RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. | OPP

MANAGER COMMENTARY

RIVERNORTH®
Q1 2021

For the quarter, the Fund returned 8.85% and 2.88% on market price and net asset value (NAV), respectively, compared to the Bloomberg Barclays U.S. Aggregate Bond Index total return of -3.37%. Historical total returns are below:

	1 Month	1Q21	1 YR^	3YR^	Since Inception*^
RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. (NAV)	-0.14%	2.88%	26.17%	4.64%	5.15%
RiverNorth/DoubleLine Strategic Opportunity Fund, Inc. (Price)	3.51%	8.85%	36.58%	7.77%	5.10%
Bloomberg Barclays U.S. Aggregate Bond Index[1]	-1.25%	-3.37%	0.71%	4.65%	2.80%
Bloomberg Barclays U.S. High Yield Corporate Index[1]	0.15%	0.85%	23.72%	6.84%	6.52%
Morningstar All CEF Peer Group (NAV)[1]	1.56%	3.25%	33.71%	6.83%	6.31%
Morningstar All CEF Peer Group (Price)[1]	2.89%	6.42%	42.92%	8.72%	7.27%

^ 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) followed up their strong 2020 performance with a solid Q1. Given the continued strength of the CEF market and narrowing discounts, the Fund reduced its allocation to the Tactical CEF Income strategy from 25% to 22% over the quarter. Notwithstanding narrower discounts, the average discount of the Fund's CEF portfolio is still, in our view, an attractive 8.4%. We strongly believe that discounts at current levels, combined with strong positive sentiment create a very attractive relative value environment (relative to owning similar underlying assets in a different "wrapper").

The Fund's yield, duration, and asset allocation were, broadly speaking, relatively unchanged over the quarter. The Fund still holds modest exposure to business development companies, although the position has been trimmed since discounts continued to narrow. The Fund also slightly increased its exposure to investment company debt (ICD) over the quarter. ICD yields have come in considerably since March 2020, yet we still feel this paper offers attractive yields relative to investment-grade corporate debt, with a lower probability of loss from default. There was a slight reduction in mortgage exposure quarter over quarter, and a commensurate increase in the U.S. Treasuries position.

We anticipate interest-rate uncertainty and overall market volatility, which would create an excellent trading opportunity for the Fund.

Notes from DoubleLine Capital, LP

The portfolio was able to generate positive returns during this performance window due to its usage of securitized credit products which sharply outperformed the corporate credit assets held in the Bloomberg Barclays U.S. Aggregate Bond Index. In addition, the portfolio maintained significantly less duration exposure than the Index, which bolstered relative performance as the 10-year U.S. Treasury yield rose by 83 basis points. The largest contributor to quarterly performance was non-Agency residential mortgage-backed securities (RMBS), which also commanded the largest allocation in the portfolio throughout this period. Non-Agency RMBS generated positive returns despite rising interest rates because forbearance levels steadily declined and underlying home price appreciation was broadly positive across the U.S. Two other critical drivers of performance were non-Agency commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS). These sectors were especially hard hit by the COVID-19 pandemic and thus stood to gain the most from a success vaccine rollout. ABS debt backed by commercial aircraft as well as CMBS transactions tied to retail and hospitality properties experienced strong price gains. The only sector in the portfolio that generated a negative return during Q1 2021 was Agency MBS. These assets were a top-performer during the 2020 calendar year but naturally experienced some duration-related price declines as U.S. rates rose sharply.

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.

Investment Company (ICD) are non-equity securities. Notes typically obligate issuers to repay creditor the principal loan, in addition to any interest payments, at a predetermined date.

A Business Development Company (BDC) is an organization that invests in small- and medium-sized companies as well as distressed companies. A BDC helps the small- and medium-sized firms grow in the initial stages of their development.

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.

Dry Powder is an informal term that refers to highly liquid securities, cash reserves and any other security that can be converted to cash right away to meet debt obligations, cover operational expenses or invest in opportunities.

Basis Point (bps) is a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001), and is used to denote the percentage change in a financial instrument.

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

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.

Agency Securities are debt obligations issued by a U.S. Government sponsored enterprise, e.g., Federal National Mortgage Association (FNMA), Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (FHLMC), and the Student Loan Marketing Association (SLMA).

Non-Agency Securities are debt obligations issued by private entities, such as financial institutions.

[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.