RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. | OPP

MANAGER COMMENTARY

RIVERNORTH®
Q4 2020

For the quarter, the Fund returned 8.42% and 5.52% on market price and net asset value (NAV), respectively, compared to the Bloomberg Barclays U.S. Aggregate Bond Index total return of 0.67%. Historical total returns are below:

	1 Month	4Q20	1 YR^	3YR^	Since Inception*^
RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. (NAV)	1.92%	5.52%	1.74%	3.45%	4.75%
RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. (Price)	1.89%	8.42%	1.34%	4.54%	3.33%
Bloomberg Barclays U.S. Aggregate Bond Index[1]	0.14%	0.67%	7.51%	5.34%	3.79%
Bloomberg Barclays U.S. High Yield Corporate Index[1]	1.88%	6.45%	7.11%	6.24%	6.70%
Morningstar All CEF Peer Group (NAV)[1]	2.81%	9.52%	4.18%	5.13%	5.90%
Morningstar All CEF Peer Group (Price)[1]	3.61%	12.91%	2.81%	5.39%	6.21%

^ Periods greater than one year are annualized.
** 9.27.2016.*

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month end by calling (844) 569-4750 or by visiting rivernorth.com. Total return measures net investment income and capital gain or loss from portfolio investments. All performance shown assumes reinvestment of dividends and capital gains distributions.

Closed-end funds (CEFs) finished the year with one of their best quarters since 1997 (Q2 2020 being the best). Notwithstanding the strong second-half performance of CEFs, we feel discounts are still relatively wide. The average discount of the Fund's CEF holdings narrowed 5.27% over the quarter from -16.57% to -11.30%.

Historically low interest rates, stable/increasing CEF distributions, and strong recent performance could all combine to drive mean-reversion trading opportunities in 2021. Further, the Fund's CEF exposure provides an attractive, relative value when compared to many fixed income sub-asset classes trading at historically narrow spreads.

The Fund's yield, duration, and broad asset allocation were relatively unchanged over the quarter.

Notes from DoubleLine Capital, LP

Outperformance was primarily driven by asset allocation as this time period was generally categorized by rallying risk asset prices and the Fund maintained more credit exposure than the benchmark. Every sector within the portfolio generated positive total returns during the quarter, but the largest contributors to performance were non-agency residential mortgage-backed securities (RMBS), emerging market corporates, and collateralized loan obligations (CLOs). These three sectors were directly impacted by the initial COVID-19 selloff in March and they did not recover as quickly as corporate bonds, causing many investors to pursue these assets during the fourth quarter and subsequently send spreads tighter. Commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS) also contributed nicely to performance. These sectors were perhaps some of the most immediate beneficiaries of the COVID-19 vaccine announcements in November, and market prices for these assets rallied accordingly. The smallest contributor to performance was agency mortgage-backed securities (MBS). Government-backed assets naturally took a back seat during this performance window as market focus shifted firmly towards credit risk products. On a year-to-date basis, however, the relatively small allocation to agency MBS was a top performer within the Fund.

Definitions:

A Closed-End Fund is a portfolio of pooled assets that raises a fixed amount of capital through an initial public offering (IPO) and then lists shares for trade on a stock exchange.

Mean reversion trading tries to capitalize on extreme changes in the pricing of a particular security, assuming that it will revert to its previous state.

Yield refers to the earnings generated and realized on an investment over a particular period of time.

Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. Duration is non-linear and accelerates as time to maturity lessens.

Mortgage-Backed Securities (MBS) are asset-backed securities that are secured by a mortgage or collection of mortgages.

Collateralized Loan Obligation (CLO) is a single security backed by a pool of debt. Often these are corporate loans that have a low credit rating or leveraged buyouts made by a private equity firm to take a controlling interest in an existing company.

Residential Mortgage-Backed Securities (RMBS) are fixed-income investment products that are backed by mortgages on residential properties rather than commercial real estate.

Commercial Mortgage-Backed Securities (CMBS) are fixed-income investment products that are backed by mortgages on commercial properties rather than residential real estate.

Asset-Backed Securities (ABS) are investment securities—a bond or note—which is collateralized by a pool of assets, such as loans, leases, credit card debt, royalties, or receivables.

[1.] The Bloomberg Barclays Capital U.S. Aggregate Bond Index is an unmanaged index of investment-grade fixed-rate debt issues with maturities of at least one year. The Bloomberg Barclays U.S. Corporate High Yield Index is an unmanaged, U.S. dollar– denominated, nonconvertible, non-investment-grade debt index. The Morningstar All CEF Peer Group (NAV) Index and the Morningstar All CEF Peer Group (Price) Index is an equally-weighted index of all U.S.-listed Closed-End Funds that invest substantially all of their assets in taxable, nonmunicipal securities. Indexes cannot be invested in directly and do not reflect fees and expenses.

Investors should consider the investment objective, management fees, risks, charges and expenses of the Fund carefully before investing. The Prospectus contains this and other information about the Fund. For a current Prospectus, call toll-free 844.569.4750 or visit rivernorth.com. Please read the Prospectus carefully before you invest.