

# DoubleLine Equity LP

## Form ADV Part 2A

January 29, 2013

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity LP ("DoubleLine Equity"). If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.*

*Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Material Changes

This Brochure, dated January 29, 2013, is part of DoubleLine Equity LP's ("DoubleLine Equity") initial application for registration as an investment adviser with the Securities and Exchange Commission ("SEC"). As such, this Item 2 currently is not applicable. Clients, prospects and other interested parties are encouraged to read the entire Brochure carefully. DoubleLine Equity will deliver a summary of any material changes to this and subsequent Brochures within 120 calendar days of the close of its fiscal year. DoubleLine Equity may further provide you with other interim disclosures about material changes to the information in this Brochure as necessary. A copy of DoubleLine Equity's current Brochure can be obtained by contacting your Client Services Representative at (213) 633-8200. Capitalized terms within the document not otherwise defined shall have the same meanings assigned in the Glossary of Terms for Form ADV.

## Item 3: Table of Contents

|   |               |
|---|---------------|
| <b>Item 4: Advisory Business</b>  | <b>04</b>     |
| Ownership and Structure   | 04            |
| Advisory Services   | 04            |
| Types of Investments  | 04            |
| Wrap Fee Programs (not applicable)  | 05            |
| Assets Under Management   | 05            |
| <b>Item 5: Fees and Compensation</b>  | <b>05</b>     |
| <b>Item 6: Performance-Based Fees and Side-by-Side Management</b>                                     | <b>08</b>     |
| <b>Item 7: Types of Clients</b>   | <b>09</b>     |
| <b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b>                            | <b>09</b>     |
| <b>Item 9: Disciplinary Information</b>   | <b>15</b>     |
| <b>Item 10: Other Financial Industry Activities and Affiliations</b>                                  | <b>15</b>     |
| Broker-Dealer Affiliations  | 15            |
| Futures Commission Merchant, Commodity Pool Operator and Commodity Trading                            |               |
| Adviser Affiliations  |               |
| Investment Adviser Affiliations   | 15            |
| <b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> | <b>16</b>     |
| Code of Ethics  | 16            |
| Potential Conflicts of Interest   | 18            |
| Potential Conflicts of Interest Due to Personal or Affiliated Positions                               | 18            |
| Potential Conflicts of Interest Due to Overlapping Client Investments                                 | 20            |
| <b>Item 12: Brokerage Practices</b>   | <b>22</b>     |
| Best Execution  | 22            |
| Counterparty Review Process   | 22            |
| Research  | 22            |
| Referrals   | 23            |
| Client Directed Brokerage   | 23            |
| Aggregation and Allocation of Orders  | 24            |
| Potential Conflicts Relating to Non-Discretionary Advisory Services                                   | 25            |
| <b>Item 13: Review of Accounts</b>  | <b>26</b>     |
| <b>Item 14: Client Referrals and Other Compensation</b>   | <b>28</b>     |
| <b>Item 15: Custody</b>   | <b>28</b>     |
| Separate Account Clients  | 28            |
| Private Fund Clients  | 28            |
| <b>Item 16: Investment Decision</b>   | <b>29</b>     |
| <b>Item 17: Voting Client Securities</b>  | <b>30</b>     |
| <b>Item 18: Financial Information</b>   | <b>31</b>     |
| <b>Item 19: Requirements of State-Registered Advisers</b>   | <b>31</b>     |
| <br><b>Exhibit A to Brochure - Privacy Notice</b>   | <br><b>32</b> |
| <b>Exhibit B to Brochure - Important Information about Procedures for Opening a New Account</b>       | <b>34</b>     |
| <b>Exhibit C to Brochure - Description of Investment Strategies</b>                                   | <b>35</b>     |

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*

## Item 4: Advisory Business

### **Item 4. Advisory Business**

#### **Ownership and Structure**

DoubleLine Equity LP ("DoubleLine Equity") was founded by Jeffrey Gundlach, R. Brendt Stallings and Husam Nazer in January 2013. DoubleLine Equity is a limited partnership organized under the laws of Delaware. 66% of DoubleLine Equity's limited partnership interests are owned by DoubleLine Holdings LP, a Delaware limited partnership. 1% of DoubleLine Equity's partnership interests are owned by DoubleLine Capital GP LLC, which is the general partner of DoubleLine Equity and is, in turn, controlled by Jeffrey Gundlach. Messrs. Stallings and Nazer own the remaining 33% of DoubleLine Equity's partnership interests, although DoubleLine Equity may issue additional partnership interests in the future. Approximately 80% of DoubleLine Holdings LP's limited partnership interests are held by affiliates of DoubleLine Equity, and the remaining 20% of DoubleLine Holdings LP's limited partnership interests are owned by affiliates of Oaktree Capital Management, L.P.

#### **Advisory Services**

DoubleLine Equity will provide a variety of investment management services to institutional clients, including corporate entities, and to a limited number of high net worth individual clients. In the future DoubleLine Equity may provide investment advisory services to registered investment companies (each, a "Registered Fund") and unregistered investment companies (each, a "Private Fund", and together with Registered Funds, "Funds"), pension plans (both public and private, and including ERISA

plans), defined contribution plans, sovereign wealth funds, endowments, insurance companies, charitable organizations and government entities. Certain of the Funds for which DoubleLine Equity may provide investment advisory services may be affiliated with DoubleLine Equity because DoubleLine Equity or its affiliates serve as the general partner ("DoubleLine Private Funds").

DoubleLine Equity typically manages accounts on a discretionary basis in accordance with its investment strategies, which are tailored according to the individual directives and guidelines of each Client. Separate account Clients can impose reasonable restrictions on investments subject to acceptance by DoubleLine Equity.

As noted above, in the future DoubleLine Equity may serve as an investment adviser to Private Funds or Registered Funds. As such, those entities would be Clients of DoubleLine Equity. The underlying investors in such Private Funds, Registered Funds or any other investment companies would not be DoubleLine Equity's Clients unless they otherwise have an advisory relationship with DoubleLine Equity.

#### **Types of Investments**

DoubleLine Equity offers a variety of equity investment strategies that utilize equity securities and other instruments which may provide exposure to U.S. or foreign markets, including emerging markets (all of which are referred to throughout this Brochure as "securities") that include, but are not limited to:

- Common and preferred stock, warrants, 144A securities and other private securities, depositary receipts and depositary shares

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*

## Item 5: Fees & Compensation

- Exchange-traded funds (ETFs), exchange-traded notes (ETNs) and other exchange-traded products (ETPs)
- Investments designed to provide exposure to one or more physical commodities or commodities indices
- Direct and indirect investment in various foreign currencies, including actual holdings of currencies, but also forward contracts, futures, swaps, and options with underlying foreign currencies.

In limited circumstances where certain clients are willing to accept greater risk in pursuit of potential higher total returns, DoubleLine Equity may use certain leveraging and hedging techniques, including selling securities short or using derivatives, such as swaps, futures and options.

DoubleLine Equity may also provide non-discretionary advice to clients or other investment advisers pursuant to an investment management agreement.

### **Wrap Fee Programs**

DoubleLine Equity does not manage wrap fee programs. As such, that portion of the information requested within Item 4 does not apply to DoubleLine Equity.

### **Assets Under Management**

As of January 15, 2013, DoubleLine Equity managed approximately \$1,060,000 in assets, all of which was managed on a discretionary basis.

### **Item 5. Fees and Compensation.**

Depending on the strategy and the size of a specific Client's separate account, DoubleLine Equity's annualized fees for managing a separate account will typically be between 0.60% and 1.00% of the net assets of the account. DoubleLine Equity's annualized fees for providing certain strategies or managing certain products in a separate account may be subject to substantially higher annualized fees of up to 2.00% or as otherwise disclosed in the applicable investment management agreement or offering document of a strategy or product. Any such investment management agreements or offering documents should be read carefully and in their entirety.

DoubleLine Equity may also provide investment advisory services to Registered Funds or Private Funds. The fees for such services will be based on each Fund's particular circumstance. DoubleLine Equity will generally receive an asset-based management fee for management of Registered Funds and a management fee and an incentive fee or allocation (which may take the form of a carried interest) from each Private Fund. The amount and structure of the management fee, incentive fee and/or allocation may vary from Fund to Fund and will be set forth in the prospectus or other relevant offering document for each Fund.

DoubleLine Equity's advisory fees are subject to negotiated agreements with Clients and are determined according to a number of factors including, but not limited to, account size and the investment strategy employed. Different fees may apply to different products, even if the products use the same strategy.

DoubleLine Equity typically invoices each Client

## Item 5: Fees & Compensation

based upon the fee and payment schedule contained in the Client's investment management agreement or other contract, which is typically on a quarterly basis. In general, Clients are able to negotiate the method and mode of payment of the advisory fee to DoubleLine Equity. Clients also may choose to have the calculation of their fee be based upon the custodial or DoubleLine Equity valuation of their assets; these two valuations may differ and DoubleLine Equity reserves the right to review fees calculated based upon custodial valuations. In certain instances, DoubleLine Equity may be providing fair values when supplying inputs to valuations for client statements, which are in turn occasionally used to calculate DoubleLine Equity's fees. Such values potentially can differ from the valuations for the same security provided on the Client's custodial statement. **DoubleLine Equity does *not* charge fees in advance.**

DoubleLine Equity's standard investment management contract requires DoubleLine Equity to furnish (at its own expense) all office facilities, equipment and supplies and to perform (also at its own expense) all routine and recurring functions necessary to render the services required under the investment management agreement, including administrative, bookkeeping and accounting, clerical, statistical, and correspondence functions. Clients typically pay for other service providers directly, but if DoubleLine Equity makes payment to such third-parties on behalf of the Client, the Client will reimburse DoubleLine Equity for such expenses attributable to the Client's assets under management, which may include: (i) legal, accounting, custodial, appraisal, auditing and other professional fees; (ii) brokerage commissions, mark-ups or mark-downs, issue and transfer taxes, deferred sales charges, odd lot differ-

entials, wire transfer and electronic fund fees and other transactional costs relating to the Client's assets under management, including any portion of such commissions attributable to research and other brokerage services; and (iii) taxes, if any, payable by the Client. These charges, fees and commissions are exclusive of and in addition to DoubleLine Equity's advisory fee and DoubleLine Equity shall not receive any portion of commissions, fees and costs charged by such third parties. Clients may incur custodial costs. DoubleLine Equity does not provide custodial services. **For more information on brokerage and other transaction costs, please see Item 12 of this Brochure.**

The advisory fee owed to DoubleLine Equity by a Client generally is calculated based on the average of the beginning and ending market value of the Client's account for the most recent quarter. Contributions or withdrawals from the Client's account will be pro-rated for the period the assets were under management. To the extent that a Client's account with DoubleLine Equity is in existence less than a full quarter, DoubleLine Equity standard investment advisory agreements state that the advisory fee will be pro-rated for the days the account did exist. Furthermore, DoubleLine Equity includes the market value of the cash and securities that the Client used to establish the account to calculate its advisory fee for the account's first calendar quarter.

Clients are responsible for verifying the accuracy of the fee calculation each quarter. DoubleLine Equity will value assets using its commercially reasonable judgment and through a method that most accurately reflects the assets' fair market value, as determined by DoubleLine Equity in accordance with its internal policies and procedures and in its reason-

## Item 5: Fees & Compensation

able discretion. Clients should be aware that their custodial valuations may differ from DoubleLine Equity's valuations.

Specific fee information, which is subject to negotiation on a case-by-case basis, for DoubleLine Equity's current investment strategies are listed in the table below. DoubleLine Equity reserves the right to negotiate fees and minimum account sizes where special circumstances prevail, and arrangements with any particular Client may vary from the fees listed in the table below.

| Investment Strategy             | General Fee Structure   |                             |
|---------------------------------|-------------------------|-----------------------------|
|                                 | Assets Under Management | Advisory Fee (basis points) |
| <b><i>Equities Growth</i></b>   | Any size                | 75 bps                      |
| <b><i>Mid Cap Growth</i></b>    | Any size                | 85 bps                      |
| <b><i>Small Cap Growth</i></b>  | Any size                | 85 bps                      |
| <b><i>SMID Cap Growth</i></b>   | Any size                | 85 bps                      |
| <b><i>Global Technology</i></b> | Any size                | 100 bps                     |

**Neither DoubleLine Equity nor any of its personnel receive compensation attributable to the sale of a security, including shares of affiliated investment funds, or other investment products (e.g. brokerage commissions). Please contact your DoubleLine Equity representative to discuss a potential fee schedule if you are interested in opening a separate account that would be managed using a strategy not listed in this fee schedule.**

## Item 6: Performance-Based Fees

DoubleLine may enter into performance fee arrangements with certain qualified clients, which are subject to negotiation with each such Client. DoubleLine will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act") in accordance with the Advisers Act and any applicable exemptions thereunder, including the exemption set forth in Rule 205-3 under the Advisers Act.

### **Item 6. Performance-Based Fees and Side-By-Side Management.**

DoubleLine Equity may receive performance-based fees reasonably designed to comply with Rule 205-3 under the Advisers Act in connection with the advisory services it provides to accounts with certain investment strategies (i.e., investment in partnership interests and structured products.) DoubleLine Equity also may receive performance-based fees in connection with the advisory services it may provide in the future to certain Private Funds. All advisory fees, including any performance fees, are set forth in the applicable advisory agreement documentation between each Client and DoubleLine Equity. DoubleLine or its affiliates may also manage separate accounts or Registered Funds that typically pay an asset based advisory fee, as described in Item 5 above.

DoubleLine Equity may manage certain Client accounts with strategies similar or identical to the strategies pursued in other Client accounts with different fee structures. Certain potential conflicts of interest arise from managing similar strategies with differing compensation structures, such as the

potential for accounts that pay performance-based fees to be managed differently, or to receive more favorable trade allocations than accounts that do not receive performance-based fees. DoubleLine Equity monitors the trade allocation process through its Trade Allocation Committee, which reviews periodic reports and other records, to gain insight into the overall impact on DoubleLine Equity's various Client accounts of DoubleLine Equity's trading strategies. In addition, performance-based fee arrangements may create an incentive for DoubleLine Equity to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. As discussed in Item 11 below, DoubleLine Equity has implemented policies and procedures, including policies and procedures set forth in its Code of Ethics, that are reasonably designed to address these and other conflicts of interest.



## Item 7: Types of Clients

## Item 8: Method of Analysis, Investment Strategies and Risk of Loss

### Item 7. Types of Clients.

DoubleLine Equity will provide investment advice to institutional clients such as corporations and other business entities, as well as high net worth individuals. In the future DoubleLine Equity may provide investment advisory services to Private Funds, Registered Funds, pension plans (both public and private, and including ERISA plans), defined contribution plans, endowments, sovereign wealth funds, insurance companies, charitable organizations and government entities.

Although DoubleLine Equity does not currently impose an investment minimum, it reserves the right to do so and will impose an investment minimum in the future. Accounts for certain investment strategies may have a higher minimum account size requirement than other strategies. DoubleLine Equity reserves the right in its sole discretion, subject to the conditions of a negotiated investment advisory agreement between DoubleLine Equity and a specific client, to waive any account minimum size requirements.

### Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.

DoubleLine Equity's portfolio managers and research analysts devote the majority of their time to the following methods of security analysis:

- Analysis of security structures;
- Analysis of financial news, inspection of corpo-

rate activity, internal and third-party research, corporate rating services, company reports, court and regulatory filings, press releases and audited financial reports.

- Due diligence meetings with management, interviews with suppliers, customers and competitors.
- Analysis of geological, reserve engineering and consultant reports, proprietary data and analytical systems, credit, discounted cash flows, and discussions with third parties; and
- Analysis of country and political risk.

The above list of methods of security analysis is not complete and portfolio managers and research analysts may devote their time to additional methods.

### ***Investing in securities or other instruments involves risk of loss. Clients should be prepared to bear this risk.***

DoubleLine Equity's clients are required to enter into an investment management agreement which generally contains certain investment guidelines approved by the Client. Each Client's account is managed in a manner designed to seek to achieve the Client's investment objectives over time as agreed upon by the Client and DoubleLine Equity.

The investment strategies used to implement any investment advice given to Clients could include, but are not limited to, the following:

## Item 8: Method of Analysis, Investment Strategies and Risk of Loss

- Long-term purchases (securities held at least one year),
- Short-term purchases (securities bought and sold within one year),
- Trading (securities sold within 30 days),
- Short sales,
- Margin transactions,
- Option writing (including covered options, uncovered options or spreading strategies),
- Hedging of account investments or currencies underlying such investments (including foreign currency and cross-hedging using FX forwards options or futures),
- Investments in or creation of synthetic or derivative securities,
- Borrowing or leverage transactions,
- Lending of account securities (including repurchase agreements), and
- Forward transactions (including securities or currency forward contracts, when issued and delayed delivery transactions).

Because DoubleLine Equity's primary investment approach involves long-term investment, DoubleLine Equity generally does not consider the tax impact or tax implications of any of the investments made on behalf of its Clients. However, DoubleLine Equity is capable of managing tax-efficient accounts within any of the investment strategies listed in Item 5 above.

DoubleLine Equity primarily is an equity investment manager, although it may manage other strategies. The material risks of all of the strategies pursued by DoubleLine Equity are described below. **All of DoubleLine Equity's invest-**

**ment strategies involve significant investment risk, including the risk that Clients could lose some or all of their invested capital. All security investments risk the loss of invested capital and there can be no assurance that a Client will achieve its investment goals or objectives.**

Certain of DoubleLine Equity's strategies may be offered through public or private pooled investment vehicles such as Registered Funds or Private Funds. Prospective investors in those Funds should refer to the respective offering documents for each Fund for a more detailed description of the applicable risks for a particular Fund. The material risks discussed below are qualified in their entirety by reference to risk disclosures found in the offering documents for the Funds and in the event of any conflict or inconsistency, Clients should rely on the risk disclosures found in the respective offering documents. As noted above, the underlying investors in such Funds, absent a separate advisory relationship with DoubleLine Equity, are *not* DoubleLine Equity's Clients.

DoubleLine Equity offers advice on a wide range of equity strategies and instruments, as well as multi-asset strategies. The prices of equity securities respond to economic developments.

Such investments will always be exposed to certain risks that cannot be hedged and DoubleLine Equity is not obligated to seek to hedge against any risk, including fluctuations in the value of investments as a result of changes in market risk or conditions, or any other developments. Additionally, ongoing regulatory changes related to the creation

## Item 8: Method of Analysis, Investment Strategies and Risk of Loss

risk, including fluctuations in the value of investments as a result of changes in market risk or conditions, or any other developments. Additionally, ongoing regulatory changes related to the creation and trading of securities in the equity markets may create unforeseeable risks.

More complete descriptions of DoubleLine Equity's current investment strategies are provided in Exhibit C to this Brochure.

The material risks generally associated with DoubleLine Equity's strategies are described below. Although the risks described below will typically apply to most accounts and most Clients in most circumstances, Clients should be aware that not all of these risks listed will pertain to every account because certain risks may only apply to certain strategies. Please contact your DoubleLine Equity representative for more information regarding the risks related to your particular account.

**Affiliated Fund Risk:** DoubleLine Equity may be subject to potential conflicts of interest in determining whether to invest Client assets in a Fund managed by DoubleLine Equity, a DoubleLine Equity affiliate or in a fund managed by an unaffiliated manager and may have an economic or other incentive to select an affiliated fund over another fund.

**Asset Allocation Risk:** An account's investment performance depends, at least in part, on how its assets are allocated and reallocated among asset classes. Such allocation could focus on asset classes or investments that perform poorly or underperform other asset classes or available investments.

**Commodities Risk:** An account's value could be affected by changes in the values of one or more commodities to which the account has indirect or direct exposure. Commodities may be extremely volatile, difficult to value and illiquid. Commodities may also include costs associated with delivery, storage, and maintenance.

**Counterparty Risk:** Investments and investment transactions are subject to various counterparty risks. The counterparties to transactions in over-the-counter or "inter-dealer" markets are typically subject to lesser credit evaluation and regulatory oversight compared to members of "exchange-based" markets. This may increase the risk that a counterparty will not settle a transaction because of a credit or liquidity problem, thus causing a Client's account to suffer losses. In addition, in the case of a default, an investment could become subject to adverse market movements while replacement transactions are executed. Such counterparty risk is accentuated for investments with longer maturities or settlement dates where events may intervene to prevent settlement or where transactions are concentrated with a single or small group of counterparties. Furthermore, upon the bankruptcy, insolvency or liquidation of any counterparty, the investor may be deemed to be a general, unsecured creditor of such counterparty and could suffer a total loss with respect to any positions and/or transactions with such counterparty. Under current market conditions, counterparty risk is substantially increased and more difficult to predict. In addition to heightened risk of bankruptcy, in this environment there is a greater risk that counterparties may have their assets frozen or seized as a result of government

## Item 8: Method of Analysis, Investment Strategies and Risk of Loss

intervention or regulation. DoubleLine Equity is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

**Derivatives Risk:** Insolvency of a counterparty to a derivative instrument could cause an account to lose all or substantially all of its investment in that derivative instrument, as well as the benefits derived therefrom.

**Emerging Market Country Risk:** Account performance could decline due to the greater degree of economic, political, and social instability of emerging market countries as compared to developed countries.

**Equity Issuer Risk:** Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. The value of a company's stock may decline in value in response to factors affecting that company, that company's industry, or the market generally.

**Exchange-Traded Notes Risk:** The level of the particular market benchmark or strategy to which an exchange-traded note's return is linked may fall in value, resulting in a loss to an account holding that exchange-traded note. Exchange-traded notes are subject to credit risk generally to the same extent as debt securities.

**Financial Services Risk:** Investing in issuers in the financial services sector involve, among others, the following risks: (i) changes in regulatory framework or interest rates that may negatively affect financial service businesses; (ii) exposure of a finan-

cial institution to a non diversified or concentrated loan portfolios; (iii) exposure to financial leverage and /or investments or agreements which, under certain circumstances, may lead to losses, for example sub-prime loans; and (iv) the risk that a market shock or other unexpected market, exposure to financial leverage and /or investments or agreements which, under certain circumstances, may lead to losses, for example sub-prime loans; and (iv) the risk that a market shock or other unexpected market, economic, political, regulatory or other event might lead to a decline in the value of most or all companies in the financial services sector.

**Foreign Currency Risk:** Fluctuations in exchange rates may adversely affect the value of an account's foreign currency holdings and investments denominated in foreign currencies.

**Foreign Investing Risk:** An account's investments may be affected by the market conditions, currencies, and the economic and political climates in the foreign countries in which the account invests.

**Globalization Risk:** *The growing interrelationship of all global economies and financial markets has increased and, therefore, the conditions in one country or region may affect issuers of securities in a different country or region.*

**Investment Style Risk:** *The particular style or set of styles that DoubleLine Equity primarily uses may be out of favor or may not produce the best results over short or longer time periods and may increase the volatility of the value of the investment portfolios.*

## Item 8: Method of Analysis, Investment Strategies and Risk of Loss

**Issuer Risk:** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

**Leverage Risk:** Certain investments involving leverage may have the effect of increasing the volatility of an account and the risk of loss in excess of invested capital.

**Liquidity Risk:** There may be no willing buyer of an account's securities and the account may have to sell those securities at a lower price or may not be able to sell the securities at all each of which would have a negative effect on performance.

**Management Risk:** Each actively managed account is subject to management risk. DoubleLine Equity's portfolio managers will apply investment techniques and risk analyses in making investment decisions for actively managed accounts, but there can be no guarantee that these decisions will produce the desired results.

**Market Capitalization Risk:** Investing substantially in issuers in a single market capitalization category (i.e., large, medium or small) may adversely affect an account because of unfavorable market conditions that affect that category of issuers. For example, larger, more established companies being may be unable to respond quickly to new competitive challenges or attain the high growth rates of successful smaller companies. Conversely,

stocks of smaller companies may be more volatile than those of larger companies due to, among other things, narrower product lines, more limited financial resources, fewer experienced managers and there typically being less publicly available information about small capitalization companies.

**Market Disruptions and Geopolitical Risk:** *Geopolitical events may disrupt securities markets and adversely affect global economies and markets. Those events, as well as other changes in foreign or domestic economic and political conditions could adversely affect the value of the investments DoubleLine Equity makes.*

**Market Risk:** Returns from the securities in which an account invests may underperform returns from the general securities markets or other types of securities.

**Non-diversification Risk:** *The portfolios DoubleLine Equity invests in may be subject to wider fluctuations in value than if they were subject to broader diversification requirements.*

**Preferred Securities Risk:** The risk that: (i) certain preferred stocks contain provisions that allow an issuer under certain circumstances to skip or defer distributions; (ii) preferred stocks may be subject to redemption, including at the issuer's call, and, in the event of redemption, the account may not be able to reinvest the proceeds at comparable rates of return; (iii) preferred stocks are generally subordinate to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments; and



## Item 8: Method of Analysis, Investment Strategies and Risk of Loss

(iv) preferred stocks may trade less frequently and in a more limited volume and may be subject to more abrupt or erratic price movement than many other securities.

**Price Volatility Risk:** *The risk that the value of the investment portfolio will change as the prices of its investments go up or down.*

**Reinvestment Risk:** Income from an account's portfolio will decline if and when the account invests the proceeds from matured, traded or called debt obligations at market interest rates that are below the portfolio's current earnings rate. For instance, during periods of declining interest rates, an issuer of debt obligations may exercise an option to redeem securities prior to maturity, forcing the account to reinvest the proceeds in lower-yielding securities. A decline in income received by the account from its investments is likely to have a negative effect on the market price, net asset value and/or overall return of the common shares.

**Securities Selection Risk:** Securities held by an account may underperform other accounts investing in the same asset class or benchmarks that are representative of the asset class because of the DoubleLine Equity's choice of securities.

**Short Sales Risk:** To the extent an account makes use of short sales for investment and/or risk management purposes, an account may be subject to certain risks associated with selling short. Short sales are transactions in which the account sells securities or other instruments that an account does not own. Short sales expose an account to the risk that it will be required to cover its short position at

a time when the securities have appreciated in value, thus resulting in a loss to an account. An account may engage in short sales when it does not own or have the right to acquire the security sold short at no additional cost. An account's loss on a short sale theoretically could be unlimited in a case in which an account is unable, for whatever reason, to close out its short position. In addition, an account's short selling strategies may limit its ability to benefit from increases in the markets. Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to an account.

**Tax Risk:** Tax laws and regulations applicable to an account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisors to determine the potential tax-related consequences of investing in an account with DoubleLine Equity.

**Technology Investment Risk:** Investments in technology companies may be highly volatile. Their values may be adversely affected by such factors as, for example, rapid technological change, changes in management personnel, changes in the competitive environment, and changes in investor sentiment. Many technology companies are small or mid-sized companies and may be newly organized.

**U.S. Government Securities Risk:** Debt securities issued or guaranteed by certain U.S. Government agencies, instrumentalities, and sponsored enterprises are not supported by the full faith and credit of the U.S. Government, and so involve credit risk greater than investments in other types of U.S. Government securities.

## Item 9: Disciplinary Information

## Item 10: Other Financial Industry Activities and Affiliations

### **Item 9. Disciplinary Information.**

DoubleLine Equity is required to disclose all material facts regarding any legal or disciplinary events that could be material to your evaluation of DoubleLine Equity or the integrity of DoubleLine Equity's management. DoubleLine Equity does not believe that there are any legal or disciplinary events that are material to your evaluation of DoubleLine Equity or the integrity of its management.

### **Item 10. Other Financial Industry Activities and Affiliations.**

#### **Broker-Dealer Affiliations**

Quasar Distributors, LLC ("Quasar") serves as the statutory underwriter and distributor of Funds managed by DoubleLine Capital, L.P. and may, in the future, serve in a similar manner to Funds managed by DoubleLine Equity. Certain management persons and employees of DoubleLine Equity are registered representatives of, or may have an application pending to become a registered representative of, Quasar. DoubleLine Equity has no controlled affiliates or related persons that are broker-dealers.

#### **Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor Affiliations**

Neither DoubleLine Equity nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing entities.

### **Investment Adviser Affiliations**

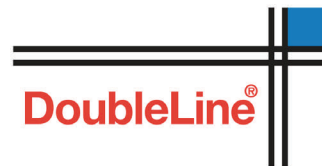
#### **DoubleLine Capital LP**

DoubleLine Capital LP ("DoubleLine Capital") is an investment adviser registered with the SEC, which is under common control with DoubleLine Equity. DoubleLine Equity and DoubleLine Capital share certain personnel and other resources through similar contractual arrangements with DoubleLine Group LP, which also is affiliated with DoubleLine Equity and DoubleLine Capital by way of being under common control by DoubleLine Capital GP LLC and, ultimately, Jeffrey Gundlach. It is expected that DoubleLine Equity and DoubleLine Capital will share client lists and other similar information through their common control structure and overlapping personnel.

DoubleLine Capital serves as investment adviser to, and sponsor of, several Registered Funds and Private Funds. These Funds offer fixed income strategies, which could be offered to certain of DoubleLine Equity's Clients, although the investment team at DoubleLine Equity currently does not intend to do so. Nevertheless, because DoubleLine Equity's related persons control these Funds, a conflict of interest could arise whereby DoubleLine Equity could be incentivized to invest Client assets in these Funds because they are controlled by DoubleLine Equity's related persons. In addition, In certain officers of DoubleLine Equity are also officers of Private Funds managed by DoubleLine Capital, as set forth in the table that follows.

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*

## Item 10: Other Financial Industry Activities and Affiliations



## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

| Officer          | Position with DoubleLine Equity                   | Position with DoubleLine Funds Trust | Position with DoubleLine Capital                            |
|------------------|---|--------------------------------------|---|
| Jeffrey Gundlach | Chief Executive Officer, Chief Investment Officer | Chairman of the Board of Trustees    | Chief Executive Officer, Chief Investment Officer, Director |
| Keith T. Kirk    | Deputy General Counsel & Chief Compliance Officer | Chief Compliance Officer             | Deputy General Counsel & Chief Compliance Officer           |
| Louis C. Lucido  | Chief Operating Officer                           | Secretary                            | Chief Operating Officer                                     |

curities that DoubleLine Equity's Clients also hold. In addition, DoubleLine Equity may purchase or sell for a Client securities of an issuer in which it or its supervised persons also have a position or interest. It is possible that DoubleLine Equity or its supervised persons may buy or sell the same securities at a better price for its own account than a Client that buys or sells the same securities on the same day. To govern such personal transactions, the Code has adopted personal securities trading policies and procedures that outline the conditions under which a DoubleLine Equity supervised person also may purchase or sell securities when such securities are held or traded by Clients. DoubleLine Equity also conducts an active monitoring program of the personal trading of DoubleLine Equity supervised persons. Certain aspects of DoubleLine Equity's Code are discussed below. A copy of DoubleLine Equity's Code of Ethics is available upon request.

While the Code permits personnel subject thereto to invest in securities, it also subjects such personnel to a number of procedures and prohibitions with respect to investment activities. These procedures include (1) reporting, including on a quarterly and annual basis, accounts, position and transaction information, other than positions in certain excluded securities and transactions; (2) pre-clearance of securities transactions other than certain excluded securities; and (3) a pre-approval requirement with respect to the purchase of any securities in a private placement, initial public offering or limited offering. The Code also prohibits the investment by subject personnel in (a) any security on DoubleLine Equity's Restricted List; (b) uncovered short sales; and (c) uncovered options. Additional restrictions and prohibitions also apply to certain investment personnel

### **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.**

#### **Code of Ethics**

DoubleLine Equity has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act and will provide a copy of the Code to any Client or prospective client upon request. All supervised persons at DoubleLine Equity provide a written acknowledgement of the terms of the Code initially, annually, and as amended.

It is possible that DoubleLine Equity supervised persons may purchase or sell for themselves se-

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*



# Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

subject to the Code, including portfolio managers.

The Code also contains policies and procedures that require the following:

- General principles of conduct for all DoubleLine Equity personnel.
- DoubleLine Equity and all DoubleLine Equity personnel owe a fiduciary duty to DoubleLine Equity's Clients. This means that DoubleLine Equity and its personnel must always place the interests of its Clients first.
- No director or employee of DoubleLine Equity (a) may buy or sell a security either for themselves or others while in possession of material, non-public information about an issuer, or (b) communicate material, non-public information to others who have no official need to know. The Code provides guidance about what is material non-public information, lists common examples of situations in which DoubleLine Equity personnel could obtain that information, and describes DoubleLine Equity's procedures regarding its "watch" list and restricted securities list and for establishing information barriers when necessary and appropriate. The Code also identifies parties for DoubleLine Equity personnel to contact for questions.
- The following personal transactions by DoubleLine Equity personnel must be pre-approved:
  - bond trades (other than trades for direct obligations of the US government),
  - transactions in any of the series of the Trust or any other mutual fund managed by DoubleLine beyond a *de minimis* amount,
  - private placement transactions, regardless of whether DoubleLine is a related person or investment manager to the private placement security in question, and
  - transactions in any closed-end funds managed by DoubleLine.
- DoubleLine Equity personnel may not profitably sell any security requiring pre-approval for personal trading for a sixty day period following the purchase of such security.
- Duplicate account statement and trade confirmations for applicable personal accounts must be provided by DoubleLine Equity personnel to the applicable officers of DoubleLine Equity for review.
- DoubleLine Equity and its personnel may not accept certain gifts and entertainment from certain persons or entities in the financial industry. The Code includes an approval process for specific categories of gifts and entertainment provided to DoubleLine Equity personnel.
- DoubleLine Equity personnel generally may not engage in certain activities outside of their employment with DoubleLine Equity, including outside employment, service as a director or in a similar capacity to an organization, fiduciary appointments, and services as an officer or director of a charitable, professional, civic or non-profit entity. The Code includes an approval process before DoubleLine Equity personnel may engage in such activities.
- DoubleLine Equity personnel may be restricted as to their ability to engage in political activi-

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ties and make political contributions. The Code sets forth general rules governing political contributions and solicitation activities, responsibility of individuals for personal contribution limits, pre-clearance of contributions to state and local candidates, and rules for political activities on DoubleLine Equity premises and for using DoubleLine Equity resources.

- The Code sets forth confidentiality requirements imposed on DoubleLine Equity personnel.
- DoubleLine Equity personnel must report activities not in compliance with the Code.

The Code provides that exemptive relief may be given from certain of its requirements by the Chief Compliance Officer after a consideration of the specific facts and circumstances of the request. Such exemptive relief typically would relate to situations involving an employee hardship where no material conflict with a Client's interests exists.

### **Potential Conflicts of Interest**

From time to time, DoubleLine Equity may take the following actions on behalf of its Clients, or recommend to its Clients that they take such actions: (1) buy or sell securities in which related persons have a financial interest, and (2) buy or sell securities in which DoubleLine Equity, its related persons or DoubleLine Equity's other Clients' accounts are at the same time effecting a sale or purchase. Such conflicts of interest generally are managed through the controls established by the Code and DoubleLine Equity's Trading and Allocation Committee. DoubleLine Equity is not obligated to recommend to, or purchase or sell for, any one Client or all Clients any investments or strategies that it may rec-

ommend to, or purchase or sell for, any other Client.

### **Potential Conflicts of Interest Due to Personal or Affiliated Positions**

DoubleLine Equity may, from time to time, recommend to, or purchase or sell on behalf of, Clients securities or other investment instruments in which DoubleLine Equity, its affiliates or other related persons have a financial interest as the investment manager, general partner or trustee or as a co-investor in such investment products.

These securities may be publicly traded or private placements, including private placements sponsored or managed by DoubleLine Equity. (It is expected that one or more DoubleLine Equity principals and employees will invest in private placements sponsored or managed by DoubleLine Equity or its affiliates. DoubleLine Equity may offer discounts to management or performance fees to its principals and employees.) Conflicts of interest arising from DoubleLine Equity's management of an affiliated Private Fund or Registered Fund where its principals and personnel also are invested include the perception that DoubleLine Equity could favorably allocate trades to such Funds or sell a security in one Client account while buying the same security on behalf of a Fund. DoubleLine Equity periodically monitors the performance of Client accounts to ensure that similarly situated accounts are performing similarly. DoubleLine Equity's Trading and Allocation Committee also periodically reviews reports related to allocation activities to attempt to determine if any perceived conflicts of interest have actually arisen. As discussed above, the Code includes various procedures with re-

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

spect to investment transactions in which DoubleLine Equity's personnel and related persons have a beneficial interest that are designed to reduce the potential for conflicts of interest related to personal trading. Please also review the discussion of allocation of orders in Item 12 for additional related information.

It is possible that DoubleLine Equity's supervised persons may purchase or sell for themselves securities that DoubleLine Equity's Clients also hold. In addition, DoubleLine Equity may purchase or sell for a Client securities of an issuer in which DoubleLine Equity or its supervised persons also have a position or interest. It is also possible that DoubleLine Equity or its supervised persons or affiliates may buy or sell the same securities at a better price or with better terms for its own account than the price and terms for which the same securities are bought or sold for a Client's account on the same day. To govern such personal transactions, the Code includes personal securities trading policies and procedures, as discussed above, that outline the conditions under which a DoubleLine Equity supervised person may purchase or sell securities when such securities are also held or traded for Client accounts. DoubleLine Equity also conducts an active monitoring program of the personal trading of DoubleLine Equity supervised persons.

While the Code permits DoubleLine Equity personnel to invest in securities, it also subjects such personnel to a number of procedures and prohibitions with respect to personal investment activities. These procedures include (1) reporting of personal accounts, positions and transaction in-

formation (other than positions in certain excluded securities and transactions) on both a quarterly and annual basis; (2) pre-clearance of personal securities transactions (other than certain excluded securities); and (3) a pre-approval requirement with respect to the purchase of any securities in a private placement, initial public offering or limited offering. The Code also prohibits personnel from investing in (a) any security on DoubleLine Equity's restricted securities list; (b) uncovered short sales; and (c) uncovered options. Additional restrictions and prohibitions also apply to certain investment personnel subject to the Code, including account managers.

If permitted by the relevant investment guidelines and applicable law, DoubleLine Equity may purchase for Client accounts interests in Registered Funds and Private Funds or vehicles that are offered or managed by DoubleLine Equity, DoubleLine Capital or their affiliates when DoubleLine Equity believes it is in the relevant Client's best interest to do so. The details of any possible fee offsets, rebates or other reduction arrangements in connection with such investments are provided in the documentation relating to the relevant Client account and/or the offering documents of the underlying fund or vehicle. In choosing between Funds or vehicles that are offered or managed by DoubleLine Equity, DoubleLine Capital or their affiliates and those not offered or managed by DoubleLine Equity or its affiliates, DoubleLine Equity may have a financial incentive to choose DoubleLine Equity-affiliated Funds over third-parties' Funds by reason of the additional investment management, advisory and other fees or compensation DoubleLine Equity or its affiliates may earn. Under certain conditions, DoubleLine Equity may offset, rebate or otherwise reduce its fees or

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

other compensation with respect to investments in DoubleLine Equity-affiliated Funds; however, this reduction or rebate, if available, will not necessarily eliminate the conflict. Furthermore, although DoubleLine Equity may be permitted to invest in DoubleLine Equity-affiliated Funds, including funds advised by DoubleLine Capital LP, Clients should not expect DoubleLine Equity to have better information with respect to such DoubleLine Equity-affiliated Funds than other investors have. Even if DoubleLine Equity has such information, it will not act upon it in a way that disadvantages the other investors in such Funds.

### **Potential Conflicts Due to Overlapping Client Investments**

Where one or more Clients hold the same investment, the differing investment objectives of each Client, as well as other factors applicable to the specific situation, may result in a determination to dispose of, or retain, all or a portion of an investment on behalf of one Client (or on behalf of DoubleLine Equity supervised persons) at different times as such investment or portion thereof is being disposed of, or retained, by another Client. In addition, particularly with respect to illiquid or private investments, conflicts of interest can arise when disposing of a particular investment would be beneficial for one Client while retaining such investment would be beneficial for another Client. DoubleLine Equity also may recommend investments to, or purchase securities for, the account of one Client (or supervised persons may purchase such securities) that may differ from investments recommended or purchased for another Client, even though the investment objectives of the Clients may be similar. Moreover, DoubleLine Equity's supervised persons and affiliates may make investments or engage in other activities that express inconsistent views with respect to an entity in which DoubleLine Equity has invested Client assets, a particular security or relevant market conditions. For example, if DoubleLine Equity makes an investment on behalf of one Client that expresses a negative outlook on a particular investment in which other Clients are invested, this may reduce the value of other Clients' investments.

A DoubleLine Equity account manager generally will make investment decisions for his or her respective Clients independently of the manner in which other DoubleLine Equity account managers approach a similar or even the same investment. In addition, DoubleLine Equity, on behalf of certain Clients, may choose not to hedge certain risks that other DoubleLine Equity investment teams hedge (or vice versa). DoubleLine Equity's management personnel regularly share information, perceptions, advice and recommendations about market trends, the valuations of individual securities, and investment strategies, except where prohibited by information barriers established by DoubleLine Equity in accordance with the Code, other DoubleLine Equity policies, or applicable law or regulation.

It is not uncommon for a Client to hold interests in an entity that are of a different class or type than the class or type of interest held by another Client. For example, one Client may hold securities in an entity that are senior or junior to the securities held by another Client, which could mean that the Clients will be entitled to different payments or other rights, or that in a workout or other distressed scenario the interests of one Client might be adverse to those of another Client and one Client.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ent might recover all or part of its investment while the other Client might not. Clients will not be required to take any action or refrain from taking any action to mitigate another Client's losses in such a scenario.

Conflicts will arise in cases where Clients with different strategies invest in different parts of an issuer's capital structure, including circumstances in which one or more Clients may own private securities or obligations of an issuer and other Clients may own public securities of the same issuer. For example, a Client may acquire a loan, loan participation or a loan assignment of a particular borrower in which one or more other Clients have an equity investment, or may invest in senior debt obligations of an issuer for one Client and junior debt obligations of the same issuer for another Client.

Any of the foregoing conflicts of interest described in this Item 11 or elsewhere in this Brochure will be discussed and resolved on a case-by-case basis in accordance with the Code and applicable law and regulation. Any such discussions will take into consideration the interests of the relevant Clients and the circumstances giving rise to the conflict. Clients should be aware that conflicts will not necessarily be resolved in favor of their interests, and DoubleLine Equity will attempt to resolve such matters in a fair and equitable manner, over time, without regard to compensation paid to DoubleLine Equity or its affiliates. There can be no assurance that any actual or potential conflicts of interest will not result in a particular Client or group of Clients receiving less favorable investment terms in certain investments than if such conflicts of interest did not exist.

## Item 12: Brokerage Prices

### **Item 12. Brokerage Practices.**

#### **Best Execution**

DoubleLine Equity seeks to achieve best execution under the circumstances when trading for its Clients. This means that, in selecting broker-dealers to execute securities transactions for Client accounts, DoubleLine Equity seeks to select broker-dealers that will execute securities transactions in a manner that is in the best interest of the Client under the circumstances. This does not mean, however, that client transactions are always executed at the lowest available commission or spread. DoubleLine Equity may affect transactions that cause a Client to pay a commission or spread in excess of a commission or spread that another broker-dealer would have charged if DoubleLine Equity determines that such commission or spread is reasonable in relation to the circumstances of that transaction. In making this determination, DoubleLine Equity may take a variety of factors into consideration, including, but not limited to, (i) execution quality in light of order size, difficulty of execution and other relevant factors; (ii) associated expenses and costs; (iii) the quality, reliability, responsiveness and value of the provided services, (iv) the operational compatibility between the broker-dealer and DoubleLine Equity; (v) ability to provide liquidity, (vi) the ability of a broker-dealer to execute difficult transactions in unique and/or complex securities, and (vii) the broker-dealer's safety and soundness, based on publicly available information.

#### **Counterparty, Review Process**

Various analysts at DoubleLine, including the Counterparty Risk Committee, evaluate the creditworthi-

ness of counterparties to Client accounts on an ongoing basis. In addition to information provided by credit agencies, DoubleLine Equity's team of credit analysts evaluates each approved counterparty using various methods of analysis, including analysis of publicly available financial data (including earnings updates), the broker-dealer's reputation, DoubleLine Equity's past experience with the broker-dealer or its personnel, market levels for the counterparty's debt and equity, the counterparty's liquidity and its share of market participation.

#### **Research**

From time to time, DoubleLine Equity receives unsolicited research from various broker-dealers, which may or may not be counterparties to trades placed on behalf of Clients. DoubleLine Equity does not use brokerage commissions from client account trades to obtain research or other products or services from broker-dealers. While DoubleLine Equity may review and consider certain of the research received, the provision of research does not factor into DoubleLine Equity's broker-dealer selection process. Research services include items such as reports on industries and companies, economic analyses, review of business conditions and portfolio strategy and various trading and quotation services. Such services also include advice from broker-dealers as to the value of securities, availability of securities, availability of buyers, and availability of sellers. These services also include recommendations as to purchase and sale of individual securities and timing of transactions.

In addition to unsolicited research, certain broker-dealers may provide invitations to attend



## Item 12: Brokerage Prices

conferences and meetings with management representatives of issuers or with other analysts and specialists. Any such invitations are subject to the provisions of the Code and do not factor into DoubleLine Equity's broker-dealer selection process.

DoubleLine Equity purchases research related to equity issuers from various services offering such research. DoubleLine Equity purchases this research to attempt to gain an independent viewpoint on corporate issuers and various sectors of the corporate market. DoubleLine Equity currently does not receive any soft dollar benefits, and therefore does not purchase any research using soft dollars; all research purchases are paid using DoubleLine Equity's own resources. The corporate research purchased generally covers the following items of interest to the equity team:

- Industry analysis to include industry fundamentals, secular outlook and cyclicity;
- Issues analysis to include credit fundamentals, market position and liquidity factors;
- Analysis of the integrity, continuity and quality of issuer management and equity ownership by management;
- Cash flow analysis of corporate issuers to include credit metrics, operating leverage and refinancing schedules;
- Security analysis to include relative value, position in capital structure, covenant protection and credit enhancements; and
- Capital efficiency, margin structure and cash flow characteristics.

### Referrals

DoubleLine Equity does not recommend broker-dealers to Clients, although it does choose the brokers which execute client trades if DoubleLine Equity has discretionary authority over the account. Although broker-dealers may, from time to time, refer clients to DoubleLine Equity, in accordance with Rule 206(4)-3 under the Advisers Act, DoubleLine Equity does not approve such broker-dealers for trading stocks or bonds based on such referrals. As such, no conflict of interest regarding trading arises from this arrangement.

### Client Directed Brokerage

DoubleLine Equity does not recommend, request or require Clients to direct DoubleLine Equity to use a particular broker-dealer to execute account transactions for the Client, nor does DoubleLine Equity have an affiliated broker dealer. DoubleLine Equity does permit Clients to direct DoubleLine Equity to use a particular broker-dealer to execute account transactions for the Client. As such, Clients could require DoubleLine Equity to use the services of a particular broker-dealer. In these cases, DoubleLine Equity may not be able to negotiate commissions or obtain volume discounts for the accounts that direct DoubleLine Equity to make all or any portion of their account trades with specific broker-dealer. As a result, such accounts may pay higher commissions or spreads than those accounts that do not direct brokerage and also may not receive as favorable an execution. Accounts with directed brokerage instructions may be excluded from aggregate orders and their directed orders will generally be executed following completion of any non-directed trades.

## Item 12: Brokerage Prices

As a result, performance results for these accounts may vary (at times considerably) from other Client accounts managed by DoubleLine Equity in the same strategy. Trades executed through a Client-directed broker-dealer may not achieve best execution at the time of the trade and may cost the Client money because the Client received a less favorable price. Clients that permit DoubleLine Equity to use directed brokerage arrangements only where subject to best execution will not face the potential consequences of not receiving the most favorable execution under the circumstances. Fully directed account Clients may be required to sign certain acknowledgments, including the fact that such directed brokerage may compromise best execution and that the Client's account may trade after other accounts.

### **Aggregation and Allocation of Orders**

In an effort to achieve efficiencies in execution and reduce trading costs, DoubleLine Equity and its affiliates may aggregate securities transactions on behalf of a number of accounts at the same time. In addition, DoubleLine Equity may execute securities transactions alongside or interspersed between aggregated orders when DoubleLine Equity believes that such execution will not interfere with its ability to execute in a manner believed to be most favorable to its Clients as a whole and over time. DoubleLine Equity may exclude trades from aggregate orders for accounts that direct brokerage or that are managed, in part, for tax considerations.

When executing aggregate orders, trades will be allocated among accounts using procedures that DoubleLine Equity considers fair

and equitable. This can include making the allocation based on such considerations as diversification requirements, duration, investment objectives, Client contractual or regulatory investment guidelines and restrictions, existing or targeted account weightings in particular securities or sectors, lot size, account size, cash availability, amount of existing holdings (or substitutes) of the security in the accounts, investment time horizons and directed brokerage instructions, if applicable. These factors provide substantial discretion to DoubleLine Equity in allocating investment opportunities. In addition, DoubleLine Equity also may exclude certain accounts from an allocation if the size of the allocation would not satisfy certain minimum size thresholds established by DoubleLine Equity, a Client or by the issuer itself for operational reasons. Periodic reviews of Client and account performance are conducted to ensure that trade allocations occur fairly and equitably over time, even though a specific trade may have the appearance or the effect of benefiting one account as against another when viewed in isolation. Given all of the foregoing factors, the amount, timing, structuring, or terms of an investment by a Client may differ from, and performance may be lower than, investments and performance of other Clients, including those which may provide greater fees or other compensation (including performance-based fees or allocations) to DoubleLine. DoubleLine Equity has a Trading and Allocation Committee which oversees the trading and allocation process.



## Item 12: Brokerage Practices

### **Potential Conflicts Relating to Non-Discretionary Advisory Services**

DoubleLine Equity currently does not anticipate opening non-discretionary accounts, however it may manage non-discretionary accounts in the future. Discretionary and non-discretionary Clients may hold the same or similar securities. There may be timing differences related to the transmission of advice to a non-discretionary Client for consideration and that Client's determination of whether or not to act on the advice. As a result, trades may be executed with respect to securities for discretionary Clients in advance of executions for non-discretionary Clients, potentially disadvantaging the non-discretionary Clients.

It also is possible that DoubleLine Equity could discuss certain security trade possibilities with a non-discretionary Client to the exclusion of discretionary Clients, based on a series of factors such as, but not limited to, investment guidelines, investment criteria, size of the available position and the availability of cash to invest on the part of non-discretionary or discretionary Clients. Conceptually, a non-discretionary Client could reject the opportunity to purchase a security which then could be purchased for discretionary Client accounts based on similar factors.

## Item 13: Review of Accounts

### Item 13. Review of Accounts.

Responsibility for the review of DoubleLine Equity's Clients' accounts is divided among DoubleLine Equity's investment professionals according to the investment strategy of each account. Accounts are typically monitored and reviewed on an ongoing basis by the account managers, traders and risk analysts who handle the applicable strategy. The details of the monitoring vary based on the nature of the investment strategy.

Risk management reports are generated daily and are reviewed by account managers, traders, research analysts and risk management personnel for accuracy and relevancy. These reports have been customized in order to give the timeliest information in a format that allows for identification of the most important account risk characteristics. Accounts are reviewed at a macro level for weighted average account characteristics, such as but not limited to duration, yield, convexity, coupon, ratings distribution, security type and relative comparison to an index when and if applicable.

Additionally, discretionary trades for Client accounts are submitted through an automated trade compliance system ("Compliance Manager," "CMGR"), which monitors ongoing compliance with regulatory or contractual guidelines at the account level. Client investment guidelines and restrictions are entered into CMGR and incorporated into trade processing. CMGR is an integral component of Bloomberg Asset and Investment Manager (AIM), which is the trade order management system used by DoubleLine Equity. These investment guidelines

and restrictions are input as concentration, exclusion or manual rules. DoubleLine Equity's compliance department is responsible for ensuring the rules in Bloomberg AIM are accurate and reflect the most current information for each account.

DoubleLine Equity's compliance department also maintains a compliance grid of account guidelines, which lists all client investment guidelines and restrictions. This grid is distributed to the account managers, trading desk personnel and trade settlement personnel in order to prevent the inadvertent trading or settlement of a disallowed security. Whenever a guideline for an account is amended or DoubleLine receives a new account, this summary is redistributed to all appropriate parties. The compliance grid also is available to all investment personnel on a shared network drive.

Each separate account Client receives a monthly written report containing a list of all account investments (including both cost and market values of each investment) and a summary of the account's performance as of the most recent month-end. Accounts may be reviewed in person with separate account Clients at intervals selected by them, usually annually or quarterly. During those meetings, and at other times during the year or any time upon written notice, separate account Clients should inform DoubleLine Equity personnel of any material changes to their investment objectives or financial circumstances and will have the ability to impose reasonable restrictions on account investments, subject to acceptance by DoubleLine Equity. Such periodic reports describe the activities and provide information on investments of the Client's account.

## Item 13: Review of Accounts

Private Fund investors also may receive periodic written reports of their account information and annual written reports containing a fund's audited financial statements. Such reports are delivered by the applicable fund and not DoubleLine Equity.

DoubleLine prefers to deliver documents electronically and requests that its clients acknowledge their desire and ability to receive and open electronic documents. Consent to electronic delivery of documentation is generally part of a Client's account opening documents, but can be withdrawn at any time by the Client in accordance with the terms of the Client's particular agreement.

## Item 14: Client Referrals and Other Compensation



## Item 15: Custody

### Item 14. Client Referrals and Other Compensation.

No entity that is not a Client provides an economic benefit to DoubleLine Equity for providing investment advice or other advisory services to DoubleLine Equity's Clients.

From time to time, DoubleLine Equity may pay third-party solicitors a fee or compensation for referring a Client to DoubleLine Equity. In accordance with applicable laws and regulations, such third-party solicitor is required to provide prospective clients with a current copy of DoubleLine Equity's written disclosure statement and the third-party solicitor's written disclosure statement. DoubleLine Equity will obtain a signed and dated acknowledgement from each referred Client of the receipt of such disclosure statements, as required by Rule 206-4(3) under the Advisers Act. Such referral compensation typically is paid directly by DoubleLine Equity to the third party out of DoubleLine Equity's resources.

Many of DoubleLine Equity's Clients engage the services of consultants in connection with their choices of investments and investment managers. While not a current practice, compensation paid by DoubleLine Equity to consultants typically would be disclosed as indicated by the paragraph above and as required by applicable laws and regulations. DoubleLine Equity also may pay, from time to time, the costs for personnel of DoubleLine Equity to attend conferences, seminars and other activities that are sponsored by consultants.

### Item 15. Custody.

#### Separate Account Clients

DoubleLine Equity does not have possession of Client securities or cash (and cash equivalents). Separate account Clients independently select their own custodians for their securities and cash (and cash equivalents) and will receive periodic account statements from their chosen custodian, which should be carefully reviewed by Clients or their representatives. Because DoubleLine Equity also provides periodic written reports to its Clients (as described in Item 13), Clients should compare the written reports received from DoubleLine Equity to the periodic reports received from their custodian.

#### Private Fund Clients

Although DoubleLine Equity does not currently manage any Private Funds, it may do so in the future. Because of the requirements of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), DoubleLine Equity will be deemed to have custody of the assets in the Private Funds that it will manage. To comply with the Custody Rule, DoubleLine Equity intends that it or its Related Persons will:

- At least annually, distribute the Private Fund's audited financial statements (prepared in accordance with generally accepted accounting principles) to all limited partners, members or other beneficial owners, as applicable, within 120 days of the end of the fiscal year of the Private Fund;
- Ensure that such audits are conducted by an independent public accountant that is registered with, and subject to regular

## Item 15: Custody

## Item 16: Investment Discretion

inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules; and

- In the event of liquidation of the Private Fund, distribute the Private Fund's audited financial statements (prepared in accordance with generally accepted accounting principles) to all limited partners, members or other beneficial owners, as applicable, promptly after the completion of such audit.

DoubleLine Equity or its affiliates will provide written reports to investors in the Private Funds it offers or manages. Such investors are urged to compare the DoubleLine Equity reports to any reports received from the Private Fund's other service providers and also should compare the DoubleLine Equity reports to the independently prepared annual audited financial statements they receive.

### **Item 16. Investment Discretion.**

DoubleLine Equity accepts discretionary authority to manage accounts on behalf of Clients. The preferred method of implementing DoubleLine Equity's strategies is through the use of investment discretion. Clients typically grant investment discretion through investment guidelines provided within the investment management agreement. DoubleLine Equity's standard form of investment management agreement includes a limited power of attorney. Such limited power of attorney provides DoubleLine Equity with full discre-

tionary authority to buy, sell or otherwise effect investment transactions involving the assets of the account in a manner consistent with the written investment objectives and guidelines for the particular Client account.

Clients may opt to constrain DoubleLine Equity's discretionary ability to invest through contractual investment guideline limitations. This may affect the securities bought and sold for that Client's account and may impact the size of trades executed for other DoubleLine Equity clients, which itself has the potential to impact the price at which a security may transact. Such constraints also could affect the performance of the Client's account.

## Item 17: Voting Client Securities

## Item 18: Financial Information

## Item 19: Requirements of State-Registered Advisers

### Item 17. Voting Client Securities.

DoubleLine Equity's standard investment management agreement grants DoubleLine Equity the authority to vote proxies for securities held by Clients. When entering into an investment management agreement, each Client determines whether to grant DoubleLine Equity the authority to vote proxies for account securities. Clients may revoke DoubleLine Equity's authority to vote proxies or provide written instructions on how DoubleLine Equity should vote in particular solicitations. Clients that do not grant DoubleLine Equity the authority to vote securities should take steps to ensure that they receive solicitation information from their custodian. Clients may contact their DoubleLine Equity client service representative should they have any questions about proxy voting.

The determination of how to proxy vote Client account securities is made by DoubleLine Equity pursuant to its written proxy voting policies and procedures (the "Proxy Policy"), which have been adopted pursuant to Rule 206 (4)-6 under the Advisers Act. The Proxy Policy also applies to any voting rights and/or consent rights on behalf of Client account securities, including but not limited to, plans of reorganization and waivers and consents under applicable indentures. The Proxy Policy does not apply, however, to consent rights that DoubleLine Equity believes primarily entail decisions relating to the purchase or sale of investments, such as tender or exchange offers, conversions, put options, redemptions and Dutch auctions.

The Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting and consent rights are exercised in the best interests of the Clients and their investors. Under the Proxy Policy, DoubleLine Equity will review each proxy solicitation to determine whether there may be a material conflict between DoubleLine Equity and the applicable Client. If no conflict exists and if the Client has granted DoubleLine Equity authority to vote by proxy, DoubleLine Equity will vote the Client's securities on a case-by-case basis in the best interest of each Client under the circumstances, taking into account, but not necessarily being bound by, any recommendation made by any third-party vendor that has been engaged by DoubleLine Equity to provide recommendations on the voting of securities by proxy, any recommendations made by the applicable governing board of the issuer whose securities are being vote, and DoubleLine Equity's voting guidelines.

If a material conflict does exist, DoubleLine Equity will seek to resolve any such conflict in accordance with the Proxy Policy, which seeks to resolve such conflict in the Client's best interest by pursuing any one of the following courses of action: (i) voting in accordance with the voting guidelines or factors set forth in the Proxy Policy; (ii) convening a committee to assess and resolve the conflict; (iii) voting in accordance with the recommendation of an independent third-party service provider; (iv) voting in accordance with the instructions of the Client; or (v) not voting or abstaining from voting the securities.

In certain limited circumstances, particularly in the area of structured finance, DoubleLine Equity may

## Item 17: Voting Client Securities

## Item 18: Financial Information

## Item 19: Requirements of State-Registered Advisers

enter into voting agreements or other contractual obligations that govern the voting of shares or other interests and, in such cases, will vote any shares or other interests by proxy in accordance with such agreement or obligation.

In addition, where DoubleLine Equity determines that there are unusual costs and/or difficulties associated with voting a particular security, which more typically might be the case with respect to securities of non-U.S. issuers, DoubleLine Equity reserves the right not to vote a security by proxy unless it determines that the potential benefits of voting the security exceed the expected cost. Other factors that may influence DoubleLine Equity's determination not to vote a debt or equity security include if: (1) the effect on the applicable Client's economic interests or the value of the account's holding is insignificant in relation to the Client's account as a whole; (2) the cost of voting the security outweighs the possible benefit to the applicable Client, including, without limitation, situations where a jurisdiction imposes share blocking restrictions which may affect the ability of the account managers to effect trades in the related security; or (3) DoubleLine Equity otherwise has determined that it is consistent with its fiduciary obligations not to vote the security.

DoubleLine Equity will supervise and periodically review its proxy voting activities and implementation of the Proxy Policy.

Clients may request information about securities voted by proxy in their account by sending a written request to their DoubleLine Equity client service

representative. Except as required by law, DoubleLine Equity will not disclose to third-parties how it voted securities on behalf of a Client.

Copies of DoubleLine Equity's complete written Proxy Policy are available by calling DoubleLine Equity at (213) 633-8200.

### **Item 18. Financial Information.**

DoubleLine Equity does not require or solicit prepayment of fees from Clients. DoubleLine Equity has no financial condition that is reasonably likely to impair its ability to meet its contractual and fiduciary commitments to Clients. DoubleLine Equity has not been the subject of any bankruptcy proceeding.

### **Item 19. Requirements for State-Registered Advisers.**

Because DoubleLine Equity is not a state-registered adviser and is not in the process of registering with any state securities authority, Item 19 does not apply.



## Exhibit A to Brochure - Privacy Notice

### What Does DoubleLine Equity Do With Your Personal Information?

Financial companies choose how they share your personal information. This notice provides information about how DoubleLine Equity collects, shares, and protects your personal information, and how you might choose to limit DoubleLine Equity's ability to share certain information about you. Please read this notice carefully.

All financial companies need to share customers' personal information to run their everyday businesses. Accordingly, information, both confidential and proprietary, plays an important role in the success of DoubleLine Equity's business. However, DoubleLine Equity recognizes that you have entrusted it with your personal and financial data and that DoubleLine Equity has an obligation to keep this information secure. Maintaining your privacy is important to DoubleLine Equity and it holds itself to a high standard in its safekeeping and use of your non-public personal information. Most importantly, DoubleLine Equity does not sell its customers' non-public personal information to any third parties. DoubleLine Equity uses its customers' non-public personal information primarily to complete financial transactions that its customers request or to make its customers aware of other financial products and services offered by a DoubleLine Equity-affiliated company.

DoubleLine Equity may collect non-public information about you from the following sources:

- Information DoubleLine Equity receives about you on applications or other account documents and forms;
- Information you may give to DoubleLine Equity

or its affiliates orally;

- Information about your transactions with DoubleLine Equity or others;
- Information you submit to DoubleLine Equity in correspondence, including emails and other electronic or written communications; and
- Information about any bank account you use for transfers between your bank account and any investment account with DoubleLine Equity, including information provided when effecting wire transfers.

DoubleLine Equity does not disclose any non-public personal information about its customers or former customers without the customer's authorization, except that it may disclose the information listed above, as follows:

- It may be necessary for DoubleLine Equity to provide information to non-affiliated third parties in connection with its performance of the services DoubleLine Equity has agreed to provide you. For example, it might be necessary to do so in order to process transactions and maintain accounts.
- DoubleLine Equity will release any of the non-public information listed above about a customer if directed to do so by that customer or if DoubleLine Equity is authorized by applicable laws and regulations to do so, such as in the case of a court order, legal investigation, or other properly executed governmental request.

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*



## Exhibit A to Brochure - Privacy Notice

- In order to alert a customer to other financial products and services offered by an affiliate, DoubleLine Equity may share information with an affiliate, including companies using the DoubleLine Equity name. Such products and services may include, for example, other investment products offered by a DoubleLine Equity-affiliated company. If you prefer that DoubleLine Equity not disclose non-public personal information about you to its affiliates for this purpose, you may direct DoubleLine Equity not to make such disclosures (other than disclosures permitted by applicable laws and regulations) by calling (213) 633-8200. If you limit this sharing and you have a joint account, your decision will be applied to all owners of the account.

firm Brochure, please call (213) 633-8200.

DoubleLine Equity will limit access to your personal account information to those agents and vendors who need to know that information to provide products and services to you. Your information is not provided by DoubleLine Equity to non-affiliated third-parties for marketing purposes unrelated to DoubleLine Equity. DoubleLine Equity maintains physical, electronic, and procedural safeguards to guard your non-public personal information.

As required by federal law, DoubleLine Equity will annually notify customers of DoubleLine Equity's Privacy Policy. DoubleLine reserves the right to modify this policy at any time, but in the event that there is a material change, DoubleLine Equity will promptly inform you.

Please note that any terms in this Privacy Notice not defined herein shall have the same meaning as set forth in DoubleLine Equity's current firm Brochure. For a copy of DoubleLine Equity's current

## Exhibit B to Brochure

### Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, a representative of DoubleLine Equity will ask for your name, address, date of birth (if applicable), and other information that will allow the DoubleLine Equity representative to identify you. The DoubleLine Equity representative may also ask to see your driver's license or other identifying documents.

# Exhibit C to Brochure

## Description of Investment Strategies

| <b>Equities Growth</b>   | This strategy's objective is to seek long-term capital appreciation primarily from companies of any market capitalizations with above average growth prospects.   |
|--------------------------|---|
| <b>Mid Cap Growth</b>    | This strategy's objective is to seek capital appreciation by creating a diversified portfolio of approximately 40-60 securities.  |
| <b>Small Cap Growth</b>  | This strategy's objective is to seek capital appreciation primarily through equity investments in lesser-known, smaller companies that are experiencing improving fundamentals and above-average growth prospects on a long-term basis. |
| <b>SMID Cap Growth</b>   | This strategy's objective is to seek capital appreciation primarily through investments in high quality small and medium sized companies with superior earnings growth and attractive stock market valuations.                          |
| <b>Global Technology</b> | This strategy's objective is to seek long-term capital appreciation primarily through investments in equity securities of technology-related companies anywhere in the world  |

*This Brochure provides information about the qualifications and business practices of DoubleLine Equity. If you have any questions about the contents of this Brochure, please contact DoubleLine Equity at (213) 633-8200. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about DoubleLine Equity also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DoubleLine Equity® is a registered trademark of DoubleLine Equity LP.*