

# DoubleLine Capital LP

## Form ADV Part 2A

March 31, 2023

*This Brochure provides information about the qualifications and business practices of DoubleLine Capital LP ("DoubleLine"). If you have any questions about the contents of this Brochure, please contact DoubleLine® at (813)791-7333. 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 also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

DoubleLine Capital may refer to itself as a "registered investment adviser" or "**RIA**". You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

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IA Firm Number: 152606

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## Item 2. Material Changes

This Brochure, dated March 30, 2023, provides the following material updates to this Brochure since DoubleLine's last annual amendment on March 30, 2022. Other minor items, such as adding clarifying language, changes to formatting and corrections to typographical errors, also have been adjusted since the March 30, 2022 Brochure. Clients, prospects and other interested parties are encouraged to read the entire Brochure carefully. DoubleLine 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 may further provide you with other interim disclosures about material changes to the information in this Brochure as necessary. A copy of DoubleLine's current Brochure can be obtained by contacting your Client Services Representative at (813)791-7333 or visiting [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Capitalized terms within the document not otherwise defined shall have the same meanings assigned in the Glossary of Terms for Form ADV.

The following summarizes material updates to this Brochure since the Brochure dated March 30, 2022:

### **Item 4:**

DoubleLine's assets under management ("AUM") figure was updated to reflect total AUM of \$91,220,415,301 as of December 31, 2022.

### **Item 8:**

The following risk factors were updated in this Brochure: *Collateralized Debt Obligations ("CDO") Risk, Cyber Security Risk, Environmental, Social and Governance Considerations, Exchange-Traded Notes Risk, Investments in China, LIBOR Replacement, Market Disruption and Geopolitical Risk, and Mortgage-Backed Securities Risk.*

### **Exhibit A:**

DoubleLine's Privacy Notice was amended to reflect recent regulatory changes, including rules related to the California Privacy Rights Act.

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## Item 4. Advisory Business

### Ownership and Structure

DoubleLine Capital LP (also “DoubleLine Capital” or “DoubleLine”) was founded in December 2009. Jeffrey E. Gundlach serves as the Chief Executive Officer and Chief Investment Officer of DoubleLine. DoubleLine is a limited partnership organized under the laws of Delaware. Approximately 79% of DoubleLine’s limited partnership interests are owned by employees of the DoubleLine group. 1% of DoubleLine’s partnership interests are owned by DoubleLine Capital GP LLC, which is the general partner of DoubleLine. The remaining 20% of DoubleLine’s limited partnership interests are owned by one or more affiliates of Oaktree Capital Management, L.P.

### Advisory Services

DoubleLine provides a variety of investment management services to institutional clients, including corporate entities, pension plans, Undertakings for the Collective Investment of Transferable Interests (“UCITS”) funds, registered investment companies (each, a “Registered Fund”) and unregistered investment companies (each, a “Private Fund”), foundations as well as public and government entities. Included with the Registered Funds to which DoubleLine provides management services are the series of DoubleLine Funds Trust (the “Trust” and each series of the “Trust” a “DoubleLine Fund”), the DoubleLine Opportunistic Credit Fund (“DBL”), the DoubleLine Income Solutions Fund (“DSL”), and the DoubleLine Yield Opportunities Fund (“DLY”) which are further described in Item 10 of this Brochure. Certain of the Private Funds for which DoubleLine provides investment advisory services may be affiliated with DoubleLine because DoubleLine or its affiliates serve as the general partner (“DoubleLine Private Funds”). DoubleLine also provides investment advisory services to a limited number of high-net-worth individual clients (together with the aforementioned types of clients, “Clients”). In the case of such high-net-worth individual clients, DoubleLine’s investment advisory services are delivered in the form of a separate account.

DoubleLine 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. Clients who invest through separate accounts may impose reasonable restrictions on investment characteristics, subject to acceptance by DoubleLine. Examples of reasonable restrictions include, but are not limited to, account duration and average quality, asset types, security quality, allocation concentration and limitations on the use of leverage or derivatives. Clients that choose to engage DoubleLine for a non-discretionary relationship (of which there are currently none) generally will not achieve the same results as discretionary accounts for a variety of reasons. Clients and prospects are advised to carefully review the proposed guidelines for any investment strategy to review the securities and instruments generally used by DoubleLine when implementing that strategy.

The Private Funds, Registered Funds and UCITS funds for which DoubleLine serves as investment adviser are Clients of DoubleLine. The underlying investors in such Private Funds, Registered Funds, UCITS funds or any other investment companies for which DoubleLine serves as a sub-adviser or investment manager are *not* DoubleLine’s Clients unless they otherwise have an advisory relationship with DoubleLine. Accordingly, individual investors in Registered Funds and Private Funds managed by DoubleLine cannot

place such restrictions on the management of the Registered Funds or Private Funds in which they are invested.

### ERISA Restrictions

To the extent a Client account is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), the Client must inform us of any employer securities the Client is not permitted to own under ERISA. In addition, in order to rely on the class exemption for qualified professional asset managers, the Client must provide us with a list of any "party in interest" as defined in Section 3(14) of ERISA and every party with the authority to appoint or terminate DoubleLine as investment adviser or to negotiate the terms of an investment management agreement with DoubleLine with respect to the account.

Private Funds also may be subject to limitations indirectly imposed by ERISA. For example, Private Funds may be structured in a manner to permit tax-exempt Clients subject to ERISA to invest (*e.g.*, a master-feeder with structure with an offshore feeder fund).

By way of further example, under ERISA and regulations promulgated thereunder (the "Plan Asset Regulations"), when a Benefit Plan Investor (defined below) acquires an equity interest in an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940 (the "1940 Act"), the Benefit Plan Investor's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interest in the entity is held by Benefit Plan Investors as defined in Section 3(42) of ERISA and the Plan Asset Regulations (the "25% Test"), or that the entity satisfies another exception set forth in ERISA or the Plan Asset Regulations. For purposes of the 25% Test, the assets of an entity will not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by Benefit Plan Investors, excluding any equity interest held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term Benefit Plan Investors is generally defined to include employee benefit plans subject to Title I of ERISA and plans subject to Section 4975 of the Code (including "Keogh" plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of such employee benefit plans or a plan's investment in such entity (*e.g.*, an entity of which 25% or more of the value of any class of equity interests is held by Benefit Plan Investors and which does not satisfy another exception under ERISA). The general partner of each Private Fund intends to use reasonable efforts to limit equity participation by Benefit Plan Investors in the master fund (if applicable) of each Private Fund to less than 25% of the aggregate capital contributions as described above so that the underlying assets of such master fund will not constitute "plan assets" of any Benefit Plan Investor. However, there can be no assurance that, notwithstanding the reasonable efforts of the applicable general partner, the underlying assets of the master fund or a Private Fund will not otherwise be deemed to include plan assets.

### Types of Investments

DoubleLine offers a variety of fixed income investment strategies through separate accounts, as well as Registered Funds and Private Funds, that utilize fixed income securities and other instruments (all of which are referred to throughout this Brochure as "securities") that include, but are not limited to:

- Mortgage-Backed Securities and other structured products, such as Collateralized Debt Obligations (CDOs), Collateralized Loan Obligations (CLOs), Real Estate Mortgage Investment Conduits (REMICs), Collateralized Mortgage Obligations (CMOs), interest only and principal only securities.
- Agency and non-agency Residential Mortgage-Backed Securities (RMBS)
- Commercial Mortgage-Backed Securities (CMBS), including B-Piece investments
- Asset-Backed Securities (ABS)
- Corporate and Asset-Backed Commercial Paper and other money market or short-term debt instruments
- Corporate debt securities
- Municipal securities
- Preferred stock and capital securities
- U.S. government securities
- Obligations of foreign governments or their subdivisions, agencies and instrumentalities
- Obligations of foreign corporate issuers
- Bank loans, loan participations and assignments
- Mezzanine debt securities
- Financing instruments related to debtor-in-possession arrangements, restructurings, workouts, insolvencies or bankruptcies
- Direct loans to borrowers for real estate transactions (currently offered only through a Private Fund)
- Repurchase agreements and reverse repurchase agreements
- Privately placed, Regulation S and Rule 144A securities
- Structured notes
- Unrated securities
- Whole Loans

DoubleLine also offers to certain Clients strategies that involve multiple asset classes, which use securities and other instruments that may include the above list of fixed income securities and other instruments, but may also include:

- Common stock
- 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 may use certain leveraging and hedging techniques, including selling securities short or using derivatives, such as swaps, futures and options or the use of reverse repurchase agreements.

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

#### *Wrap Fee Programs*

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

#### *Assets Under Management*

As of December 31, 2022, DoubleLine managed approximately \$91,220,415,301 of Client assets, all of which was managed on a discretionary basis. No Client assets were managed on a non-discretionary basis.



## Item 5. Fees and Compensation

Depending on the strategy and the size of a specific Client's separate account, DoubleLine's annualized fees for managing a separate account typically will be between 0.15% and 1.50% of the net assets of the account. In certain instances, DoubleLine's annualized fees for providing certain strategies or managing certain products in a separate account or in a Private Fund 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'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 investment products, even if the products use the same strategy. For example, DoubleLine may apply the same investment strategy to both a Registered Fund and a Private Fund, but receive different advisory fees from each vehicle, due in part to the different costs incurred by DoubleLine in managing such investment products.

DoubleLine typically invoices each Client 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, although the payment schedule for sub-advisory relationships with Registered Funds typically is monthly. In general, Clients are able to negotiate the method and mode of payment of the advisory fee to DoubleLine. Clients also may choose to have the calculation of their fee be based upon the custodial or DoubleLine valuation of their assets; these two valuations may differ and DoubleLine reserves the right to review fees calculated based upon custodial valuations. DoubleLine's valuation generally is dependent upon third party pricing services, whose evaluated prices generally reflect institutional sized security lots. In certain instances, DoubleLine may be providing fair values when supplying inputs to valuations for Client statements, which are in turn occasionally used to calculate DoubleLine's fees. Such values potentially can differ from the valuations for the same security provided on the Client's custodial statement. **DoubleLine does not charge fees in advance.**

DoubleLine's standard investment management contract generally requires DoubleLine 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, operational, compliance, clerical, statistical, and correspondence functions. Clients typically pay for other service providers directly, but if DoubleLine makes payment to such third-parties on behalf of the Client, the Client will reimburse DoubleLine for such expenses attributable to the Client's assets under management, which may include: (i) legal, accounting, custodial, appraisal, auditing and other professional fees (for a Private Fund, such expenses may include costs incurred with respect to the Private Fund related to the completion of Form PF); (ii) brokerage commissions, mark-ups or mark-downs, issue and transfer taxes, deferred sales charges, odd lot differentials, 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's advisory fee and DoubleLine shall not receive any portion of commissions, fees and costs charged by such third parties. Clients may incur custodial costs. DoubleLine 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 by a Client generally is calculated based on the average of the beginning and ending market value of the Client's account (in the case of separate accounts) or the fund (in the case of Registered Funds and Private Funds) for the most recent quarter. Contributions or withdrawals from the Client's account generally will be pro-rated for the period the assets were under management, or as otherwise specified in the Client's investment management contract. To the extent that a Client's account with DoubleLine is in existence less than a full quarter, DoubleLine's standard investment advisory agreements state that the advisory fee will be pro-rated for the days the account did exist. Furthermore, DoubleLine 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 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 in accordance with its internal policies and procedures and in its reasonable discretion. Clients should be aware that their custodial valuations may differ from DoubleLine's valuations.

Specific fee information, which is subject to negotiation on a case-by-case basis, for DoubleLine's current investment strategies are listed in the table below. DoubleLine 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 on the next page.

DoubleLine has entered into an errors and omissions/directors and officers insurance policy with a number of insurers. Such policies are joint policies with the Registered Funds and the Private Funds. DoubleLine engages an independent third party to assess the allocation of such costs. These expenses are indirect expenses partially borne by investors in the Registered Funds and Private Funds.

Investment Strategy	General Minimum Account Size Fee Structure	
	Assets Under Management	Advisory Fee (basis points)
<b>Core Plus Fixed Income</b>	Separate Account: \$100 million	25 bps
	Collective Investment Trust: \$10 million	First \$100MM: 27.5 bps Over \$100MM: 25 bps Other Expenses: 8 bps
<b>Emerging Markets Fixed Income</b>	\$50 million	65 bps
<b>Flexible Income</b>	\$100 million	45 bps
<b>Floating Rate</b>	\$50 million	50 bps
<b>Global Bond</b>	\$50 million	50 bps
<b>Income</b>	\$100 million	50 bps
<b>Infrastructure Income</b>	\$50 million	50 bps
<b>Long Duration Total Return</b>	Separate Account: \$100 million	35 bps
	Collective Investment Trust: \$10 million	Management Fee: 35 bps Other Expenses: 8 bps
<b>Low Duration</b>	\$100 million	25 bps
<b>Low Duration Emerging Markets Fixed Income</b>	\$50 million	50 bps
<b>Mortgage Opportunities</b>	\$250 million	150 bps + 15% incentive fee (over 7% hurdle)
<b>Multi-Asset Growth</b>	\$100 million	95 bps
<b>Opportunistic Core Plus Fixed Income</b>	\$100 million	35 bps
<b>Opportunistic CRE Debt Strategy</b>	\$100 million	150 bps + 15% incentive fee (over 7% hurdle)
<b>Opportunistic Income</b>	\$100 million	125 bps with 15% incentive fee
<b>Securitized Income</b>	\$100 million	35 bps

<b><i>Shiller Enhanced CAPE®</i></b>	\$100 million	45 bps
<b><i>Shiller Enhanced International CAPE®</i></b>	\$100 million	50 bps
<b><i>Short Intermediate</i></b>	\$100 million	25 bps
<b><i>Strategic MBS</i></b>	\$100 million	First \$100MM: 100 bps Over \$100 MM: 85 bps
<b><i>Total Return</i></b>	Separate Account: \$100 million	40 bps
	Collective Investment Trust: Negotiable	Management Fee: 30 bps <i>Other Expenses: 7 bps</i>
<b><i>Total Return Tactical</i></b>	\$100 million	30 bps
<b><i>US Government</i></b>	\$100 million	20 bps

***Certain strategies may be available only through Private Funds. Qualified and eligible investors may request a copy of the offering documents for a Private Fund, which must be carefully reviewed before submitting an investment application to DoubleLine.***

***Neither DoubleLine 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). DoubleLine has not developed a fee schedule for all of its strategies; please contact your DoubleLine 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.***

DoubleLine may enter into performance fee arrangements with certain Clients (including Private Funds), 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. The DoubleLine Private Funds generally pay DoubleLine both a management fee and a performance fee. The advisory fees paid to DoubleLine by the DoubleLine Private Funds are set forth in the offering documents provided to investors in the DoubleLine Private Funds.

DoubleLine may receive reimbursement from the DoubleLine Funds for certain expenses incurred on behalf of the DoubleLine Funds related to distribution. For additional information, investors should read the DoubleLine Funds’ offering documents. Any such reimbursement arrangements will comply with applicable law.

DoubleLine also provides discretionary investment management services to certain Registered Funds, including the DoubleLine Funds. Each Registered Fund’s offering documents include information about the fees and expenses paid by the Registered Fund. Management fees and any additional compensation

paid to DoubleLine may be waived by DoubleLine, voluntarily and/or on a contractual basis. Contractual management fee waivers are generally negotiated between DoubleLine and a Registered Fund's Board of Trustees, sponsor or similar governing body, and are not negotiated with a Registered Fund's individual investors. Therefore, it is the intent of the investment management agreements between the DoubleLine Funds (or other Clients) and DoubleLine that no person other than the applicable DoubleLine Fund (or other Client) and DoubleLine shall be entitled to any right or benefit arising under or in respect of such investment management agreements. That is, there are no third-party beneficiaries of any of DoubleLine's investment management agreements. DoubleLine may receive additional compensation for administrative or other services provided to Registered Funds.

DoubleLine's fees may take into account, among other things, a separate account's investment strategy, the amount or type of account discretion given to DoubleLine Capital, the separate account's client servicing requirements, the assets under management aggregated across the Client's relationship with DoubleLine and the nature of the separate account. With respect to separate accounts over which we have investment discretion, if we agree with a Client to use Client assets on which we charge an asset-based management fee to purchase interests in Registered Funds or Private Funds, we generally will rebate a portion of the separate account fees back to the Client in an amount equal to the management fee attributable to the amount of the Client assets invested in the Registered Fund or Private Fund, unless otherwise agreed or disclosed to the Client. Clients whose guidelines enable investments in mutual funds, including the DoubleLine Funds, may bear certain mutual fund expenses. All such arrangements are individually negotiated with Clients.

DoubleLine is an investment adviser to the DoubleLine Private Funds, the Registered Funds and UCITS funds. As such, those entities are Clients of DoubleLine. The underlying investors in the DoubleLine Private Funds, Registered Funds, UCITS funds or any other investment companies for which DoubleLine serves as a sub-adviser or investment manager are *not* DoubleLine's Clients unless they otherwise have an advisory relationship with DoubleLine. Accordingly, investors in the Private Funds, Registered Funds, UCIT Funds or any other investment companies for which DoubleLine serves as a sub-adviser or investment manager generally are not able to negotiate management fees or other terms, although in limited circumstances investors in Private Funds may enter into side letter arrangements with respect to certain investment terms.

As further described in Item 11 of this Brochure, DoubleLine and its affiliates expect to engage in loan origination, mortgage lending and servicing, and underwriting processes, or have entered into business arrangements with other vendors that provide such services, and, as compensation for such services, are entitled to receive certain percentages of lending, origination, servicing and/or underwriting fees and expenses.

## Item 6. Performance-Based Fees

DoubleLine 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 separate accounts with certain investment strategies (*i.e.*, investment in partnership interests and structured products, such as the Opportunistic Income or Opportunistic CRE Debt investment Strategies). DoubleLine also may receive performance-based fees in connection with the advisory services it provides to certain of the DoubleLine Private Funds. Certain of performance-based fees may be paid to the general partner of various DoubleLine Private Funds. All advisory fees, including any performance fees, are set forth in the applicable advisory agreement documentation between each Client and DoubleLine. Clients also may opt to pay a performance-based fee rather than a fee based on a percentage of Client assets managed by DoubleLine.

DoubleLine also manages separate accounts or mutual funds with strategies similar or identical to the strategies pursued in other accounts or by the DoubleLine Private Funds. These separate accounts typically pay an asset-based advisory fee, as described in Item 5 above. 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. However, in the market for fixed income securities, there are limited opportunities for short-term profits through bond trading, which mitigates the potential that a single account could be favored over another. DoubleLine 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's various Client accounts of DoubleLine's trading strategies. By design, the DoubleLine Private Funds tend to pursue strategies that are riskier than other similar strategies offered by DoubleLine. Certain securities may be allocated to these riskier strategies because of their characteristics. However, performance-based fee arrangements may create an incentive for DoubleLine 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 has implemented policies and procedures, including its Code of Ethics, that are reasonably designed to address these and other conflicts of interest. DoubleLine will seek to manage potential conflicts of interest in good faith, and subject to the provisions of the governing documents of the affected accounts, DoubleLine will be guided by its fiduciary duties to its Clients on any matter involving a conflict of interest.

## Item 7. Types of Clients

DoubleLine typically provides investment advice to institutional Clients such as registered investment companies (including Registered Funds), pension plans (both public and private, and including ERISA plans), endowments, foundations, insurance companies, corporations and other business entities, charitable organizations, family offices, private investment partnerships and limited liability companies (including Private Funds). DoubleLine also provides investment advice to a limited number of high-net-worth individuals.

DoubleLine typically does not accept separate account mandates smaller than \$50 million and may require Clients with separate accounts to maintain a minimum level of assets in the account. Please refer to the table in Item 5 for more details regarding minimum account sizes and fee schedules by strategy. Accounts for certain investment strategies may have a higher or lower minimum account size requirement. DoubleLine reserves the right in its sole discretion, subject to the conditions of a negotiated investment advisory agreement between DoubleLine and a specific Client or, in limited circumstances, an underlying fund investor, to waive any account [or investment] minimum size requirements.

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

DoubleLine manages various security types within multiple sectors of the securities markets. Each sector's investment team uses different methods of analysis in determining which securities, security types, asset classes or industries or sectors in which to invest at any given time in the market cycle. The following summarizes the basic methods used by DoubleLine's investment teams.

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

- Analysis of security structures, and especially with regard to mortgage-backed securities or loans, cash flows across multiple interest rates and credit scenarios;
- Analysis of mortgage prepayment rates, using in-house and third-party analytic tools and databases;
- Country risk analysis, including consideration of global trading relationships such as Free Trade Agreements;
- Analysis of political, economic or social risks;
- Analysis of geological, reserve engineering, environmental and consultant reports;
- Use of analytical systems developed and maintained in house;
- Credit analysis based upon debt payment history, security details, issuer profiles, strength of management, market interest rates, general market conditions, credit metrics and other similar factors;
- Analysis of monthly compliance statements from issuers, trustees or mortgage servicers; and
- Analysis of discounted cash flows and discussions with third-parties such as tenants, surveyors, engineers, environmental consultants, local brokers, attorneys and hotel operators.

In addition to the foregoing, DoubleLine may also apply Environmental, Social and Governance criteria to its management of an account, as further described below.

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

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.

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

- Long-term purchases (investments held at least one year);
- Short-term purchases (investments 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 of various kinds;
- Borrowing or leverage transactions (including reverse repurchase agreements);
- Lending of account securities (including repurchase agreements); and
- Forward transactions (including securities or currency forward contracts, when issued and delayed delivery transactions).

Because DoubleLine's primary investment approach involves long-term investment, DoubleLine generally does not consider the tax impact or tax implications of any of the investments made on behalf of its Clients. However, DoubleLine is capable of managing tax-efficient accounts within any of the investment strategies listed in Item 5 above, provided that certain information can be provided by a prospective client regarding their needs.

## Material Risks

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

DoubleLine primarily is a fixed income investment manager, although it manages other strategies. The material risks of the strategies pursued by DoubleLine are described below. ***All of DoubleLine's investment 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.***

Many of DoubleLine's strategies are offered through Registered Funds, UCITS funds or Private Funds. Prospective or current investors in those pooled vehicles should refer to the respective offering documents for those investment vehicles for a more detailed description of the applicable risks. The material risks discussed below are qualified in their entirety by reference to risk disclosures found in the offering documents for the Registered Funds, UCITS funds or Private Funds, if applicable, 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 investment vehicles, absent a separate advisory relationship with DoubleLine, are *not* DoubleLine's Clients.

DoubleLine offers advice on a wide range of fixed income debt strategies and instruments, as well as multi-asset strategies. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to changing perceptions about the creditworthiness of individual issuers (including governments), counterparty risk, prepayment risk or broader changes to the economic environment that may affect future cash flows. Such investments will always be exposed to certain risks that cannot be hedged. DoubleLine is not obligated to seek to hedge against any risk, including fluctuations in the value of investments as a result of changes in market, principal, credit, interest rate, counterparty or currency risk or any other developments. Additionally, ongoing regulatory changes related to the creation and trading of securities in the fixed income markets may create unforeseeable risks.

In valuing separate accounts at month end for invoicing and Client statement purposes, DoubleLine applies its pricing and valuation procedures, which generally assign prices to securities based upon values obtained from pricing vendors independent of DoubleLine. Such prices are indicative of the price that could be received in the marketplace if transacted on the day the portfolio is valued and in a position size considered to be standard for that security type. Accounts containing smaller security pieces may not realize these prices when securities are sold because the position size may be too small to draw sufficient interest in the marketplace. Clients are encouraged to consider investing in Registered Funds or Private Funds if their account is near or below DoubleLine's minimum account sizes.

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

The material risks generally associated with DoubleLine's strategies and managed instruments are described below. Other risks that are not material also apply. 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 the risks listed will pertain to every account because certain risks may only apply to certain strategies. Additionally, certain Clients may experience risks not disclosed in this Brochure because of investment approaches or strategies requested via investment guidelines that the Client approved.

Please contact your DoubleLine representative for more information regarding the risks related to your particular account or if you have questions about any of these risks.

**Affiliated Fund Risk:** DoubleLine is subject to conflicts of interest in determining whether to invest Client assets in a fund managed by DoubleLine or in a fund managed by an unaffiliated manager and typically will 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.

**Asset-Backed Securities Risk:** If the value of the collateral underlying a security in which an account invests, such as non-payment of loans, becomes impaired, that could result in a reduction in the value of the security and therefore the performance of the account.

**Capital Control Risk:** Capital controls are residency-based measures such as transaction taxes, other limits, or outright prohibitions that a nation's government can use to regulate flows from capital markets into and out of the country's capital account. These measures may be economy-wide, sector-specific (usually the financial sector), or industry specific (for example, "strategic" industries). They may apply to all flows, or may differentiate by type or duration of the flow (debt, equity, direct investment; short-term vs. medium- and long-term).

Types of capital control include exchange controls that prevent or limit the buying and selling of a national currency at the market rate, caps on the allowed volume for the international sale or purchase of various financial assets, transaction taxes, minimum stay requirements, requirements for mandatory approval, or even limits on the amount of money a private citizen is allowed to remove from the country.

**Cash Position Risk:** An account may hold any portion of its assets in cash, cash equivalents, or other short-term investments at any time or for an extended time. DoubleLine will determine the amount of an account's assets to be held in cash or cash equivalents at its sole discretion, based on such factors as it may consider appropriate under the circumstances. To the extent that an account holds assets in cash or is otherwise uninvested, an account's ability to meet its objective may be limited.

**Collateralized Debt Obligations ("CDO") Risk:** An account may invest in CDOs, which are a type of asset-backed security, and include Collateralized Bond Obligations ("CBOs"), Collateralized Loan Obligations ("CLOs"), and other similarly structured securities. A CBO is a trust which may be backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. CDOs may charge management fees and administrative expenses. The cash flows from the CDO trust are generally split into two or more portions, called tranches, varying in risk and yield. Senior tranches are paid from the cash flows from the underlying assets before the junior tranches and equity or "first loss" tranches. Losses are first borne by the equity tranches, next by the junior tranches, and finally by the senior tranches. Senior tranches pay the lowest interest rates but are generally safer investments than more junior tranches because, should there be any default, senior tranches are typically paid first. The most junior tranches, such as equity tranches, typically are due to be paid the highest interest rates but suffer the highest risk should the holder of an underlying loan default. If some loans default and the cash collected by the CDO is insufficient to pay all of its investors, those in the lowest, most junior tranches suffer losses first. Since it is partially protected from defaults, a senior tranche from a CDO trust typically has higher ratings and lower potential yields than the underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, more senior CDO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults and aversion to CDO securities as a class. The risks of an investment in a CDO depend largely on the quality and type of the collateral and the tranche of the CDO in which an account invests. Normally, CBOs, CLOs and other CDOs are privately offered and sold, and thus are not registered under the securities laws. As a result, investments in CDOs may be characterized by DoubleLine as illiquid securities; however,

an active dealer market, or other relevant measures of liquidity, may exist for CDOs allowing a CDO potentially to be deemed liquid by DoubleLine under its liquidity compliance policies. In addition to the risks associated with debt instruments (*e.g.*, interest rate risk and credit risk), CDOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that a Client's account may invest in CDOs that are subordinate to other classes (potentially including classes held by other DoubleLine accounts); and (iv) the complex structure of the security may produce disputes with the issuer or unexpected investment results. In addition, Registered Funds in which other registered funds invest pursuant to Rule 12d1-4 under the 1940 Act may be limited in their ability to invest in CDOs that rely on certain exemptive provisions under the 1940 Act, which could affect DoubleLine's ability to fully execute such Registered Funds' strategies.

**Commercial Paper Risk:** Investments in commercial paper are subject to the risk that the issuer cannot issue enough new commercial paper to satisfy its obligations with respect to its outstanding commercial paper, also known as rollover risk. Commercial paper is generally unsecured, which increases the credit risk associated with this type of investment.

**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. See Item 10 under [Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor Affiliations](#) for additional information.

**Concentration Risk:** Concentrating investments potentially increases the risk of loss because the securities of many or all of the companies may decline in value due to developments adversely affecting the industries in which they operate. This effect is more pronounced in accounts that are sized below DoubleLine's recommended account size for each strategy, although this risk can exist in accounts above DoubleLine's recommended account size for any given strategy.

**Confidential Information Access Risk:** The risk that the intentional or unintentional receipt of material, non-public information ("Confidential Information") by DoubleLine could limit its ability to sell certain investments held by a Client or pursue certain investment opportunities on behalf of a Client, potentially for a substantial period of time. Also, certain issuers of floating rate loans or other investments may not have any traded securities ("Private Issuers") and may offer private information pursuant to confidentiality agreements or similar arrangements. DoubleLine may access such private information, while recognizing that the receipt of that information could potentially limit its ability to trade in certain securities on behalf of the Client if the Private Issuer later issues publicly traded securities. In addition, in circumstances when DoubleLine declines to receive Confidential Information from issuers of floating rate loans or other investments, a Client may be disadvantaged in comparison to other investors, including with respect to evaluating the issuer and the price a Client would pay or receive when it buys or sells those investments. In managing a Client's account, DoubleLine may, in its discretion, seek to avoid the receipt of Confidential Information about the issuers of floating rate loans or other investments being considered for acquisition by the Client or held in the Client's portfolio if the receipt of the Confidential Information would restrict one or more Clients, including, potentially, the Client, from trading in securities they hold or in which they may invest. Avoidance of Confidential Information may also limit DoubleLine's ability to pursue certain investment opportunities on behalf of a Client. DoubleLine may be in possession of

Confidential Information that, due to its nature and applicable laws and regulations, cannot be shared with certain or all of its Clients. In such cases, DoubleLine is unable to share or trade on this information, which may limit DoubleLine's ability to fully execute a Client's investment strategy.

**Convertible Securities Risk:** Convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, a convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price". The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations.

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

**Credit Default Swaps Risk:** Credit default swaps may involve greater risks than investing in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk, counterparty risk and credit risk. A buyer will lose its investment and recover nothing should no event of default occur. If an event of default were to occur, the value of the reference obligation received by the seller (if any), coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the seller. When a Client acts as a seller of a credit default swap, it is exposed to many of the same risks of leverage described herein since if an event of default occurs the seller must pay the buyer the full notional value of the reference obligation.

The market for credit default swaps has become more volatile in recent years as the creditworthiness of certain counterparties has been questioned and/or downgraded. If a counterparty's credit becomes significantly impaired, multiple requests for collateral posting in a short period of time could increase the

risk that a Client may not receive adequate collateral. A Client may exit its obligations under a credit default swap only by terminating the contract and paying applicable breakage fees, or by entering into an offsetting credit default swap position, which may cause a Client to incur more losses.

**Credit Risk:** An issuer may default in the payment of principal and/or interest on a security. Debt securities are subject to varying degrees of credit risk, which are often, but not always, reflected in credit ratings.

**Cyber Security Risk:** With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment advisers such as DoubleLine and its service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of DoubleLine or its third party service providers, Client's custodians and/or its third party service providers may adversely impact DoubleLine and its Clients. Although DoubleLine or its service providers may have established business continuity plans and systems designed to guard against such cyber-attacks or adverse effects of such attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified, in large part because different unknown threats may emerge in the future. Changes in regulations applicable to DoubleLine's business may also require DoubleLine to change or enhance its cybersecurity program, which could temporarily increase the possibility of cybersecurity breaches or events while those changes are being implemented. Compliance with such changes may result in expenses that reduce investment performance.

**Debt Securities Risk:** In addition to certain of the other risks described herein, such as credit risk, extension risk or interest rate risk, debt securities generally also are subject to the following risks:

- **Redemption Risk**—Debt securities sometimes contain provisions that allow for redemption in the event of tax or security law changes in addition to call features at the option of the issuer. In the event of a redemption, an account may not be able to reinvest the proceeds at comparable rates of return.
- **Liquidity Risk**—Certain debt securities may be substantially less liquid than many other securities, such as U.S. Government securities or common shares or other equity securities.
- **Spread Risk**—Wider credit spreads and decreasing market values typically represent a deterioration of the debt security's credit soundness and a perceived greater likelihood or risk of default by the issuer.
- **Limited Voting Rights**—Debt securities typically do not provide any voting rights, except in cases when interest payments have not been made and the issuer is in default. Even in such cases, such rights may be limited to the terms of the debenture or other agreements.

**Defaulted Securities Risk:** Defaulted securities risk refers to the uncertainty of repayment of defaulted securities and obligations of distressed issuers. Because the issuer of such securities is in default and is likely to be in distressed financial condition, repayment of defaulted securities and obligations of

distressed issuers (including insolvent issuers or issuers in payment or covenant default, in workout or restructuring or in bankruptcy or insolvency proceedings) is subject to significant uncertainties. Insolvency laws and practices in emerging market countries are different than those in the U.S. and the effect of these laws and practices cannot be predicted with certainty. Investments in defaulted securities and obligations of distressed issuers are considered highly speculative.

**Derivatives Risk:** Derivatives are subject to a number of risks described elsewhere in this Brochure, such as liquidity risk, issuer risk, credit risk, interest rate risk, leverage risk, counterparty risk, management risk and, if applicable, smaller company risk. Derivatives also involve the risk of mispricing or improper valuation, the risk of unfavorable or ambiguous documentation, and the risk that changes in the value of a derivative may not correlate perfectly with an underlying asset, currency, interest rate or index. If a Client account invests in a derivative instrument, it could lose more than the principal amount invested. Suitable derivatives transactions may not be available in all circumstances and there can be no assurance that DoubleLine will engage in these transactions to reduce exposure to other risks when such transaction activity would be beneficial.

The use by an account of derivatives such as options, forwards or futures contracts, or short sales, may subject an account to risks associated with short economic exposure. Taking a short economic position through derivatives exposes an account to the risk that it will be obligated to make payments to its counterparty if the underlying asset appreciates in value, resulting in a loss to an account. An account's loss on a short position theoretically could be unlimited.

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.

***Risks Related to Derivatives Clearing Brokers and Central Clearing Counterparties:***

Recent changes to the Commodity Exchange Act ("CEA") require swaps and futures clearing brokers registered as "futures commission merchants" to segregate all funds received from customers with respect to any orders for the purchase or sale of U.S. domestic futures contracts and cleared swaps from the brokers' proprietary assets. If the DoubleLine strategy in which you are invested or intend to invest involves the use of futures contracts or cleared swaps, you are encouraged to speak with your DoubleLine representative about the associated risks of the use of central clearing counterparties for such trades.

**Economic and Market Conditions:** Certain countries have experienced outbreaks of infectious illnesses and may be subject to other public health threats, infectious illnesses, diseases or similar issues in the future. Any spread of an infectious illness, public health threat or similar issue could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the economies of the affected country and other countries with which it does business, which in turn could adversely affect a Client account's investments in that country and other affected countries.

**Economic Risk of Global Health Events:** Economic, political, and financial conditions or industry or economic trends or developments may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets, including the fixed-income market. The commencement, continuation or ending of government policies and economic stimulus programs, changes in money policy, increases or decreases in interest rates, war, acts of terrorism, recessions, or



other actual or perceived factors or events that affect the financial markets, including the fixed-income markets, may contribute to the development of or increase in volatility, illiquidity, shareholder redemptions, and other adverse effects that could negatively impact an investment strategy's performance. Similarly, the impact of any epidemic, pandemic or natural disaster, or widespread fear that such events may occur, could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the prices and liquidity of the securities and other instruments in which an account invests, which in turn could negatively impact the account's performance and cause losses on your investment in the account. Recent examples include pandemic risks related to a coronavirus (COVID-19) and aggressive measures taken worldwide in response by governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines of large populations, and by businesses, including changes to operations and reducing staff. The impact of the COVID-19 pandemic may last for an extended period of time and could result in a substantial economic downturn or recession. In addition, COVID-19 or similar viral pandemics could come in additional, unexpected waves that have volatile, rapid and unpredictable impacts on the supply and demand for goods and services and the availability of labor, which can lead to price volatility of investments.

**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.

**Environmental, Social and Governance ("ESG") Considerations:** DoubleLine, along with other advisers within the DoubleLine group, has adopted an ESG Investment Policy (the "ESG Policy") in furtherance of the respective investment objectives of the Registered Funds and certain other accounts and for the purpose of (1) gaining a more holistic view of relevant investment risks; (2) understanding the potential drivers of performance; and (3) making better-informed decisions. Under the ESG Policy, when considering a new investment, DoubleLine will, subject to other account limitations, integrate the consideration of one or more ESG factors alongside other non-ESG factors (e.g., financial attributes). Such ESG factors are generally (1) no more significant than non-ESG factors, and (2) may or may not be determinative when making investment decisions. DoubleLine does not use exclusionary screens that restrict investments in particular issuers except as may be required by law, such as in the case of issuers subject to governmental or other similar sanctions.

When evaluating a new investment, DoubleLine conducts a qualitative and/or quantitative assessment of relevant ESG factors that may impact the investment's risk-return profile. As part of this assessment, DoubleLine has established a proprietary research framework to score certain issuers with respect to ESG attributes that may have a potential financial impact on the issuer. Each scored issuer is assigned an environmental score, a social score, and a governance score, with the scoring based on whether the issuer is determined to be subject to material environmental, social, or governance risks that may negatively impact credit quality and/or valuations and/or whether the issuer is believed to not be sufficiently mitigating such risks. DoubleLine may assess, but does not score, issuers within certain sectors, such as sovereign debt and emerging market securities. Additionally, DoubleLine may not assess an issuer for ESG factors altogether if sufficient relevant or reliable information is not readily available. Further, investments in U.S. Treasury securities, collateralized loan obligations, commodities and derivative instruments (irrespective of the reference asset) are not assessed for ESG factors. Certain Registered

Funds invest significantly in indices or have significant exposure to commodities (such as energy commodities); DoubleLine generally does not assess those indices (or their components) or commodities for these purposes.

A preliminary ESG assessment may lead to a determination that (1) known ESG factors may have a limited impact on the economics or valuation of the broader asset class or (2) modifying an account's portfolio to mitigate ESG risks or to take advantage of ESG-related opportunities may be inconsistent with the account's investment objective or DoubleLine's fiduciary duties. In such cases, DoubleLine might not take any action based on the results of the preliminary ESG assessment or conduct any further ESG assessment. For example, for investments that generally have pre-determined financial terms, such as fixed income investments, the opportunities to realize the value created by positive ESG factors may be limited.

ESG factors tend to have many subjective characteristics, can be difficult to analyze, and frequently involve a balancing of a company's business plans, objectives, actual conduct and other factors. ESG factors can vary over different periods and can evolve over time. They may also be difficult to apply consistently across regions, countries, industries or sectors. For these reasons, ESG standards may be aspirational and tend to be stated broadly and applied flexibly. In addition, investors and others may disagree as to whether a certain company satisfies ESG standards given the absence of generally accepted criteria and given inconsistencies in reporting by issuers. Implementation of DoubleLine's ESG Policy will vary depending on asset type, and the specific method of implementation is determined by the applicable portfolio management team. There can be no guarantee that a company that a portfolio manager believes to meet one or more ESG standards will actually conduct its affairs in a manner that is less destructive to the environment, or will actually promote positive social and economic developments. Because fixed income investments generally represent a promise to pay principal and interest by an issuer, and not an ownership interest, and may involve complex structures, ESG-related investment considerations may have a more limited impact on risk and return (or may have an impact over a different investment time horizon) relative to other asset classes, and this may be particularly true for shorter-term investments.

DoubleLine may review ESG factors through available public records, legal filings and disclosures, investor services or key party engagements, brokerage research and other data sources used in the normal course of DoubleLine's fundamental research and analysis, as well as information from third-party ESG data providers and consultants. Information and data obtained from third-party sources may be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the ESG considerations relevant to a particular investment. With respect to certain account holdings, such as holdings of securitized investments, data on material ESG considerations may be limited.

**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. Like traditional debt securities, exchange-traded notes are subject to the credit risk of the issuer, which, in the case of exchange-traded notes, it is typically a bank. The creditworthiness of bank issuers can be heightened during market environments where the banking industry is volatile or under pressure.



**Extension Risk:** The risk that if interest rates rise, repayments of principal on certain debt securities, including, but not limited to, floating rate loans and mortgage-related securities, may occur at a slower rate than expected and the expected maturity of those securities could lengthen as a result. Securities that are subject to extension risk generally have a greater potential for loss when prevailing interest rates rise, which could cause their values to fall sharply. Interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices but can also change the income flows and repayment assumptions about those investments.

**Financial Services Risk:** Investing in issuers in the financial services sector involves, among others, the following risks: (i) changes in regulatory framework or interest rates that may negatively affect financial service businesses; (ii) exposure of a financial institution to 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, economic, political, regulatory, or other event might lead to a sudden decline in the values of most or all companies in the financial services sector.

**Focused Investment Risk:** An account that invests a substantial portion of its assets in a particular market, industry, group of industries, country, region, group of countries, asset class or sector generally is subject to greater risk than an account that invests in a more diverse investment portfolio. In addition, the value of such an account is more susceptible to any single economic, market, political or regulatory occurrence affecting, for example, that particular market, industry, region or sector. This is because, for example, issuers in a particular market, industry, region or sector often react similarly to specific economic, market, regulatory, or political developments.

**Foreign Currency Risk:** Foreign currency risk is the risk that fluctuations in exchange rates may adversely affect the value of the account's investments. Foreign currency risk includes both the risk that currencies in which the account's investments are traded and/or in which the account receives income, or currencies in which the account has taken an active investment position, will decline in value relative to other currencies. In the case of hedging positions, currency risk includes the risk that the currency to which the account is seeking exposure will decline in value relative to the foreign currency being hedged. Currency exchange rates fluctuate significantly for many reasons, including changes in supply and demand in the currency exchange markets, actual or perceived changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks, or supranational agencies such as the International Monetary Fund, and currency controls or other political and economic developments in the U.S. or abroad. The account also may take overweighted or underweighted currency positions and/or hedge the currency exposure of the securities in which it has invested. As a result, the account's currency exposure may differ (in some cases significantly) from the currency exposure of its investments and/or its benchmarks.

**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.

**Hedging Strategy Risk:** Certain of the investment techniques that various DoubleLine strategies may employ for hedging will expose an account to additional or increased risks. There may be an imperfect correlation between changes in the value of an account's portfolio holdings and hedging positions entered into by the account, which may prevent the account from achieving the intended hedge or expose the account to risk of loss. In addition, an account's success in using hedge instruments is subject to

DoubleLine's ability to predict correctly changes in the relationships of such hedge instruments to the account's portfolio holdings. There can be no assurance that DoubleLine's judgment in this respect will be accurate. DoubleLine is under no obligation to engage in any hedging strategies, and may, in its discretion, choose not to. Even if DoubleLine desires to hedge some of an account's risks, suitable hedging transactions may not be available or, if available, attractive. A failure to hedge may result in losses to the value of an account's investments.

**High Yield Risk:** Debt instruments rated below investment grade or debt instruments that are unrated and determined by DoubleLine to be of comparable quality are predominantly speculative. They are usually issued by companies without long track records of sales and earnings or by companies with questionable credit strength. These instruments, commonly known as "junk bonds," have a higher degree of default risk and may be less liquid than higher-rated bonds. These instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of high yield investments, general economic downturn, and less secondary market liquidity. This potential lack of liquidity may make it more difficult for DoubleLine to value these instruments accurately. An economic downturn could severely affect the ability of issuers (particularly those that are highly leveraged) to service their debt obligations or to repay their obligations upon maturity. DoubleLine does not consider the term "junk bonds" to include any mortgage-backed securities or any other asset-backed securities, regardless of their credit rating or credit quality.

**Index Risk:** Because an index used by certain strategies managed by DoubleLine may not be widely used and information regarding its components and/or its methodology may not generally be known to industry participants, it may be more difficult for DoubleLine to find willing counterparties to engage in total or excess return swaps or other derivative instruments based on the return of such index. Although index sponsors generally provide descriptions of what an index is designed to achieve, index providers do not generally provide any warranty or guarantee or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indexes, and do not guarantee that the published indexes will be in line with their described index methodologies. DoubleLine similarly does not provide any warranty, guarantee or acceptance of liability for an index or the data used.

**Inflation/Deflation Risk:** Inflation risk is the risk that the value of assets or income from an account's investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of an account's portfolio could decline. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of an account.

**Inflation-Indexed Bond Risk:** Inflation-indexed bonds may change in value in response to actual or anticipated changes in inflation rates, in a manner unanticipated by DoubleLine or investors generally. Inflation-indexed bonds are subject to debt securities risk generally to the same extent as other similar debt securities.

**Infrastructure Sector Risk:** The values of an account's investment in securities and other obligations of U.S. and non-U.S. issuers providing exposure to infrastructure investments ("Infrastructure Investments") may be entirely dependent upon the successful development, construction, maintenance, renovation, enhancement or operation of infrastructure assets or infrastructure related projects. In the case of debt

instruments or loans issued to finance (or refinance) the ownership, development, construction, maintenance, renovation, enhancement, or operation of infrastructure assets, an account may be entirely dependent on revenues or profits earned in respect of the infrastructure asset or project to receive the repayment of any principal and interest owed to it. Accordingly, an account has significant exposure to adverse economic, regulatory, political, legal, demographic, environmental and other developments affecting the success of the infrastructure assets or projects in which it directly or indirectly invests.

**Interest Rate Risk:** Debt securities typically will decline in value as interest rates increase. An account with a longer average duration will be more sensitive to changes in interest rates than an account with a shorter average duration.

**Inverse Floaters and Related Securities Risk:** Investments in inverse floaters, residual interest tender option bonds and similar instruments expose accounts to the same risks as investments in debt securities and derivatives, as well as other risks, including those associated with leverage and increased volatility. An investment in these securities typically will involve greater risk than an investment in a fixed rate security. Distributions on inverse floaters, residual interest tender option bonds and similar instruments will typically bear an inverse relationship to short term interest rates and typically will be reduced or, potentially, eliminated as interest rates rise. Inverse floaters, residual interest tender option bonds and similar instruments will underperform the market for fixed rate securities in a rising interest rate environment. Some inverse floaters may be leveraged to the extent that their interest rates vary by a magnitude that exceeds the magnitude of the change in a reference rate of interest (typically a short-term interest rate). The leverage inherent in inverse floaters is associated with greater volatility in their market values.

**Investment Company and Exchange Traded Fund Risk:** The risk that an investment company, including any ETF, in which a Client invests will not achieve its investment objective or execute its investment strategies effectively or that large purchase or redemption activity by shareholders of such an investment company might negatively affect the value of the investment company's shares. A Client will pay its pro rata portion of the fees and expenses of any investment company in which the Client invests.

**Investments in China:** China is an emerging market, and as a result, investments in securities of companies organized and listed in China may be subject to liquidity constraints and significantly higher volatility, from time to time, than investments in securities of more developed markets. China may be subject to considerable government intervention and varying degrees of economic, political and social instability. These factors may result in, among other things, a greater risk of stock market, interest rate, and currency fluctuations, as well as inflation. Accounting, auditing and financial reporting standards in China are different from U.S. standards and, therefore, disclosure of certain material information may not be made, may be less available, or may be less reliable. It may also be difficult or impossible for DoubleLine to obtain or enforce a judgment in a Chinese court. In addition, periodically there may be restrictions on investments in Chinese companies. For example, Executive Orders have been issued prohibiting U.S. persons from purchasing or investing in publicly-traded securities of certain companies identified by the U.S. government because of their ties to the Chinese military or China's surveillance technology sector. These restrictions have also applied to instruments that are derivative of, or are designed to provide investment exposure to, those companies. The universe of affected securities can change from time to time. As a result of an increase in the number of investors looking to sell such securities, or because of an inability to participate in an investment that DoubleLine otherwise believes is attractive, an account may incur losses. Certain investments that are or become designated as prohibited investments may have less

liquidity as a result of such designation and the market price of such prohibited investment may decline, potentially causing losses to the account. In addition, the market for securities and other investments of other Chinese-based issuers may also be negatively impacted, resulting in reduced liquidity and price declines.

**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.

**Legal and Regulatory Risk:** Legal, tax and regulatory changes could occur and may adversely affect an account and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New (or revised) laws or regulations may be imposed by the CFTC, the SEC, the U.S. Federal Reserve or other banking regulators, other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect an account. An account also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations.

**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. Leverage risk generally exists within the pooled investment vehicles managed by DoubleLine, although DoubleLine also offers separate accounts that involve leverage.

**LIBOR Replacement:** The London InterBank Offered Rate LIBOR ("LIBOR") is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. The regulatory authority that oversees financial services firms and financial markets in the U.K. has announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions for purposes of determining the LIBOR rate. The publication of LIBOR on a representative basis ceased for the one-week and two-month U.S. dollar LIBOR settings immediately after December 31, 2021, and is expected to cease for the remaining U.S. dollar LIBOR settings immediately after June 30, 2023. The U.S. Federal Reserve, based on the recommendations of the New York Federal Reserve's Alternative Reference Rate Committee (comprised of major derivative market participants and their regulators), has begun publishing a Secured Overnight Financing Rate ("SOFR"), which is intended to replace U.S. dollar LIBOR. Alternative reference rates for other currencies have also been announced or have already begun publication. There is no assurance that the composition or characteristics of any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability. This, in turn, may affect the value or liquidity or return on certain investments, result in costs incurred in connection with closing out positions and entering into new trades and reduce the effectiveness of related transactions such as hedges. These risks may also apply with respect to potential changes in connection with other interbank offering rates (e.g., Euribor) and other indexes, rates and values that may be used as "benchmarks" and are the subject of recent regulatory reform. Questions around liquidity impacted by these rates, and how to appropriately adjust these rates at the time of transition, remain a concern.

The effect of any changes to, or discontinuation of, LIBOR will vary depending on, among other things, (1) existing fallback or termination provisions in individual contracts and (2) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and

instruments. The expected discontinuation of LIBOR could have a significant impact on the financial markets in general and may also present heightened risk to market participants, including public companies, investment advisers, other investment companies, and broker-dealers. The risks associated with this discontinuation and transition will be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. Accordingly, it is difficult to predict the full impact of the transition away from LIBOR until new reference rates and fallbacks for both legacy and new products, instruments and contracts are commercially accepted.

**Limited History Risk:** Certain investment strategies are newly or recently formed and have a limited operating history for investors to evaluate.

**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 account value and performance.

**Loan Risk:** Includes the risk that (i) if a Client holds a loan through another financial institution, or relies on a financial institution to administer the loan, its receipt of principal and interest on the loan may be subject to the credit risk of that financial institution; (ii) it is possible that any collateral securing a loan may be insufficient or unavailable to the Client, because, for example, the value of the collateral securing a loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate, and that the Client's rights to collateral may be limited by bankruptcy or insolvency laws; (iii) investments in highly leveraged loans or loans of stressed, distressed, or defaulted issuers may be subject to significant credit and liquidity risk; (iv) a bankruptcy or other court proceeding could delay or limit the ability of the Client to collect the principal and interest payments on that borrower's loans or adversely affect the Client's rights in collateral relating to a loan; (v) there may be limited public information available regarding the loan; (vi) the use of a particular interest rate benchmark, such as LIBOR, may limit the Client's ability to achieve a net return to shareholders that consistently approximates the average published Prime Rate of U.S. banks; (vii) the prices of certain floating rate loans that include a feature that prevents their interest rates from adjusting below a specified minimum level may be more sensitive to changes in interest rates should short-term interest rates rise but remain below the applicable minimum level; (viii) if a borrower fails to comply with various restrictive covenants that are typically in loan agreements, the borrower may default in payment of the loan (ix) the Client's investments in Senior Loans may be subject to increased liquidity and valuation risks, risks associated with collateral impairment or access, and risks associated with investing in unsecured loans; (x) opportunities to invest in loans or certain types of loans, such as Senior Loans, may be limited, (xi) transactions in loans may settle on a delayed basis, and the Client may not receive the proceeds from the sale of a loan for a substantial period of time after the sale; and (xii) loans may be difficult to value and may be illiquid, which may adversely affect an investment. In addition, equity securities, including those acquired by the Client in connection with a loan (e.g., as part of an instrument combining a loan and equity securities), are subject to market risks and the risks of changes to the financial condition of the issuer, and fluctuations in value.

**Management Risk:** Each actively managed account is subject to management risk. DoubleLine'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 may be unable to respond quickly to new competitive challenges or attain the high growth rates of successful smaller companies. Conversely, securities 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 Disruption and Geopolitical Risk:** Geopolitical events may disrupt securities markets and adversely affect global economies and markets. For example, Russia's invasion of Ukraine has resulted in increased volatility in various financial markets and across various sectors. The extent and duration of the military action, resulting sanctions and future market disruptions in that region are impossible to predict. Moreover, the ongoing effects of the hostilities and sanctions may not be limited to Russia and Russian companies and may spill over to and negatively impact other regional and global economic markets of the world, including Europe and the United States. Other geopolitical actions between countries could similarly affect local or global securities markets. Likewise, natural and environmental disasters, and systemic market dislocations could be highly disruptive to economies and markets. There are also indications that natural and environmental disasters could be increasing in magnitude and frequency as a result of changing climate conditions, which could increase market volatility and dislocations. Those events, as well as other changes in foreign and domestic economic and political conditions, also could have an acute effect on individual issuers or related groups of issuers. These risks also could adversely affect individual issuers and securities markets, interest rates, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Client's investments.

**Market Risk:** The risk that the overall market will perform poorly or that the returns from the securities in which a Client invests will underperform returns from the general securities markets or other types of investments.

**Mortgage-Backed Securities Risk:**

- **Credit and market risks of mortgage-backed securities:** mortgage loans or the guarantees underlying the mortgage-backed securities may default or otherwise fail, leading to non-payment of interest and principal.
- **Pre-payment risk of mortgage-backed securities:** in times of declining interest rates, higher-yielding securities may be prepaid and an account will have to replace them with securities having a lower yield.
- **Extension risk of mortgage-backed securities:** in times of rising interest rates, mortgage prepayments may slow causing securities considered short- or intermediate-term to be long-term securities that fluctuate more widely in response to changes in interest rates than shorter-term securities.
- **Inverse floater, interest- and principal-only securities risk:** these securities are extremely sensitive to changes in interest rates and pre-payment rates.
- **Capital structure risk:** conflicts potentially limiting a Client's investment opportunities may arise when a Client and other Clients invest in different parts of an issuer's capital structure, such as when a Client owns senior debt obligations of an issuer and other Clients own junior tranches of



the same issuer. In such circumstances, decisions over whether to trigger an event of default, over the terms of any workout, or how to exit an investment may result in conflicts of interest. In order to minimize such conflicts, an account manager may avoid certain investment opportunities that would potentially give rise to conflicts with other Clients or DoubleLine may enact internal procedures designed to minimize such conflicts, may could have the effect of limiting a Client's investment opportunities. With respect to commercial mortgage-backed securities, where an account holds an interest in below investment grade securities – commonly known as “B-Piece” investments – investors will have to wait until all senior bondholders are fully paid before receiving any compensation.

- **Federal Agencies' Risks:** The U. S. Government conservatorship of Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Corporation (“Fannie Mae”) in September 2008 and its ultimate resolution may adversely affect the real estate market, the value of real estate-related assets generally and markets generally. In addition, there may be proposals from the U.S. Congress or other branches of the U.S. Government regarding the conservatorship, including regarding reforming Fannie Mae and Freddie Mac or winding down their operations, which may or may not come to fruition. There can be no assurance that such proposals, even those that are not adopted, will not adversely affect the values of Clients' assets. The Federal Housing Finance Agent (“FHFA”), as conservator or receiver of Fannie Mae and Freddie Mac, has the power to repudiate any contract entered into by Fannie Mae or Freddie Mac prior to its appointment if it determines that performance of the contract is burdensome and repudiation of the contract promotes the orderly administration of Fannie Mae's or Freddie Mac's affairs. In the event the guaranty obligations of Fannie Mae or Freddie Mac are repudiated, the payments of interest to holders of Fannie Mae or Freddie Mac mortgage-backed securities would be reduced if payments on the mortgage loans represented in the mortgage loan groups related to such mortgage-backed securities are not made by the borrowers or advanced by the servicer. Any actual direct compensatory damages for repudiating these guaranty obligations may not be sufficient to offset any shortfalls experienced by such mortgage-backed security holders. Further, in its capacity as conservator or receiver, FHFA has the right to transfer or sell any asset or liability of Fannie Mae or Freddie Mac without any approval, assignment or consent. If FHFA were to transfer any such guaranty obligation to another party, holders of Fannie Mae or Freddie Mac mortgage-backed securities would have to rely on that party for satisfaction of the guaranty obligation and would be exposed to the credit risk of that party.

**Municipal Bond Risk:** Investing in the municipal bond market involves the risks of investing in debt securities generally and certain other risks. The amount of public information available about the municipal bonds in an account's portfolio is generally less than that for corporate equities or bonds, and the investment performance of an account's investment in municipal bonds may be more dependent on the analytical abilities of DoubleLine than its investments in taxable bonds. The secondary market for municipal bonds also tends to be less well developed or liquid than many other securities markets, which may adversely affect an account's ability to sell municipal bonds at attractive prices.

The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns, by litigation, legislation or political events, or by the bankruptcy of the issuer. Laws, referenda, ordinances or regulations enacted in the future by Congress or state legislatures or the applicable governmental entity could extend the time for payment of principal and/or interest, or impose other constraints on enforcement of such obligations, or on the ability of municipal

issuers to levy taxes. Issuers of municipal securities also might seek protection under the bankruptcy laws. In the event of bankruptcy of such an issuer, an account could experience delays in collecting principal and interest and the account may not, in all circumstances, be able to collect all principal and interest to which it is entitled. Accounts may invest in revenue bonds, which are typically issued to fund a wide variety of capital projects including: electric, gas, water and sewer systems; highways, bridges and tunnels; port and airport facilities; colleges and universities; and hospitals. Because the principal security for a revenue bond is generally the net revenues derived from a particular facility or group of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source, there is no guarantee that the particular project will generate enough revenue to pay its obligations, in which case the account's performance may be adversely affected.

**Non-Diversification Risk:** In certain strategies, the account may be non-diversified and may invest its assets in a smaller number of issuers or commodities than may a diversified strategy. The account may be more susceptible to any single economic, political, or regulatory occurrence than a diversified account that invests in a broader range of issuers or commodities. A decline in the market value of one of the account's investments may affect the account's value more than if the account were a diversified account.

**Portfolio Management Risk:** The risk that an investment strategy may fail to produce the intended results or that the securities held by a Client will underperform other comparable Client accounts because of the portfolio managers' choice of investments.

**Portfolio Turnover Risk:** The length of time an account has held a particular security generally is not a consideration in investment decisions. A change in the securities held by an account is known as portfolio turnover. Portfolio turnover generally involves a number of direct and indirect costs and expenses to an account, including, for example, brokerage commissions, dealer mark-ups and bid/asked spreads, and transaction costs on the sale of securities and reinvestment in other securities, and may result in the realization of taxable capital gains.

**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 (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.

**Prepayment Risk:** The risk that the issuer of a debt security, including floating rate loans and mortgage-related securities, repays all or a portion of the principal prior to the security's maturity. In times of declining interest rates, this may result in a portion of a Client's higher yielding securities being pre-paid and a Client being unable to re-invest the proceeds in an investment with as great a yield. Prepayments can therefore result in lower yields to a Client. Interest-only and principal-only securities are especially sensitive to interest rate changes, which can affect not only their prices but can also change the income flows and repayment assumptions about those investments.

**Price Volatility Risk:** The risk that the value of a Client's investment portfolio will change, potentially frequently and in large amounts, as the prices of its investments go up or down. Price movements are



influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. The expanded influence of social media platforms on the market, combined with the access to costless retail brokerage, can exacerbate the volatility of particular issuers.

**Private Placement Risk:** Investments in private placements carry a high degree of risk for various reasons. A private placement involves the sale of securities that have not been registered under the Securities Act of 1933 (the “Securities Act”), or relevant provisions of applicable non-U.S. law, to certain institutional and qualified individual purchasers. In addition to the general risks to which all securities are subject, securities received in a private placement generally are subject to strict restrictions on resale, and there may be no liquid secondary market or ready purchaser for such securities. Securities sold through private placements are not publicly traded and, therefore, are less liquid. Companies seeking private placement investments tend to be in earlier stages of development and have not yet been fully tested in the public marketplace.

**Real Estate Risk:** Real estate-related investments may decline in value as a result of factors affecting the real estate industry, such as the supply of real property in certain markets, changes in zoning laws, delays in completion of construction, changes in real estate values, changes in property taxes, levels of occupancy, and local and regional market conditions.

**Redenomination Risk:** Any partial or complete dissolution of the European Monetary Union (“EMU”) could have significant adverse effects on currency and financial markets, and on the values of a Client’s investments. If one or more EMU countries were to stop using the euro as its primary currency, a Client’s investments in such countries may be redenominated into a different or newly adopted currency. As a result, the values of those investments could decline significantly and unpredictably. In addition, securities or other investments that are redenominated may be subject to foreign currency risk, liquidity risk and valuation risk to a greater extent than similar investments currently denominated in Euros.

**Reliance on DoubleLine:** Each account’s ability to achieve its investment objective is dependent upon DoubleLine’s ability to identify profitable investment opportunities for that account. Although DoubleLine’s portfolio managers may have considerable experience in managing other portfolios with investment objectives, policies and strategies that are similar, the past experience of the portfolio managers, including with other strategies and accounts, does not guarantee future results for any particular account.

**REIT Risk:** An investment in a REIT may be subject to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation and environmental liabilities, and changes in local and general economic conditions, market value, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses.

In addition, an investment in a REIT is subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws, changes in the cost or availability of credit, or the failure by the REIT to qualify for tax-free pass-through of income under the Code, and to the risk of general declines in stock prices. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming. As a shareholder in a REIT, a Client’s account would bear its ratable share of the REIT’s expenses and would at the same time continue to pay its own fees and expenses.

**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 account.

**Repurchase and Reverse Repurchase Agreements Risk:** When entering into a repurchase agreement, an account essentially makes a short-term loan to a qualified bank or broker-dealer. The account buys securities that the seller has agreed to buy back at a specified time and at a set price that includes interest. There is a risk that the seller will be unable to buy back the securities at the time required and the account could experience delays in recovering amounts owed to it. Reverse repurchase agreements involve the sale of securities held by the account with an agreement to repurchase the securities at an agreed-upon price, date and interest payment. Reverse repurchase agreements involve the risk that the other party may fail to return the securities in a timely manner or at all. The account could lose money if it is unable to recover the securities and the value of the collateral held by the account, including the value of the investments made with cash collateral, is less than the value of the securities. These events could also trigger adverse tax consequences to the account. Furthermore, reverse repurchase agreements involve the risks that (i) the interest income earned in the investment of the proceeds will be less than the interest expense, (ii) the market value of the securities retained in lieu of sale by the account may decline below the price of the securities the account has sold but is obligated to repurchase, and (iii) the market value of the securities sold will decline below the price at which the account is required to repurchase them.

**Restricted Securities Risk:** A Client account may invest in securities which are subject to restrictions on resale because they have not been registered under the Securities Act or which are otherwise not readily marketable. These securities are generally referred to as private placements or restricted securities. Irrespective of DoubleLine's initial or ongoing determinations of the liquidity of any given security, market conditions could cause these securities to become less liquid and possibly extremely difficult to sell.

**Securities or Sector 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 DoubleLine's choice of securities or sectors for investment.

**Service Provider Risk:** In the event of the insolvency or bankruptcy of any service provider retained by DoubleLine to assist it with various operational services, there likely will be operational and other delays and additional costs and expenses associated with changes in service provider arrangements that could adversely affect Client accounts. A Client's account also could be adversely affected by the misfeasance of such other service providers.

**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.

**Smaller Company Risk:** The general risks associated with debt instruments or equity securities are particularly pronounced for securities issued by companies with small market capitalizations. Small capitalization companies involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may trade less frequently and in lesser volume than more widely held securities and their values may fluctuate more sharply than other securities. They also may have limited liquidity. These securities may therefore be more vulnerable to adverse developments than securities of larger companies, and a Client's account may have difficulty purchasing or selling securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in their securities as compared to larger companies. Companies with medium-sized market capitalizations may have risks similar to those of smaller companies.

**Sovereign Debt Obligations Risk:** Investments in countries' government debt obligations involve special risks. Certain countries have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. The issuer or governmental authority that controls the repayment of a country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A debtor's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation and, in the case of a government debtor, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. Government debtors may default on their debt and also may be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearages on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a debtor's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations.

**Structured Products and Structured Notes Risk:** Generally, structured investments are interests in entities organized and operated for the purpose of restructuring the investment characteristics of underlying investment interests or securities. These investment entities may be structured as trusts or other types of pooled investment vehicles. This type of restructuring generally involves the deposit with or purchase by an entity of the underlying investments and the issuance by that entity of one or more classes of securities backed by, or representing interests in, the underlying investments or referencing an indicator related to such investments. The cash flow or rate of return on the underlying investments may be apportioned among the newly issued securities to create different investment characteristics, such as varying maturities, credit quality, payment priorities and interest rate provisions. The cash flow or rate of return on a structured investment may be determined by applying a multiplier to the rate of total return on the underlying investments or referenced indicator. Application of a multiplier is comparable to the use of financial leverage, a speculative technique. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments or referenced indicator

could result in a relatively large loss in the value of a structured product. Holders of structured products indirectly bear risks associated with the underlying investments, index or reference obligation, and are subject to counterparty risk. A Client's account invested in a structured product generally has the right to receive payments to which it is entitled only from the structured product, and generally does not have direct rights against the issuer. Although certain structured investment vehicles enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured vehicles generally pay their share of the investment vehicle's administrative and other expenses.

Structured notes are derivative securities for which the amount of principal repayment and/or interest payments is based on the movement of one or more "factors." These factors may include, but are not limited to, currency exchange rates, interest rates (such as the prime lending rate or LIBOR), referenced bonds and stock indices. Some of these factors may or may not correlate to the total rate of return on one or more underlying instruments referenced in such notes. In some cases, the impact of the movements of these factors may increase or decrease through the use of multipliers or deflators. Investments in structured notes involve risks including interest rate risk, credit risk and market risk. Where a Client's account's investments in structured notes are based upon the movement of one or more factors, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of the factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero and any further changes in the reference instrument may then reduce the principal amount payable on maturity.

**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 or in a DoubleLine Private Fund, UCITS fund or Registered Fund.

**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. Although legislation has been enacted to support certain U.S. Government-sponsored enterprises ("GSEs"), there is no assurance that GSE obligations will be satisfied in full, or that such obligations will not decrease in value or default. It is difficult, if not impossible, to predict the future political, regulatory or economic changes that could impact the GSEs and the values of their related securities or obligations. The events surrounding the U.S. federal government debt ceiling could adversely affect a Client's ability to achieve its account's investment objectives. On August 5, 2011, S&P lowered its long-term sovereign credit rating on the United States to "AA+" from "AAA". The downgrade by S&P and other future downgrades could increase volatility in both stock and bond markets, result in higher interest rates and lower Treasury prices and increase the costs of all kinds of debt.

**Valuation Risk:** The valuation of an account's investments involves subjective judgment. There can be no assurance that an account will value its investments in a manner that accurately reflects their market values or that the account will be able to sell any investment at a price equal to the valuation ascribed to that investment for purposes of calculating the account's net asset value. Certain securities in which an account may invest, including, for example, high yield bonds, commodities, derivatives, emerging market securities, mortgage-related securities, complex securities, and thinly-traded or illiquid investments may

be more difficult to value accurately, especially during periods of market disruptions or extreme market volatility. Technological issues or other service disruption issues involving third party service providers may also cause an account to value its investments incorrectly. Incorrect valuations of a pooled investment vehicle's portfolio holdings could result in the pooled investment vehicle's shareholder transactions being effected at a net asset value that does not accurately reflect the underlying value of the pooled investment vehicle's portfolio, resulting in the dilution of shareholder interests.

***Zero-Coupon Bond and Payment-In-Kind Securities Risk:*** Investments in zero-coupon and payment-in-kind securities are subject to certain risks, including that market prices of zero-coupon and payment-in-kind securities generally are more volatile than the prices of securities that pay interest periodically and in cash, and are likely to respond to changes in interest rates to a greater degree than other types of debt securities with similar maturities and credit quality. Because zero-coupon securities bear no interest, their prices are especially volatile. And because zero-coupon bondholders do not receive interest payments, the prices of zero-coupon securities generally fall more dramatically than those of bonds that pay interest on a current basis when interest rates rise. However, when interest rates fall, the prices of zero-coupon securities generally rise more rapidly in value than those of similar interest paying bonds. Under many market and other conditions, the market for the zero-coupon and payment-in-kind securities may suffer decreased liquidity making it difficult for a Client account to dispose of them or to determine their current value. In addition, as these securities may not pay cash interest, a Client account's investment exposure to these securities and their risks, including credit risk, will increase during the time these securities are held in a Client account's portfolio.

Although DoubleLine attempts to manage these (and other) risks through careful research, ongoing monitoring of investments, and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased which are the focus of our investment strategies will increase in value or that accounts under our management will not incur significant losses.

## Item 9. Disciplinary Information

DoubleLine is required to disclose all material facts regarding any legal or disciplinary events that could be material to your evaluation of DoubleLine or the integrity of DoubleLine's management. To the best of DoubleLine's knowledge, there are no legal or disciplinary events that are required to be reported under this Item.

## Item 10. Other Financial Industry Activities and Affiliations

### *Broker-Dealer Affiliations*

Quasar Distributors, LLC ("Quasar") serves as the statutory underwriter and distributor of the DoubleLine Funds. Additionally, certain management persons and employees of DoubleLine are registered representatives of, or may have an application pending to become a registered representative of, Foreside Fund Services, LLC ("Foreside"). Being a registered representative of Foreside permits these DoubleLine personnel to engage in certain marketing and sales activities on behalf of DoubleLine investment products. DoubleLine has no controlled affiliates or related persons that are broker-dealers.

### **Affiliated Registered Investment Adviser and Other Affiliated Entities**

DoubleLine Capital is ultimately controlled by DoubleLine Capital GP LLC. Two other registered investment advisers operate under the DoubleLine brand, but through separate oversight and control structures. DoubleLine Capital LP and these other two advisers share certain personnel and other resources through similar contractual arrangements with DoubleLine Group LP, which is affiliated with DoubleLine Capital LP by way of being under common control by DoubleLine Capital GP LLC. It is possible that DoubleLine Capital LP and these other two advisers will share client lists and other similar information through their overlapping personnel.

### **Strategic Investor**

Oaktree Capital Group LLC (collectively with its affiliates, “Oaktree”), indirectly owns a non-controlling equity interest in DoubleLine Capital. Oaktree trades, on its own behalf and on behalf of its clients, in securities and other investments in which DoubleLine Capital also may invest, either for its own account or for the account of Clients. Oaktree is a distinct and independent organization from DoubleLine Capital and operates separately from DoubleLine Capital. DoubleLine Capital believes that the investment activities of Oaktree generally should not present any material conflict of interest for Clients.

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

In managing its private investment vehicles, Registered Funds and other accounts, DoubleLine claims various available exemptions to the Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor registration categories under the Commodity Exchange Act of 1936. Similarly, the Private Funds claim available exemptions to those registration categories under the Commodity Exchange Act of 1936. Affiliated or related entities of DoubleLine may in the future register (or may currently be registered) with the Commodity Futures Trading Commission (“CFTC”) and/or National Futures Association (“NFA”) as commodity pool operators and/or commodity trading advisors, and persons that provide services to any such affiliated or related entity may be licensed with the CFTC or NFA.

### **Registered Investment Company Affiliations**

DoubleLine serves as the investment adviser to certain of the DoubleLine Funds, each of which is a series of the Trust. The Trust is a Delaware statutory trust and registered with the SEC as an investment company under the 1940 Act. DoubleLine also serves as the investment adviser to DBL, DSL and DLY. As of the date of this Brochure, DoubleLine serves as the investment adviser to fifteen effective series of the Trust: the DoubleLine Total Return Bond Fund, the DoubleLine Core Fixed Income Fund, the DoubleLine Multi Asset Growth Fund, the DoubleLine Low Duration Bond Fund, the DoubleLine Floating Rate Fund, DoubleLine Shiller Enhanced CAPE®, DoubleLine Flexible Income Fund, DoubleLine Low Duration Emerging Markets Fixed Income Fund, DoubleLine Long Duration Total Return Bond Fund, DoubleLine Selective Credit Fund, the DoubleLine Emerging Markets Fixed Income Fund, the DoubleLine Global Bond Fund, the DoubleLine Infrastructure Income Fund, the DoubleLine Ultra Short Bond Fund, the DoubleLine Shiller Enhanced International CAPE® and the DoubleLine Multi-Asset Trend Fund. Mr. Gundlach and Ronald R. Redell are interested trustees of the Trust; Mr. Redell is also an interested trustee of DBL, DSL and DLY. In addition, certain officers of DoubleLine are also officers of the Trust. Please see the next page for a table illustrating



these common officers. When reviewing the following chart, please note that certain officers of DoubleLine that do not hold positions with the Trust, DBL, DSL or DLY are not listed. Such officers are listed on DoubleLine's Form ADV Part 1A.

### Registered Investment Company Affiliations (continued)

#### Common Officers Table

Officer	Position with DoubleLine	Position with Trust	Position with DBL, DSL and DLY
Jeffrey E. Gundlach	Chief Executive Officer, Chief Investment Officer	Chairman of the Board of Trustees	N/A
Ronald R. Redell	Director of Global Relationship Management	President, Trustee	President and Chief Executive Officer & Chairman of the Board
David Kennedy	Manager, Trade Management	Vice President	Vice President
Youse E. Guia	Chief Compliance Officer	Chief Compliance Officer	Chief Compliance Officer
Earl A. Lariscy	General Counsel	Vice President	Vice President & Assistant Secretary
Cris Santa Ana	Chief Risk Officer	Secretary	Secretary & Vice President
Jeffrey Sherman	Deputy Chief Investment Officer	N/A	Vice President
Patrick Townzen	Chief Operating Officer	Vice President	Vice President

Another registered investment adviser, which is separately organized and operated, manages an ETF complex that uses the DoubleLine brand.

### Private Fund Affiliations

#### DoubleLine Opportunistic Income Fund

DoubleLine is the investment manager of the DoubleLine Opportunistic Income Master Fund LP (the "Opportunistic Master Fund") which is the master fund of a master-feeder structure.

The Opportunistic Master Fund was originally launched with two feeder funds: (1) the DoubleLine Opportunistic Income LP, which is organized as a Delaware limited partnership and shares of which are available to U.S. taxable investors, and (2) the DoubleLine Opportunistic Income Fund Ltd, which is organized as a Cayman Islands ordinary resident company and shares of which are available to U.S. non-

taxable investors and to non-U.S. investors (collectively “the Opportunistic Feeder Funds”). In 2011, two additional feeder funds for the Opportunistic Master Fund were created. DoubleLine may create other feeder funds for the Opportunistic Master Fund in the future. Each class of feeder fund shares also offers the option of delivering a quarterly dividend payment that, if the Master Fund’s performance during the quarter is below the dividend rate, represents a return of capital to investors that elected to invest in such share class.

DoubleLine Opportunistic Income GP LLC is a *Related Person* to DoubleLine and is the general partner of the Opportunistic Master Fund. The Opportunistic Master Fund may invest in various securities available for investment through separate accounts and mutual funds also managed by DoubleLine. Because DoubleLine, or its *Related Persons*, controls, has common control with or could be deemed to control these entities, a conflict of interest could arise whereby DoubleLine could be incentivized to allocate securities trades to these entities because they are controlled by DoubleLine or because of the performance fee payable through the Opportunistic Master Fund’s fee structure. DoubleLine has adopted policies and procedures reasonably designed to allocate investment opportunities across appropriate Client accounts in a fair and equitable basis over time and in a manner consistent with each Client’s investment objectives and related restrictions. DoubleLine controls this conflict of interest through its Trading and Allocation Committee, which provides oversight to the trading process.

#### **DoubleLine Opportunistic CMBS/CRE Fund L.P.**

DoubleLine is the investment manager of the DoubleLine Opportunistic CMBS/CRE Fund L.P. (the “CMBS Fund”). The CMBS Fund is the majority owner of DoubleLine CRE Finance LLC, which is a private real-estate investment trust (the “CRE REIT”). There are other entities related to the CMBS Fund which have been established to facilitate cash movement between the CRE REIT and the CMBS Fund. Investors can own direct interests only in the CMBS Fund.

DoubleLine CMBS Fund GP LLC is a Related Person to DoubleLine and is the general partner of the CMBS Fund. The CMBS Fund may invest in various securities available for investment through separate accounts and mutual funds also managed by DoubleLine. Because DoubleLine, or its Related Persons, controls, has common control with or could be deemed to control these entities, a conflict of interest could arise whereby DoubleLine could be incentivized to allocate securities trades to these entities because they are controlled by DoubleLine or because of the performance fee payable through the CMBS Fund’s fee structure. DoubleLine has adopted policies and procedures reasonably designed to allocate investment opportunities across appropriate Client accounts in a fair and equitable basis over time and in a manner consistent with each Client’s investment objectives and related restrictions. DoubleLine controls this conflict of interest through its Trading and Allocation Committee, which provides oversight to the trading process.

DoubleLine may enter into various arrangements with real estate brokers or dealers to facilitate its trades for the CMBS Fund. Such arrangements are designed to create loans suitable for investment by the CMBS Fund through the CRE REIT. Although these arrangements are important to the CMBS Fund, they currently are not material to other Clients of DoubleLine Capital, which generally are ineligible to invest in the types of loans being arranged by such real estate brokers or dealers. DoubleLine may create other pooled investment vehicles in the future, the creation of which could pose additional conflicts of interest which currently are not foreseeable.



DoubleLine currently does not have any relationships that are material to its advisory business or to its Clients with a bank or thrift institution, insurance company or agency, pension consultant, an accountant or accounting firm, a lawyer or a law firm.

### **DoubleLine Mortgage Opportunities Fund LP**

DoubleLine is the investment manager of the DoubleLine Mortgage Opportunities Master Fund LP (the “DMO Master Fund”). Investors may participate in DMO Master Fund only through its feeder funds which, initially, are the following: (i) DoubleLine Mortgage Opportunities LP, a Delaware limited, organized primarily for U.S. investors (excluding certain U.S. tax-exempt investors that are sensitive to incurring “unrelated business taxable income” under Section 511 of the Internal Revenue Code of 1986, as amended); (ii) DoubleLine Mortgage Opportunities (Cayman) LP, a Cayman Islands exempted limited partnership, organized primarily for non-U.S. investors and certain U.S. tax-exempt investors; and (iii) DoubleLine Mortgage Opportunities (Cayman – ER) LP, a Cayman Islands exempted limited partnership, organized primarily for certain investors that are Benefit Plan Investors.

DoubleLine Mortgage Opportunities GP LLC is a Related Person to DoubleLine and is the general partner of DMO Master Fund. DMO Master Fund may invest in various securities available for investment through separate accounts, mutual funds and private funds also managed by DoubleLine. Because DoubleLine, or its Related Persons, controls, has common control with or could be deemed to control these entities, a conflict of interest could arise whereby DoubleLine could be incentivized to allocate securities trades to these entities because they are controlled by DoubleLine or because of the performance fee payable through DMO Master Fund’s fee structure. DoubleLine has adopted policies and procedures reasonably designed to allocate investment opportunities across appropriate Client accounts in a fair and equitable basis over time and in a manner consistent with each Client’s investment objectives and related restrictions. DoubleLine controls this conflict of interest through its Trading and Allocation Committee, which provides oversight to the trading process.

DMO Master Fund is expected to create and own a securitization sponsor, which is expected to conduct a significant volume of securitization of mortgages, loans and similar underlying instruments. The securitization sponsor is expected to be separately managed by its own management and credit committee, which may include current or former DoubleLine employees who will be independently contracted or employed to work for and on behalf of the securitization sponsor and thus are expected to make investment decisions independent from DoubleLine in its capacity of investment manager of the DMO Master Fund. Such decisions may be different from or similar to those that DoubleLine would make.

A portion of DMO Master Fund’s capital has been, and may be, used to form and fund one or more separate companies that will be in the business of originating and/or warehousing residential or commercial real estate mortgage loans and/or securitizing such loans, and engaging in related activities and making related investment decisions, as part of the Fund’s investment activities. Any such origination company may be established offshore from the United States and may have its own management structure separate and apart from DMO Master Fund’s management structure. Such an origination company has been established offshore from the United States in Ireland.

**DoubleLine is engaged in a broad spectrum of activities, including financial advisory services, principal investments and sponsoring and offering public and private investment funds. In the ordinary course of**

its business, DoubleLine may conduct activities in which its interests or the interests of DMO Master Fund, the securitization sponsor, the origination companies and other DoubleLine clients may conflict with or be adverse to the interests of each other. Various counterparties with which DMO Master Fund, the securitization sponsor and the origination companies will interact may have other relationships with DoubleLine in respect of other areas of DoubleLine's business. DoubleLine has processes and procedures in place to identify and manage conflicts of interest that may result from such arrangements, and the risks of any such conflicts of interest have been fully disclosed to investors in the DMO Master Fund and its feeder funds.

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

### Code of Ethics

DoubleLine 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 provide a written acknowledgement of the terms of the Code initially, annually, and as amended.

It is possible that DoubleLine supervised persons may purchase or sell for themselves securities that DoubleLine's Clients also hold. In addition, DoubleLine 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 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 includes personal securities trading policies and procedures that outline the conditions under which a DoubleLine supervised person also may purchase or sell securities when such securities are held or traded by Clients. DoubleLine conducts an active monitoring program of the personal trading of DoubleLine supervised persons. Certain aspects of DoubleLine's Code are discussed below.

Although 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's Restricted List; (b) uncovered short sales; and (c) uncovered options. Additional restrictions and prohibitions also apply to certain investment personnel 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 personnel.
- DoubleLine and all DoubleLine personnel owe a fiduciary duty to Clients. This means that DoubleLine and its personnel must always place the interests of its Clients first.

- No Access Person of DoubleLine (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 personnel could obtain that information, and describes DoubleLine'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 personnel to contact for questions regarding the Code.
- The following are examples of personal transactions by DoubleLine personnel that must be pre-approved:
  - purchases or sales of common stock, preferred stock and other forms of equity transactions,
  - bond trades (other than trades for direct obligations of the US government),
  - private placement transactions, regardless of whether DoubleLine is a related person or investment manager to the private placement security in question,
  - transactions in any closed-end funds managed by DoubleLine, and
  - initial public offerings.
- DoubleLine 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 statements and trade confirmations for applicable personal accounts must be provided by DoubleLine personnel to the applicable officers of DoubleLine for review.
- The Code sets forth confidentiality requirements imposed on DoubleLine personnel.
- DoubleLine 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 or financial need where no material conflict with a Client's interests exists.

### **Potential Conflicts of Interest**

From time to time, DoubleLine 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, related persons or DoubleLine'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's Trading and Allocation Committee. DoubleLine is not obligated to recommend to, or purchase or sell for, any one Client or all Clients any investments or strategies that it may recommend to, or purchase or sell for, any other Client.

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

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

These securities may be publicly traded (for example, the series of the Trust) or private placements, including private placements sponsored or managed by DoubleLine. (It is expected that one or more DoubleLine officers and employees will invest in private placements sponsored or managed by DoubleLine as well as the Registered Funds. DoubleLine may offer discounts to management or performance fees to its officers and employees.) Conflicts of interest arising from DoubleLine's management of an affiliated private or public fund where its officers and personnel also are invested include the perception that DoubleLine 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 periodically monitors the performance of Client accounts to ensure that similarly situated accounts are performing similarly. DoubleLine's Trading and Allocation Committee (TAC) also periodically meets to review allocation activities to attempt to determine if any perceived conflicts of interest have actually arisen. As discussed above, the Code includes various procedures with respect to investment transactions in which DoubleLine'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's supervised persons may purchase or sell for themselves securities that DoubleLine's Clients also hold. In addition, DoubleLine may purchase or sell for a Client securities of an issuer in which DoubleLine or its supervised persons also have a position or interest. It is also possible that DoubleLine or its supervised persons 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 supervised person may purchase or sell securities when such securities are also held or traded for Client accounts. DoubleLine also conducts an active monitoring program of the personal trading of DoubleLine supervised persons.

If permitted by the relevant investment guidelines and applicable law, DoubleLine may purchase for Client accounts interests in Registered Funds or Private Funds when DoubleLine 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 or its affiliates and those not offered or managed by DoubleLine or its affiliates, DoubleLine may have a financial incentive to choose DoubleLine-affiliated funds over third-parties' funds by reason of the additional investment management, advisory and other fees or compensation DoubleLine or its affiliates may earn. Under certain conditions, DoubleLine may offset, rebate or otherwise reduce its fees or other compensation with respect to investments in DoubleLine-affiliated funds; however, this reduction or rebate, if available, will not necessarily or completely eliminate the conflict. Furthermore, although DoubleLine may be permitted to invest in DoubleLine-affiliated funds, Clients should not expect DoubleLine to have better information

with respect to such DoubleLine-affiliated funds than other investors have. Even if DoubleLine has such information, it may not be permitted to act upon it in a way that disadvantages the other investors in such funds.

DoubleLine and its related persons may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain collective investment vehicles managed by DoubleLine in connection with certain “warehousing” transactions, provided that the sale is consistent with DoubleLine’s fiduciary obligations to such collective investment vehicles. Such transactions will be fully disclosed in writing, and the written consent of the Client (which, in certain circumstances, where the Client is a collective investment vehicle, may be provided by an advisory committee of the Client) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act and all other applicable state and federal securities laws. Client consent also may be requested as part of such transactions, including through the investment management agreement.

DoubleLine may recommend investments in separately managed accounts, pooled investment vehicles such as mutual funds, exchange traded funds and private or hedge funds, as well as other products that may be offered, managed or advised by DoubleLine or one of its affiliates as described above. DoubleLine and/or its affiliates may receive compensation as an investment manager or other service provider for such funds, accounts or products that it may recommend to Clients. However, DoubleLine is not compensated directly for the sale of a product or service offered, managed or advised by itself or an affiliate. In such instances, DoubleLine will have a conflict between its obligation to act in the best interests of its Clients and any interest that DoubleLine’s affiliates may have in generating revenues for themselves or promoting themselves. As described above, when a Client account is invested in an investment product that is also managed by DoubleLine or an affiliate of DoubleLine, DoubleLine or its affiliate, as applicable, will reduce fees to the extent necessary to ensure that a Client is not directly or indirectly paying for the same advisory services to be delivered at multiple levels.

DoubleLine (or its affiliates) may own equity interests in CLOs to which DoubleLine provides advisory services pursuant to separate collateral management agreements. DoubleLine’s potential equity interests and contractual rights in such CLO funds could give it significant voting rights on certain matters relevant to such CLO funds. On matters involving retention of the collateral manager (DoubleLine, in these cases), DoubleLine does not expect to have any voting rights. On other matters, DoubleLine’s voting interest may be significant enough to affect the outcome depending on the governance matter, especially matters that may require a super majority to effectuate a particular outcome, such as an early wind up of a CLO fund, which, if blocked by DoubleLine, would continue the collateral management arrangement and fees to DoubleLine or a DoubleLine affiliate. DoubleLine expects that, as an equity owner, its economic interests would in most, if not all, cases align with the economic interests of other equity owners in a fund; however, the possibility exists that DoubleLine could take a position on governance matters that would be adverse to other equity holders and indirectly, any noteholders in these particular collateralized loan obligation funds. Should DoubleLine’s interests diverge from the interests of other equity owners, decisions on how to vote DoubleLine’s interest will be presented to DoubleLine’s Code of Ethics Committee, which supervises various conflicts of interest that may arise during the conduct of DoubleLine’s business, for review and resolution.

DoubleLine Capital may manage proprietary accounts in strategies that it may later decide to sell to Clients (generally called seed money accounts). DoubleLine Capital currently manages proprietary accounts

which mimic the investment advice given to Clients to implement or further recommend a portfolio consisting strictly of a mix of DoubleLine Funds. DoubleLine faces a potential conflict of interest in that it may be incentivized to affect the mix of DoubleLine Funds within the portfolio to affect the flows into certain of the DoubleLine Funds. DoubleLine controls this conflict of interest through its Fixed Income Asset Allocation Committee, which provides oversight to the portfolio management allocation process.

DoubleLine Capital or certain of its principals or officers may, from time to time, make short-term contributions of capital into a Private Fund, which typically are not subject to the same limitations on withdrawal as that of other investors, and which are, in some ways, functionally equivalent to interest-free loans. Such capital contributions are provided to a Private Fund solely at the discretion of DoubleLine Capital or its principals or officers, as applicable. When DoubleLine Capital or its principals or officers have made such a short-term contribution of capital, they may be incented to favor such Private Funds compared to other Private Funds or other accounts.

#### *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 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 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'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 has invested Client assets, a particular security or relevant market conditions. For example, if DoubleLine makes an investment on behalf of one Client that expresses a negative outlook on a particular investment in which other Clients are invested, such action potentially could reduce the value of other Clients' investments.

A DoubleLine portfolio manager generally will make investment decisions for his or her respective Client accounts independently of the manner in which other DoubleLine portfolio managers approach a similar or even the same investment. In addition, DoubleLine, on behalf of certain Clients, may choose not to hedge certain risks that other DoubleLine investment teams hedge (or vice versa). DoubleLine'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 in accordance with the Code or applicable law or regulation. However, they may implement the information in different ways in portfolios that they manage as compared to other DoubleLine portfolio managers.

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. For example, one Client 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. DoubleLine may choose to participate in certain *ad hoc* or other committees on behalf of its Clients as part of such restructuring, work out or bankruptcy processes ("Work Out Processes"). In such cases, Clients that have authorized full participation in Work Out Processes generally will retain the securities of the issuer until the conclusion of the Work Out Process. However, DoubleLine will sell such securities from the accounts of Clients that have not authorized full participation in such Work Out Processes, generally prior to beginning its work on such *ad hoc* or other committees.

Conflicts also may arise in cases where different DoubleLine Capital Clients (or groups of DoubleLine Capital Clients) invest in different parts of an issuer's capital structure, including circumstances in which one or more DoubleLine Capital Clients may own private securities or obligations of an issuer and other DoubleLine Capital Clients may own public securities of the same issuer. For example, a DoubleLine Capital Client (or group of DoubleLine Capital Clients) may acquire a loan, loan participation or a loan assignment of a particular borrower in which one or more other DoubleLine Capital Clients have an equity investment. In negotiating the terms and conditions of any such investments, or any subsequent amendments or waivers, DoubleLine Capital may find that their own interests, the interests of a DoubleLine Capital Client (or group of DoubleLine Capital Clients) and/or the interests of one or more other DoubleLine Capital Clients could conflict. If an issuer in which a DoubleLine Capital Client (or group of DoubleLine Capital Clients) and one or more other DoubleLine Capital Clients hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, a debt holder may be better served by a liquidation of the issuer in which it may be paid in full, whereas an equity holder might prefer a reorganization that holds the potential to create or retain value for the equity holders. When considering whether to pursue applicable claims with respect to private fund securities, DoubleLine Capital considers various factors, including the cost of pursuing the claim and the likelihood of the outcome, and may not pursue every potential claim.

Under certain circumstances, DoubleLine Capital expects to participate in the structuring of certain structured product investments in which it will invest Client assets. Participation in the structuring generally will include reviewing the loans or other assets (the "Collateral") that will be included in such structured products, as well as other features that bear on the price to be paid for the investment. As part of DoubleLine Capital's investment process related to structured product investments, DoubleLine Capital typically will conduct due diligence on the Collateral underlying the securities to determine that they are consistent with the attributes previously described or specified between the parties involved in such transactions. Specific Collateral may be removed or replaced based on the results of DoubleLine's due diligence; alternatively, DoubleLine may determine not to proceed with the investment. DoubleLine Capital's exercise of its rights to remove or to challenge the inclusion of the Collateral that support or otherwise back the obligations or securities to be purchased in the structured product investment, solely on the basis that they do not meet the Pool Criteria, shall not constitute the negotiation of the terms of the structured product investment other than price. "Pool Criteria" are the credit, duration, geographic or other attributes specified by the seller of the structured product investment in an offer list, term sheet, or similar document or that were preliminarily agreed to between DoubleLine, on behalf of its participating clients, and the seller (for example, in a formal bid letter). DoubleLine Capital has adopted



policies and procedures to ensure that investment in structured products for which DoubleLine Capital participates in the structuring is consistent with the investment objectives and restrictions of each participating client and that any purchases are allocated to clients in a fair and equitable manner. Prior to investment, DoubleLine Capital produces a written allocation statement governing the transaction. If DoubleLine Capital is not able to allocate investments in accordance with the written allocation statement, allocations will be made to all accounts *pro rata* in accordance with the amounts set forth in the allocation statement or in such other manner that is determined to be fair and equitable under the supervision of DoubleLine Capital's Trading and Allocation Committee. All participating accounts will pay the same unit price. Certain structured product investments may involve investor participants incurring diligence-related or structuring costs and expenses ("Diligence Expenses"). Diligence Expenses will be allocated to each Client participating in the investment on a *pro rata* basis according to the amount of its investment in such investment at the time of purchase. DoubleLine may choose to pay the expenses of its Clients in relation to such B-Piece Investments.

DoubleLine also may negotiate, on its participating clients' behalf, for its participating clients to be entitled to receive a portion of the total work out fees earned by the loan servicer in restructuring defaulted loans. In so doing, DoubleLine is a direct party to such fee agreements with the applicable loan servicer. DoubleLine may not negotiate with the loan servicer any term of the arrangement other than the portion of the work out fees to be received by its Clients. Such work out fees generally will be allocated *pro rata* to the participating clients, except to the extent a particular Client has sold its rights to such work out fees to a third party. However, if DoubleLine had paid Diligence Expenses on behalf of its Clients, DoubleLine may choose to retain such work out fees as reimbursement for such work out fees.

Because DoubleLine Capital LP and two other registered investment advisers that operate under the DoubleLine brand share resources through DoubleLine Group, it is possible that similar conflicts could arise between clients. For example, because of certain organizational barriers, it is conceptually possible for DoubleLine Capital to take actions that could inadvertently adversely affect the interests of the other registered investment advisers clients or for the other registered investment advisers to take actions that could inadvertently adversely affect the interests of DoubleLine Capital Clients – without knowledge of that impact.

Any of the foregoing conflicts of interest described in this Item 11 or elsewhere in this Brochure will be reviewed on a case-by-case basis in accordance with the Code, other DoubleLine internal policies and procedures, as well as applicable law and regulation. These and other potential conflicts are discussed generally herein or in the relevant IMA, offering documents and/or governing documents of the Registered Funds, UCITS funds or DoubleLine Private Funds managed by DoubleLine, which should be reviewed carefully in conjunction with any investment. Any such discussions will take into consideration the interests of the relevant Clients and the circumstances giving rise to the conflict and applicable law. Clients should be aware that conflicts will not necessarily be resolved in favor of a particular Client's interests, and DoubleLine will attempt to resolve such matters in a fair and equitable manner, over time, without regard to compensation paid to DoubleLine 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.

### Potential Conflicts Due to Cross Trades

In the event DoubleLine engages in cross trades, such as at the direction of Clients (when it is not prohibited under the applicable Client's investment restrictions or applicable law, and when DoubleLine believes it is in the best interests of both the selling Client and the buying Client), DoubleLine may execute cross trades, or sell a security or other instrument for one Client to another Client, without the use of a broker-dealer. However, cross trades present an inherent conflict of interest because DoubleLine represents the interests of both the selling party and the buying party in the same transaction. As a result, Clients for whom DoubleLine executes cross trades bear the risk that one or more Clients in the cross trade may be treated more favorably by DoubleLine than another party, particularly in cases where a party pays DoubleLine a higher management or performance-based fee or allocation. Additionally, there is a risk that the price of a security or other instrument bought or sold through a cross trade may not be as favorable as it might have been had the trade been executed in the open market or that a Client receives a security that is difficult to dispose of in a market transaction. This could happen, for example, if market quotations used to determine the cross trade price do not reflect the price that would be obtained in an actual market transaction.

To address these and other concerns associated with cross trades, DoubleLine's policies and procedures regarding cross trades generally require that cross trades be effected at the independent "current market price" of the security or other instrument, as determined by reference to independent third party sources, and that DoubleLine will execute cross trades only in the best interests of both the buying Client and the selling Client. DoubleLine may not engage in cross trades for Clients in which DoubleLine acts as principal in the transaction without appropriate consent. For regulatory or other reasons, DoubleLine may choose not to execute cross trades for one or more Clients, which could disadvantage those Clients as compared to Clients for whom DoubleLine performs cross trades. In addition, as a result of changes to the regulation of fund valuation under the 1940 Act, DoubleLine may not be able to effect a cross trade for fixed income assets even though a cross trade may be a more effective means of transacting.

### Potential Conflicts Due to Loan Origination, Mortgage Lending and Servicing, and Underwriting Processes

DoubleLine and its affiliates expect to engage in loan origination, mortgage lending and servicing, and underwriting processes, or have entered into business arrangements with other vendors that provide such services (collectively, the "DoubleLine Entities"), and, as compensation for such services, are entitled to receive certain percentages of lending, origination, servicing and/or underwriting fees and expenses. To the extent that any Client invests in any loan interests or loan participations that were originated by a DoubleLine Entity, or any security or other instrument that was underwritten or securitized by a DoubleLine Entity, then the Client will bear its portion of such fees and expenses paid to the DoubleLine Entity for such services. DoubleLine will only invest in such instruments on behalf of a Client if it reasonably believes at the time of investment that such investment is consistent with the Client's investment objectives and strategies, and that such investment is in the best interests of the Client, taking into consideration the role of any DoubleLine Entity. A Client may also own all or a portion of the DoubleLine Entity that engages in these types of services (e.g., where an origination vehicle or warehousing structure is owned by a DoubleLine Private Fund), in which case the Client would share directly in the profits and expenses of such operations. Although DoubleLine believes that these arrangements will result in better access to investment opportunities that can be achieved with more efficient pricing and transaction costs, the various services performed by DoubleLine Entities, and fees received in connection therewith, create

conflicts of interest, including that (i) DoubleLine may be incented to favor instruments that are originated, underwritten or securitized by a DoubleLine Entity; and (ii) DoubleLine may be less incentivized to pursue remedies and enforce rights against a DoubleLine Entity, as compared to an unaffiliated entity.

## Item 12. Brokerage Practices

### Best Execution

DoubleLine 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 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 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 determines that such commission or spread is reasonable in relation to the circumstances of that transaction. In making this determination, DoubleLine 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; (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. DoubleLine has a Trading and Allocation Committee which oversees the trading and allocation process, including best execution.

The determinative factor is not necessarily the lowest possible commission cost or spread, but whether the transaction represents the best qualitative execution for the Client account. The firm periodically evaluates the execution performance of brokers executing its transactions. Equally important may be the timing of the trade. Executing orders at different times may result in delay or opportunity costs or higher settlement costs. DoubleLine does not adhere to any rigid formulas in making the selection of the applicable broker-dealer, but weighs a combination of the criteria discussed in the preceding paragraph.

### Counterparty Review Process

Various analysts at DoubleLine, including the Counterparty Risk Committee, evaluate the creditworthiness of counterparties to Client accounts on an ongoing basis. In addition to information provided by credit agencies, DoubleLine's team of credit analysts evaluates each approved counterparty using various methods of analysis, including, but not limited to, analysis of publicly available financial and other data (including earnings updates), the broker-dealer's reputation, DoubleLine'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 receives unsolicited research from various broker-dealers, which may or may not be counterparties to trades placed on behalf of Clients. In effecting its fixed income trading, DoubleLine does not use brokerage commissions from Client account trades to obtain research or other products or services from broker-dealers. Although DoubleLine may review and consider certain of the research received, the provision of research does not factor into DoubleLine'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 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 generally do not factor into DoubleLine's fixed income broker-dealer selection process, but may be a factor in personnel effecting equity trades on behalf of DoubleLine Capital's clients.

DoubleLine purchases research related to corporate bond issuers from various services offering such research. DoubleLine purchases this research to attempt to gain an independent viewpoint on corporate issuers and various sectors of the corporate market. DoubleLine does not purchase any research for its fixed income business through brokerage commissions or the use of soft dollars; all research purchases are paid using DoubleLine's own resources. The corporate research purchased generally covers the following items of interest to the investment teams that invest in corporate bonds:

- 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;
- 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.

DoubleLine Capital has adopted a soft dollars policy limited to agency trades affected in equity securities only. "Soft Dollars" are permitted only in accordance with the Section 28(e) safe harbor under the Securities Exchange Act of 1934 ("Section 28(e) Safe Harbor").

The Section 28(e) Safe Harbor is available only with respect to transactions involving payment of a commission to the executing broker. In general, permitted trades will include all equity trades executed on an agency basis on behalf of a Client. In addition, in accordance with SEC guidance, permitted trades include certain eligible riskless principal trades involving equity securities where both legs of the trade are executed at the same price, the fee and transaction price are fully and separately disclosed on the confirmation and the trade is reported in a manner that provides independent and objective verification of the transaction price subject to regulatory oversight. DoubleLine's policy is that Soft Dollars may not be used in connection with trading of fixed income securities. However, consistent with long-standing industry practice in the fixed income area, DoubleLine may receive research and other information, including means of accessing fixed income trading platforms, that dealers provide for no charge to their customers in the ordinary course of business; *provided*, that such research shall not be taken into consideration in selecting an executing dealer and in determining whether "best execution" was obtained in connection with the applicable trade. Nonetheless, it is possible that DoubleLine may have an incentive to select or recommend a particular broker-dealer based on the research made available by that broker-dealer, even where that research is provided apart from effecting transactions.

Because DoubleLine Capital and the two other registered investment advisers share certain personnel and other resources through similar contractual arrangements with DoubleLine Group LP, it is possible that some personnel perform similar functions for each of DoubleLine Capital and the other registered investment advisers. It also is possible that research analysts for DoubleLine Capital and the other registered investment advisers, while assigned specifically to each adviser entity, cover similar sectors and may share research, analysis and ideas, subject to appropriate information barriers (as described above and if needed). Therefore, although DoubleLine Capital does not use soft dollars in trading for its fixed income business, it potentially may indirectly benefit from research or access to issuers acquired or arranged by these other registered investment advisers through their soft dollars program. Because the potential indirect benefits are limited in nature, it is not anticipated that such benefits are material to DoubleLine Capital's fixed income business or Clients.

#### **Mutual Fund Distribution**

Distribution of the DoubleLine Funds by a broker-dealer is not considered as a factor in choosing executing broker-dealers for any Client account trades. Periodic comparisons of the lists of distributing broker-dealers of the funds managed or offered by DoubleLine and the executing brokers for Client account trades are conducted to address this potential conflict of interest.

#### **Referrals**

DoubleLine does not recommend broker-dealers to Clients, although it does choose the brokers which execute Client trades if DoubleLine has discretionary authority over the account. Although DoubleLine currently does not have non-discretionary accounts, it is possible that DoubleLine would suggest that a future non-discretionary account contact a particular broker to affect a trade in a security that DoubleLine recommended to such non-discretionary account. Although broker-dealers may, from time to time, refer prospective clients to DoubleLine, in accordance with Rule 206(4)-1 under the Advisers Act, DoubleLine 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 does not recommend, request or require Clients to direct DoubleLine to use a particular broker-dealer to execute account transactions for the Client, nor does DoubleLine have an affiliated broker dealer.

DoubleLine does permit Clients to direct DoubleLine, in writing, to use a particular broker-dealer to execute account transactions for the Client. DoubleLine prefers that all such arrangements be subject to best execution requirements, however when a Client selects the broker-dealer, DoubleLine may be unable to achieve best execution for trades effected through that broker. In situations where a Client directs the use of certain brokers, DoubleLine may not be able to negotiate commissions or obtain volume discounts for the accounts that direct DoubleLine 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 generally will be executed following completion of any non-directed trades. Also, Client accounts with directed brokerage arrangements will not be able to access certain fixed-income securities or markets if their designated

broker-dealer(s) do not have access to the securities or markets in question. As a result, performance results for these accounts may vary (at times considerably) from other Client accounts managed by DoubleLine 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 to use directed brokerage arrangements subject to best execution generally 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 and its affiliates typically seek to aggregate securities transactions when the same securities transactions are sought for multiple Client accounts. In addition, DoubleLine may execute securities transactions alongside or interspersed between aggregated orders when DoubleLine 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.

Aggregated orders will be allocated among the applicable Client accounts pursuant to DoubleLine's trade allocation procedures in a manner that DoubleLine considers to be fair and equitable over time. DoubleLine may exclude trades from aggregate orders for accounts where the Client directs DoubleLine on which brokers to use for trading. Allocations may be made (1) on a pro-rata basis or (2) on a non-pro rata basis based on factors such as: liquidity requirements; reserves and cash flow considerations; diversification requirements; portfolio duration; amount of capital available for investment by a client, including new clients, as well as projected future capacity for investment; variance of the portfolio from models, target weights or indexes; risk management considerations; the size of the investment relative to the size of the account; Client-specific industry and other allocation targets, including each account's target average credit quality, liquidity, sector targets, and composition; minimum and maximum investment size requirements; tax considerations; legal, contractual, or regulatory constraints specific to or imposed by a client; and any other relevant limitations imposed by or conditions set forth in the applicable offering or other organizational documents of a Client and, if applicable, directed brokerage instructions. These factors provide substantial discretion to DoubleLine in allocating investment opportunities. In addition, DoubleLine also may exclude certain accounts from an allocation if the size of the allocation would not satisfy certain minimum size thresholds established by DoubleLine, a Client or by the issuer itself for operational reasons.

Some aggregated orders, such as those for structured products and emerging markets debt, may be allocated post-execution. Typically, these aggregated orders will be subject to a recommended allocation. The recommended allocation, provided by a member of the portfolio management team, will provide an allocation for the order or as to the strategy or group of accounts among which the order should be allocated. When allocating on a non-pro rata basis, DoubleLine will apply the factors described in the preceding paragraph in making a final allocation decision. DoubleLine takes this approach, in part, because the available securities, amounts or particular characteristics of certain investments may not be known until after execution, which makes pre-execution allocations prohibitively difficult.



DoubleLine's Trading and Allocation Committee (TAC) oversees the allocation policy. As part of the oversight process, the TAC maintains multiple processes and controls to monitor compliance with the policy. For example, the TAC, on a daily basis, reviews (1) any order allocated without a completed recommendation, (2) any post-execution deviations made to a pre-execution recommendation, and (3) allocations made on a non-pro rata basis for a reason other than one or more of the factors described above. In addition, usually on a monthly basis, the TAC reviews various reports related to trading topics, to ensure that such allocations have been performed fairly and equitably over time and in a manner consistent with DoubleLine's policies and procedures. Other departments at DoubleLine perform additional reviews designed to assist in monitoring the policy.

Allocations of investment opportunities and aggregate orders may result in performance differences among Client accounts. Allocation of a specific trade may have the appearance or the effect of benefiting one account versus another when viewed in isolation. Periodic reviews of Client account performance are conducted to ensure that trade allocations occur fairly and equitably over time.

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

DoubleLine may provide non-discretionary investment advisory services to certain Clients, pursuant to which DoubleLine may provide advice related to purchasing, selling, holding, valuing, or exercising rights with respect to particular investments including the DoubleLine Funds, but DoubleLine may or may not independently execute purchases or sales on behalf of these Clients. 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 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.

#### **Conflicts with Oaktree Investments**

As discussed in Item 10 above, the investment activities of Oaktree are entirely separate from those of DoubleLine Capital. DoubleLine Capital has adopted policies and procedures to establish and maintain an information barrier between Oaktree and DoubleLine Capital (the "Information Barrier") for the purpose of (1) shielding DoubleLine Capital and Oaktree and their respective personnel from material non-public information that may exist from time-to-time on the opposite side of the Information Barrier, as applicable, and (2) preventing coordinated investment activities among the DoubleLine Capital investment professionals and Oaktree investment professionals. Consequently, DoubleLine Capital and Oaktree manage their respective investment portfolios on an entirely separate basis and do not exchange any confidential information concerning actual or potential investments.

DoubleLine Capital and Oaktree make investment decisions independently of one another. Each of DoubleLine Capital and Oaktree may take actions that have the result of adversely impacting the

investments of the other and/or produce different investment outcomes. For example, Oaktree's clients or DoubleLine's Clients may invest in the same securities or issuers in which the other's clients are invested but the Information Barrier may result in differences in price, terms and amount of leverage (if any), and associated transaction costs. In addition, given the design of these Information Barriers, each of DoubleLine Capital and Oaktree may dispose of such investments at different market prices and/or times than the other or make investments or engage in other investment activities that are inconsistent with those of the other.

Oaktree's clients may invest in securities that are senior to DoubleLine Capital's Clients in the capital structure of an issuer. This could mean that, in a workout or other distressed scenario, the interests of Oaktree's clients might be adverse to DoubleLine Capital's Clients and Oaktree's clients might recover all or part of the available capital whereas the DoubleLine Capital Clients may not. Further, in such a scenario, Oaktree may pursue strategies on behalf of its clients that have the effect of diminishing the value of investments held by DoubleLine's Clients.

Oaktree is under no obligation to, and will not be required to take any action or withhold from taking any action to mitigate losses incurred by DoubleLine Capital's Clients in such a scenario.

DoubleLine Capital also may be prohibited from pursuing certain investment opportunities or may have its ability to participate in any particular investment opportunity substantially limited due to regulatory or legal restrictions or constraints that may not have been applicable had Oaktree not also invested in the same entity.

## Item 13. Review of Accounts

Responsibility for the review of DoubleLine's Clients' accounts is divided among DoubleLine'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 portfolio 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. DoubleLine uses Bloomberg's Asset and Investment Manager ("AIM") as its trade order management system ("OMS"). An integral component within AIM is the Compliance Manager ("CMGR") module. CMGR 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. These investment guidelines and restrictions are input as concentration, exclusion or manual rules. DoubleLine's compliance department is responsible for ensuring the rules in Bloomberg AIM are accurate and reflect the most current information for each account.

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 personnel of any material changes to their firm, investment objectives or financial circumstances and will have the ability to impose reasonable restrictions or changes on account investments, subject to acceptance by DoubleLine. Such periodic reports describe the activities and provide information on investments of the Client's account.

Private investment 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 administrator and not DoubleLine.

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**

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

From time to time, DoubleLine may pay third-party solicitors a fee or compensation for referring a Client to DoubleLine. Such arrangements may include the DoubleLine Private Funds and Registered Funds. In accordance with current applicable laws and regulations, a third-party solicitor is required to provide prospective clients with certain disclosures, as required by Rule 206(4)-1 under the Advisers Act. Such referral compensation typically is paid directly by DoubleLine to the third party out of DoubleLine's resources. Clients and investors in the funds are advised to inquire of any third-party about any compensation received by the third-party from DoubleLine for that referral, including any referral relating to an investment in a DoubleLine Private Fund.

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

## Item 15. Custody

### Separate Account Clients

DoubleLine does not have possession, or have the authority to obtain 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 also provides periodic written reports to its Clients (as described in Item 13), Clients should compare the written reports received from DoubleLine to the periodic reports received from their custodian. DoubleLine advises and requests that prospects and Clients review the SEC IM Guidance Update of February 2017 “Inadvertent Custody: Advisory Contract Versus Custodial Contract Authority” with an eye towards ensuring that their Client custodial contract does not contain provisions granting DoubleLine authorities in excess of regulatory boundaries or the investment management agreement between DoubleLine and the Client.

### DoubleLine Private Funds

Because certain Related Persons of DoubleLine serve in the capacity of general partner to its Private Funds, DoubleLine is deemed to have custody of the assets in those Private Funds, based on the definition of “custody” set forth in Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). To comply with the Custody Rule with respect to such Private Funds, DoubleLine intends that it or its Related Persons will:

- a. At least annually, distribute the private investment vehicle’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 calendar days of the end of the fiscal year of the private investment vehicle;
- b. Ensure that such audits are conducted by an independent public accountant that is registered with, and subject to regular 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;
- c. In the event of liquidation of the private investment vehicle, distribute the private investment vehicle’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 or its affiliates provide written reports to investors in the private investment vehicles it offers or manages. Such investors are urged to compare the DoubleLine reports to any reports received from the private investment vehicles’ other service providers and also should compare the DoubleLine reports to the independently prepared annual audited financial statements they receive. Investors in the Private Funds are reminded that the DoubleLine Private Funds are Clients of DoubleLine but the investors themselves are not DoubleLine’s Clients unless they have another business arrangement with DoubleLine which creates a Client relationship as described within this Form ADV Part 2A.

Proposed changes to regulation of custody arrangements may result in changes to DoubleLine's processes in the future, which could also increase costs and expenses borne by Separate Account Clients and Private Fund investors.

## Item 16. Investment Discretion

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

As discussed elsewhere in this brochure, DoubleLine may furnish investment management services to some Clients on a non-discretionary basis, which may include, without limitation, evaluation and risk assessment of Client portfolios.

For Clients that are registered investment companies, DoubleLine's authority to trade securities also may be limited by certain federal securities and tax laws that provide specific requirements as to diversification and concentration of fund investments.

## Item 17. Voting Client Securities

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

For those accounts over which DoubleLine has been granted proxy voting authority, the determination of how to vote proxies for Client account securities is made pursuant to DoubleLine's 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 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.

DoubleLine has retained a third party proxy voting service, currently Glass, Lewis & Co., a recognized authority on proxy voting and corporate governance, as its proxy voting agent to vote proxies in accordance with the Proxy Policy. Glass, Lewis & Co. obtains proxy ballots, provides vote recommendations, votes proxies and provides recordkeeping and reporting services on behalf of those Clients that have provided DoubleLine Capital with the authority to vote proxies. DoubleLine has a fiduciary responsibility to vote proxies in our Clients' best interests. DoubleLine personnel are responsible for managing the relationship with Glass, Lewis & Co. and for ensuring that we are meeting our proxy voting obligations.

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 or its proxy voting agent will review each proxy solicitation to determine whether there may be a material conflict between DoubleLine and the applicable Client. If no conflict exists and if the Client has granted DoubleLine authority to vote by proxy, DoubleLine or its proxy voting agent will vote the proxy in accordance with the Proxy Policy.

DoubleLine has formed a proxy voting committee (the "Committee") to monitor compliance and review potential conflicts of interest with respect to the Proxy Policy. If a material conflict does exist between DoubleLine and the Client, DoubleLine will seek to resolve any such conflict in the Client's best interest in accordance with the Proxy Policy 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 the 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 may 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 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 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'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 otherwise has determined that it is consistent with its fiduciary obligations not to vote the security.

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

Information about how DoubleLine voted securities held by the mutual funds it offers or manages during the most recent twelve-month period ended June 30th is available no later than the following August 31st

upon request and without charge by calling DoubleLine at (813)791-7333. This information is also available on the SEC's website at <http://www.sec.gov>.

Clients may request similar information about securities voted by proxy in their account by sending a written request to their DoubleLine client service representative. Except as required by law, DoubleLine will not disclose to third-parties how it voted securities on behalf of a Client.

Copies of DoubleLine's complete written Proxy Policy are available by calling DoubleLine at (813)791-7333.

## **Item 18. Financial Information**

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

## **Item 19. Requirements for State – Registered Advisor**

Because DoubleLine 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 Do With Your Personal Information?**

This notice provides information about how DoubleLine (“we,” “our” and “us”) collects, discloses, and protects your personal information, and how you might choose to limit our ability to disclose certain information about you. Please read this notice carefully.

### **Why We Need Your Personal Information**

All financial companies need to disclose customers’ personal information to run their everyday businesses, to appropriately tailor the services offered (where applicable), and to comply with our regulatory obligations. Accordingly, information, confidential and proprietary, plays an important role in the success of our business. However, we recognize that you have entrusted us with your personal and financial data, and we recognize our obligation to keep this information secure. Maintaining your privacy is important to us, and we hold ourselves to a high standard in its safekeeping and use. Most importantly, DoubleLine does not sell its customers’ non-public personal information to any third parties. DoubleLine uses its customers’ non-public personal information primarily to complete financial transactions that its customers request (where applicable), to make its customers aware of other financial products and services offered by a DoubleLine affiliated company, and to satisfy obligations we owe to regulatory bodies.

### **Information We May Collect**

We may collect various types of personal data about you, including:

- Your personal identification information, which may include your name and passport information, your IP address, politically exposed person (“PEP”) status, and such other information as may be necessary for us to provide our services to you and to complete our customer due diligence process and discharge anti-money laundering obligations;
- Your contact information, which may include postal address and e-mail address and your home and mobile telephone numbers;
- Your family relationships, which may include your marital status, the identity of your spouse and the number of children that you have;
- Your professional and employment information, which may include your level of education and professional qualifications, your employment, employer’s name and details of directorships and other offices which you may hold; and
- Financial information, risk tolerance, sources of wealth and your assets, which may include details of shareholdings and beneficial interests in financial instruments, your bank details and your credit history.

### **Where We Obtain Your Personal Information**

- Information we receive about you on applications or other forms;
- Information you may give us orally;
- Information about your transactions with us or others;
- Information you submit to us in correspondence, including emails or other electronic communications; and
- Information about any bank account you use for transfers between your bank account and any DoubleLine investment account, including information provided when effecting wire transfers.

### **Information Collected From Websites**

Websites maintained by DoubleLine or its service providers may use a variety of technologies to collect information that help DoubleLine and its service providers understand how the website is used. Information collected from your web browser (including small files stored on your device that are commonly referred to as “cookies”) allow the websites to recognize your web browser and help to personalize and improve your user experience and enhance navigation of the website. You can change your cookie preferences by changing the setting on your web browser to delete or reject cookies. If you delete or reject cookies, some website pages may not function properly. Our websites may contain links that are maintained or controlled by third parties with privacy policies that may differ, in some cases significantly, from the privacy policies described in this notice. Please read the privacy policies of such third parties and understand that accessing their websites is at your own risk. Please contact your DoubleLine representative if you would like to receive more information about the privacy policies of third parties.

We also use web analytics services, which currently include but are not limited to Google Analytics and Adobe Analytics. Such web analytics services use cookies and similar technologies to evaluate visitor’s use of the domain, compile statistical reports on domain activity, and provide other services related to our websites. For more information about Google Analytics, or to opt out of Google Analytics, please go to <https://tools.google.com/dlpage/gaoptout>. For more information about Adobe Analytics, or to opt out of Adobe Analytics, please go to: <http://www.adobe.com/privacy/opt-out.html>.

### **How And Why We May Disclose Your Information**

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

- It may be necessary for DoubleLine to provide information to nonaffiliated third parties in connection with our performance of the services we have agreed to provide to you. For example, it might be necessary to do so in order to process transactions and maintain accounts.
- DoubleLine will release any of the non-public information listed above about a customer if directed to do so by that customer or if DoubleLine is required or authorized by law to do so, such as for the purpose of compliance with regulatory requirements or in the case of a court order, legal investigation, or other properly executed governmental request.
- In order to alert a customer to other financial products and services offered by an affiliate, DoubleLine may disclose information to an affiliate, including companies using the DoubleLine name. Such products and services may include, for example, other investment products offered by a DoubleLine company. If you prefer that we not disclose non-public personal information about you to our affiliates for this purpose, you may direct us not to make such disclosures (other than disclosures permitted by law) by contacting us at [Privacy@DoubleLine.com](mailto:Privacy@DoubleLine.com) or at 1 (800) 285-1545. If you limit this sharing and you have a joint account, your decision will be applied to all owners of the account.

We 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. We do not share your information to nonaffiliated third parties for marketing purposes. We maintain physical, electronic, and procedural safeguards to guard your non-public personal information.

**Notice Related To The California Consumer Privacy Act (CCPA) And To “Natural Persons” Residing In The State Of California**

DoubleLine collects and uses information that identifies, describes, references, links or relates to, or is associated with, a particular consumer or device (“*Personal Information*”). Personal Information we collect from our customers and consumers is covered under the Gramm-Leach-Bliley Act (“GLBA”) and is therefore excluded from the scope of the California Consumer Privacy Act, as amended by the California Privacy Rights Act (together, “CCPA”).

However, for California residents who are not DoubleLine customers or consumers, as those terms are defined by GLBA, the personal information we collect about you is subject to the CCPA. As such, you have privacy rights with respect to your personal information. Please review the following applicable California privacy notice that is available at <https://www.doubleline.com>, or by contacting us at [Privacy@DoubleLine.com](mailto:Privacy@DoubleLine.com) or at 1 (800) 285-1545.

CA Privacy Notice for Website Visitors, Media Subscribers and Business Representatives  
CA Privacy Notice for Employees

**Notice To “Natural Persons” Residing In The European Economic Area (The “EEA”)**

If you reside in the EEA, we may transfer your personal information outside the EEA, and will ensure that it is protected and transferred in a manner consistent with legal requirements applicable to the information. This can be done in a number of different ways, for instance:

- the country to which we send the personal information may have been assessed by the European Commission as providing an “adequate” level of protection for personal data; or
- the recipient may have signed a contract based on standard contractual clauses approved by the European Commission.

In other circumstances, the law may permit us to otherwise transfer your personal information outside the EEA. In all cases, however, any transfer of your personal information will be compliant with applicable data protection law.

**Notice To Investors In Cayman Islands Investment Funds**

If you are a natural person, please review this notice as it applies to you directly. If you are a legal representative of a corporate or entity investor that provides us with any personal information about individuals (i.e., natural persons), you agree to furnish a copy of this notice to each such individual or otherwise advise them of its content.

Any international transfer of personal information will be compliant with the requirements of the Data Protection Act, 2017 of the Cayman Islands.

**Privacy For Children**

DoubleLine is concerned about the privacy of children. Our website and our services are not targeted at individuals under 18 years of age, and we do not knowingly collect any personal information from an individual under 18. If we learn that a child under the age of 13 (or such higher age as required by applicable law) has submitted personally identifiable information online without parental consent, we will take all reasonable measures to delete such information from its databases and to not use such information for any purpose (except where necessary to protect the safety of the child or others as required or allowed by law). If you become aware of any personally identifiable information, we have

collected from children under 13 (or such higher age as required by applicable law), please contact us at [Privacy@DoubleLine.com](mailto:Privacy@DoubleLine.com) or at 1 (800) 285-1545. We do not sell or share any personal information and no have actual knowledge about selling or sharing personal information of individuals under the age of 16.

#### **Retention Of Personal Information And Security**

Your personal information will be retained for as long as required:

- for the purposes for which the personal information was collected;
- in order to establish or defend legal rights or obligations or to satisfy any reporting or accounting obligations; and/or
- as required by data protection laws and any other applicable laws or regulatory requirements, including, but not limited to, U.S. laws and regulations applicable to our business.

We will undertake commercially reasonable efforts to protect the personal information that we hold with appropriate security measures.

#### **Access To And Control Of Your Personal Information**

Depending on your country of domicile or applicable law, you may have the following rights in respect of the personal information about you that we process:

- the right to access and port personal information;
- the right to rectify personal information;
- the right to restrict the use of personal information;
- the right to request that personal information is erased; and
- the right to object to processing of personal information.

Although you have the right to request that your personal information be deleted at any time, applicable laws or regulatory requirements may prohibit us from doing so. In addition, if you invest in a DoubleLine fund through a financial intermediary, DoubleLine may not have access to personal information about you.

If you wish to exercise any of the rights set out above, please contact us at [Privacy@DoubleLine.com](mailto:Privacy@DoubleLine.com) or at 1 (800) 285-1545.

#### **Changes To DoubleLine's Privacy Policy**

DoubleLine reserves the right to modify its privacy policy at any time, but in the event that there is a change that affects the content of this notice materially, DoubleLine will promptly inform its customers of such changes in accordance with applicable law.

## 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 will ask for your name, address, date of birth (if applicable), and other information that will allow the DoubleLine representative to identify you. The DoubleLine representative also may ask to see your driver's license or other identifying documents.

## Exhibit C to Brochure

### Description of Investment Strategies

Investment Strategy	Investment Strategy Objectives and Descriptions
<b>Core Plus Fixed Income</b>	The composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over the long term by investing in fixed income instruments. Accounts have moderate latitude to invest in market sectors that are not included in the index and to deviate from sector weightings within the index. The target duration from the portfolios will generally range from 2 to 8 years.
<b>Emerging Markets Fixed Income</b>	The composite includes accounts that are managed to outperform the JP Morgan Emerging Markets Bond Index Global Diversified over the long term by investing in fixed income securities of private, public or sovereign issuers in emerging countries.
<b>Flexible Income</b>	The composite includes accounts that are managed to outperform the BBA 3-month LIBOR + 250 bps over the long term by investing in diversified mix of fixed income securities across the global marketplace. The composite has no constraints with respect to credit ratings.
<b>Flexible Income Plus</b>	The composite includes accounts that are managed to maximize total return by investing in a diversified mix of fixed income securities across the global marketplace. These portfolios have significant latitude with respect to credit ratings, asset class exposure and portfolio duration. The portfolios may invest a substantial proportion of their assets in below investment grade securities. The relative proportions of the strategy's investments can be expected to vary over time. Portfolios are designed to outperform the BBA 3-month LIBOR + 500 bps over the long term.
<b>Floating Rate</b>	The composite includes discretionary portfolios that are managed to outperform the S&P/LSTA U.S. Leveraged Loan Index by seeking high level of current income by investing primarily in floating rate loans and other floating rate investments.
<b>Global Bond</b>	The Composite includes accounts that are managed to outperform the Citi World Government Bond Index over the long term by combining investments in fixed income securities of private, public or sovereign issuers, including their currencies, located anywhere in the world. The composite will not hold more than 25% of its holdings in non-investment grade issuers.
<b>Income</b>	The Composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by investing primarily in structured product securities which include Residential and Commercial Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS) and Collateralized Loan Obligations (CLO) that provide a high level of current

	income, capital appreciation or both. Portfolios may invest in securities of any credit quality and may invest without limit in securities rated below investment grade and unrated securities.
<b>Infrastructure Income</b>	The Composite includes accounts which seek to generate current income and total return by investing in global infrastructure related debt.
<b>Long Duration Total Return</b>	The composite includes discretionary portfolios that are managed to seek long-term total return and to outperform the Bloomberg Barclays U.S. Long Government/Credit Index over the long term by primarily investing in mortgage-backed securities that may or may not be guaranteed by the U.S. Government or its agencies or instrumentalities. Accounts may invest in debt securities of any kind and in securities of any maturity or duration. Accounts are typically managed to have a dollar-weighted average effective duration of at least 10 years, however the effective duration of a portfolio may vary significantly from time to time.
<b>Low Duration</b>	The composite includes accounts that are managed to outperform the Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index over the long-term by investing in fixed income securities. Accounts are managed to have dollar-weighted average effective duration of less than 3 years.
<b>Low Duration Emerging Markets Fixed Income</b>	The composite includes discretionary portfolios that are managed to outperform JPM Corporate EMBI Broad Diversified Maturity 1-3 year Index over the long term by investing in emerging markets sovereign, quasi-sovereign and private (non-government) issuers with a dollar-weighted average effective duration of three and a half years or less.
<b>Mortgage Opportunities</b>	The strategy seeks to generate attractive current income and total return by investing in a portfolio of real-estate-related debt and other real-estate-related and mortgage-related assets (including equity, debt and synthetic assets and instruments), commercial and residential mortgage loans and mortgage-backed securities, other securitized assets (including risk retention securities), index instruments, financing and hedging instruments and derivatives, and other debt and loan instruments.
<b>Multi-Asset Growth</b>	The composite includes accounts that are managed over the long term by investing in fixed income securities, equity securities, commodity futures and currency futures.



<b>Opportunistic CRE Debt Strategy</b>	The composite includes discretionary portfolios that are managed to seek stable, current income with low volatility while generating excess returns over the Bloomberg Barclays US CMBS Index by investing in CRE debt related investments, including commercial mortgage-backed securities, commercial real estate whole loans, and CRE direct origination.
<b>Opportunistic Commercial MBS</b>	The composite includes discretionary portfolios whose objective is to significantly outperform the Bloomberg Barclays U.S. CMBS ex AAA Index over the long term by investing in commercial mortgage-backed securities not guaranteed by the U.S. Government. The Composite has no constraints with respect to credit ratings. Accounts are not managed to a duration target and the duration will likely vary significantly over time.
<b>Opportunistic Core Plus Fixed Income</b>	The composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over the long term by investing in fixed income instruments. Accounts have significant latitude to invest in market sectors that are not included in the index and to deviate from sector weightings within the index. The target duration from the portfolios will generally range from 2 to 8 years.
<b>Opportunistic Credit</b>	The composite includes accounts whose objective is to outperform the Bloomberg Barclays U.S. Aggregate Index over the long term by investing primarily in securitized assets, with an emphasis toward mortgage-backed securities that may or may not be guaranteed by the U.S. Government or its agencies or instrumentalities. The composite has no constraints with respect to credit ratings.
<b>Opportunistic Income</b>	The composite includes accounts that are managed to significantly outperform the Bloomberg Barclays U.S. Aggregate Bond Index over the long term by investing in mortgage-backed securities that may or may not be guaranteed by the U.S. Government or its agencies or instrumentalities and fixed income derivatives. The composite has no constraints with respect to credit ratings. Accounts are not managed to a duration target and the duration will likely vary significantly over time. Accounts are typically leveraged.
<b>Shiller Enhanced CAPE®</b>	The composite includes accounts that are managed to outperform the S&P 500® Total Return Index over the long term by investing in fixed income securities while simultaneously obtaining exposure to the Shiller Barclays CAPE® US Sector Total Return USD Index via use of derivatives.

<b>Shiller Enhanced International CAPE<sup>®</sup></b>	The composite includes accounts whose objective is to outperform the MSCI Europe Net Return USD Index over the long term by investing in fixed income securities while simultaneously obtaining exposure to the Shiller Bloomberg Barclays CAPE <sup>®</sup> Europe Sector Net TR NoC USD Index via use of derivatives.
<b>Short Intermediate</b>	The composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate 1-3 Years Index over the long term by investing in fixed income securities. Accounts are managed to have a dollar-weighted average effective duration of greater than 1 year and less than 3 years.
<b>Strategic MBS</b>	The composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate Index by 500 bps per annum over the long term by investing primarily in mortgage-backed securities that may or may not be guaranteed by the U.S. Government or its agencies or instrumentalities. The composite has no constraints with respect to credit ratings. Accounts are not managed to a duration target and the duration will likely vary significantly over time.
<b>Total Return</b>	The composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate Bond Index or similar index over the long term by investing more than 50% of assets in mortgage-backed securities that may or may not be guaranteed by the U.S. Government or its agencies or instrumentalities. Accounts are typically managed to have duration between 1 and 8 years.
<b>Total Return Tactical</b>	The composite includes accounts that are managed to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over the long term by investing at least 80% of the assets in fixed income securities of any credit quality with an emphasis toward mortgage-backed securities. Non-Agency residential mortgage-backed securities and commercial mortgage-backed securities typically will not exceed 20% of the net asset value of the portfolio in aggregate. Accounts are typically unlevered.

Descriptions of the indices referenced within this appendix are available upon request. Not all of DoubleLine's investment strategies are listed in Exhibit C. A more complete listing, including descriptions of such strategies, is available upon written request.