

# **“Why Own Any Bonds At All?”**

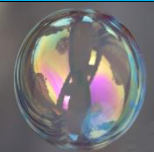


Lend Your Money to Your Government



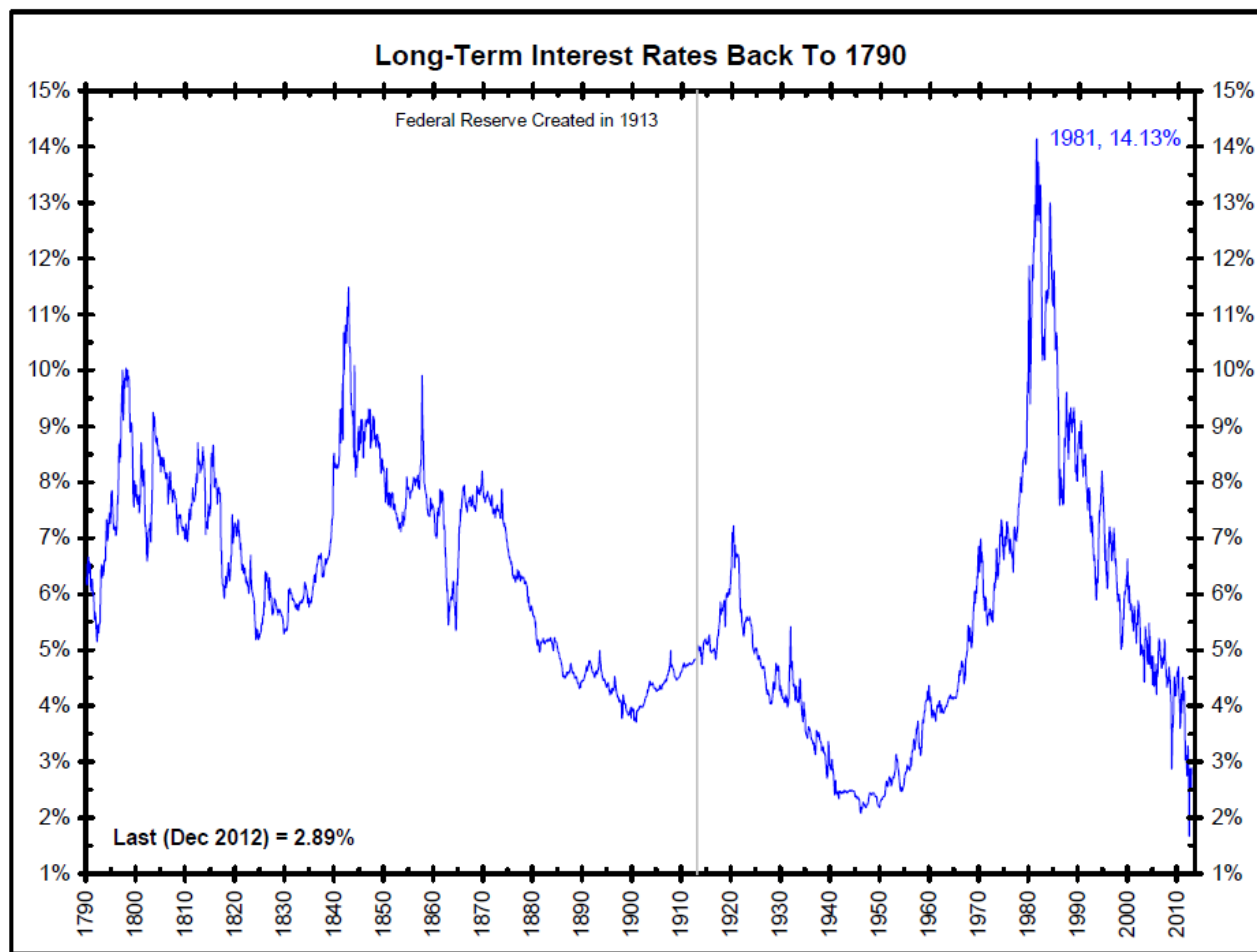
BUY A UNITED STATES GOVERNMENT BOND  
**SECOND LIBERTY LOAN OF 1917**

U. S. Treasury will pay you interest every six months

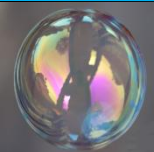


# U.S. Long Term Interest Rates

January 1, 1790 through December 31, 2012

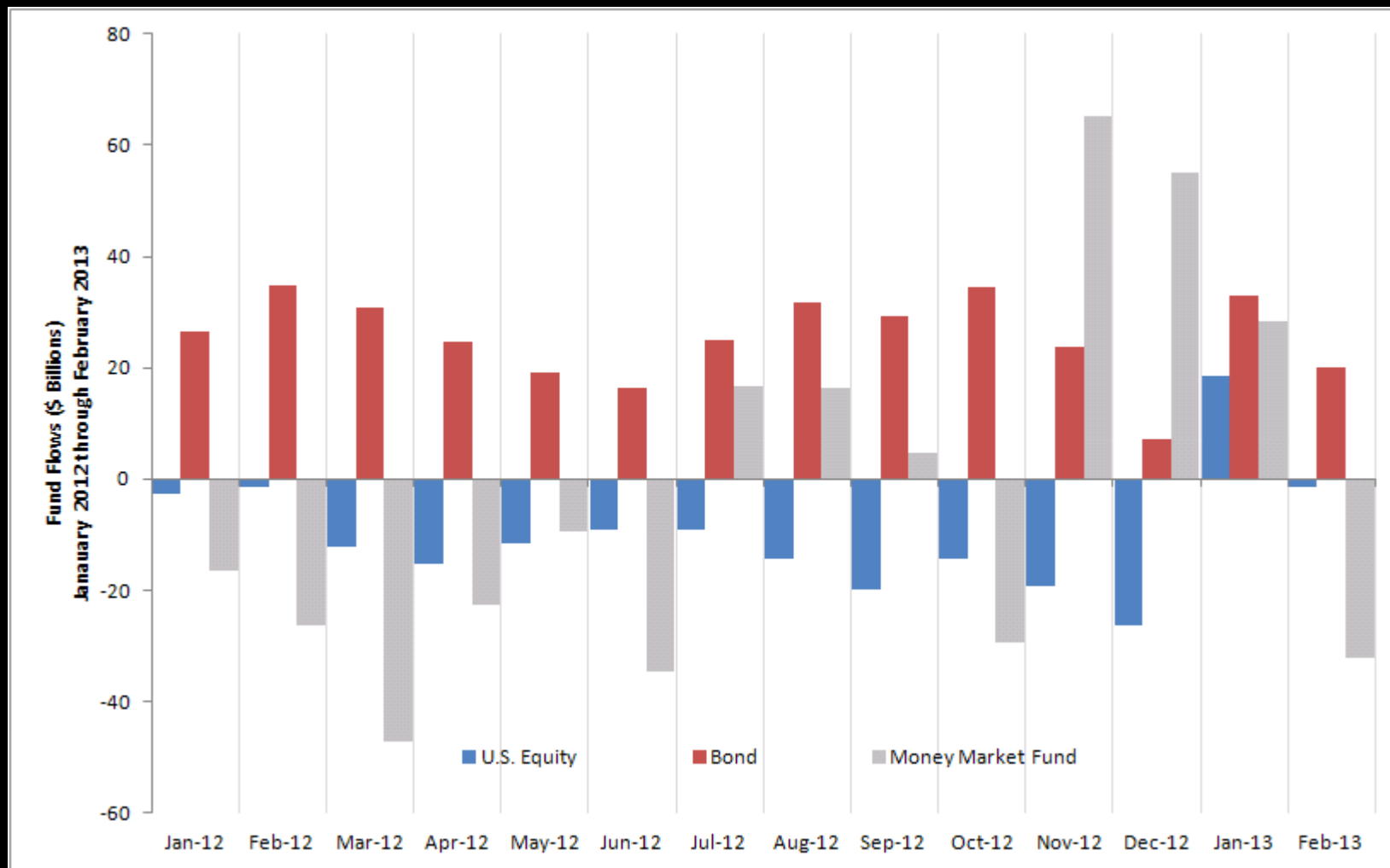


Data Source: The Foundation for the Study of Cycles



# Mutual Fund Flows

January 1, 2012 through February 28, 2013



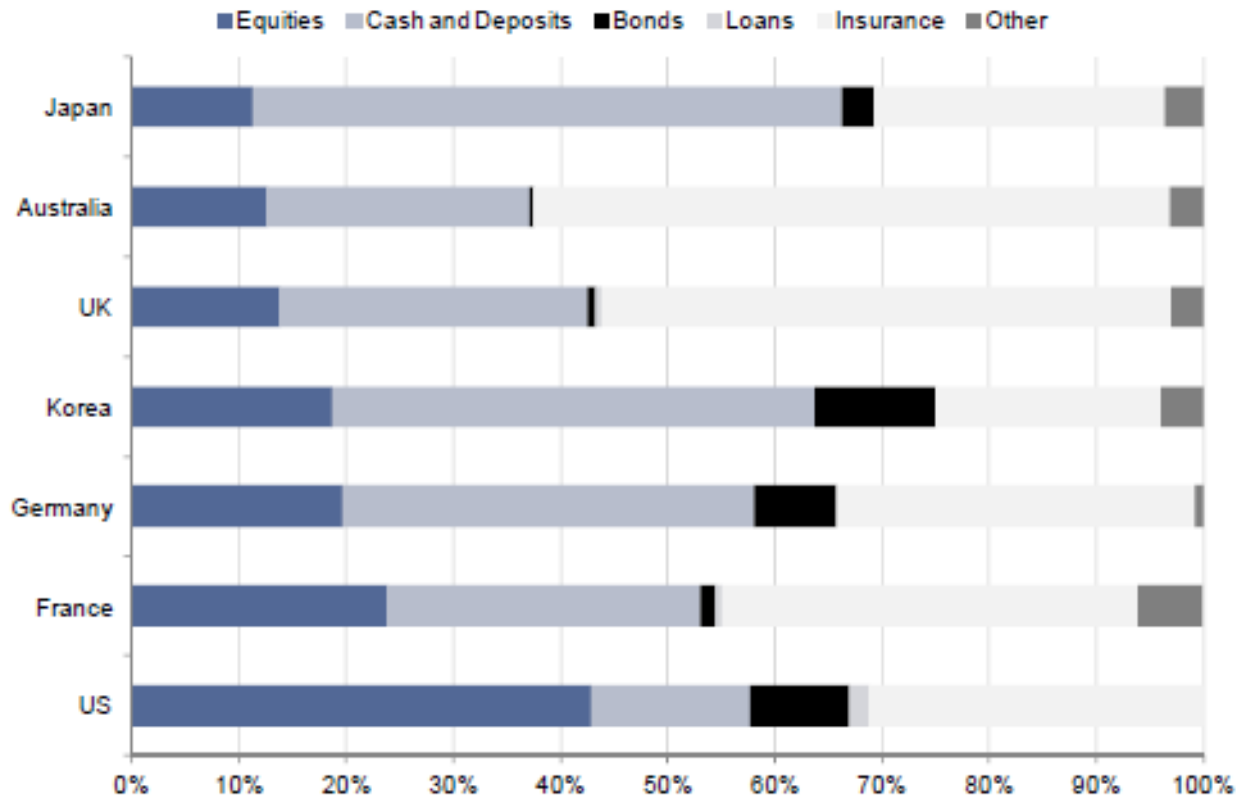


# Net Worth in Financial Assets by Country

As of December 31, 2012

## The stash of cash

Allocation of household financial assets to different asset classes

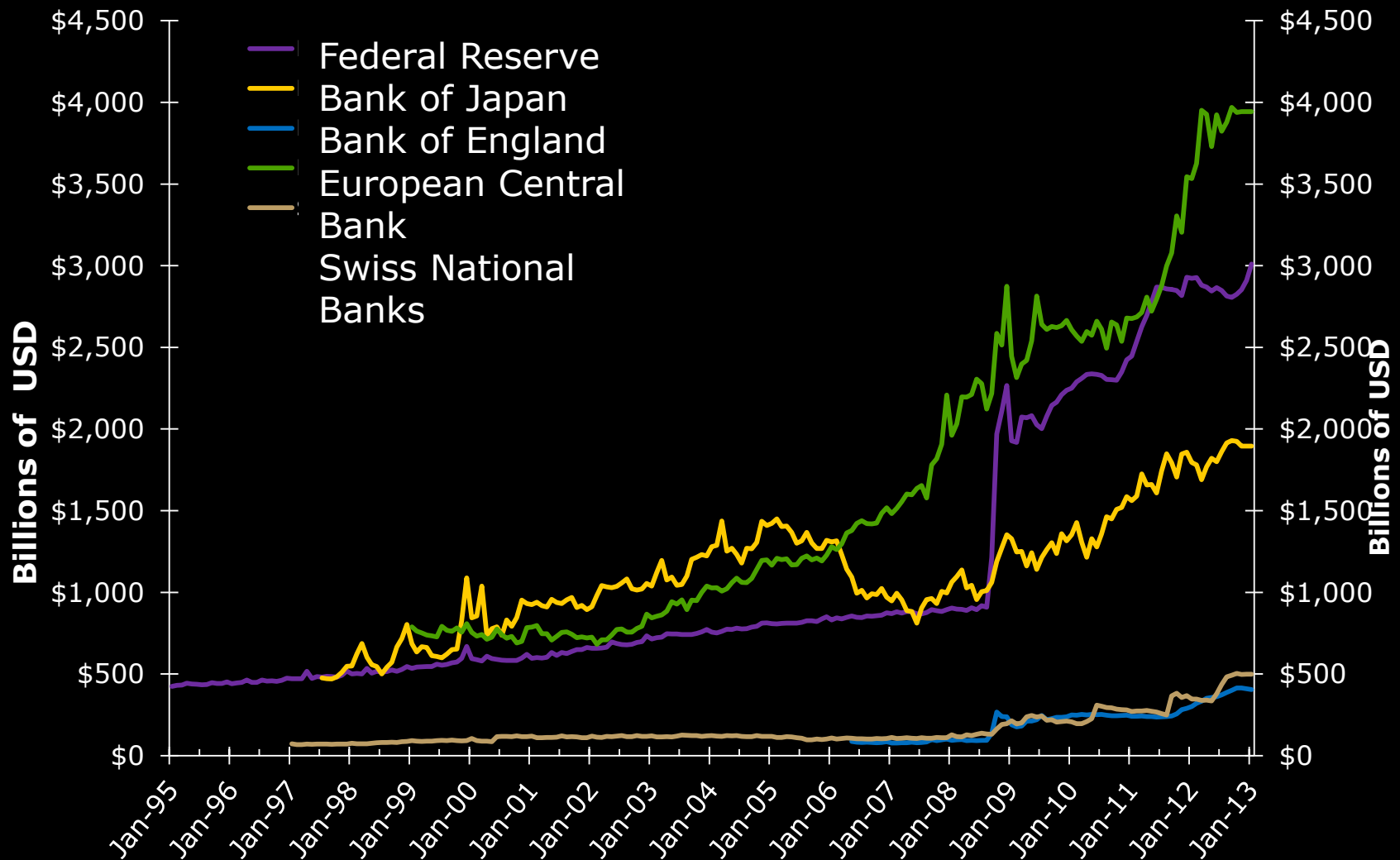


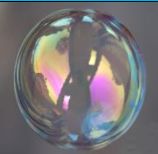
Source: OECD.



# Central Bank Balance Sheets

January 1, 1995 through January 31, 2013

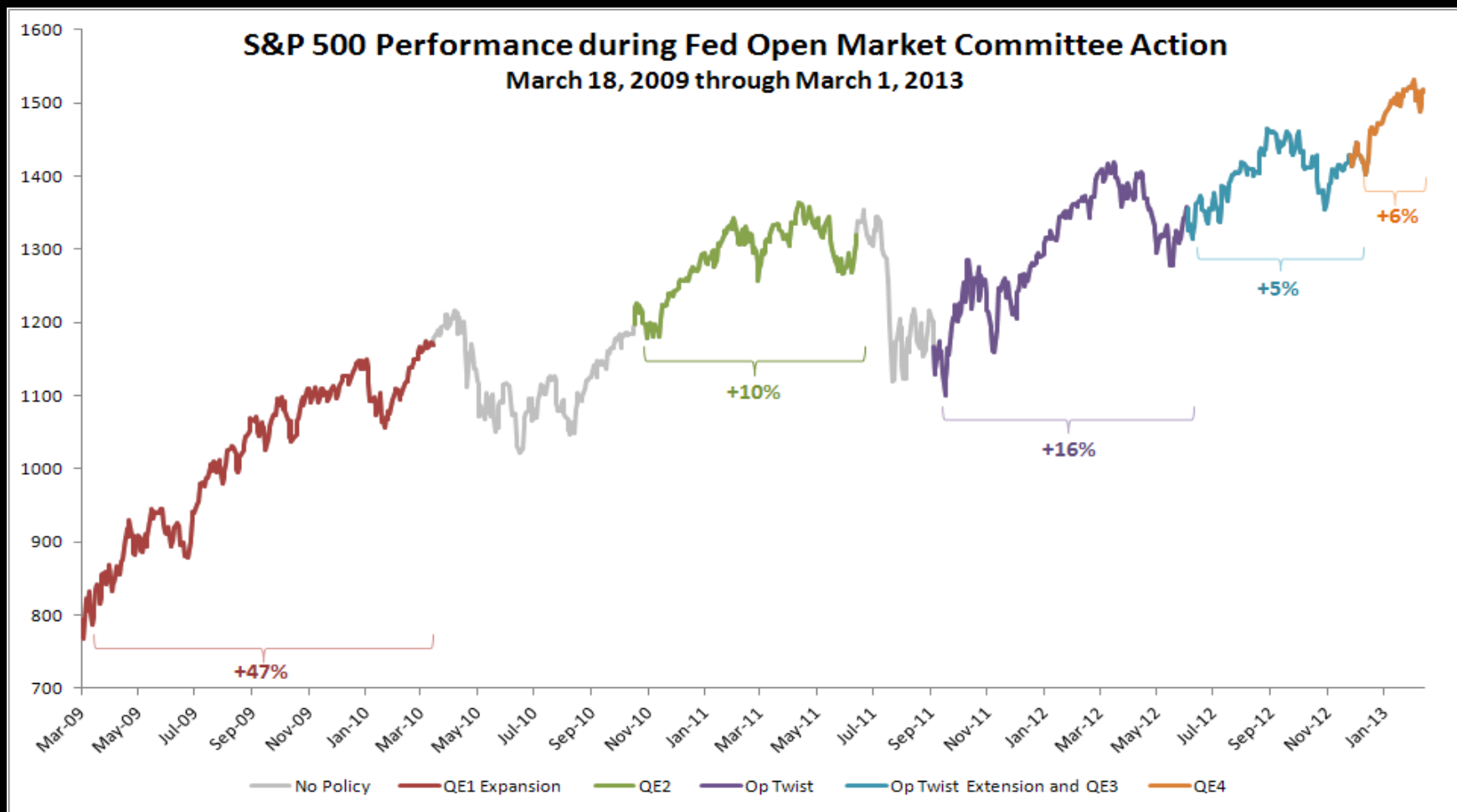




# Current View of the World

## Results of the Aggregate QE Program

- Reflation of equity prices

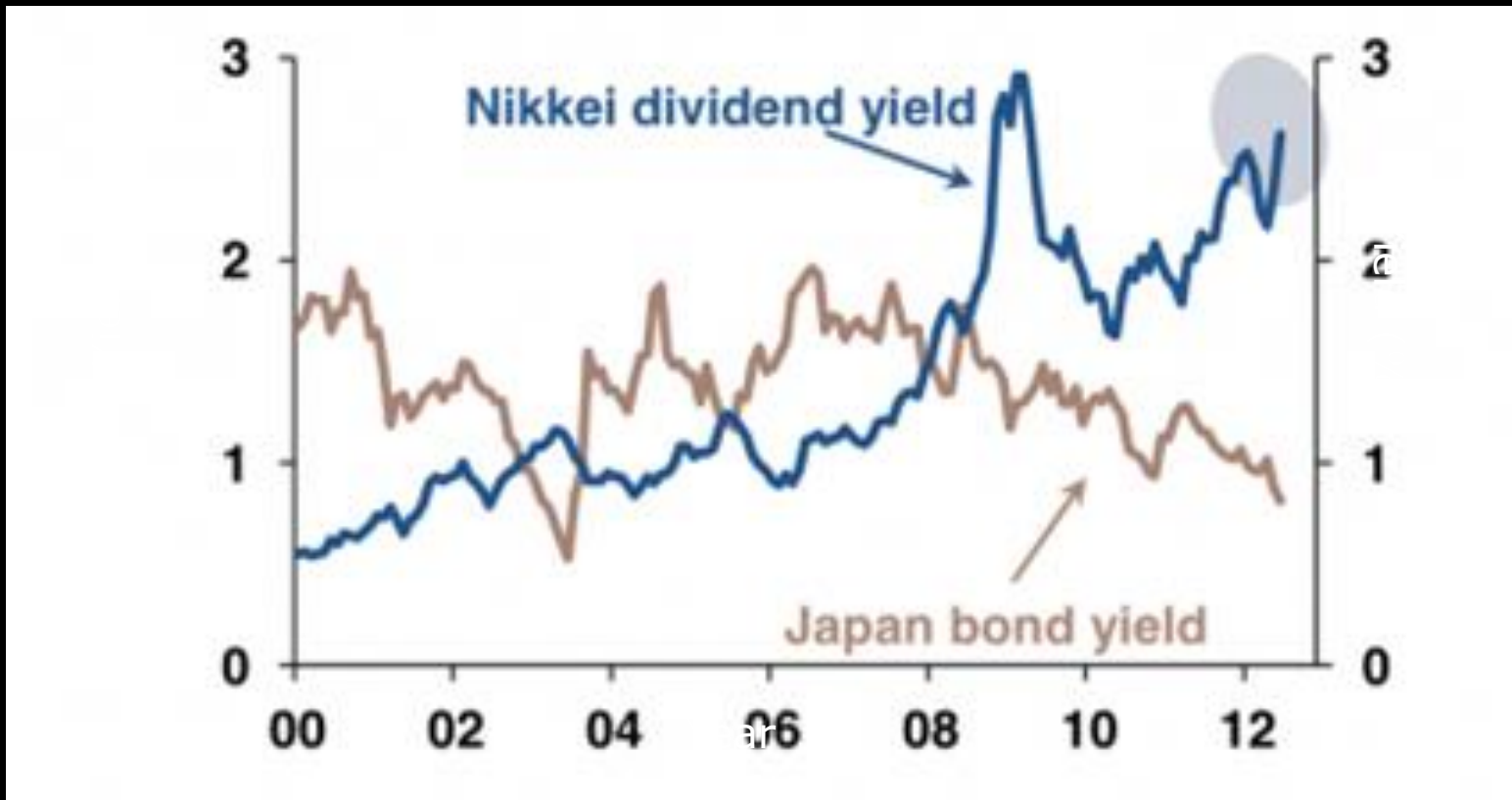




# Nikkei Yields

January 1, 2000 through October 31, 2012

- The Nikkei is now even offering yields above Japanese government bonds and the US S&P 500 yield

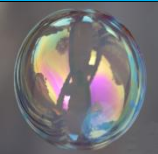


Source: Bloomberg Financial Services

Nikkei 225 Index Total Return = An index showing the average closing prices of 225 stocks on the Tokyo Stock Exchange.

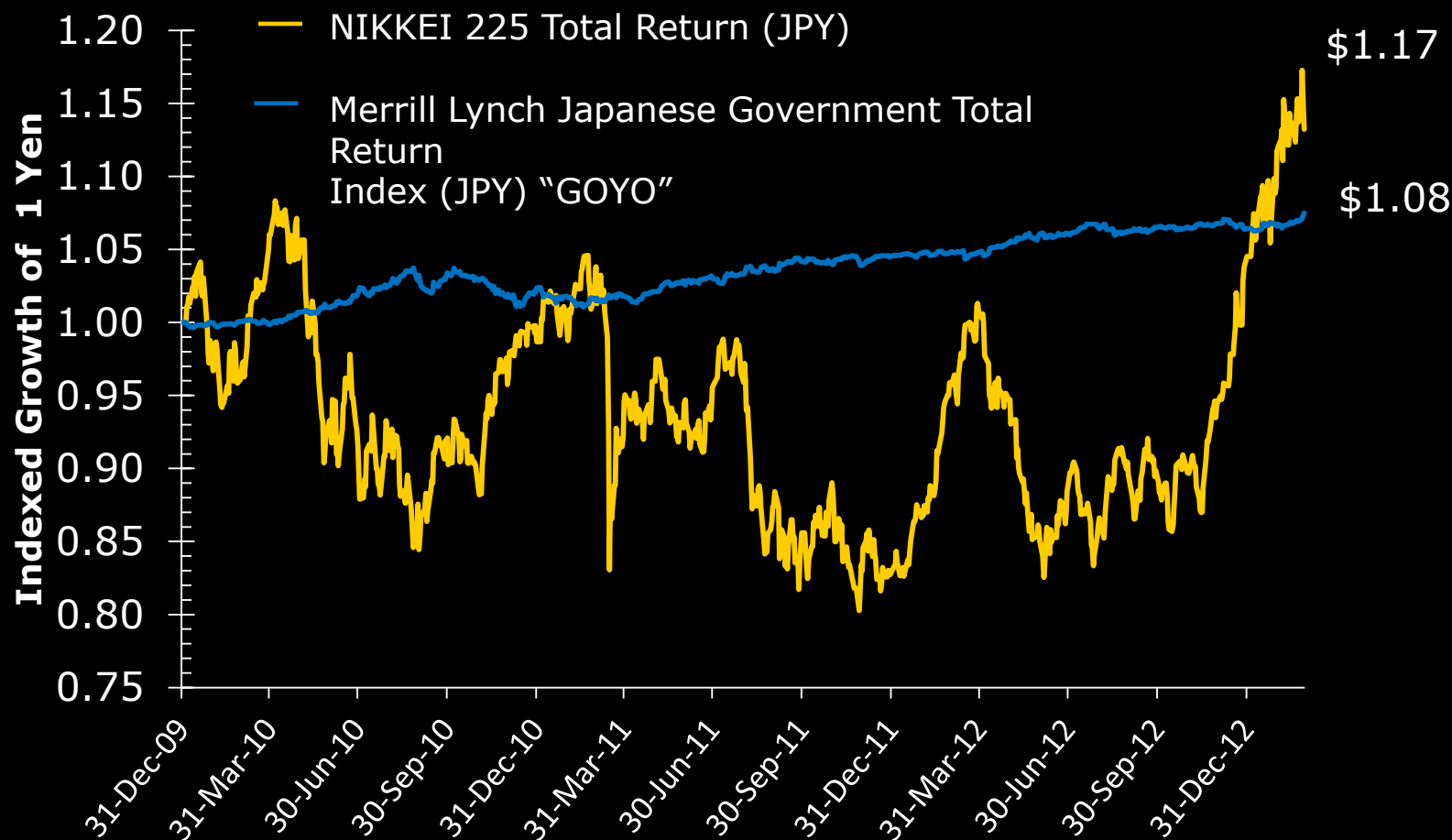
An investment cannot be made in an index.





# Nikkei vs. Japanese Government Bonds –

December 31, 2009 through February 28, 2013



Source: Bloomberg Financial Services, Merrill Lynch Indices denominated in Japanese Yen (JPY).

Nikkei 225 Index Total Return = An index showing the average closing prices of 225 stocks on the Tokyo Stock Exchange.

GOYO = BofA/Merrill Lynch Japanese Government Bond Index The BofA Merrill Lynch Japan Government Index tracks the performance of JPY denominated sovereign debt publicly issued by the Japanese government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of JPY 200 billion.

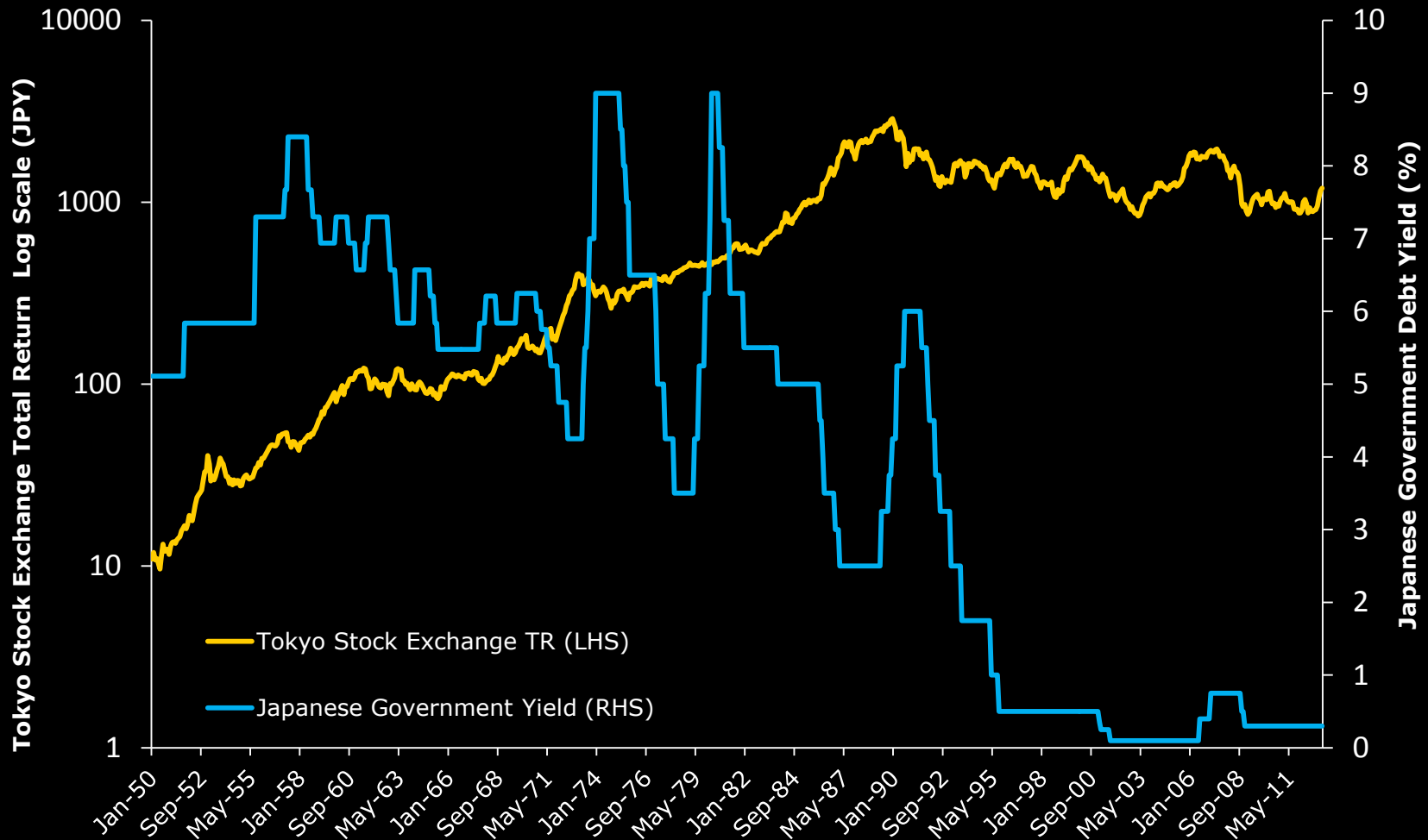
This chart illustrates the performance of a hypothetical 1 Yen investment made in these indexes on 12-31-09. This chart does not imply any future performance.

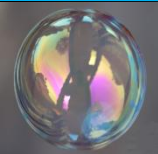
An investment cannot be made in an index.



# Tokyo Stock Exchange Total Return vs. Japanese Government Bond Yields

January 1, 1950 through February 28, 2013





# Japanese 10 Year Government Bond Yield

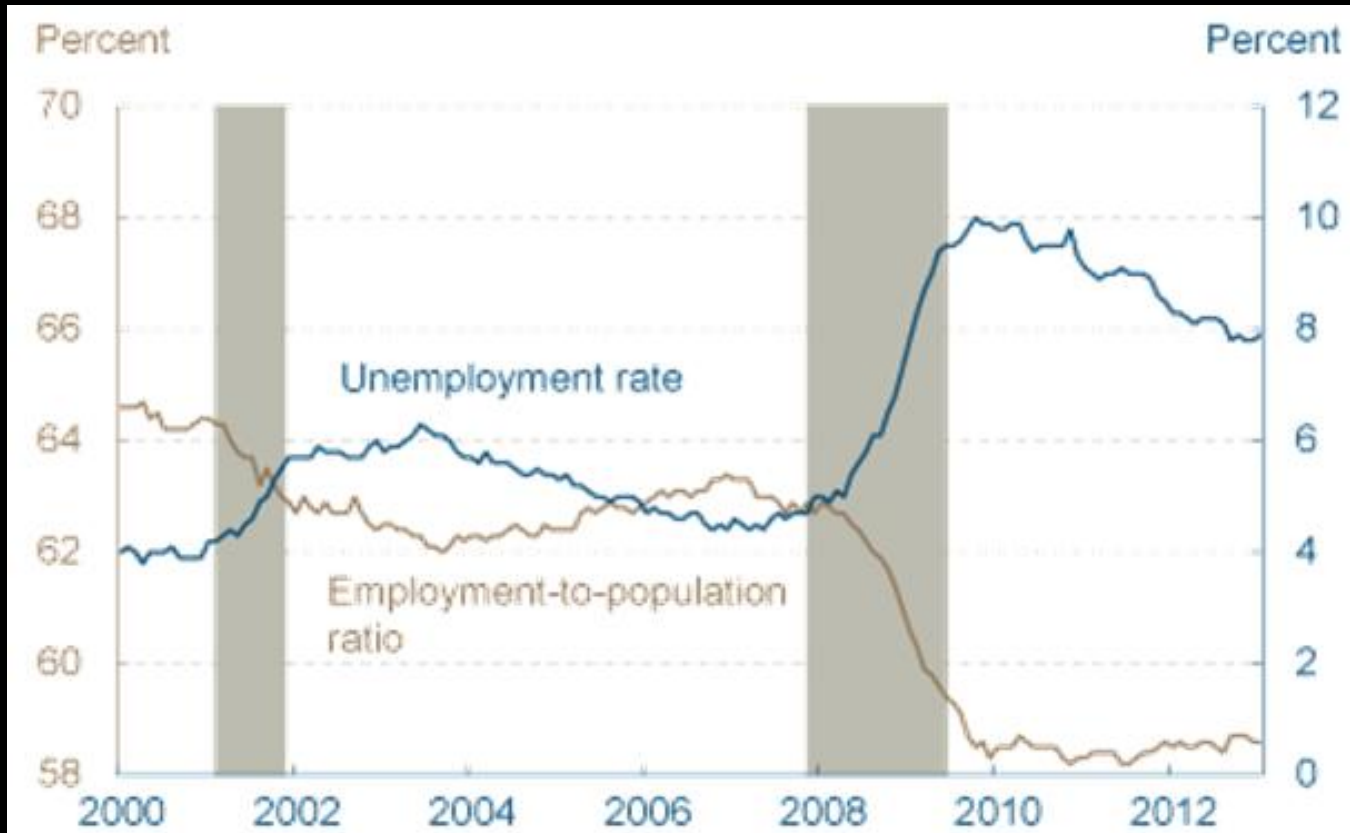




# Unemployment and Employment-to-Population Ratio

January 1, 2000 through December 31, 2012

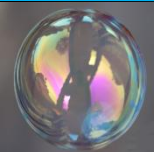
Employment-to-Population Ratio



Unemployment Rate

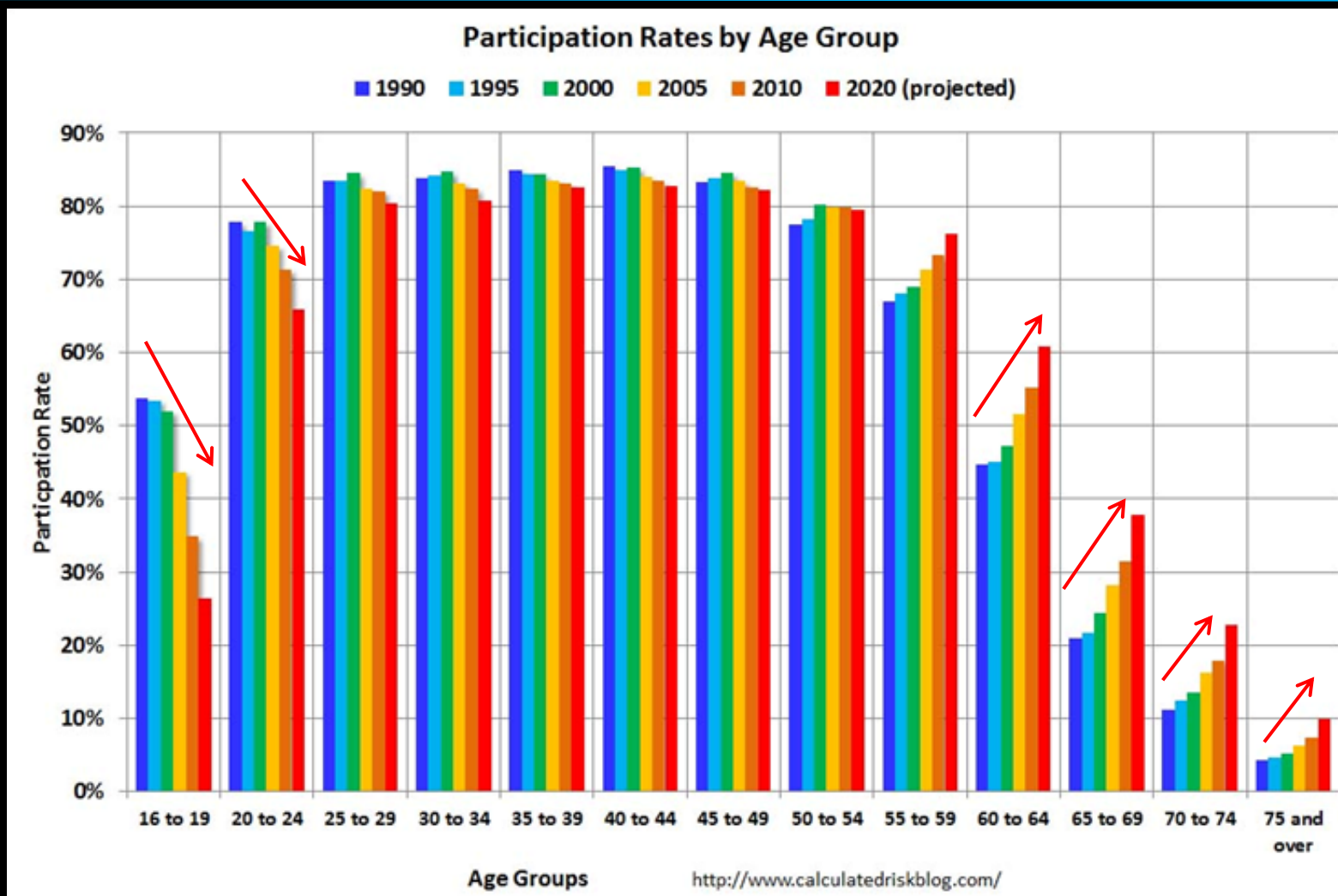
Unemployment ratio refers to The percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Employment-to-population refers to A macroeconomic statistic that takes the ratio of the total working age of the labor force currently employed to the total working age population of a region, municipality or country.



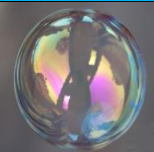
# Labor Participation Rates by Age Group

January 1, 1990 through 2020 Projected Estimates



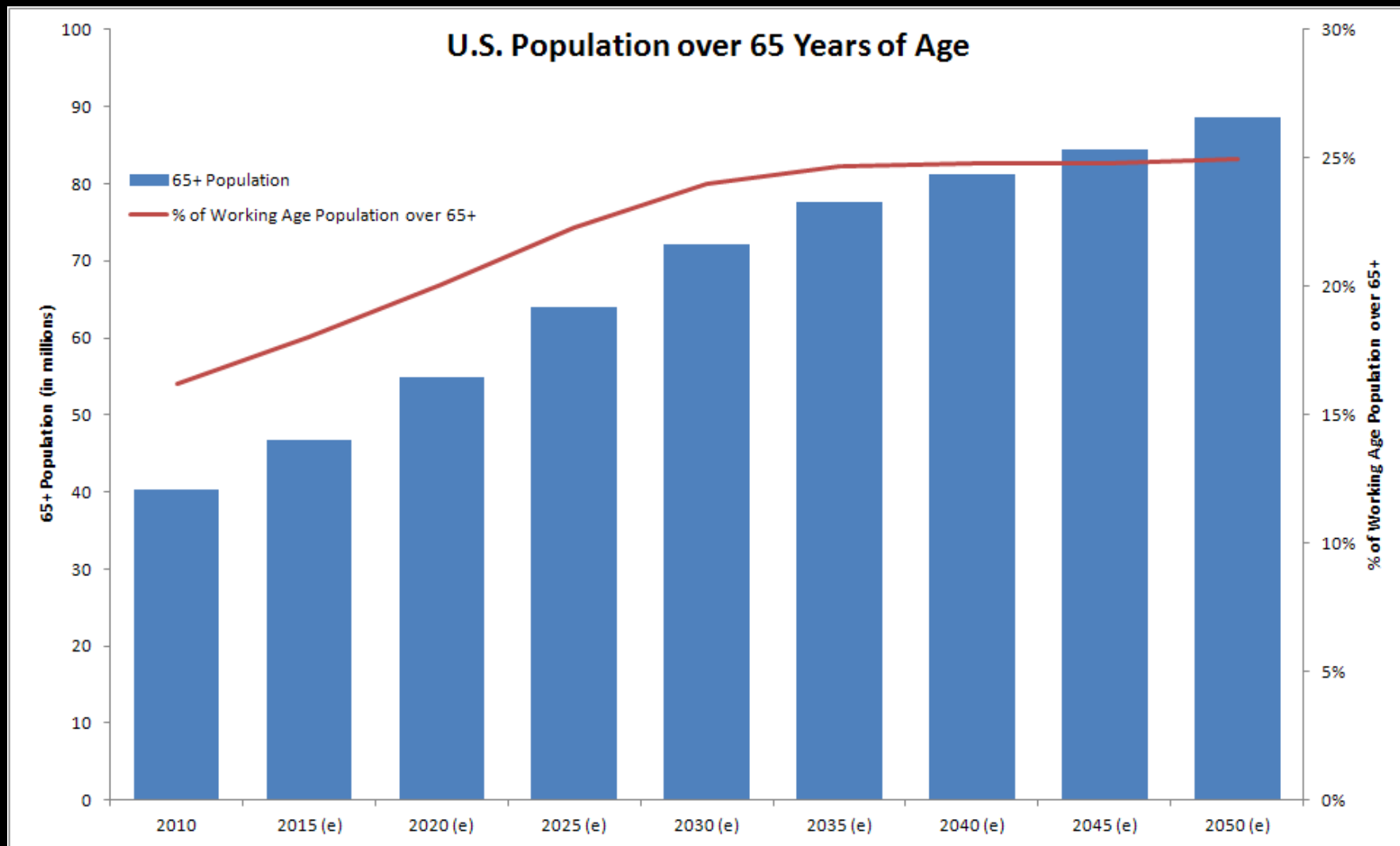
Source: Calculated Risk Blog

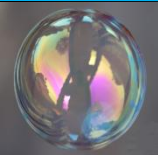
<http://www.calculatedriskblog.com/2012/10/understanding-decline-in-participation.html>



# U.S. Population – Retirement Age

As of December 31, 2012

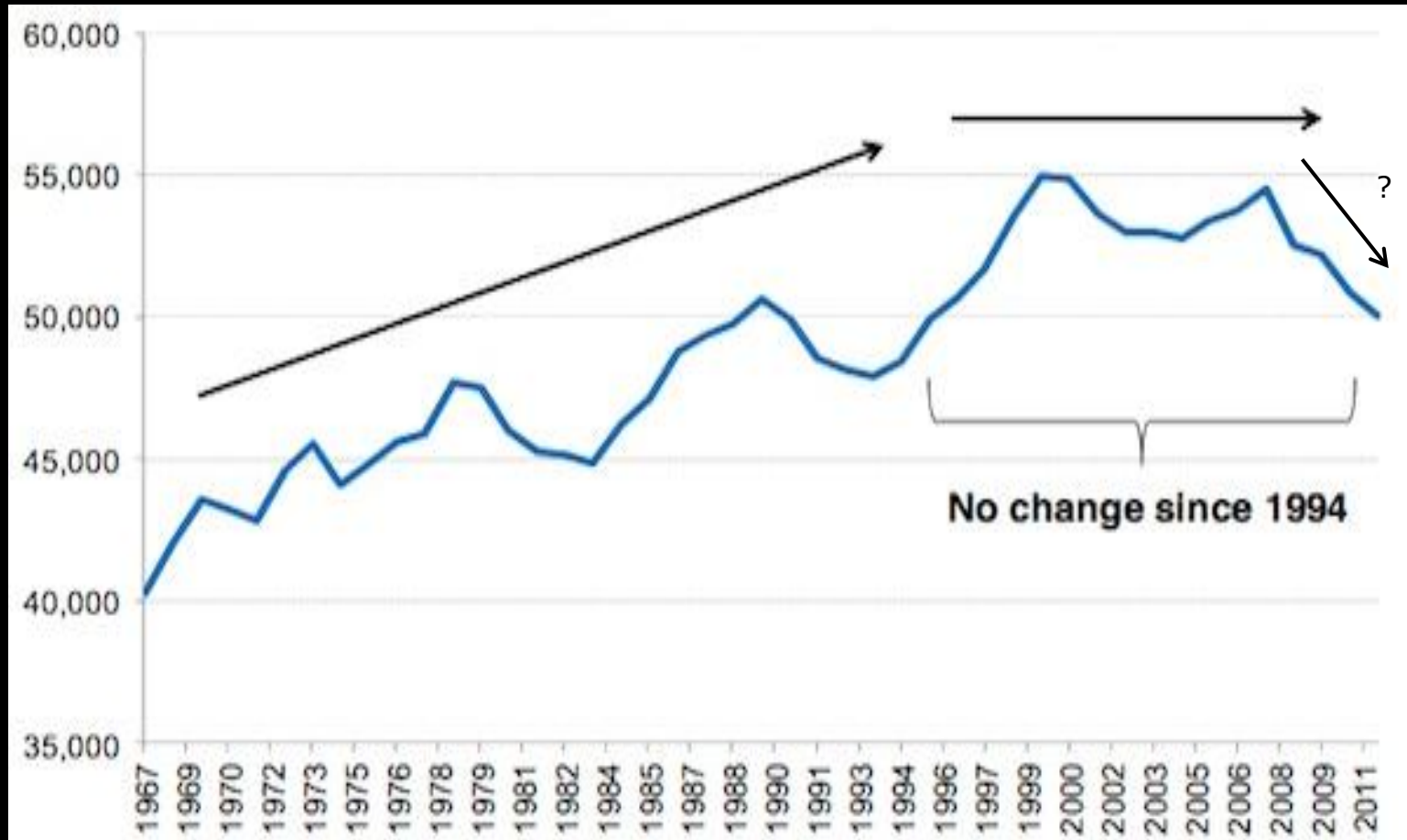




# Current View of the World

## Current Market Challenges

### U.S. Median Household Income Stagnant







# Trade, Exchange Rates, Budgets and Interest Rates

As of October 20, 2012

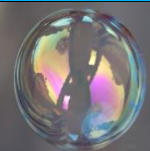
	Trade balance latest 12 months, \$bn	Current-account balance		Currency units, per \$		Budget balance % of GDP 2012 <sup>1</sup>	Interest rates	
		latest 12 months, \$bn	% of GDP 2012 <sup>1</sup>	Oct 17th	year ago		3-month latest	10-year gov't bonds, latest
United States	-746.0 Aug	-477.8 Q2	-3.1	-	-	-7.6	0.32	1.81
China	+197.0 Sep	+191.1 Q2	+2.1	6.25	6.37	-2.4	3.70	3.21 <sup>55</sup>
Japan	-51.1 Aug	+86.2 Aug	+1.4	78.7	76.7	-9.2	0.19	0.77
Britain	-166.2 Aug	-88.0 Q2	-2.5	0.62	0.63	-8.4	0.52	1.78
Canada	-0.9 Aug	-56.4 Q2	-3.1	0.98	1.02	-3.4	1.24	1.91
Euro Area	+82.3 Aug	+77.0 Jul	+0.5	0.76	0.73	-3.3	0.21	1.66
Austria	-12.2 Jul	+4.4 Q2	+1.9	0.76	0.73	-2.5	0.21	2.07
Belgium	+13.8 Aug	-8.6 Jun	-0.2	0.76	0.73	-3.4	0.21	2.40
France	-89.2 Aug	-53.5 Aug	-2.1	0.76	0.73	-4.5	0.21	2.14
Germany	+239.7 Aug	+216.9 Aug	+5.6	0.76	0.73	-0.3	0.21	1.66
Greece	-28.5 Jul	-18.3 Jul	-6.6	0.76	0.73	-7.6	0.21	17.8
Italy	-0.1 Aug	-39.3 Jul	-2.0	0.76	0.73	-2.8	0.21	4.76
Netherlands	+56.8 Aug	+78.8 Q2	+7.8	0.76	0.73	-4.5	0.21	1.85
Spain	-54.7 Jul	-39.1 Jul	-2.4	0.76	0.73	-6.7	0.21	5.53

Source: <http://www.economist.com/news/economic-and-financial-indicators/21564865>

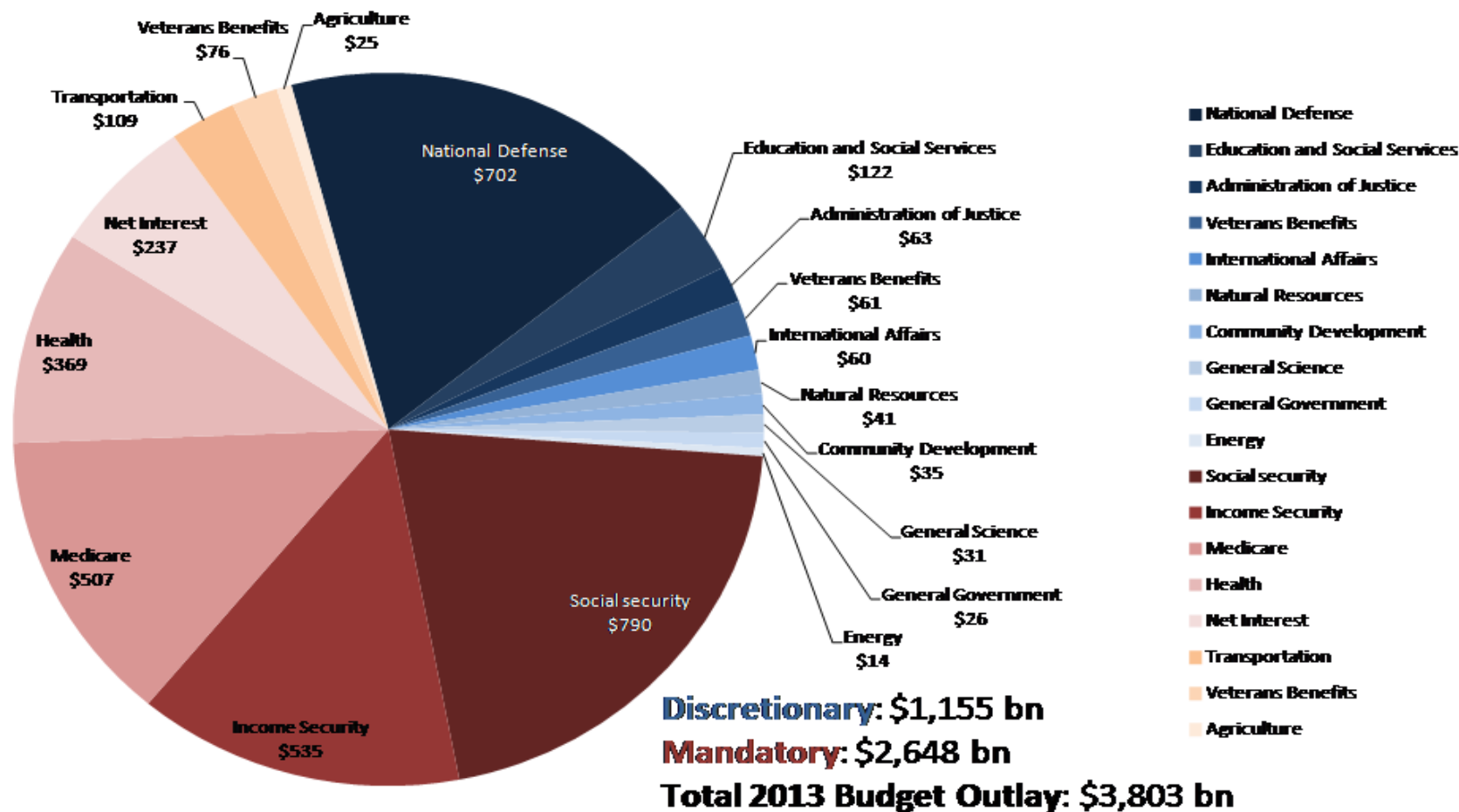
The Economist, "Trade, exchange rates, budget balances and interest rates", October 20, 2012

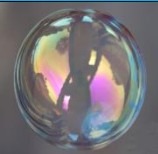
GDP = The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.



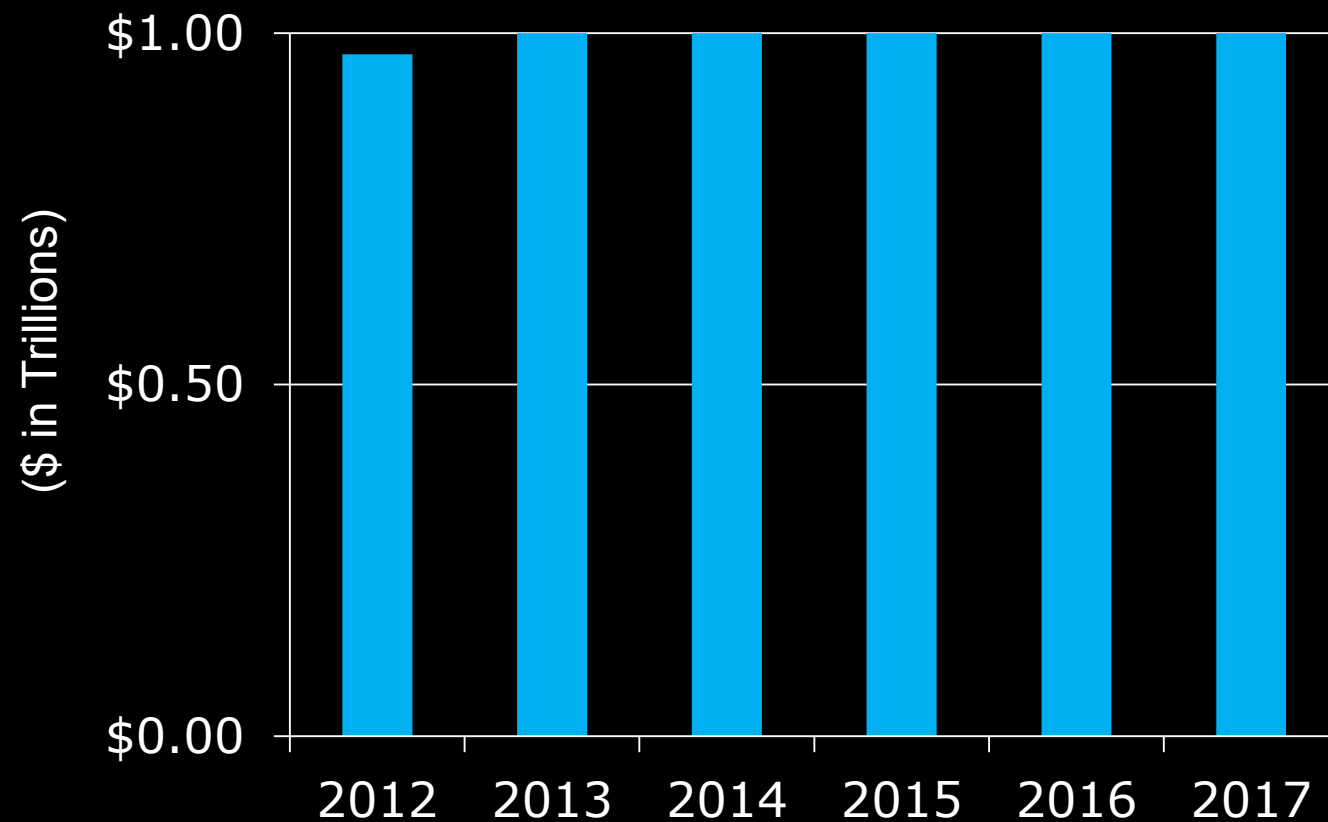


# 2013 Fiscal Year Federal Budget (In Millions)



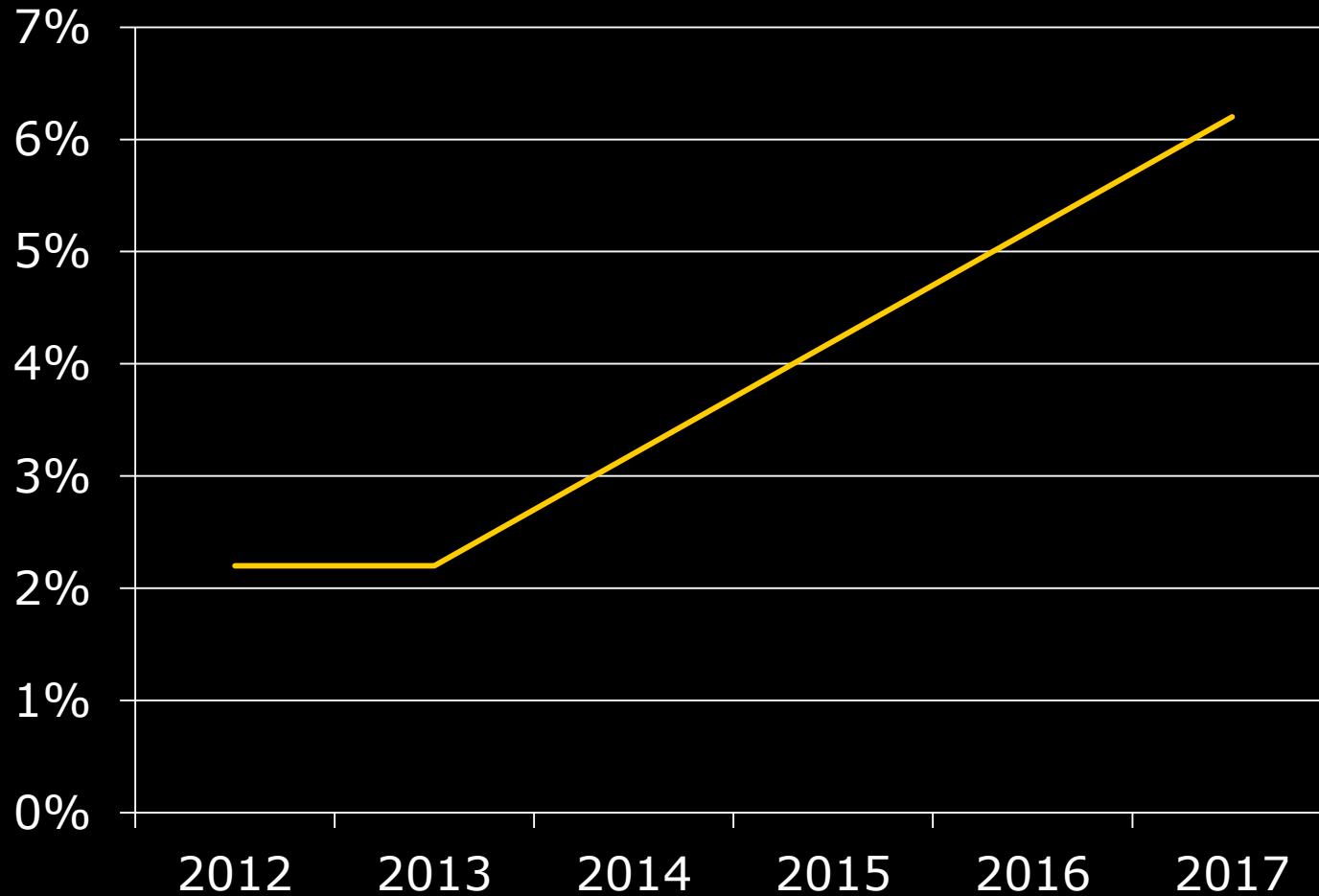


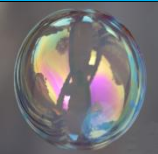
# Deficits Excluding Interest Expense (Assumed)



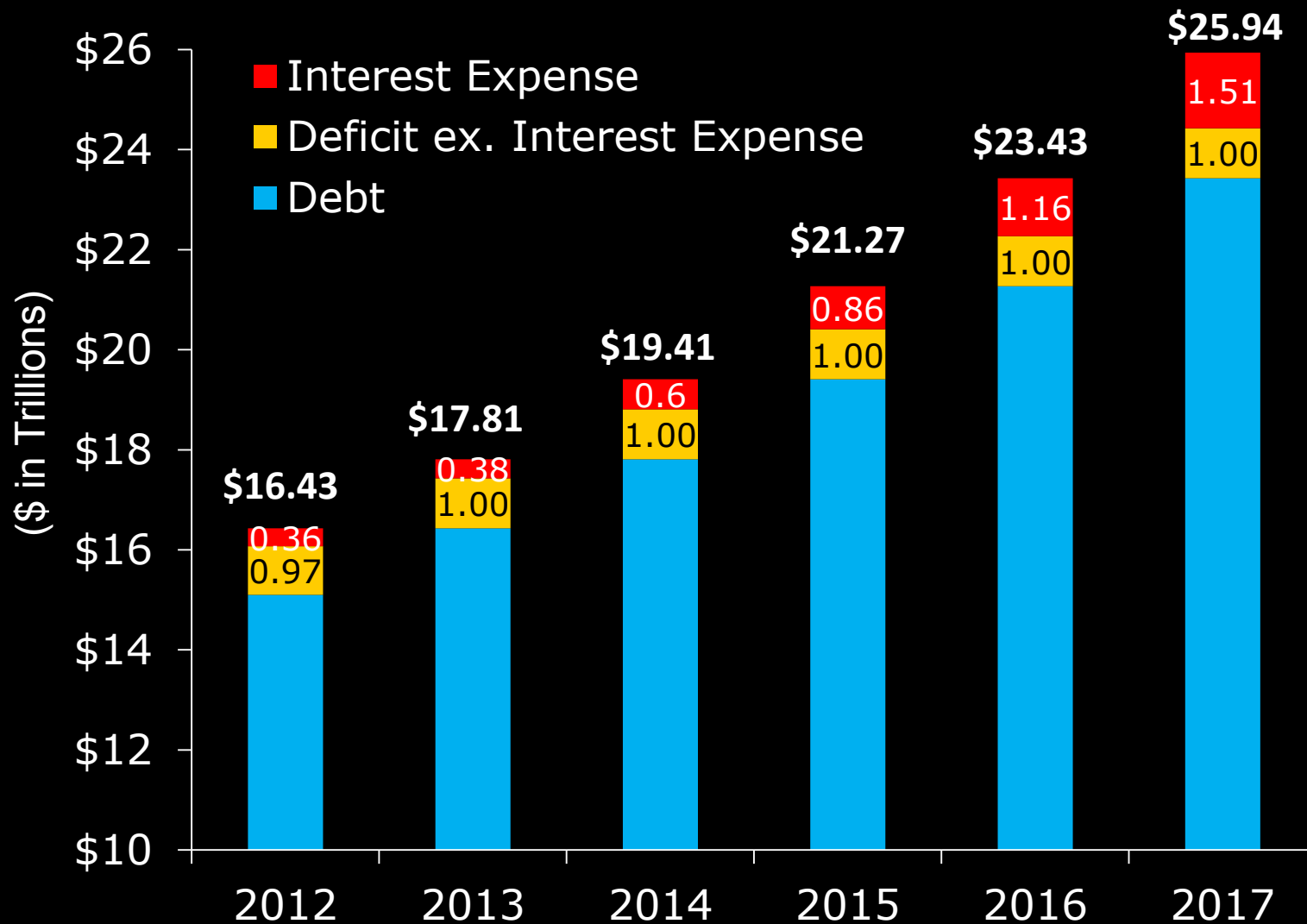


# Average Treasury Interest Rate (Assumed)





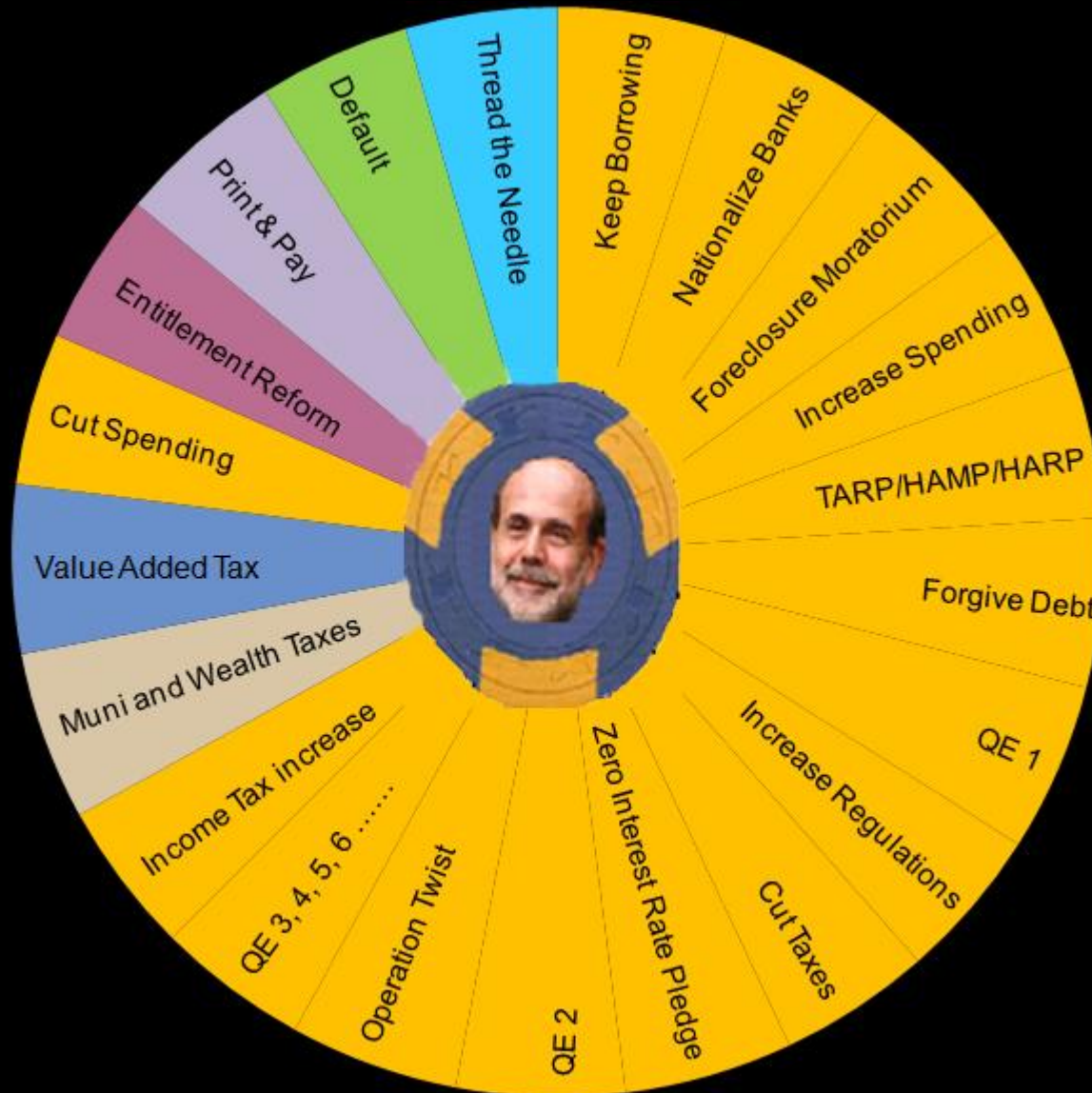
# US Debt, Deficit & Interest Expense (Assumed)

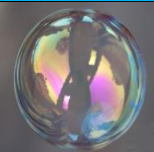




# Government Options To Solve The Debt Problem

**\* Tried These Already**



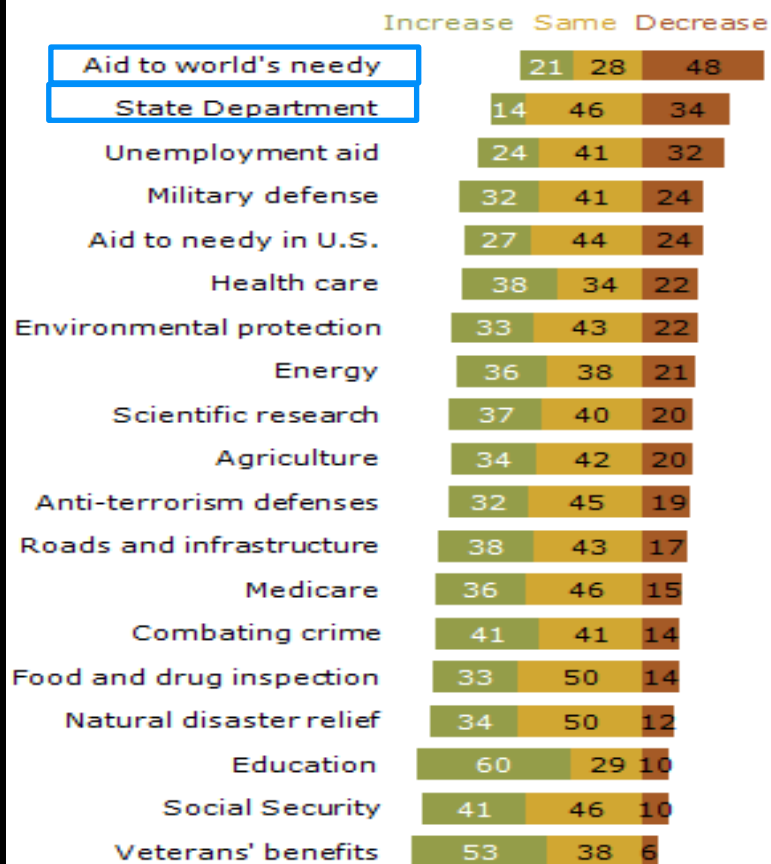


# Public Opinion Poll

As of February 18, 2013

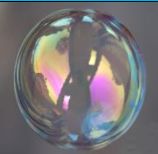
## Public Rejects Cuts in Government Spending in Most Areas

Would you increase, decrease or keep spending the same for...



PEW RESEARCH CENTER Feb. 13-18, 2013. Q28.

-  Increase Spending
-  Keep the same
-  Decrease Spending

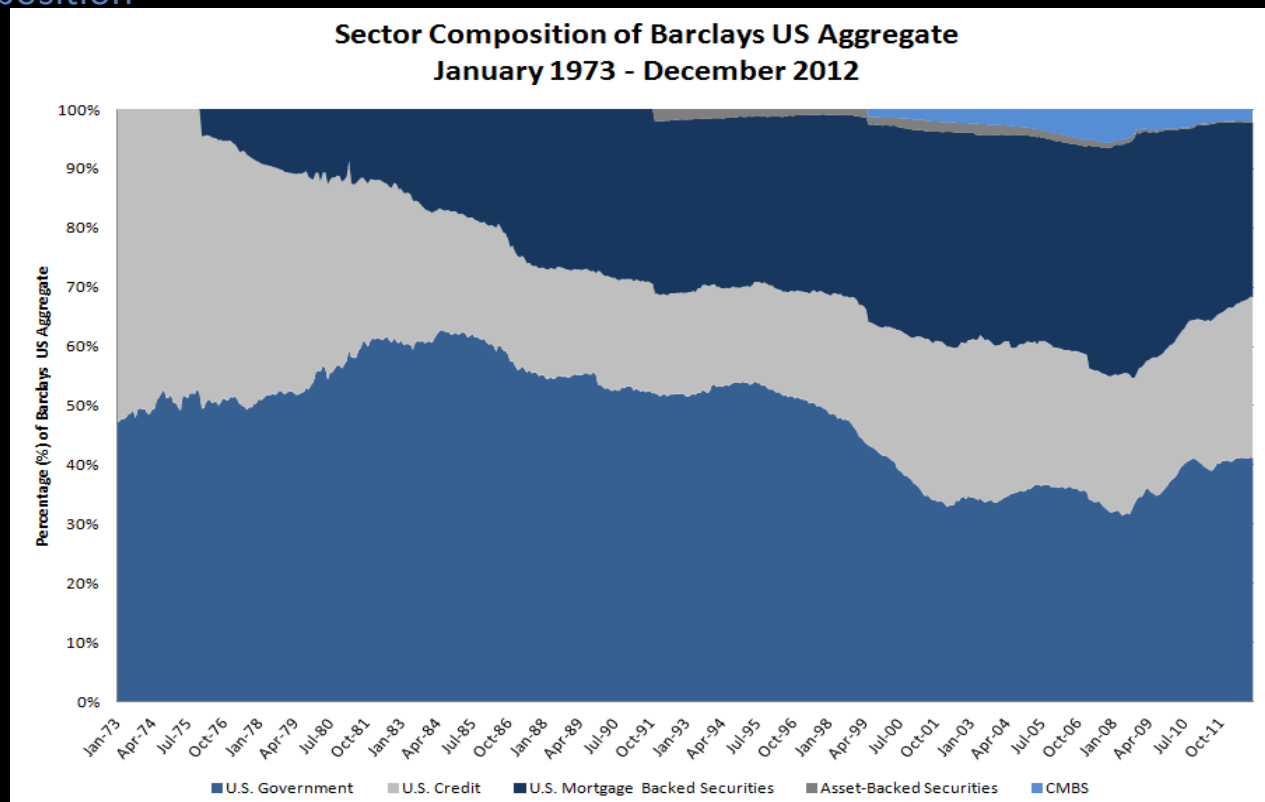


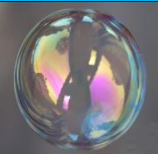
# Current View of the World

## Aggregate Yield and Duration

- Bond “indexing” currently presents challenges in the current low-yield environment
- Since Treasuries are the lowest yielding sector of the US fixed income market and Treasuries make up a larger portion of the index, the yield has diminished significantly

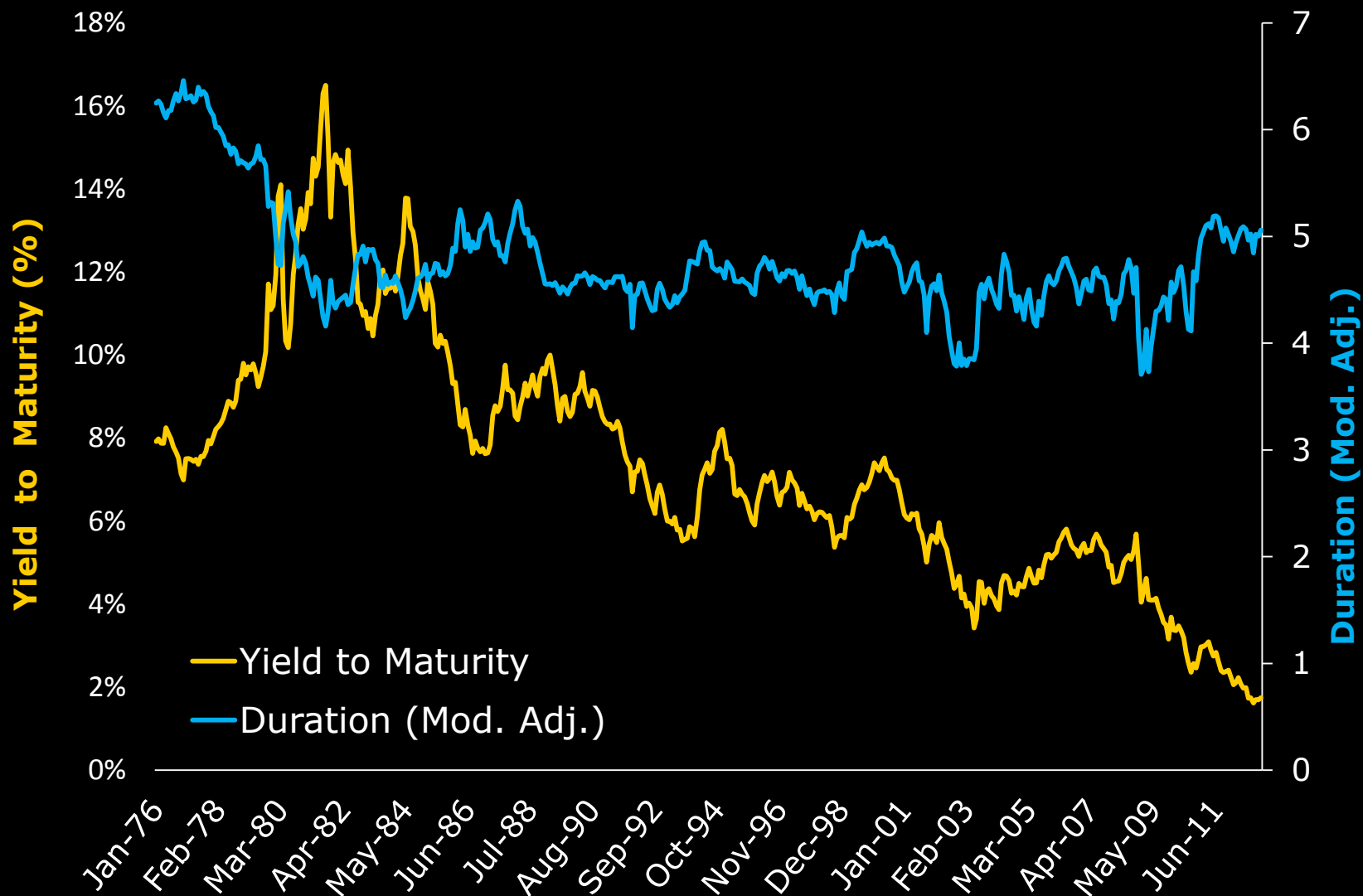
### Index Composition<sup>1</sup>





# Barclays Aggregate Index – Yield & Duration

January 1, 1976 through December 31, 2012

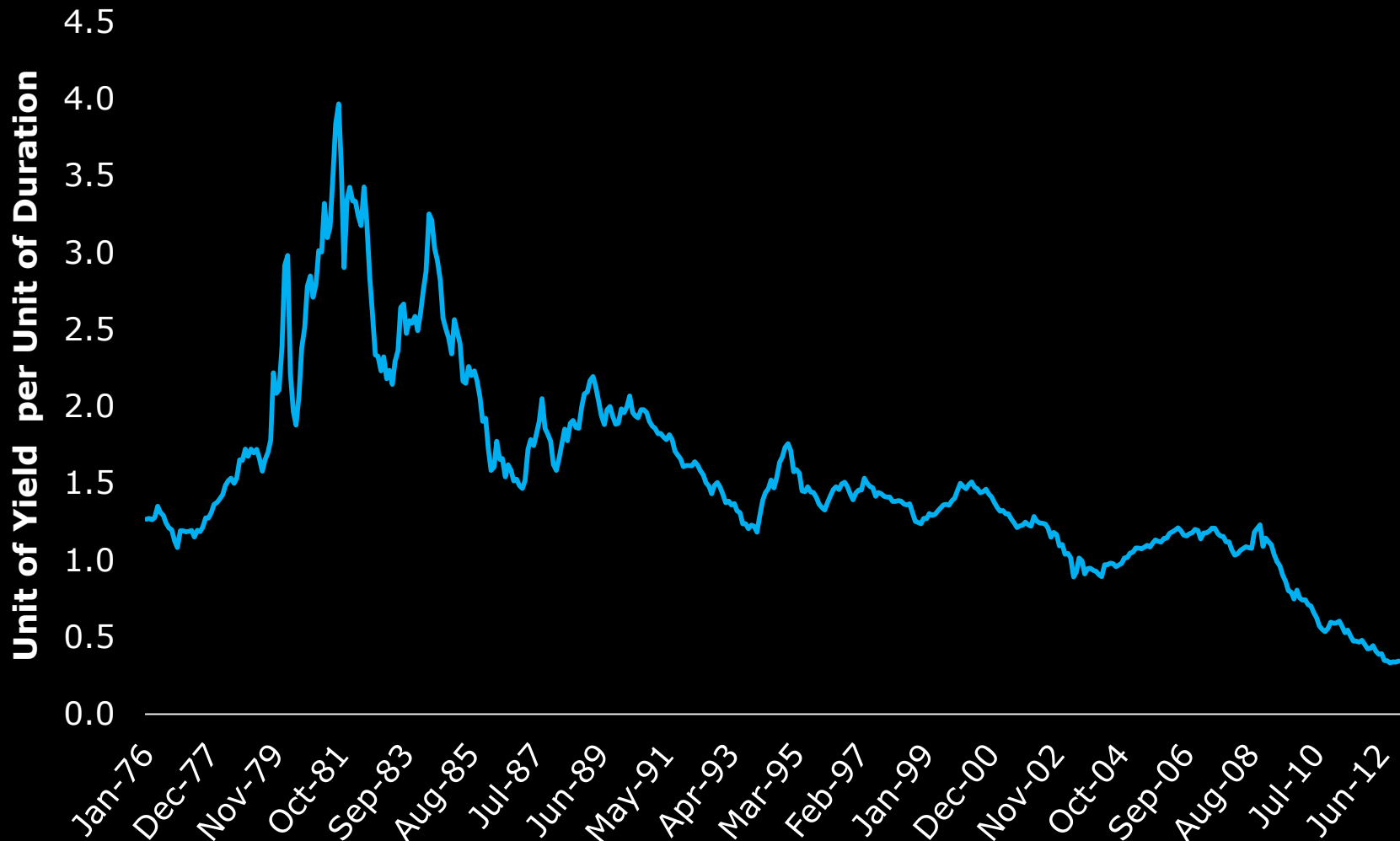






# Barclays Aggregate Index – Unit of Yield per Unit of Duration

January 1, 1976 through December 31, 2012

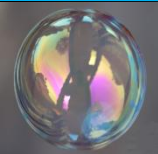




# Current Market Yields in Various Fixed Income Sectors

- With the developed world continuing down the path of quantitative easing, the “traditional” sectors of the global fixed income market are providing yields of less than 3%.
- However, other sectors of the fixed income market still offer relatively attractive yields.

Sector	Yield	
U.S. Government Securities	0.96%	} “Traditional Bond Sectors” (Barclays Global Aggregate Index sectors)
International Sovereign Debt	0.96%	
Agency Residential Mortgage Backed Securities	1.47%	
Commercial Mortgage Backed Securities	1.85%	
U.S. Investment Grade Corporates	2.77%	
Emerging Markets Sovereign Debt	4.08%	} “Non-Traditional Bond Sectors”
Emerging Markets Corporate Debt	4.71%	
Non-Agency Residential Mortgage Backed Securities	6.00%	
Bank Loans	6.26%	
Global High Yield Corporate Debt	6.64%	

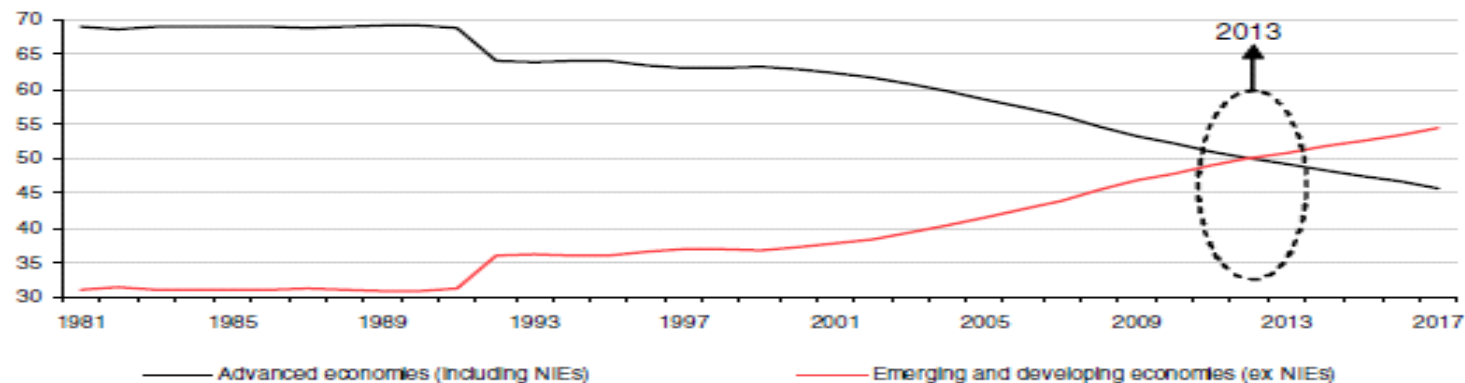


# Current View of the World

## Developed Markets and Emerging Markets

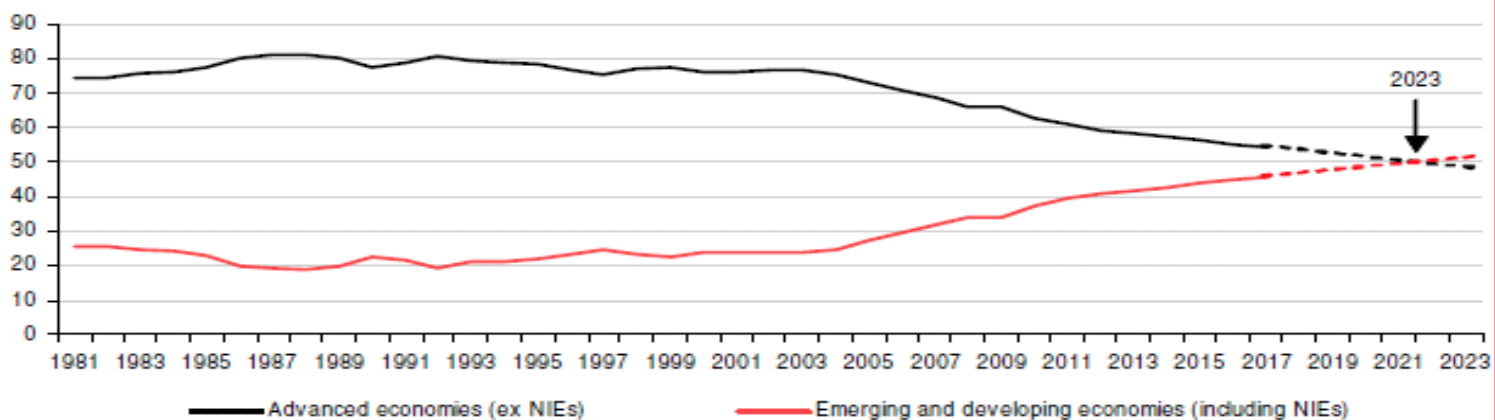
### Share of Projected World Estimates of GDP

Chart 1: Share of world GDP (% , PPP basis)

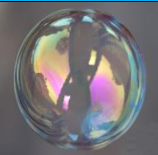


Source: IMF, HSBC. NIE = Newly Industrialized Economies.

Chart 2: Share of world GDP (% , USD basis)



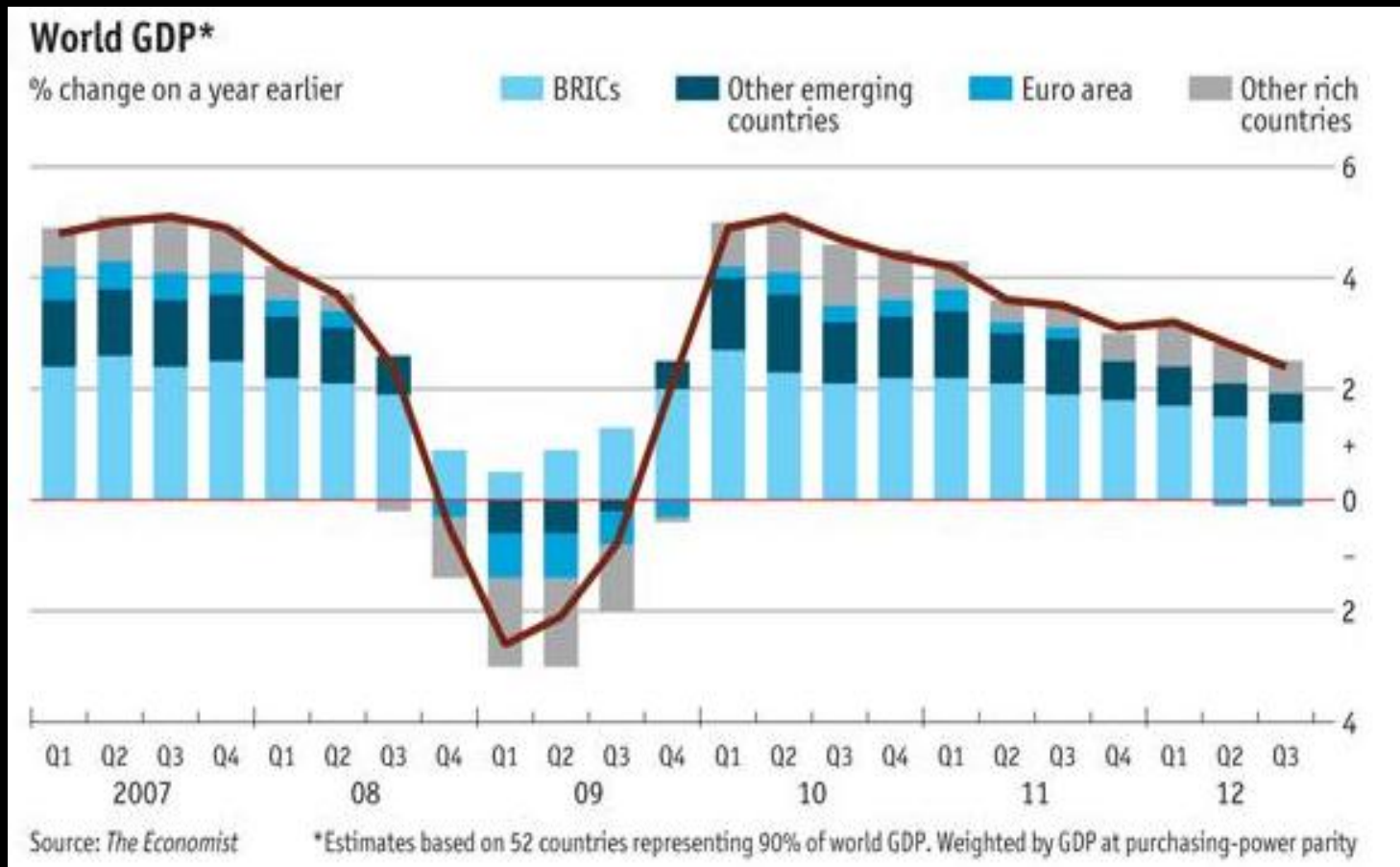
Source: IMF, HSBC

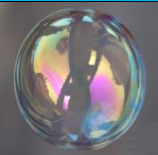


# Current View of the World

## Developed Markets and Emerging Markets

### World Gross Domestic Product (GDP)



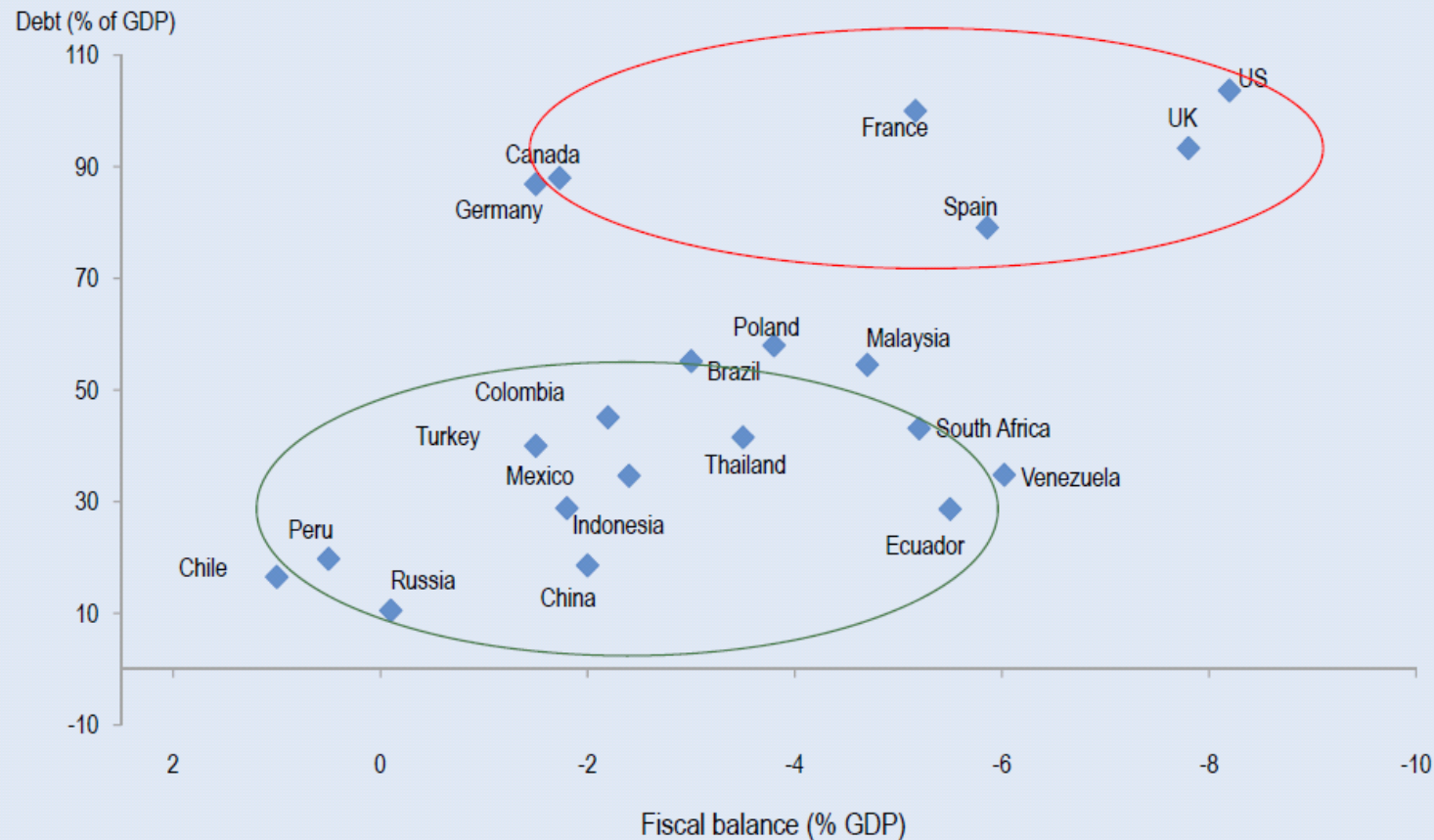


# Current View of the World

## Developed Markets and Emerging Markets

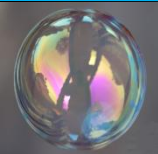
### Developed Economies Are Now the Debtors

Global imbalances raise questions



Source: J.P. Morgan

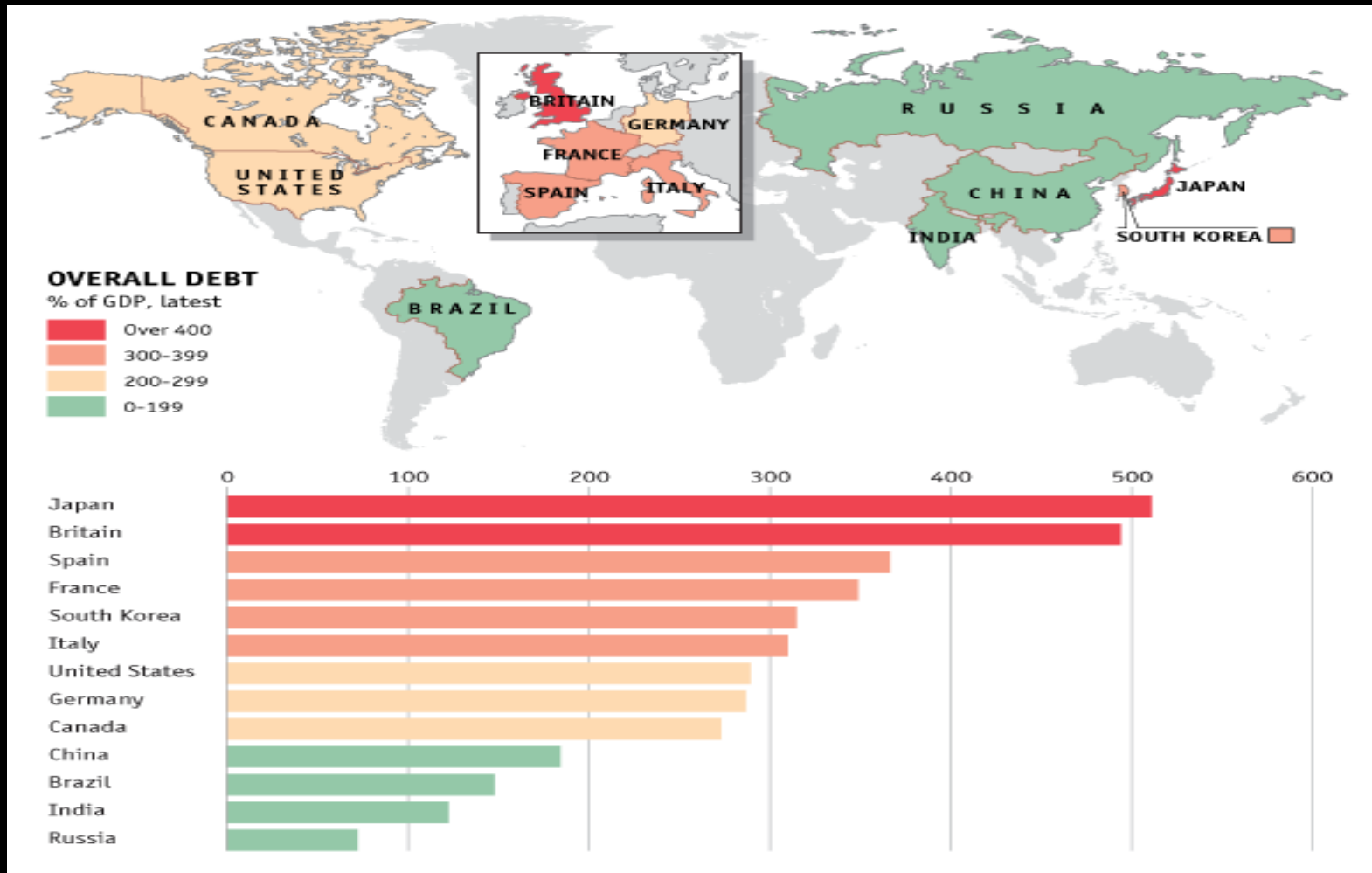
Note: Debt is general government debt, including state and local municipalities, as a % of nominal GDP, data as of April 2012

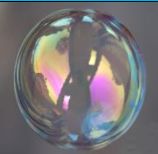


# Current View of the World

## Developed Markets and Emerging Markets

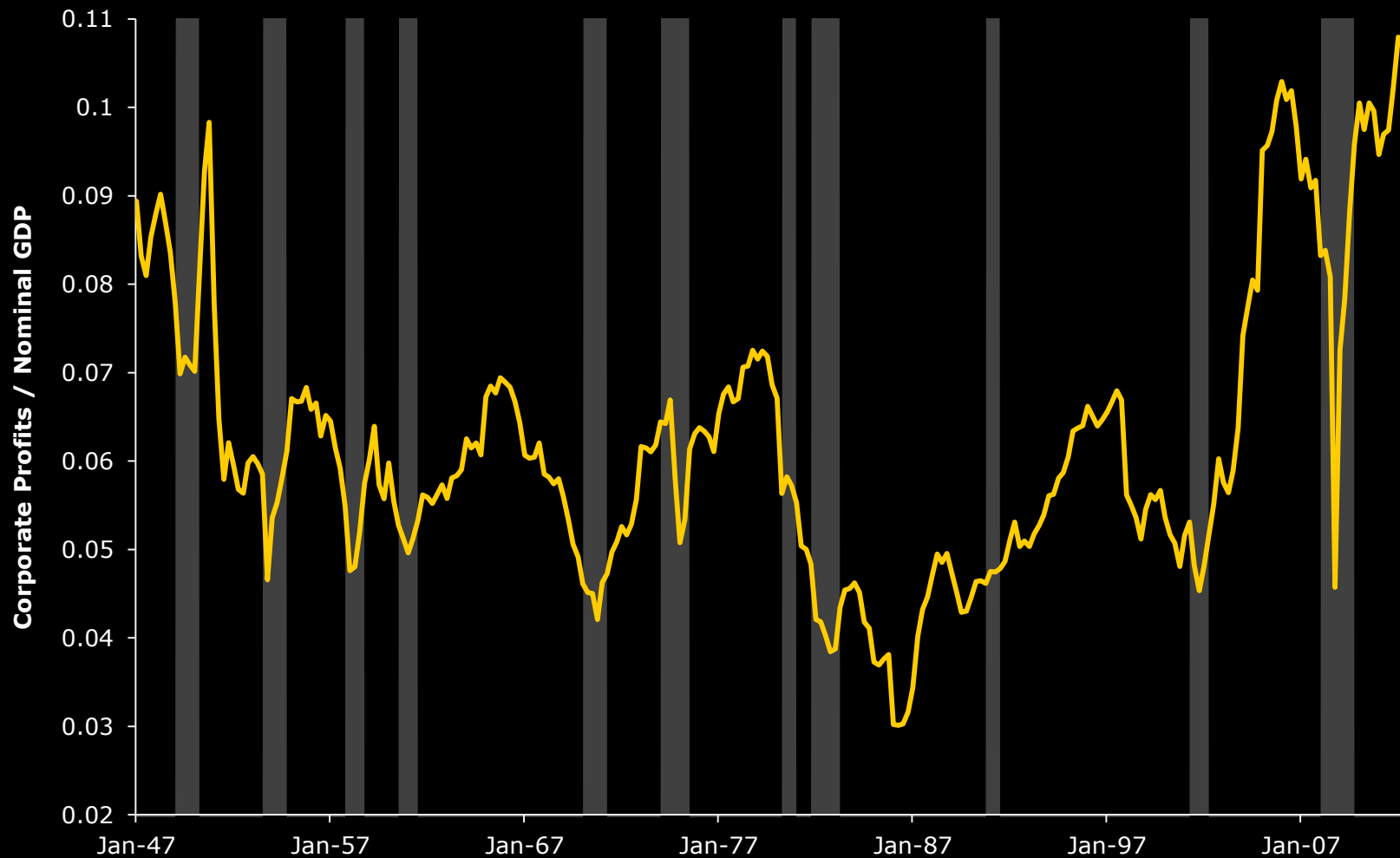
### Total Debt as a % of GDP





# Corporate Profits Hit All Time High As % of GDP

January 1, 1947 through March 31, 2012



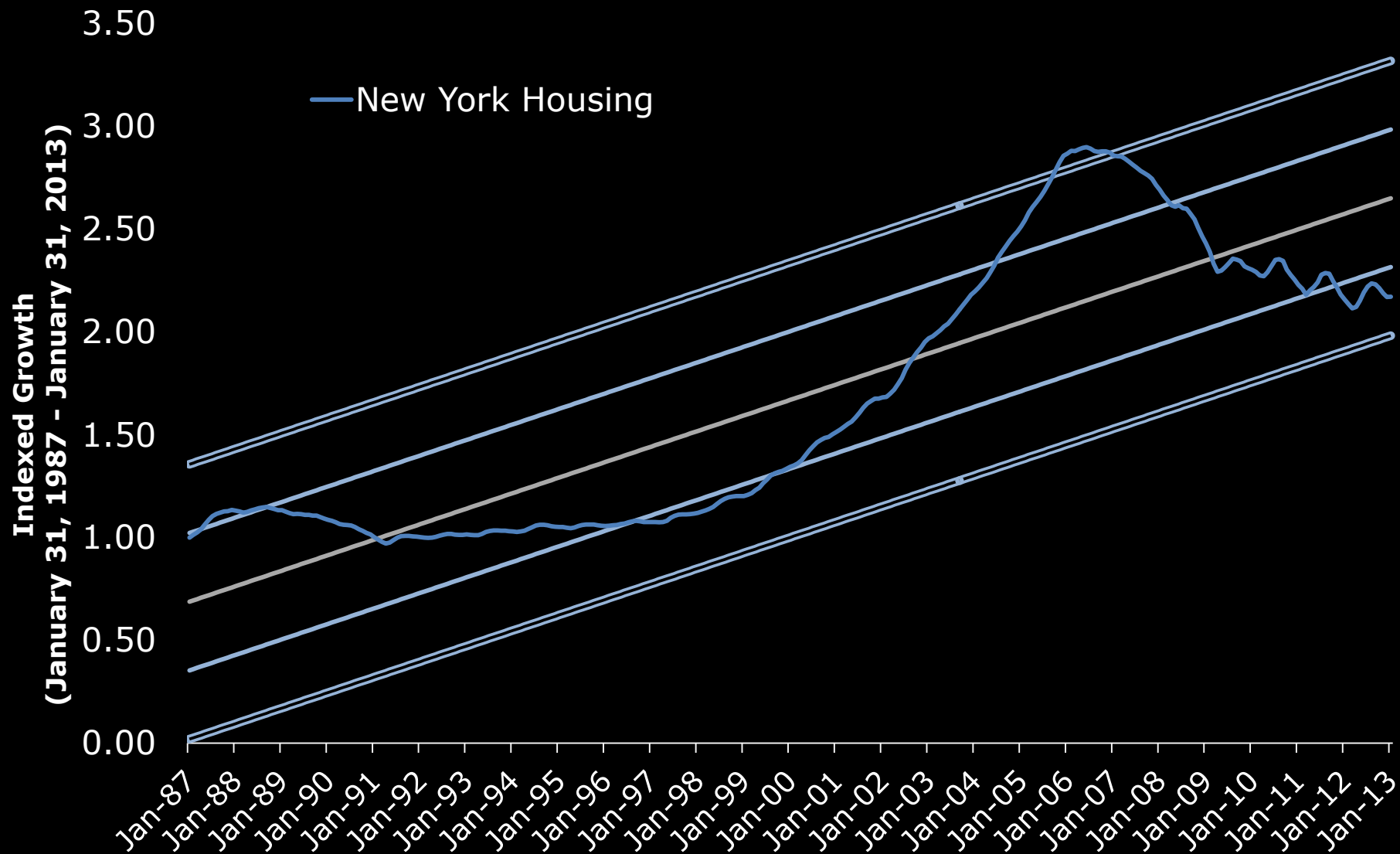
Source: [http://www.businessinsider.com/corporate-profits-just-hit-an-all-time-high-wages-just-hit-an-all-time-low-2012-6?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+clusterstock+%28ClusterStock%29&utm\\_content=Google+Reader](http://www.businessinsider.com/corporate-profits-just-hit-an-all-time-high-wages-just-hit-an-all-time-low-2012-6?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+clusterstock+%28ClusterStock%29&utm_content=Google+Reader)

GDP = Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis.

Shaded areas indicate U.S. Recessions.



# S&P Case-Shiller New York Index



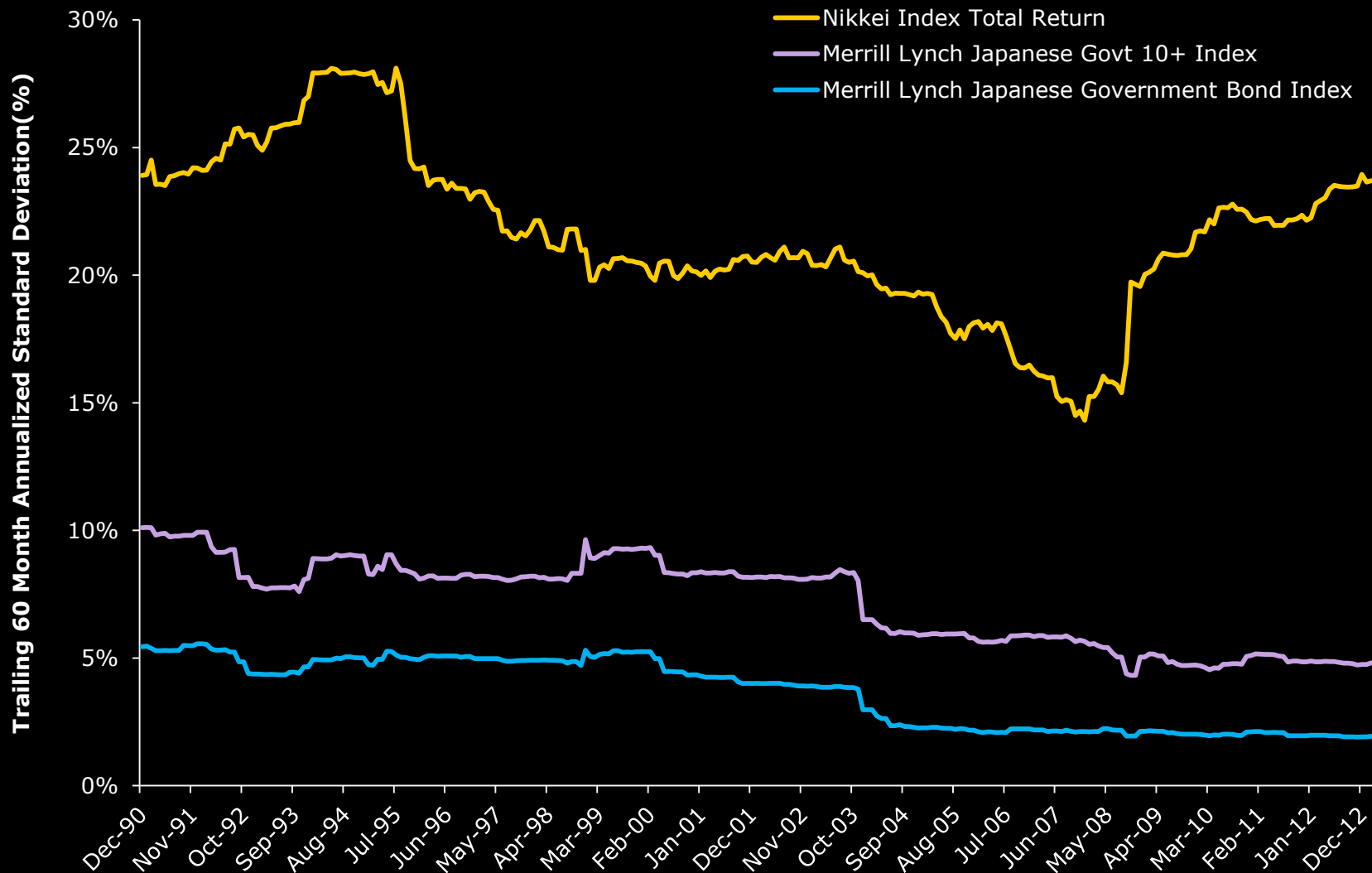
Source: Bloomberg Financial Services, DoubleLine Capital LP

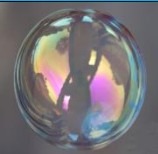




# Japanese 5-Year Rolling Volatility

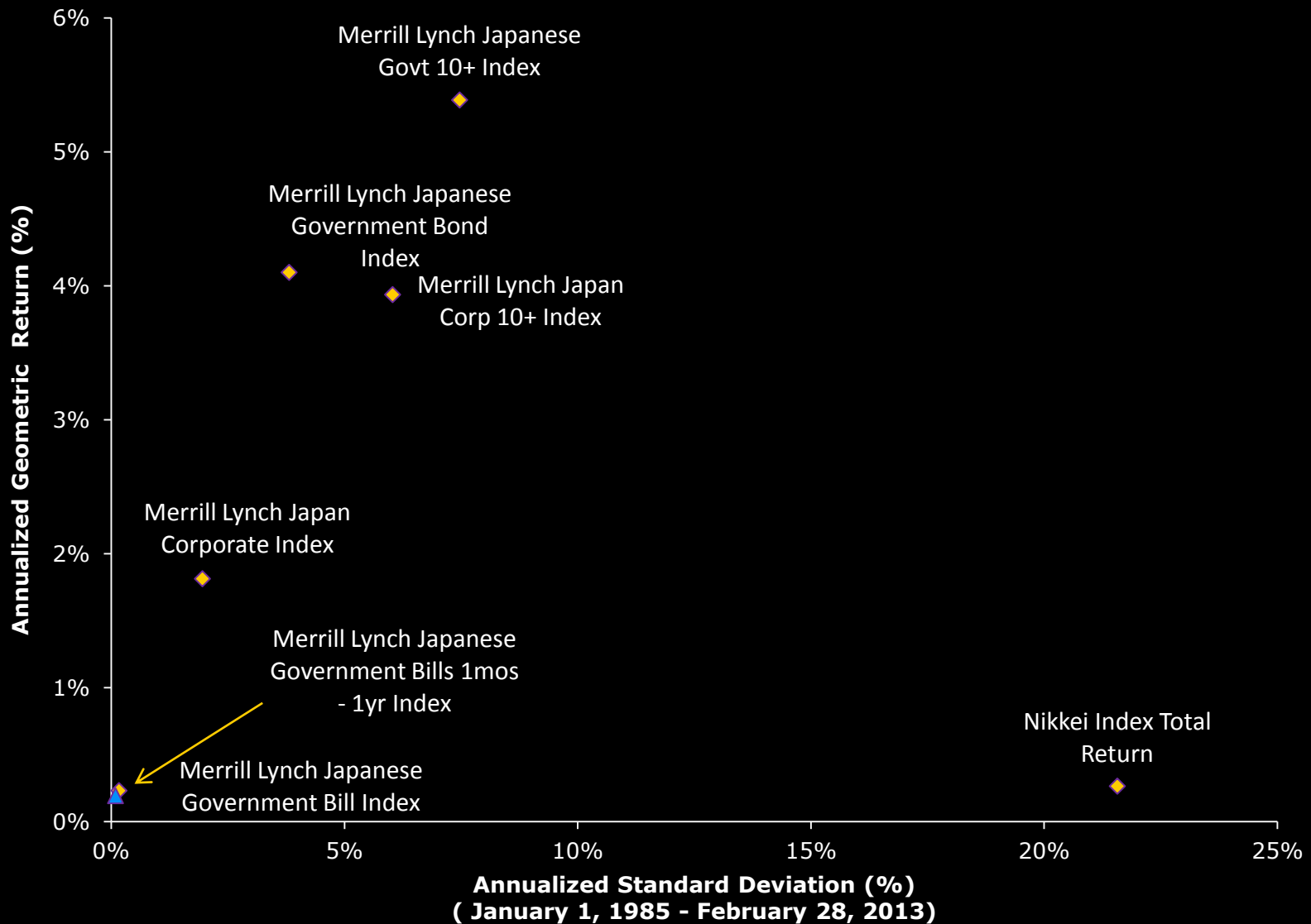
December 1, 1990 through February 28, 2013





# Japanese Risk vs. Return

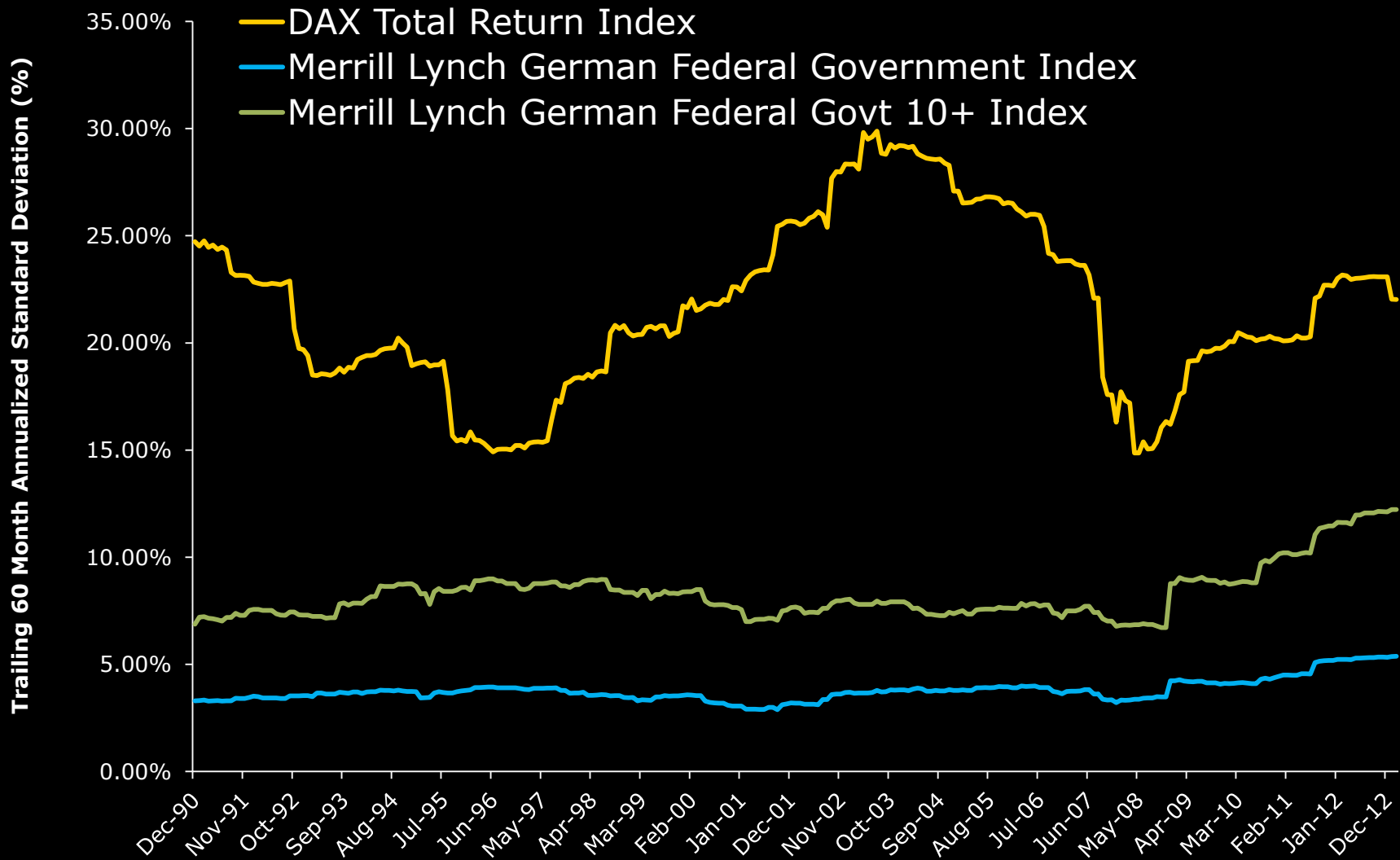
January 1, 1985 through February 28, 2013

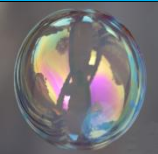




# German 5 Year Rolling Volatility

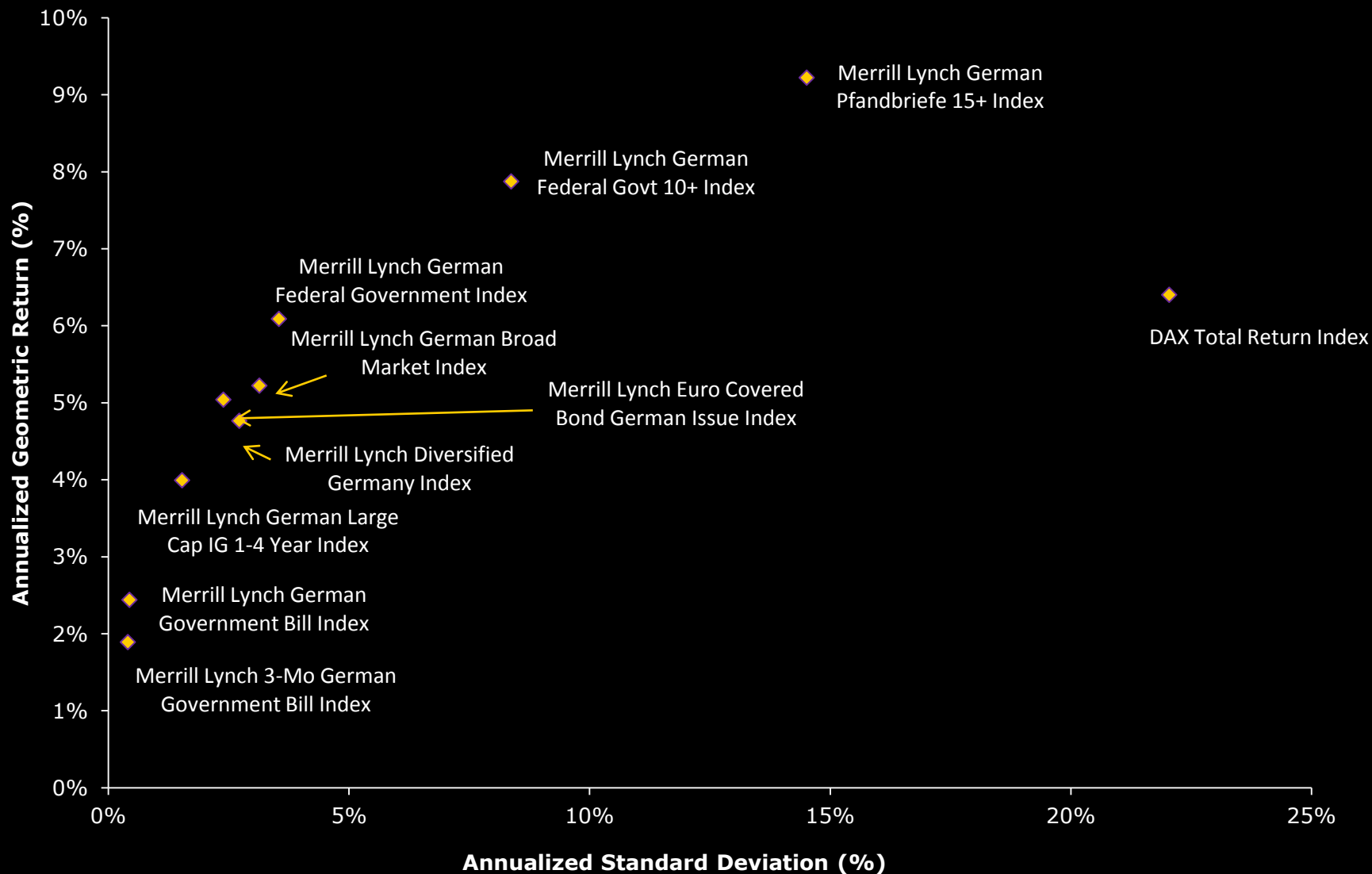
December 1, 1990 through February 28, 2013

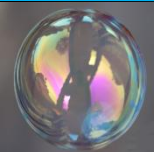




# German Risk vs. Return

December 1, 1985 through February 28, 2013





# Performance Since Inception QE2

October 4, 2011 through March 4, 2013

1) Settings		2) Actions		Page 1/26 Comparative Return			
Range	10/04/2011	-	03/04/2013	Period	Daily	No. of Period	517 Day(s)
Security	Currency	Price Appreciation	Total Return	Difference	Annual Eq		
1 CRY Index	USD	-1.12%	-1.12% **	-40.32%	-0.79%		
2 SPX Index	USD	34.79%	39.20%		26.30%		
3 TLT US Equity	USD	-3.02%	.85%	-38.35%	.60%		

\*\* No dividends or coupons



Source: Bloomberg Financial Services

CRY = TR/J CRB Commodities Excess Return Index is an arithmetic average of commodity futures process with monthly rebalancing.

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

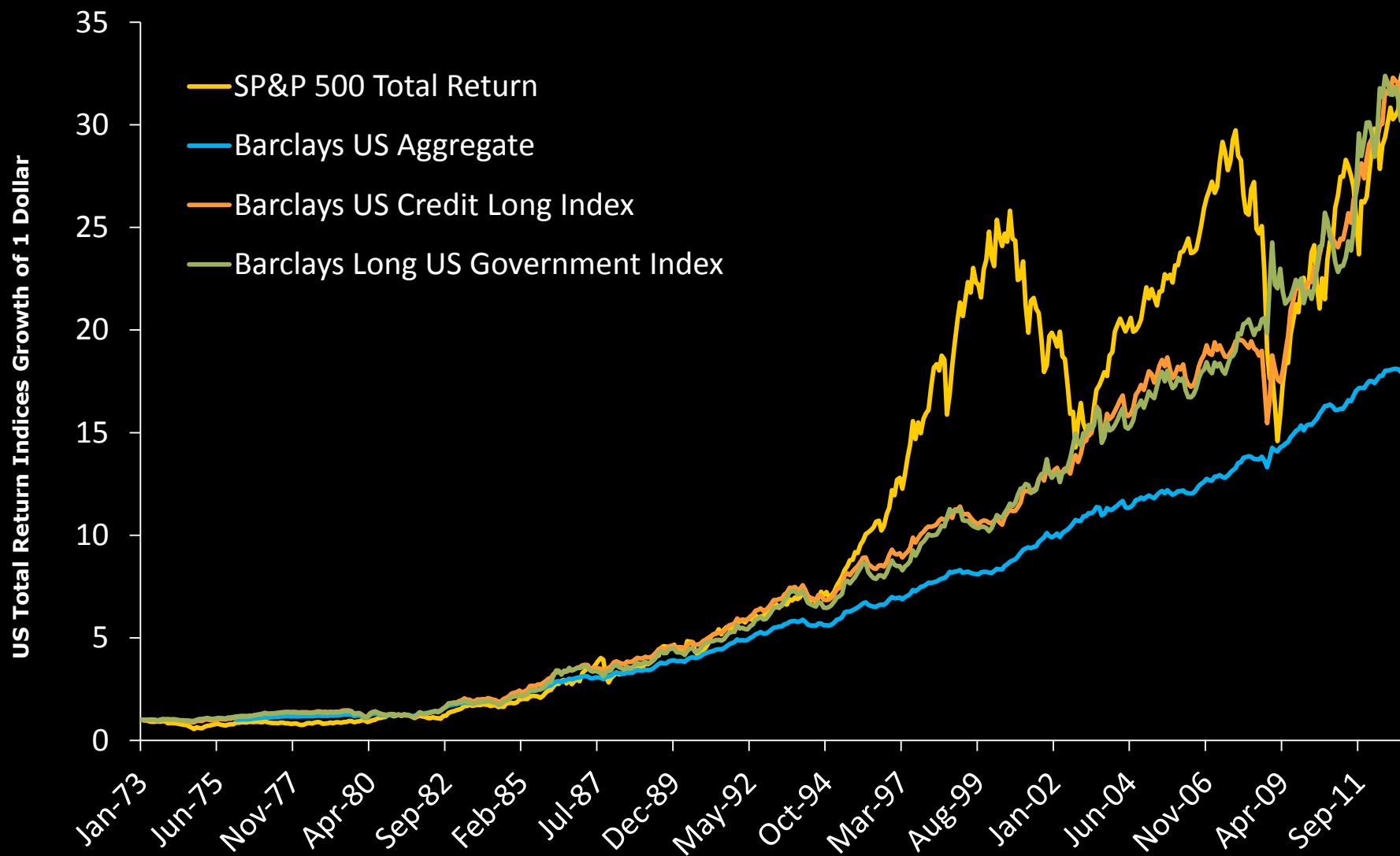
TLT = iShares Barclays 20+ Year Treasury Bond Fund in an exchange traded fund incorporated in the USA.

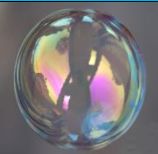
You cannot invest directly in an index.



# US Total Return Indices Growth of \$1 Dollar

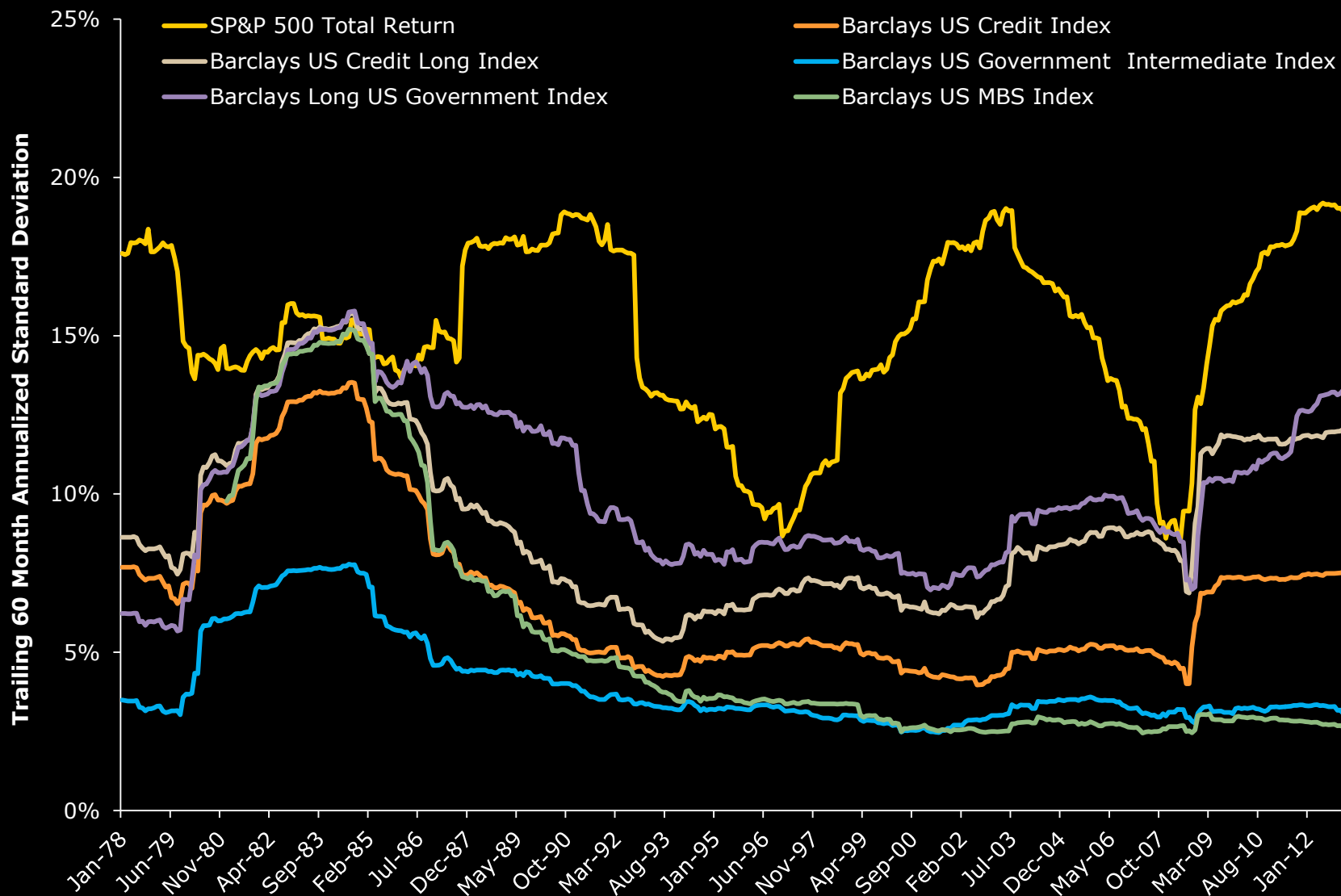
January 1, 1973 through February 28, 2013





# US 5-Year Rolling Volatility

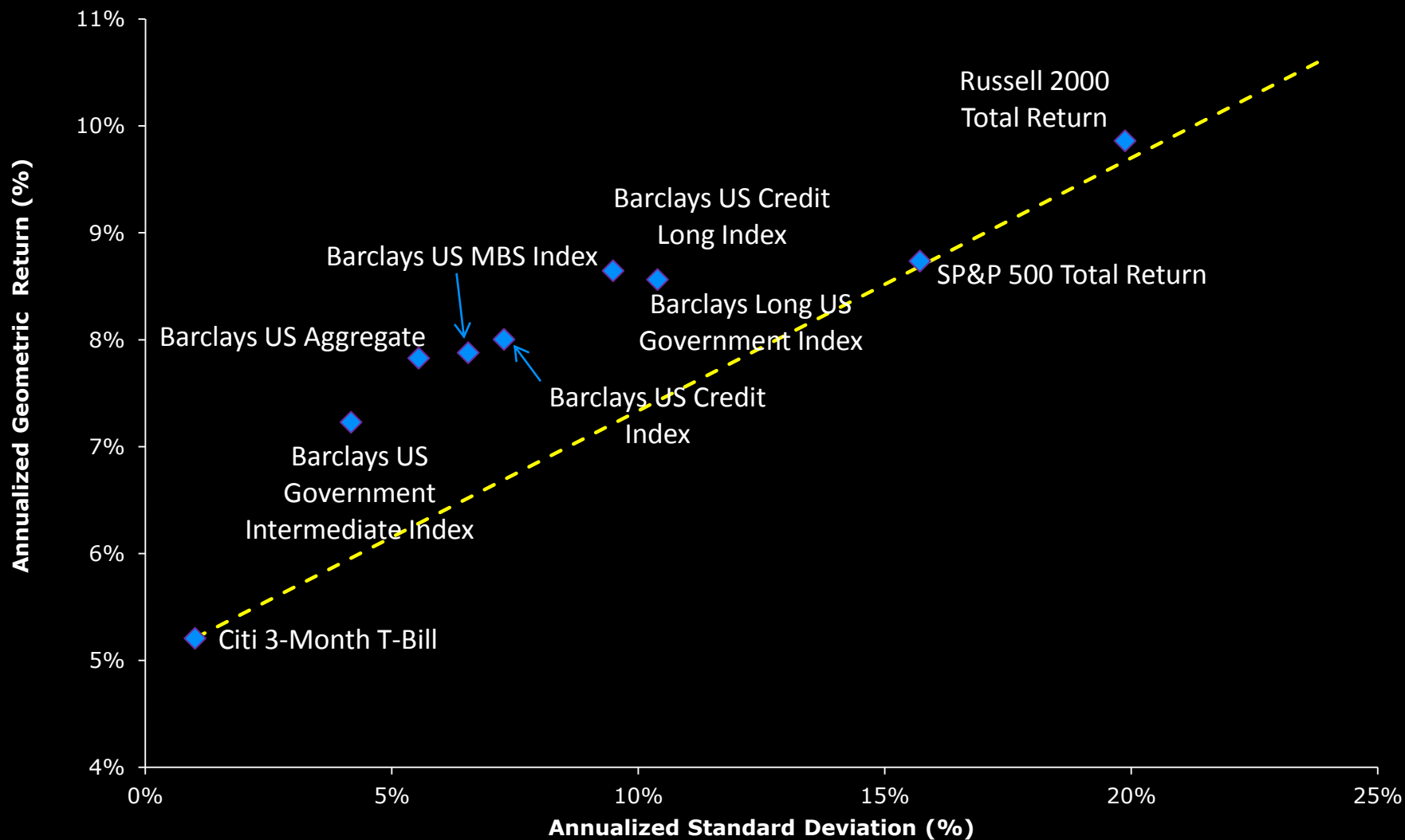
January 1, 1978 through February 28, 2013



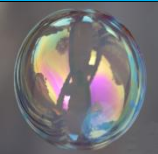


# US Markets Risk vs. Return

January 1, 1973 through February 28, 2013





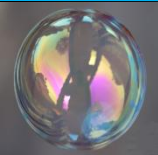


# United States Alternative Asset Class Correlation Matrix

January 1, 1994 – December 31, 2012



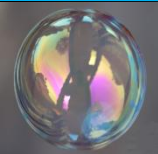
	S & P 500 Total Return	LPX50 Total Return Private Equity	Cambridge Venture Capital Index	Barclays US Aggregate Index	Dow Jones Credit Suisse Hedge Fund Index
S & P 500 Total Return	1.00	0.77	0.43	-0.22	0.68
LPX50 total Return Private Equity	0.77	1.00	0.65	-0.34	0.68
Cambridge Venture Capital Index	0.43	0.65	1.00	-0.21	0.53
Barclays US Aggregate Index	-0.22	-0.34	-0.21	1.00	-0.08
Dow Jones Credit Suisse Hedge Fund Index	0.68	0.68	0.53	-0.08	1.00



# Google vs. Apple Stock Time Comparison



Source: Bloomberg Financial Services

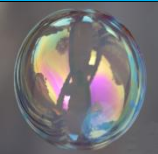


# Natural Gas/Apple Spread Chart

1) Settings		2) Actions		Page 1/18		Comparative Return	
Range	04/26/2012	-	04/01/2013	Period	Daily	No. of Period	340 Day(s)
Security	Currency	Price Appreciation	Total Return		Difference	Annual Eq	
1. NG1 Comdty	USD	97.20%	97.20%	**	125.58%	107.30%	
2. AAPL US Equity	USD	-29.42%	-28.38%			-30.12%	
3.							

\*\* No dividends or coupons



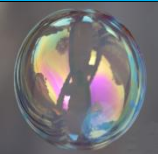


# Cumulative Return Long Natural Gas/Short Apple



April 26, 2012 through March 20, 2013





# Index Descriptions

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

**Barclays Capital US Treasury Index** - This index is the US Treasury component of the US Government index. Public obligations of the US Treasury with a remaining maturity of one year or more.

**Barclays Capital US Treasury 2 Year Index** - This index is the 2 year component of the US Government index.

**Barclays Capital US Treasury 5 Year Index** - This index is the 5 year component of the US Government index.

**Barclays Capital US Treasury 7 Year Index** - This index is the 7 year component of the US Government index.

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

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

**Barclays Capital US High Yield Index** - The Barclays Capital US High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issuer from countries designated as emerging markets (e.g. Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind (PIK, as of October 1, 2009) are also included.

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

**BofA Merrill Lynch US 15+ Year Treasury Index "Long Treasuries" (G802)** - This index is a subset of the BofA Merrill Lynch US Treasury Index including all securities with a remaining term of final maturity greater than 15 years..

**BofA Merrill Lynch US Corporate Index (COAO) "Investment Grade"** - The Merrill Lynch Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

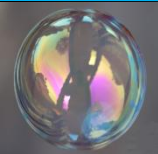
**BofA Merrill Lynch US All Convertibles Index (VOSO)** - The Merrill Lynch All Convertible Index is a rule driven index. which includes all bonds and preferred stocks of U.S.-registered companies, which have \$50 million or more in aggregate market value and are convertibles in U.S. dollar-denominated common stocks, ADRs or cash equivalents. Please note an investor cannot invest directly in an index.

**CRB Commodity Index** - An unweighted geometric average of some important commodities. It averages prices across 17 commodities and across time. The index tracks energy, grains, industrials, livestock, precious metals, and agricultural.

**S&P 500** - S&P 500 is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States.

**Standard Deviation** - Sigma = standard deviation. It shows how much variation there is from the "average" (mean, or expected/budgeted value). A low standard deviation indicated that the data point tend to be very close to the mean, whereas high standard deviation indicated that the date is spread out over a large range of values.

**Dow Jones - UBS DJ Commodity Index** - The Dow Jones UBS - Commodity index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME)



# Index Descriptions

## **BofA Merrill Lynch US Dollar Emerging Markets Sovereign Plus Index (IGOV)**

This index tracks the performance of US dollar denominated emerging market and cross-over sovereign debt publicly issued in the eurobond or US domestic market. Qualifying countries must have a BB1 or lower foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P, and Fitch).

## **BofA Merrill Lynch U.S. High Yield Cash Pay Index (JOA0) "Below Investment Grade"-**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Must have one year remaining to final maturity and a minimum outstanding amount of \$100MM.

## **BofA Merrill Lynch International Government Index (NOGO)**

The Merrill Lynch International Index tracks the performance of Australia, Canadian, French, German, Japan, Dutch, Swiss and UK investment grade sovereign debt publicly issued and denominated in the issuer's own domestic market and currency. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding.

## **BofA Merrill Lynch Mortgage-Backed Securities Index (MOA0)**

This index tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250MM per production year within each generic coupon.

## **BofA Merrill Lynch U.S. Municipal Securities Index (UOA0)**

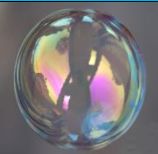
This index tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories, and their political subdivisions, in the US domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and an investment grade rating (based on Moody's, S&P and Fitch). Minimum size vary based on the initial term to final maturity at time of issuance.

**Barclays Capital Global Emerging Markets Index** - The Barclays Capital Global Emerging Markets Index represents the union of the USD-denominated US Emerging Markets index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. As with other fixed income benchmarks provided by Barclays Capital, the index is rules-based, which allows for an unbiased view of the marketplace and easy replicability.

**JP Morgan Investment Grade Corporate Index** - JP Morgan Investment Grade Corporate Index includes performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

**CPI**– Consumer Price Index. A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

**Cash Flow** – Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.



# Index Descriptions

**BofA Merrill Lynch US Treasury Index (GOQ0)** -The Merrill Lynch US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.

**BofA Merrill Lynch US 10-15 Year Treasury Index "Long Treasury"** -The Merrill Lynch US 10-15 Treasury Index tracks the performance of US dollar denominated 10-15 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQ0).

**BofA/Merrill Lynch High Yield Cash Pay CCC –rated Index (JOA3)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on CCC rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay BB–rated Index (JOA1)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on BB rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay B–rated Index (JOA2)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on B rated High Yield credit only.

**BofA/Merrill Lynch Credit Index BBB-rated Index (COA4)** – .A component of the BofA/Merrill Lynch Credit Index concentrating on the lower rated BBB investment grade credits.

**BofA/Merrill Lynch Credit Index A–rated Index (COA3)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the A rated investment grade credits.

**BofA/Merrill Lynch Credit Index AAA –rated Index (COA1)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the highest rated AAA investment grade credits.

**Dow Jones – UBS Commodity Index** - The Dow Jones UBS – Commodity index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

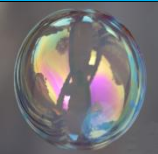
**Shanghai Index** - The Shanghai Stock Exchange Composite is a capitalization-weighted index tracking daily price performance of all A and B-shares listed on the Shanghai Stock Exchange. This index was developed December 19, 1990 with a base value of 100.

**S&P/Case-Shiller Composite Home Price Index** - The Case-Shiller Home Price Indices, one comprised of price changes within all 20 metropolitan markets, and another comprised of price changes within the following subset of 10 metropolitan markets: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. In addition to those 10 markets, the 20-Home Price index reflects price changes for Atlanta, Charlotte, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle and Tampa.

**Dow Jones Industrial Average** – Also known as the “DOW” is a stock market index that includes 30 large publically owned companies based in the U.S. have traded during a standard trading session in the stock market.

**Duration** – Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.





# Index Descriptions

**BofA Merrill Lynch 10 Year US Treasury Index (GOQ0)** - The Merrill Lynch US 10 year Treasury Index tracks the performance of US dollar denominated 10 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQO).

**BofA Merrill Lynch US 30 Year Treasury Index** - The Merrill Lynch US 30 year Treasury Index tracks the performance of US dollar denominated 30 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQO).

**Dow Jones, Credit Suisse Index (DJCSIN10)** – .Aims to reflect changes in the long-term inflation expectations embedded in the US government bond market by tracking a long position in on-the-run 10-year TIPS bonds, and a duration-adjusted short position in the closest maturity Treasury to the OTR TIPS..

**S&P 500 Total Return** - The index is a total return index that reflects both changes in the prices of stocks in the S&P 500 Index as well as the reinvestment of the dividend income from its underlying stocks.

**LPX 50 Private Equity index** - The LPX50 Private Equity index is a global equity index covers the 50 largest listed private equity companies which fulfill certain liquidity constraints.

**The Cambridge Associates LLC U.S. Venture Capital Index or “Cambridge Venture Capital Index”** - The Cambridge Associates LLC U.S. Venture Capital Index is an end-to-end calculation based on data compiled from 1,400 U.S. venture capital funds (906 early stage, 150 late & expansion stage, 338 multi-stage and 6 venture debt funds), including fully liquidated partnerships, formed between 1981 and 2012.

**Dow Jones Credit Suisse Hedge Fund Index** - Designed to represent the liquid, investable hedge fund universe, the Dow Jones Credit Suisse Core Hedge Fund Index is the first index to reflect the performance of managed accounts and other regulated fund structures sourced from across a range of platforms. The Index utilizes a UCITS III compliant methodology and is valued daily.



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