moving Average.



# Copper/Gold Ratio vs. U.S. Treasury 10-year Yield (3-year chart)



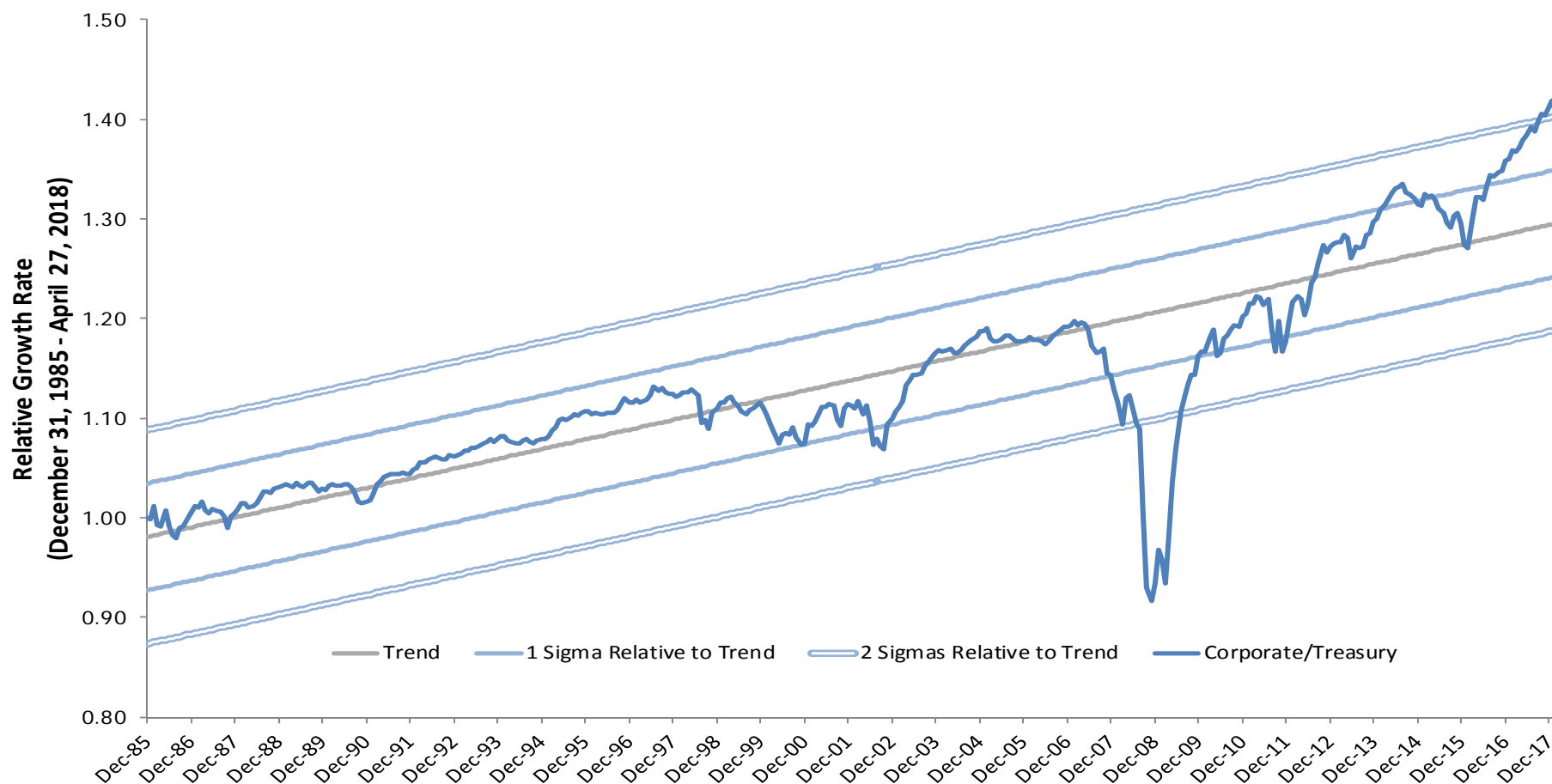
# Record Short Positioning on U.S. 10-year Treasury Futures



Source: Bloomberg as of April 24, 2018

10-year UST Futures index trading is tracked by the CFTC = U.S. Commodity Futures Trading Commission measures the volume of puts/calls against the 10-year UST. You cannot invest directly in an index.

# Relative Growth of ICE BofAML Corporate Index to ICE BofAML Treasury Index

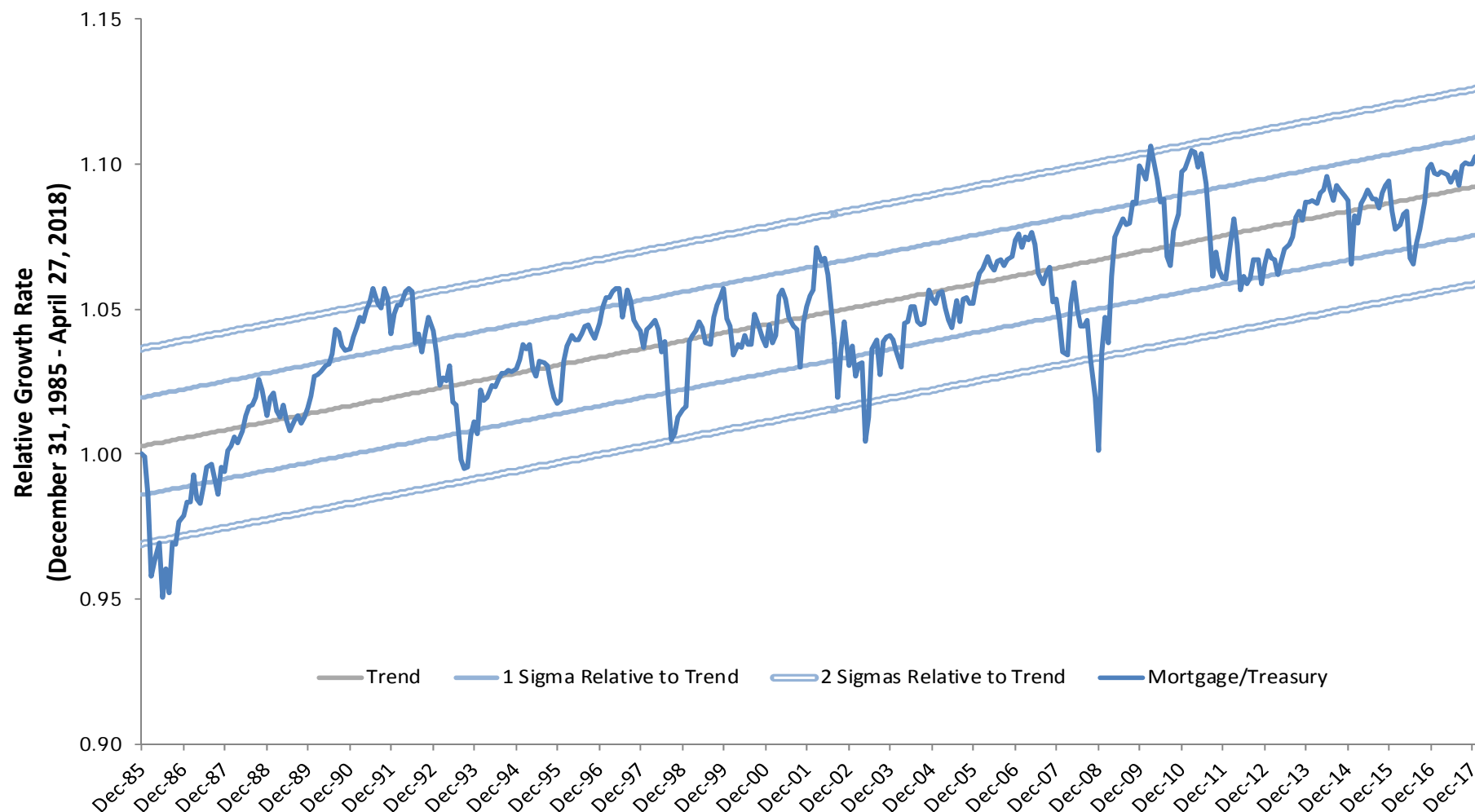


Data Source: ICE BofAML (COA0; G0Q0) Please see definitions in the Appendix. Monthly data with most recent observation appended.

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. Sigma - measure used to quantify the amount of variation or dispersion of a set of data values. You cannot invest directly in an index.

You cannot invest directly in an index.

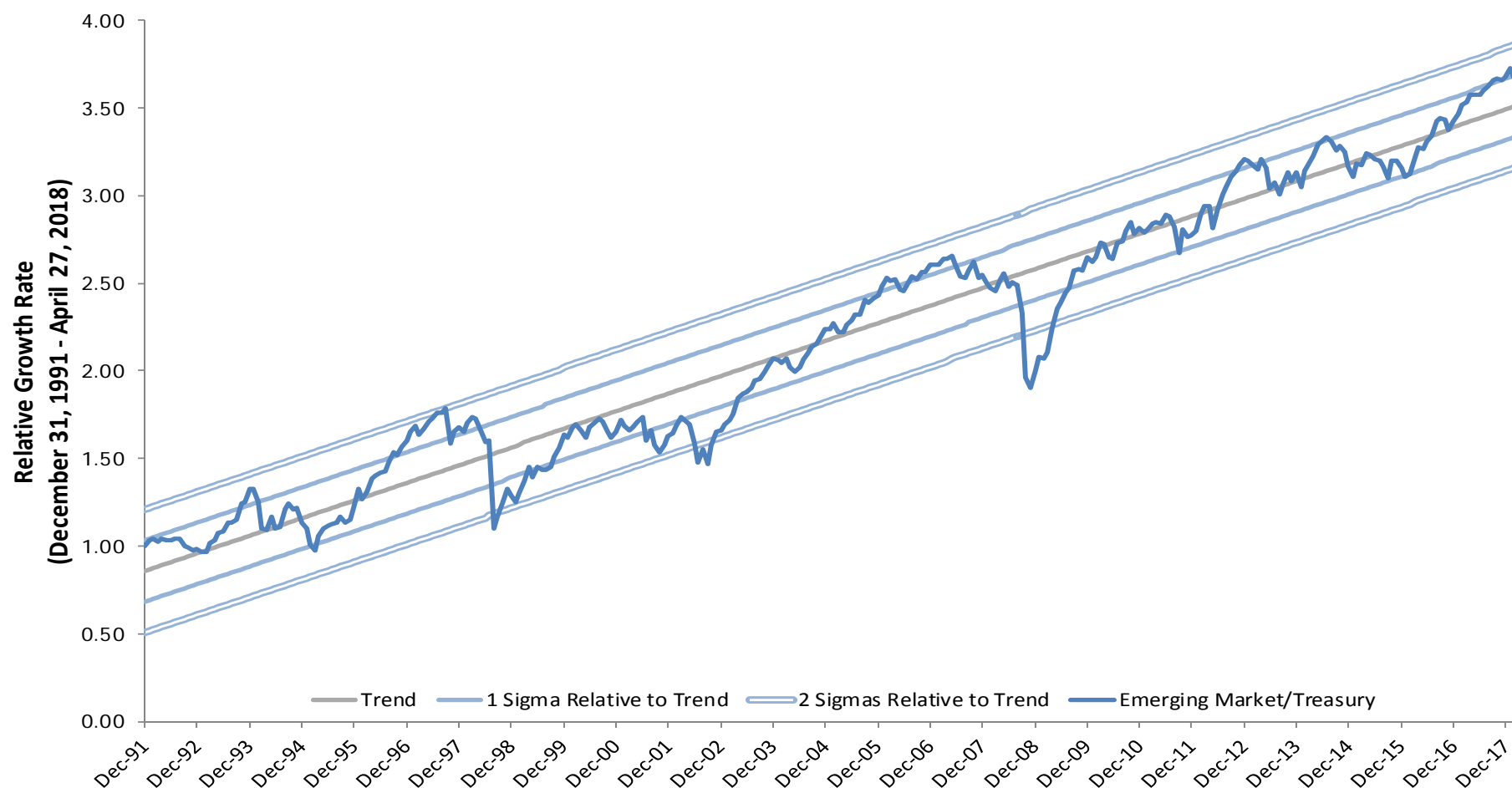
# Relative Growth of ICE BofAML Mortgage Index to ICE BofAML Treasury Index



Data Source: ICE BofAML (M0A0; GOQO) Please see definitions in the Appendix. Monthly data with most recent observation appended.

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. Sigma - measure used to quantify the amount of variation or dispersion of a set of data values. You cannot invest directly in an index.

# Relative Growth of ICE BofAML Emerging Market Index to ICE BofAML Treasury Index

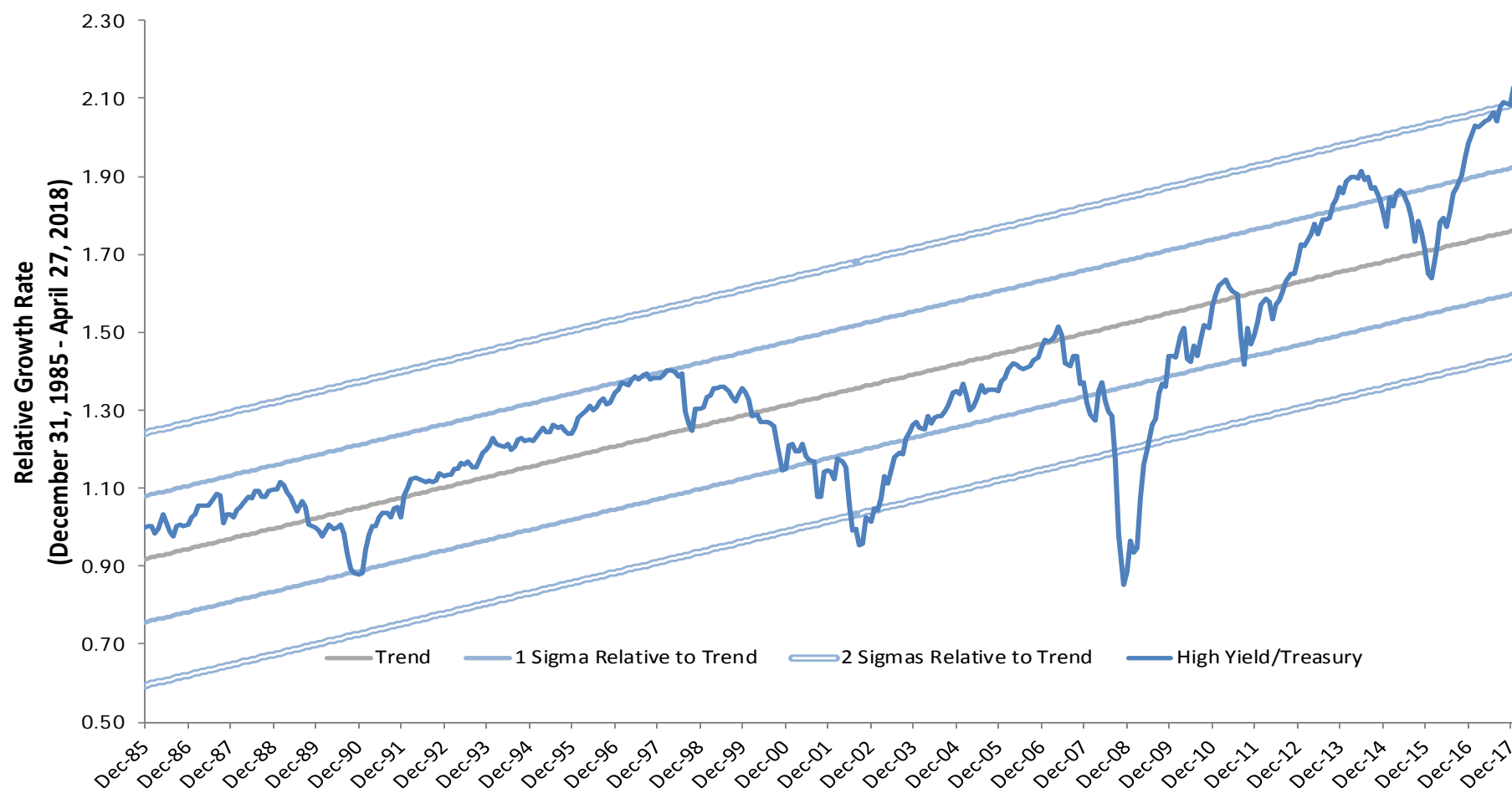


Data Source: ICE BofAML (IGOV; GOQO) Please see definitions in the Appendix. Monthly data with most recent observation appended.

ICE BofAML BBB & Lower Sovereign USD External Debt Index measures EM sovereign debt.

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. Sigma - measure used to quantify the amount of variation or dispersion of a set of data values. You cannot invest directly in an index.

# Relative Growth of ICE BofAML High Yield Cash Pay Index to ICE BofAML Treasury Index

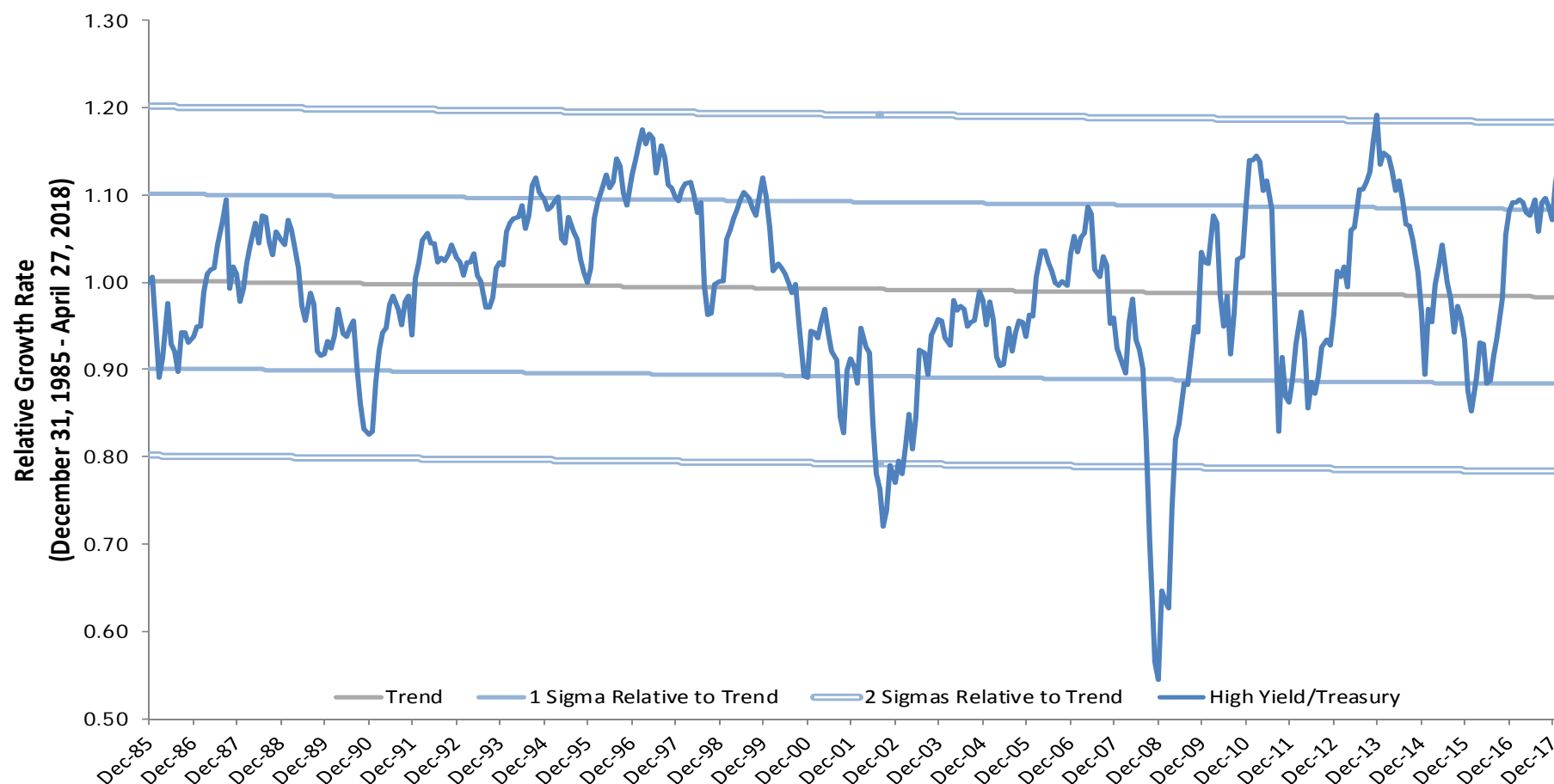


Data Source: ICE BofAML (JOA0; GOQ0) Please see definitions in the Appendix. Monthly data with most recent observation appended.

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. Sigma - measure used to quantify the amount of variation or dispersion of a set of data values. You cannot invest directly in an index.

You cannot invest directly in an index.

# Relative Growth of ICE BofAML High Yield Cash Pay Index to ICE BofAML 15+ Year Treasury Index

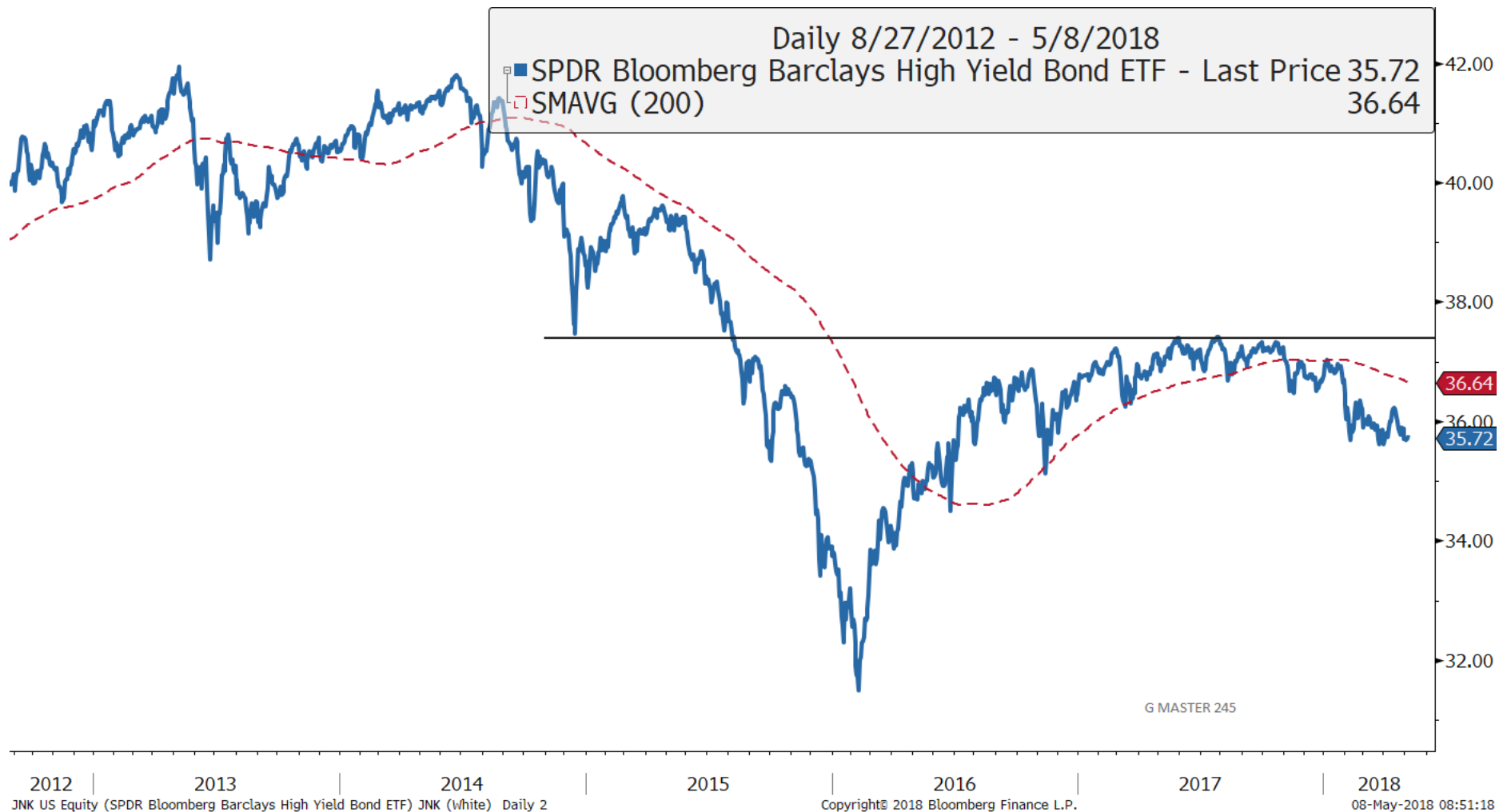


Data Source: ICE BofAML (JOA0; G802) Please see definitions in the Appendix. Monthly data with most recent observation appended.

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. Sigma - measure used to quantify the amount of variation or dispersion of a set of data values. You cannot invest directly in an index.

You cannot invest directly in an index.

# Junk Bonds (JNK) - 5 years with 200-day Moving Avg

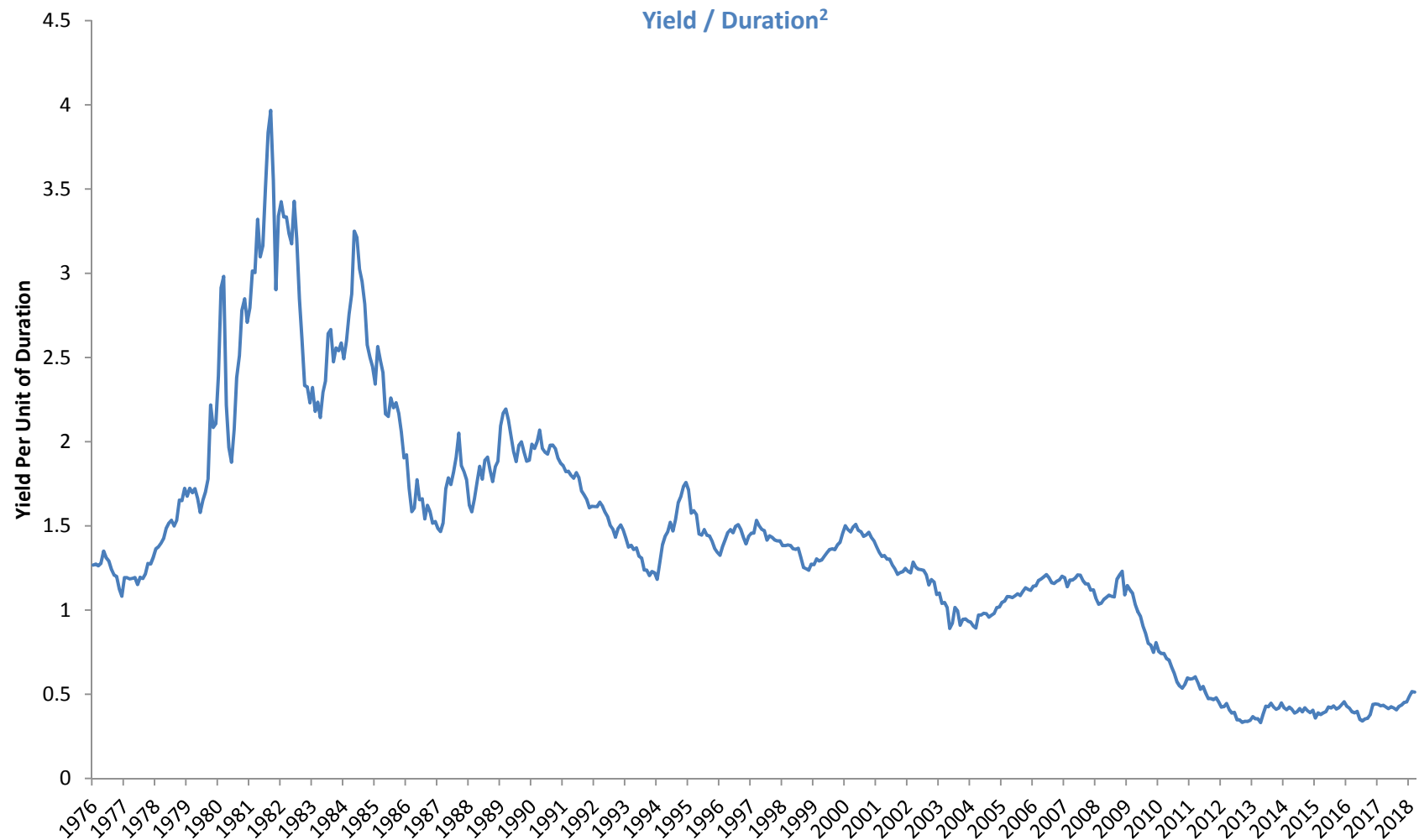


Source: Bloomberg, DoubleLine

SPDR Bloomberg Barclays High Yield Bond ETF (JNK) is an exchange-traded fund seeking investment results that correspond to the price and yield of the Bloomberg Barclays High Yield Very Liquid Bond Index which is a component of the U.S. Corporate Bond Index designed to track more liquid component of the USD-denominated, high yield, fixed rate corporate bond market. It is being used as a proxy. SMAV = standard moving average.



# Bloomberg Barclays U.S. Aggregate Index Yield vs. Duration



1. January 31, 1973 – March 31, 2018; Source: Barclays, DoubleLine

2. January 31, 1976 – March 31, 2018; Source: Barclays, DoubleLine

Duration is a measure of the sensitivity of the price, the value of principal to any change in interest rates. Yield is the income return on an investment, such as interest or dividends received from holding a particular security. You cannot invest directly in an index.

# TAB III

## DoubleLine Funds Overview

# Core Fixed Income Fund Portfolio Statistics

	Core Fixed Income Fund	Bloomberg Barclays U.S Aggregate Index
Average Price	\$100.88	\$100.78
Duration	5.00	6.08
Average Life	7.12	8.42

Portfolio statistics as of March 31, 2018 based on market weighted averages. Subject to change without notice.

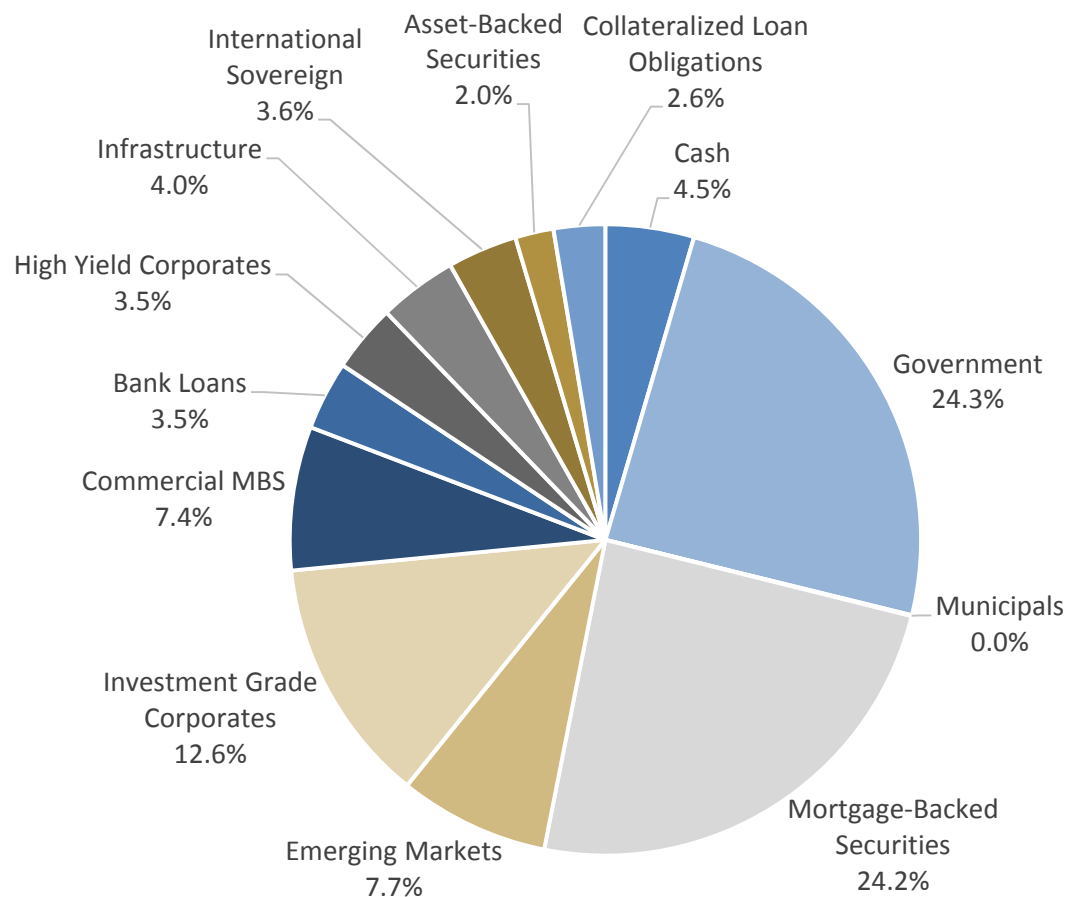
**Average price** - A measure of the weighted average price paid for the securities calculated by taking the prices and dividing by the number of securities and does not include cash. Average price should not be confused with net asset value.

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

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

Source: DoubleLine Capital LP

# Core Fixed Income Fund Portfolio Composition



Portfolio composition as of March 31, 2018. Subject to change without notice. \* Excludes U.S. Treasuries.

**Bank Loans** - A debt financing obligation issued by a bank or similar financial institution to a company.

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

**Collateralized Loan Obligations (CLOs)** - A form of securitization where payments from multiple middle sized and large business loans are pooled together and passed on to different classes of owners in various tranches. **Cash** - Cash holding include the value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days. **Government** - Government debt (also known as public debt or national debt) is money (or credit) owed by any level of government; either central government, federal government, municipal government or local government.

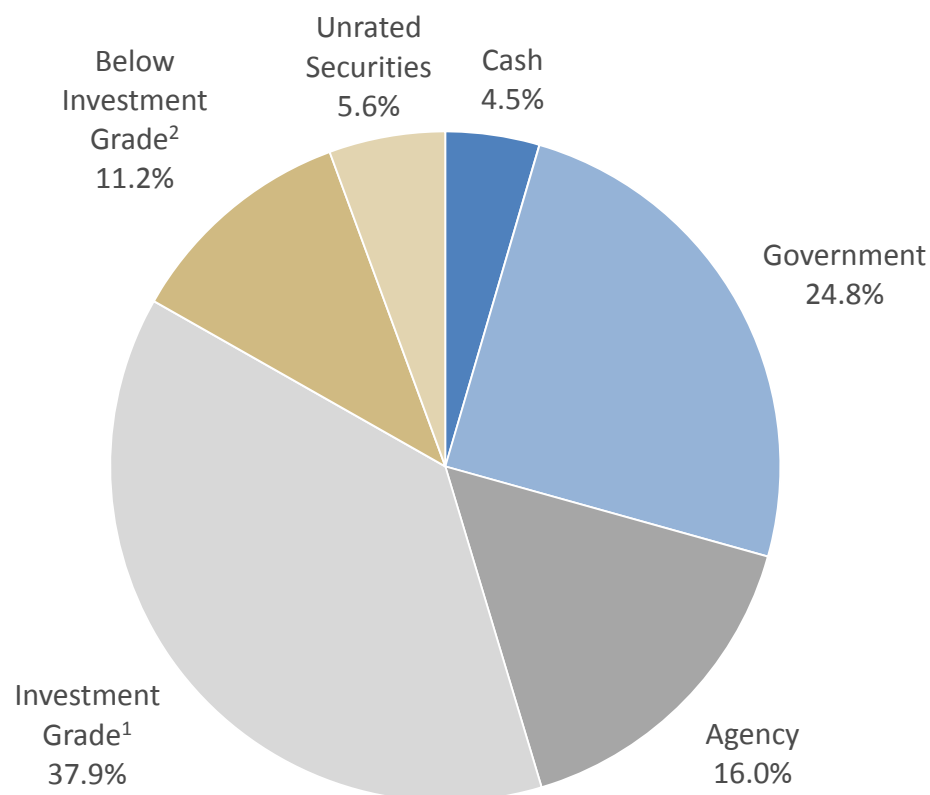
**Mortgage-Backed Securities (MBS)** - A mortgage-backed security (MBS) is an asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans, most commonly on residential property. **Emerging Markets Fixed Income** - Emerging market debt (EMD) is a term used to encompass bonds issued by less developed countries.

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

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

# Core Fixed Income Fund

## Portfolio Credit Quality Breakdown



Portfolio composition and credit ratings as of March 31, 2018. Portfolio composition is subject to change without notice. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

**Cash** - The value of assets that can be converted into cash immediately. Can include marketable securities, such as government bonds, banker's acceptances, cash equivalents on balance sheets that may include securities that mature within 90 days. **Government** - Government debt (also known as public debt or national debt) is money (or credit) owed by any level of government; either central government, federal government, municipal government or local government. **Agency** - Mortgage securities whose principal and interest are effectively guaranteed by the U.S. Government agency including Fannie Mae (FNMA) or Freddie-Mac (FHLMC). <sup>1</sup>**Investment Grade** - A bond is considered investment grade if its credit rating is BBB- of higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar.

<sup>2</sup>**Below Investment Grade (Below IG)**- Also known as "junk bond" is a security rated below investment grade. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar.

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

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

Source: DoubleLine Capital LP.

# Flexible Income Fund Portfolio Statistics

	Flexible Income Fund	Bank of America Merrill Lynch 1-3 Year Eurodollar Index
Average Price	\$99.95	\$99.80
Duration	1.38	1.91
Average Life	4.41	1.98

Portfolio statistics as of March 31, 2018 based on market weighted averages. Subject to change without notice.

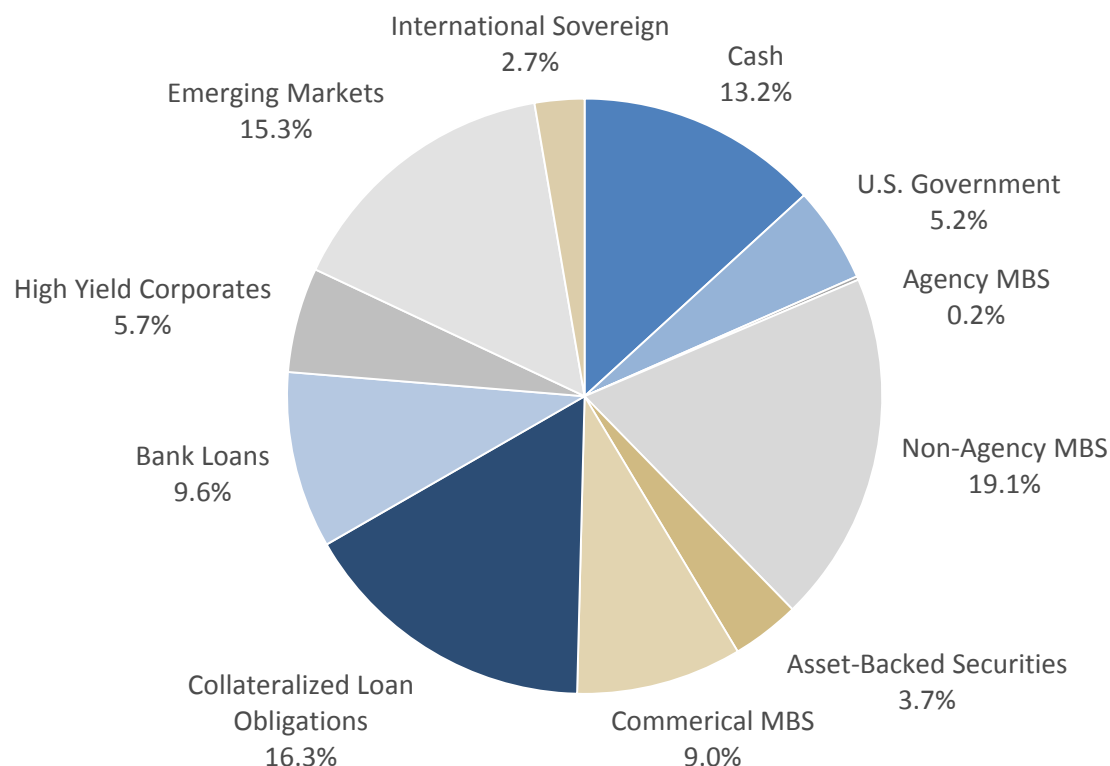
**Average price** - A measure of the weighted average price paid for the securities calculated by taking the prices and dividing by the number of securities and does not include cash. Average price should not be confused with net asset value.

**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

# Flexible Income Fund Portfolio Composition



Portfolio composition as of March 31, 2018. Subject to change without notice.

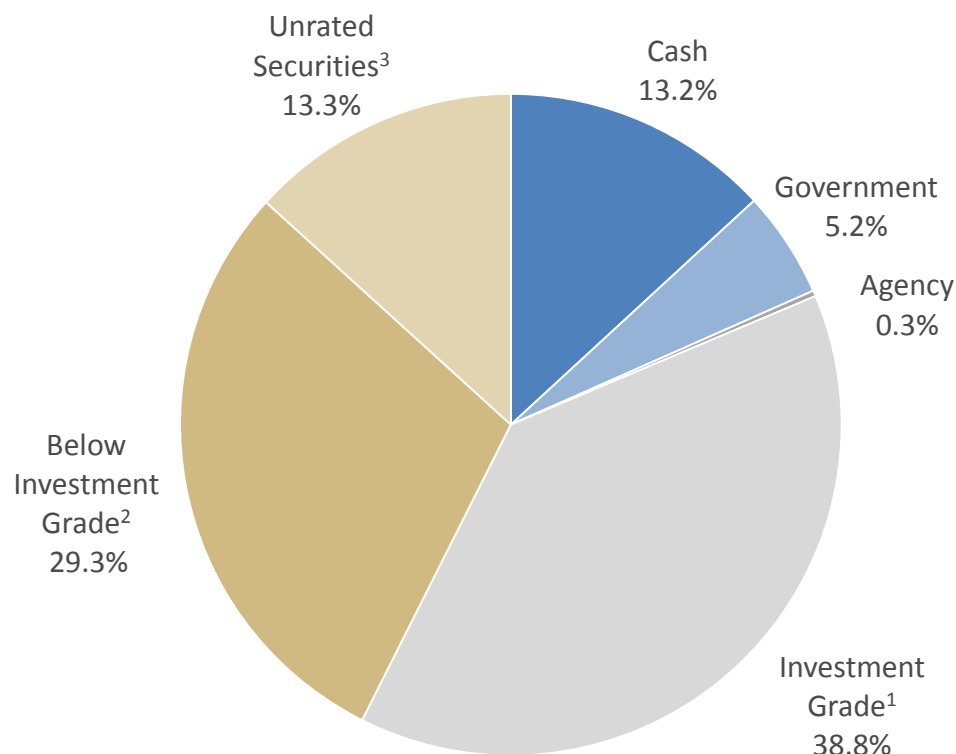
Source: DoubleLine Capital LP. Sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**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 RMBS** - Residential Mortgages Bond Securities are a type of bond backed by residential mortgages. Non-Agency means they were issued by a private issuer. **CMBS** - Commercial Mortgage-Backed Securities. Securitized loans made on commercial rather than residential property.

**CLO** - Collateralized Mortgage Obligations. **Bank Loans** - A debt financing obligation issued by a bank or similar financial institution to a company. **Investment Grade (IG) and High Yield Corporates (HY)** - Investment grade and non-investment grade corporate credit. Bonds issued by corporations to raise money in order to expand its business. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch). A bond rated BBB or higher would be considered Investment Grade. Any bond rated BBB or below would be High Yield.

# Flexible Income Fund

## Portfolio Credit Quality Breakdown



Portfolio composition as of March 31, 2018. Portfolio composition is subject to change without notice. There are some non-rated securities in the portfolio as shown in the chart above. Credit distribution is determined from the highest available credit rating from any Nationally Recognized Statistical Rating Organization (S&P, Moody's, and Fitch).

<sup>1</sup>**Investment Grade** - Securities rated AAA to BBB- (shown in blue above) are considered to be investment grade. A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/\$100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be extremely stable and dependable.

<sup>2</sup>**Below Investment Grade** - Also known as "junk bond" (shown in grey above) is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/\$100 cents on the dollar. Credit quality may be assessed by different agencies for different bonds for reasons beyond the control of the Fund.

<sup>3</sup>**NR - Not Rated** - Securities that are not rated by the three rating agencies.

RMBS - Residential Mortgage-Backed Securities.

Source: DoubleLine Capital LP



# TAB IV

## Appendix



# Asset Allocation Webcast

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Deputy Chief Investment Officer

**May 8, 2018**

# Appendix - Definitions

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

**Bloomberg Barclays Capital European Aggregate Total Return Index** - The Bloomberg Barclays Capital European Aggregate Total Return Index is a fixed-rate, rules-based index includes all dated investment grade securities (treasuries, agencies, securitized, corporates, sovereigns and supranationals) denominated in euros and with a final maturity of one year or greater.

**Bloomberg 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.

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

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

**Bloomberg Barclays Capital US High Yield Index** - The Bloomberg 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.

**ICE BofAML 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.

**ICE BofAML Government Index (GOA0)** - The Merrill Lynch US Government Index tracks the performance of US government (i.e. securities in the Treasury and Agency indices.)

**ICE BofAML 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..

**ICE BofAML US Corporate Index (COA0) "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.

**ICE BofAML 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."

**ICE BofAML U.S. Commercial Mortgage-Backed Securities Index (CMA0)** - The BofA Merrill Lynch US Fixed Rate CMBS Index tracks the performance of US dollar denominated investment grade fixed rate commercial mortgage backed securities 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), a fixed coupon schedule, at least one year remaining term to final maturity and at least one month to the last expected cash flow.

**Convexity** - A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool, and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed.

**2s10s** - The spread between the 2-year and 10-year U.S. yield.

**ICE BofAML 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).

**ICE BofAML U.S. High Yield Cash Pay Index (J0A0) "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.

**ICE BofAML 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.

**Hard data**, such as that from government statistical agencies used in constructing real gross domestic product (GDP).

**Soft data**, such as business, consumer confidence and sentiment surveys, financial market variables, and labor statistics.

# SPDR Bloomberg Barclays High Yield Bond ETF (JNK)

## Investment Objective & Summary

The investment objective of the SPDR Barclays High Yield Bond ETF seeks to provide investment results that, before fees and expenses, corresponds generally to the price and yield performance of the Barclays High Yield Very Liquid Index. The ETF invests in U.S. high yield bonds.

The Barclays High Yield Very Liquid Index is designed to measure the performance of publicly issued U.S. dollar denominated high yield corporate bonds with above-average liquidity. High yield securities are generally rated below investment grade and are commonly referred to as "junk bonds." The Index includes publicly issued U.S. dollar denominated, non-investment grade, fixed-rate, taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality, are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's Investors Service, Inc., Fitch Inc., or Standard & Poor's, Inc. Respectively, and have \$500 million or more of outstanding face value.

Total Return	Cumulative		Annualized			
As of March 31, 2018	QTD	YTD	1 Year	3 Year	5 Year	10 Year
NAV (%)	-1.44	-1.44	2.62	2.96	3.21	6.05
MARKET VALUE (%)	-1.46	-1.46	2.54	2.99	3.20	5.97
Index (%)	-1.22	-1.22	2.99	4.36	4.39	8.04
		(%)				
Gross Expense Ratio	0.40					

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit [spdrs.com](http://spdrs.com) for most recent month-end performance. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.

**Important Risk Information** - In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only. Please see the prospectus for more details.

Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.

Investing in high yield fixed income securities, otherwise known as "junk bonds" is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price change due to potential changes in the credit quality of the issuer. The Fund invests by sampling the Index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics which may cause the fund to experience tracking errors relative to performance of the Index.

**Distributor:** State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

***Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or talk to your financial advisor. Read it carefully before investing.***

# iShares 20+ Year Treasury ETF (TLT)

## Investment Objective

The iShares 20+ Year Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years.

## PERFORMANCE As of March 31, 2018

	1 Year	3 Year	5 Year	10 Year	Since Inception
<b>NAV</b>	3.77%	0.23%	3.45%	5.79%	6.41%
<b>Market Price</b>	3.58%	0.17%	3.42%	5.74%	6.40%
<b>Benchmark</b>	3.86%	0.30%	3.52%	5.89%	6.50%

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

Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times.

## FEES AND EXPENSES BREAKDOWN

<b>Expense Ratio</b>	<b>0.15%</b>
Management Fee	0.15%
Acquired Fund Fees and Expenses	0.00%
Foreign Taxes and Other Expenses	0.00%

Benchmark is the ICE U.S. Treasury 20+ Year Bond Index (Index returns don't reflect deductions for fees, expenses, or taxes). **ICE BofAML US 20+ Year Treasury Index "Long Treasury"** -The BofAML US 20+ Treasury Index tracks the performance of US dollar denominated 20+ year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofAML U.S. Treasury Index (GOQO).

# iShares 20+ Year Treasury ETF (TLT)

## Important Risk Factors

Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.

**Investing involves risk, including possible loss of principal.**

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

An investment in the fund(s) is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Diversification may not protect against market risk or loss of principal. Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

**Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses.**

**Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

"Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies, or other pooled investment vehicles. AFEE are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Barclays or Bloomberg Finance L.P., nor do these companies make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the companies listed above.

©2018 BlackRock. All rights reserved. **ISHARES**, **IBONDS** and **BLACKROCK** are registered trademarks of BlackRock Inc, or its subsidiaries. All other marks are the property of their respective owners.

FOR MORE INFORMATION, VISIT [WWW.ISHARES.COM](http://WWW.ISHARES.COM) OR CALL 1-800 ISHARES (1-800-474-2737)



# iShares MBS ETF (MBB)



## Investment Objective

The iShares MBS ETF (MBB) seeks to track the investment results of an index composed of investment-grade mortgage-backed pass-through securities issued and/or guaranteed by U.S. government agencies

## PERFORMANCE As of March 31, 2018

	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	0.61%	0.83%	1.52%	3.14%	3.46%
Market Price	0.55%	0.80%	1.52%	3.12%	3.46%
Benchmark	0.77%	1.12%	1.80%	3.46%	3.82%

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

Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times.

## Important Risk Information

Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

Mortgage-backed securities ("MBS") are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities.

Diversification may not protect against market risk or loss of principal. Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

"Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies, or other pooled investment vehicles. AFEE are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Barclays or Bloomberg Finance L.P., nor do these companies make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the companies listed above.

©2018 BlackRock. All rights reserved. **ISHARES**, **IBONDS** and **BLACKROCK** are registered trademarks of BlackRock Inc. or its subsidiaries. All other marks are the property of their respective owners.

FOR MORE INFORMATION, VISIT [WWW.ISHARES.COM](http://WWW.ISHARES.COM) OR CALL 1-800 ISHARES (1-800-474-2737)

## FEES AND EXPENSES BREAKDOWN

Expense Ratio 0.12%

Benchmark = Bloomberg Barclays Mortgage-Backed Securities Index tracks agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).

# iShares iBoxx Investment Grade ETF(LQD)



## Investment Objective

The iShares iBoxx \$ Investment Grade Corporate Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, investment grade corporate bonds.

### Returns

Average Annual	Cumulative	Calendar Year
----------------	------------	---------------

on Mar 31, 2018

as of Mar 31, 2018

	1y	3y	5y	10y	Incept.
Total Return (%) ⓘ	2.72	2.06	3.02	5.52	5.38
Market Price (%) ⓘ	2.76	2.09	3.00	5.32	5.37
Benchmark (%) ⓘ	2.86	2.34	3.23	5.85	5.63
After Tax Pre-Liq. (%) ⓘ	1.34	0.62	1.52	3.85	3.66
After Tax Post-Liq. (%) ⓘ	1.55	0.91	1.62	3.60	3.50

*The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted.*

Management Fee ⓘ	0.15%
+Acquired Fund Fees and Expenses ⓘ	0.00%
+Foreign Taxes and Other Expenses	0.00%
=Expense Ratio ⓘ	0.15%

Benchmark =Markit iBoxx USD Liquid Investment Grade Index tracks liquid U.S. investment grade securities issued by corporations within the U.S.

**Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.**

**Investing involves risk, including possible loss of principal.**

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

Diversification may not protect against market risk or loss of principal. Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

**Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses.**

**Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

"Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies, or other pooled investment vehicles. AFEE are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Barclays or Bloomberg Finance L.P., nor do these companies make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the companies listed above.

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Markit Indices Limited. This company does not make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the company listed above.

©2018 BlackRock. All rights reserved. **ISHARES**, **IBONDS** and **BLACKROCK** are registered trademarks of BlackRock Inc, or its subsidiaries. All other marks are the property of their respective owners.

FOR MORE INFORMATION, VISIT [WWW.ISHARES.COM](http://WWW.ISHARES.COM) OR CALL 1-800 ISHARES (1-800-474-2737)



# Invesco Powershares Senior Loan ETF(BKLN)

## Investment Objective

The PowerShares Senior Loan Portfolio (Fund) is based on the S&P/LSTA U.S. Leveraged Loan 100 Index (Index). The Fund will normally invest at least 80% of its total assets in the component securities that comprise the Index. The Index is designed to track the market-weighted performance of the largest institutional leveraged loans based on market weightings, spreads and interest payments. The Fund and the Index are rebalanced and reconstituted bi-annually, in June and December.

Fund Performance & Index History (%)						
As of March 31, 2018						
	YTD	1 year	3 year	5 year	10 year	Fund Inception
<b>Underlying Index</b>						
S&P/LSTA U.S. Leveraged Loan 100 Index	1.40	3.95	3.51	3.25	—	3.78
<b>Benchmark Index</b>						
Bloomberg Barclays U.S. Aggregate Bond Index	-1.46	1.20	1.20	1.82	3.63	2.99
<b>Fund</b>						
NAV	1.09	2.97	2.60	2.43	—	3.16
Market Price	1.31	3.06	2.67	2.42	—	3.09

Returns less than one year are cumulative. Performance data quoted represents past performance. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and Shares, when redeemed, may be worth more or less than their original cost. See powershares.com to find the most recent month-end performance numbers. Market returns are based on the midpoint of the bid/ask spread at 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times. Fund performance reflects fee waivers, absent which, performance data quoted would have been lower.

Total Expense Ratio	0.67%
---------------------	-------

This information is intended for US residents.

The information on this site does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial advisor/financial consultant before making any investment decisions.

Invesco Distributors, Inc., is the US distributor for Invesco Ltd.'s Retail Products and Collective Trust Funds.

PowerShares® is a registered trademark of Invesco PowerShares Capital Management LLC, investment adviser. Invesco PowerShares Capital Management LLC (PowerShares) and Invesco Distributors, Inc., ETF distributor, are indirect, wholly owned subsidiaries of Invesco Ltd.

Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Funds and tender those shares for redemption to the Funds in Creation Unit aggregations only, typically consisting of 10,000, 50,000, 75,000, 80,000, 100,000, 150,000 or 200,000 Shares.

Institutional Separate Accounts and Separately Managed Accounts are offered by affiliated investment advisers, which provide investment advisory services and do not sell securities. These firms, like Invesco Distributors, Inc., are indirect, wholly owned subsidiaries of Invesco Ltd.

©2018 Invesco Ltd. All rights reserved.

# Invesco Powershares Senior Loan ETF(BKLN)

## About risk

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The Fund's return may not match the return of the Underlying Index. The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund.

The Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

Most senior loans are made to corporations with below investment-grade credit ratings and are subject to significant credit, valuation and liquidity risk. The value of the collateral securing a loan may not be sufficient to cover the amount owed, may be found invalid or may be used to pay other outstanding obligations of the borrower under applicable law. There is also the risk that the collateral may be difficult to liquidate, or that a majority of the collateral may be illiquid.

The Fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the Fund's investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

Under a participation in senior loans, the fund generally will have rights that are more limited than those of lenders or of persons who acquire a senior loan by assignment. In a participation, the fund assumes the credit risk of the lender selling the participation in addition to the credit risk of the borrower. In the event of the insolvency of the lender selling the participation, the fund may be treated as a

general creditor of the lender and may not have a senior claim to the lender's interest in the senior loan. Certain participations in senior loans are illiquid and difficult to value.

The values of junk bonds fluctuate more than those of high quality bonds and can decline significantly over short time periods.

The Fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

The Fund is non-diversified and may experience greater volatility than a more diversified investment.

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

The **Intraday NAV** is a symbol representing estimated fair value based on the most recent intraday price of underlying assets. **Volatility** is the annualized standard deviation of index returns. **Beta** is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe Ratio indicates better risk-adjusted performance. **Correlation** indicates the degree to which two investments have historically moved in the same direction and magnitude. **Alpha** is a measure of performance on a risk-adjusted basis. **Days to reset** is the average number of days until the floating component of a loan resets. **Credit ratings** are assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying bond issuers. The ratings range from AAA (highest) to D (lowest) and are subject to change. Not rated indicates the debtor was not rated, and should not be interpreted as indicating low quality. Futures and other derivatives are not eligible for assigned credit ratings by any NRSRO and are excluded from quality allocations. For more information on rating methodologies, please visit the following NRSRO websites: [standardandpoors.com](http://standardandpoors.com) and select "Understanding Ratings" under Rating Resources and [moody.com](http://moody.com) and select "Rating Methodologies" under Research and Ratings. **LIBOR** is

London Interbank Offered Rate. **Yield to Maturity** is the rate of the return anticipated on a bond if it is held until the maturity date. The **30-Day SEC Yield** is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The **30-Day SEC Unsubsidized Yield** reflects the 30-day yield if the investment adviser were not waiving all or part of its fee or reimbursing the fund for part of its expenses. Total return would have also been lower in the absence of these temporary reimbursements or waivers.

S&P® is a registered trademark of Standard & Poor's Financial Services LLC (S&P) and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). These trademarks have been licensed for use by S&P Dow Jones Indices LLC. S&P® and Standard & Poor's® are trademarks of S&P and Dow Jones® is a trademark of Dow Jones. These trademarks have been sublicensed for certain purposes by Invesco PowerShares Capital Management LLC (PowerShares). The Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by PowerShares. The Fund is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates and neither S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates make any representation regarding the advisability of investing in such product(s).

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

**Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the Fund call 800 983 0903 or visit [powershares.com](http://powershares.com) for the prospectus/summary prospectus.**

Note: Not all products available through all firms or in all jurisdictions.

# iShares JPMorgan USD Emerging Markets Bond Fund ETF(EMB)



## Investment Objective

The iShares J.P. Morgan USD Emerging Markets Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, emerging market bonds.

## Returns

	Average Annual	Cumulative	Calendar Year		
as of	Mar 31, 2018	▼			
	1y	3y	5y	10y	Incept.
Total Return (%) ⓘ	3.65	5.03	3.82	6.26	6.18
Market Price (%) ⓘ	3.66	4.97	3.83	6.19	6.19
Benchmark (%) ⓘ	4.10	5.59	4.48	7.04	6.94
After Tax Pre-Liq. (%) ⓘ	1.71	2.94	1.77	4.24	4.18
After Tax Post-Liq. (%) ⓘ	2.06	2.88	1.95	4.01	3.95

*The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted.*

on Mar 31, 2018

Management Fee ⓘ	0.39%
+Acquired Fund Fees and Expenses ⓘ	0.00%
+Foreign Taxes and Other Expenses	0.00%
=Expense Ratio ⓘ	0.39%

Benchmark = JP Morgan EMBI Global Core Index is a broad, diverse U.S. dollar denominated emerging markets debt benchmark that tracks the total return of actively traded debt instruments in emerging market countries.

# iShares JPMorgan USD Emerging Markets Bond Fund ETF(EMB)



Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.

**Investing involves risk, including possible loss of principal.**

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/ developing markets or in concentrations of single countries.

Historical fund data prior to 4/3/2017 is based on foreign currency exchange (FX) rates corresponding to 4:00AM, eastern time; fund data on and after 4/3/2017 is based on FX rates corresponding to 4:00PM, London time.

Performance shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without such waivers.

Diversification may not protect against market risk or loss of principal. Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

**Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

"Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies, or other pooled investment vehicles. AFEE are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Barclays or Bloomberg Finance L.P., nor do these companies make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the companies listed above.

J.P. Morgan is a trademark of JPMorgan Chase & Co. and has been licensed for use by BlackRock. The iShares Funds are not sponsored, endorsed, issued, sold or promoted by JPMorgan Chase & Co. This company does not make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the company listed above.

©2018 BlackRock. All rights reserved. **ISHARES**, **IBONDS** and **BLACKROCK** are registered trademarks of BlackRock Inc, or its subsidiaries. All other marks are the property of their respective owners.

FOR MORE INFORMATION, VISIT [WWW.ISHARES.COM](http://WWW.ISHARES.COM) OR CALL 1-800 ISHARES (1-800-474-2737)

# Index Descriptions



**Bloomberg Barclays Capital Global Emerging Markets Index** - The Bloomberg 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 Bloomberg 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. **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.

**ICE BofAML High Yield Index** - An index that tracks the performance of U.S. dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the U.S. 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.

**ICE BofAML Investment Grade Index** - An index that tracks the performance of U.S. dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the U.S. 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.

**ICE BofAML Investment Grade Index** - An index that tracks the performance of U.S. dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the U.S. 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.

**ICE BofAML Mortgage Index (MOAO)** - An index that tracks the performance of U.S. agency mortgages, issued by Fannie Mae and Freddie Mac.

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

**ICE BofAML 1-3 Year Treasury Index (G1O2)** – is a subset of the BofAML US Treasury Index including all securities with a remaining term to final maturity less than 3 years. The BofAML US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market.

**ICE BofAML US 10-15 Year Treasury Index "Long Treasury" (G7O2)** -The BofAML 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 BofAML U.S. Treasury Index (GOQO).

**ICE BofAML US 10-15 Year Treasury Index "Long Treasury" (G7O2)** -The BofAML 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 BofAML U.S. Treasury Index (GOQO).

**ICE BofAML US 15+ Year Treasury Index "Long Treasury" (G8O2)** -The BofAML US 15+ Treasury Index tracks the performance of US dollar denominated 15+ year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofAML U.S. Treasury Index (GOQO).

**JPMorgan Corporate EMBI Broad Diversified Index (JBCDCOMP)** – This index tracks the performance of investment grade corporate debt publicly issued across a range of emerging market countries.

**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.

**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.



# Index Descriptions

**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  $1/100^{\text{th}}$  of 1%, and is used to denote the change in a financial instrument.

**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.

**Bloomberg 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.

**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.

**S&P LSTA Lev Loan Index (Bank Loans)**- Created by the Leveraged Commentary & Data (LCD) team at S&P Capital IQ, the review provides an overview and outlook of the leveraged loan market as well as an expansive review of the S&P Leveraged Loan Index and sub-indexes. The review consists of index general characteristics, results, risk-return profile, default/distress statistics, and repayment analysis. It is not possible to invest directly in an index.

**Moody's U.S. Speculative Grade Default Rate:** A speculative-grade default occurs if a defaulting issuer held an speculative-grade rating (Ba1 or lower) at the start of latest 12 month period. The rate is established by dividing the number of Spec-grade defaults by the number of Spec-grade issuers at the beginning of the sample period.

**Moody's Distressed Rate:** Percentage of High Yield Issuers whose debt is trading at distressed levels. Distressed issuers are defined as having debt with OAS or CDS of 1000 bps or more.

# Disclaimer

## Important Information Regarding This Report

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

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

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

## Important Information Regarding Risk Factors

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

## Important Information Regarding DoubleLine

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

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

# Disclaimer

## Important Information Regarding DoubleLine's Investment Style

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

DoubleLine is an active manager and will adjust the composition of client's portfolios consistent with our investment team's judgment concerning market conditions and any particular sector or security. The construction of DoubleLine portfolios may differ substantially from the construction of any of a variety of 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.

DoubleLine® is a registered trademark of DoubleLine Capital LP.

© 2018 DoubleLine Capital LP





# Asset Allocation Webcast

**Live Webcast hosted by:**

**Jeffrey Gundlach**

Chief Executive Officer

**May 8, 2018**

