RiverNorth/DoubleLine Strategic Income Fund | RNDLX/ RNSIX

RIVERNORTH®

Q1 2021

MANAGER COMMENTARY

For the quarter, the Fund returned 0.51% and 0.45% for the I-shares and R-shares, 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^	5YR^	10 YR*	Since Inception*^
RiverNorth/DoubleLine Strategic Income Fund, Class I	-0.13%	0.51%	15.34%	5.69%	5.39%	5.82%	5.98%
RiverNorth/DoubleLine Strategic Income Fund, Class R	-0.15%	0.45%	15.02%	5.41%	5.14%	5.57%	5.73%
Bloomberg Barclays U.S. Aggregate Bond Index[1]	-1.25%	-3.37%	0.71%	4.65%	3.10%	3.44%	3.43%
Bloomberg Barclays U.S. High Yield Corporate Index[1]	0.15%	0.85%	23.72%	6.84%	8.06%	6.48%	6.72%
Morningstar All CEF Peer Group (NAV)[1]	1.56%	3.25%	33.71%	6.83%	7.45%	6.92%	7.00%
Morningstar All CEF Peer Group (Price)[1]	2.89%	6.42%	42.92%	8.72%	8.69%	7.43%	7.65%

^ *Periods greater than one year are annualized.*
** 12.30.2010.*

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 (888) 848-7569 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. Total Annual Fund Operating Expenses are 1.64% (RNDLX) and 1.39% (RNSIX).

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 CEF exposure from 18% to 15% over the quarter. Notwithstanding narrower discounts, the average discount of the Fund's CEF portfolio is still, in our view, an attractive 8%. 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 still holds modest exposure to business development companies (BDCs) and investment company debt (ICD), although the BDC position has been trimmed as discounts continue to narrow. ICD yields have also 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.

The Fund's yield, duration, and broad asset allocation were relatively unchanged over the quarter. As risk assets have continued to perform well, the Fund has been de-risking its portfolio (building its cash/US Treasury position and pushing capital to the DoubleLine Core Fixed Income sleeve). We look forward to interest rate uncertainty as well as overall market volatility as an opportunity to deploy the dry powder we've been accumulating.

Notes from DoubleLine Capital LP

Core Fixed Income Strategy

Outperformance was driven by duration positioning and asset allocation as positive COVID-19 vaccination progress coupled with another round of fiscal stimulus increased investor optimism for future economic growth. The portfolio consistently maintained a shorter duration than the Index as the U.S. Treasury yield curve bear steepened with two-year yields up 4 basis points (bps), 10-year yields up 83 bps, and 30-year yields up 77 bps over the quarter. Longer duration sectors more sensitive to the increase in rates, such as U.S. Treasuries and investment grade corporate credit, were largest performance detractors. Collateralized loan obligations (CLOs) were the largest contributors to outperformance as their floating rate nature caused them to fare well in a period of rising rates. The portfolio's securitized credit exposure – Collateralized mortgage-backed obligations (CMBS), mortgage-backed securities (MBS), asset-backed securities (ABS,) Non-Agency residential mortgage-backed securities (RMBS) – contributed positive returns to the portfolio as spreads continued to grind tighter on positive vaccination and reopening news.

Opportunistic Income Strategy

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 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 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 CMBS and 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 US rates rose sharply.

Risk Information: See the prospectus for a more detailed description of Fund risks. Investing involves risk.

Asset-Backed Security Risk – the risk that the value of the underlying assets will impair the value of the security. Borrowing Risk – borrowings increase fund expenses and are subject to repayment, possibly at inopportune times. Closed-End Fund Risk – closed-end funds are exchange traded, may trade at a discount to their net asset values and may deploy leverage. Convertible Security Risk – the market value of convertible securities adjusts with interest rates and the value of the underlying stock. Currency Risk – foreign currencies will rise or decline relative to the U.S. dollar. Defaulted Securities Risk – defaulted securities carry the risk of uncertainty of repayment. Derivatives Risk – derivatives are subject to counterparty risk. Equity Risk – equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange Traded Note Risk – exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk – the market value of fixed income securities adjusts with interest rates and the securities are subject to issuer default. Foreign/Emerging Market Risk – foreign securities may be subject to inefficient or volatile markets, different regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Investment Style Risk – investment strategies may come in and out of favor with investors and may underperform or outperform at times. Liquidity Risk – illiquid investments may be difficult or impossible to sell. Large Shareholder Purchase and Redemption Risk – The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund. Management Risk – there is no guarantee that the adviser's or sub-adviser's investment decisions will produce the desired results. Market Risk – economic conditions, interest rates and political events may affect the securities markets. Mortgage-Backed Security Risk – mortgage backed securities are subject to credit risk, pre-payment risk and devaluation of the underlying collateral. Preferred Stock Risk – preferred stocks generally pay dividends, but may be less liquid than common stocks, have less priority than debt instruments and may be subject to redemption by the issuer. Rating Agency Risk – rating agencies may change their ratings or ratings may not accurately reflect a debt issuer's creditworthiness. REIT Risk – the value of REITs changes with the value of the underlying properties and changes in interest rates and are subject to additional fees. Security Risk – The value of the Fund may decrease in response to the activities and financial prospects of individual securities in the Fund's portfolio.

Structured Notes Risk – because of the imbedded derivative feature, structured notes are subject to more risk than investing in a simple note or bond. Swap Risk – swap agreements are subject to counterparty default risk and may not perform as intended. Tax Risk – new federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well. Underlying Fund Risk – underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values. Valuation Risk – Loans and fixed-income securities are traded "over the counter" and because there is no centralized information regarding trading, the valuation of loans and fixed-income securities may vary. Past performance is no guarantee of future results. Diversification does not ensure a profit or a guarantee against loss.

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.

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

A yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity.

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.

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.

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.

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

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.

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

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 888.848.7569 or visit rivernorth.com. Please read the Prospectus carefully before you invest.