DoubleLine Opportunistic Credit Fund
Form N-CSR
December 05, 2013

As filed with the Securities and Exchange Commission on 12/5/13

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number **811-22592**

DoubleLine Opportunistic Credit Fund

(Exact name of registrant as specified in charter)

333 South Grand Avenue, Suite 1800

Los Angeles, CA 90071

(Address of principal executive offices) (Zip code)

Ronald R. Redell

President and Chief Executive Officer

c/o DoubleLine Capital LP

333 South Grand Avenue, Suite 1800

Los Angeles, CA 90071

(Name and address of agent for service)

(213) 633-8200

Registrant s telephone number, including area code

Date of fiscal year end: **September 30**

Date of reporting period: **September 30, 2013**

Item 1. Reports to Stockholders.

Annual Report

September 30, 2013

DoubleLine Opportunistic Credit Fund

NYSE: **DBL**

DoubleLine Capital LP

333 S. Grand Avenue

18th Floor

Los Angeles, California 90071

doubleline.com

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Chairman s Letter

Dear Shareholder,

On behalf of the team at DoubleLine, I am pleased to deliver the Annual Report for the DoubleLine Opportunistic Credit Fund (NYSE: DBL, the Fund) for the 12-month period ending September 30, 2013. On the following pages, you will find specific information regarding the Fund s operations and holdings. In addition we discuss the Fund s total return investment performance and the main drivers of that performance during the reporting period.

If you have any questions regarding the DoubleLine Funds please don t hesitate to call us at 877-DLine11 (877-354-6311), or visit our website www.doublelinefunds.com to hear our investment management team offer deeper insights and analysis on relevant capital market activity impacting investors today. We value the trust that you have placed with us, and we will continue to strive to offer thoughtful investment solutions to our shareholders.

Sincerely,

Ronald R. Redell, CFA

Chairman of the Board of Trustees

DoubleLine Opportunistic Credit Fund

November 1, 2013

Financial Markets Highlights

Financial Markets Highlights:

Agency Mortgage-Backed Securities (Agency MBS)

The Agency MBS sector, as measured by the Barclays U.S. MBS Index, had a return of -1.2% for the twelve-month period ending September 30, 2013. U.S. Treasury rates rose, 10-year U.S. Treasuries were up 99 basis points (bps), and the yield curve steepened during the year. Mortgage rate changes were consistent with these moves as the Freddie Mac (FHLMC) Commitment Rate also went up by approximately 100 bps, moving from 3.37% to 4.32% during the period. The Agency MBS sector outperformed both the Corporate and U.S. Treasury sectors of the Barclays U.S. Aggregate Bond Index during this period. Prices of Agency MBS securities, however, were down for this twelve-month period. Lower coupon and longer maturity Agency MBS were down more in price than higher coupon and shorter maturity MBS. 30-year Fannie Mae (FNMA) securities with 3% coupons were down over 8% for the year. 15-year MBS pass-throughs were down 1% to 3% for the year. The average price of securities in the Barclays U.S. MBS Index declined from $108.62 on September 30, 2012 to $104.20 on September 30, 2013. Pay-ups for specialized pools that have expectations of slower prepayments also fell over the past twelve months. This is due to the fact that when prices on mortgages are lower, the advantage of slower prepayments is reduced.

While the price action of securities in the Agency MBS sector was dominated by the change in rates, it was also affected by thoughts about the Federal Reserve (Fed), quantitative easing (QE) and potential tapering of QE. Throughout the past twelve months, prevailing market sentiment about the future of QE influenced the valuation of mortgage securities. The Fed has been buying $45 billion per month in Agency MBS and their purchases have been focused on current coupon mortgages. The current market expectation is that the Fed will be tapering sometime in the near future. We believe a reduction of mortgage purchases by the Fed would be bad for the sector by itself, but it must be mentioned that the market has been experiencing a reduction in the amount of mortgages issued. This reduction in supply is much larger than the expected tapering. Total gross issuance of Government/Agency MBS has decreased over the period to approximately $130 billion per month as of September 30, 2013.

The reason gross issuance has decreased is mainly due to higher rates leading to slower prepayments. Over the year, the market has experienced a reduction in prepayment speeds, with current speeds only around 50% of where they were one year ago. Prepayment speeds are at levels that were last seen in the middle of 2011. This environment has led to better performance for higher coupon mortgages which have benefitted to a higher degree from reductions in prepayments.

As rates have risen and prepayment speeds have slowed down, the duration of the MBS sector has extended. It has gone from 2.3 years in September 2012 to 5.4 years in September 2013. The duration of the Agency MBS market during the past two months is at a historic high. On a month-end reporting basis, the longest duration for the Agency MBS market previously reported by the Barclays U.S. MBS Index was in May 1994 at 4.8 years. So while any additional interest rate rises from the present could extend the duration for the Agency MBS market further, it has already experienced a significant extension.

Housing prices are up 10-15% nationally over the past year. With housing doing better, it is less likely that there will be new and different programs from Washington to help the housing market. Currently, HARP (Home Affordable Refinance Program) 2.0 and HAMP (Home Affordable Modification Program) are the programs in place. HARP facilitates refinancing for financially constrained borrowers. It continues to have an effect on higher coupon mortgages, allowing them to prepay faster than they otherwise would. A continuation of discussions regarding the future of the Government-Sponsored Enterprises (GSEs) occurred during the period. Most notably was the

Corker-Warner Bill which would create a

Financial Markets Highlights (Cont.)

new GSE intended to help facilitate the home buying process by making the mortgage process more efficient without putting the taxpayer on the hook for the whole risk. The ultimate resolution of GSE restructuring, if any, will not be known for a while, nor do we know if any such change will come through this bill or another route. It seems that thoughts to potential solutions to the issue lie along political lines.

Non-Agency Mortgage-Backed Securities (Non-Agency MBS)

The rebound of the U.S. housing market has been favorable for the performance of the Non-Agency MBS sector during the 12 months ended September 30, 2013. Housing inventory has tightened steadily due to record low mortgage rates causing buyers to re-enter the housing market. Additionally, the emergences of institutional buy-to-rent programs have absorbed much of the inventory overhang in many fringe markets. Average home price appreciation (HPA) in U.S. markets was 12.4% over this time period, according to the Standard & Poor s (S&P)/Case-Shiller 20-City Composite Home Price Index. The Housing Affordability Index increased modestly during the first six months of 2013 when the average conventional 30-year fixed mortgage rate hovered around 3.50%; however, affordability dropped sharply as mortgage rate rose to a high of 4.67% during the third quarter of 2013. The consensus amongst Wall Street research analysts is that the pace of home price appreciation that has been observed over the 12-month period should continue to be moderate over the next several months.

As expected, Non-Agency collateral performance has directly followed suit with the overall housing market. Delinquencies, prepayment speeds and liquidation rates have all improved over the past 12 months. Option Adjustable-Rate Mortgage (ARM) collateral has seen the most marked improvement with delinquencies and liquidation rates showing the steepest declines. Subprime collateral also showed a sharp improvement with delinquencies leveling off and liquidation rates declining each month during the period. Higher quality collateral, such as prime and Alt-A Non-Agency MBS, saw modest improvements as they were coming off a better foundation and did not see as much stress during the 2008 financial crisis. Loss severities on liquidated loans in all sectors remained steady despite rising HPA. Our belief is that servicer advances on legacy delinquent loans are offsetting the HPA gains and we feel severity improvements on liquidated loans will be seen once these loans are liquidated from the pools.

Modification rates have declined from late 2012 and stabilized in 2013 amongst all collateral types other than subprime. Subprime collateral has observed rising rates of modification, namely principal write downs and payment reductions, as servicers consolidate and attempt to transition delinquent loans into re-performing loans. The pace of servicer consolidations has been brisk and we expect the ramifications of recent consolidations to be felt for many months to come. The use of eminent domain and its implications for the MBS market continued to be a significant issue and appears far from reaching a resolution. Key questions remain regarding whether loan owners would be fairly compensated and if pushing ahead with this agenda would harm municipalities rather than aid them. Doubleline is following the developments closely and monitoring any potential impacts it may have on the Non-Agency bond market.

The ABX Index is a tradable synthetic index referencing a basket of 20 subprime mortgage bonds. This index is viewed as a proxy for the performance for the subprime mortgage market. For the 12-month period ending September 30, 2013, ABX 2007-1 AAA returned 13.95%. Distressed sectors such as Option Arm and Subprime bonds have seen the largest gains as they observed the largest price declines during the 2008 financial crisis. During the same period, prime fixed-rate and Alt-A fixed-rate bonds saw price appreciation of approximately 6.25% and 7.50%, respectively.

Bid list volume varied widely during the past 12 months. For example, the fourth quarter of 2012 saw $38 billion trade on bid lists whereas during a very busy second quarter of 2013, $66 billion of principal traded through bid lists. There were some notable bid lists during the second quarter where multiple lists of over $2 billion traded in a day. This type of volume coupled with fears of banking regulations and redemptions on bond funds caused a softening in the non-Agency markets. Loss-adjusted yields on prime, Alt-A, and subprime widened out to 5.5%, 6% and 8%, respectively. Despite the rumors of the reduction of the government bond buying program, higher mortgage rates and general disagreement between party lines in the U.S. government, non-agency bonds have rallied from the June weakness. Supply technicals have been the driving force of the rally and events on the periphery, regardless of how significant of an impact they may have on the macro markets, have thus far been unable to change the course.

Management s Discussion of Fund Performance

Management Discussion of Fund Performance:

The DoubleLine Opportunistic Credit Fund from an NAV standpoint outperformed the Barclays U.S. Aggregate Bond Index return of -1.68% over the twelve-month period ending September 30, 2013. With U.S. Treasury rates rising close to 100 bps during the 12-month period, the Agency MBS component of the portfolio experienced negative price returns with longer duration securities, such as inverse floating-rate and inverse interest-only bonds, declining the most. As of the end of the period, these securities continued to earn a high income stream as LIBOR rates remained low. The Non-Agency Residential Mortgage-Backed Security (RMBS) component of the portfolio more than offset the negative returns seen in the Agency MBS space, as bonds across the entire credit quality spectrum benefited from price gains. Higher credit quality bonds within the portfolio, such as bonds backed by prime and Alt-A collateral, continued to outperform over the period as prices rose and those securities earned high coupon returns. Improving fundamentals seen in the housing sector continued to help shield those securities from heightened volatility seen in the broader fixed income markets. At the end of September, the Fund had added leverage to its portfolio representing approximately 16% of the Fund s total assets (including assets obtained through such leverage).

Period 9-30-12 through 9-30-13	**1-Year (Annualized)**
Market Price Return	-6.60%
Net Asset Value (NAV) Return	2.24%
Barclays U.S. Aggregate Bond Index	-1.68%

Opinions expressed herein are as of September 30, 2013 and are subject to change at any time, are not guaranteed and should not be considered investment advice. This report is for the information of shareholders of the Fund.

The views expressed herein (including any forward-looking statement) may not be relied upon as investment advice or as an indication of the Fund s trading intent. Information included herein is not an indication of the Fund s future portfolio composition. Securities and indices discussed are not recommendations and are presented as examples of issue selection or portfolio management processes. They have been picked for comparison or illustration purposes only. No security presented within is either offered for sale or purchase. DoubleLine reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available.

Investment strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision making, economic or market conditions or other unanticipated factors. The views and forecasts expressed in this material are subject to change without notice, may not come to pass and do not represent a recommendation or offer of any particular security, strategy, or investment. Past performance is no guarantee of future results.

DoubleLine® is a registered trademark of DoubleLine Capital LP.

Shares of closed-end investment companies frequently trade at a discount to their net asset value, which may increase investors risk of loss. There are risks associated with an investment in the Fund. Investors should consider the Fund s investment objective, risks, charges and expenses carefully before investing. An investment in the Fund should not constitute a complete investment program.

The Fund s daily New York Stock Exchange closing prices, net asset values per share, as well as other information are available at http://www.doubleline.com/closed_end_funds/opportunistic_credit/overview.html or by calling the Fund s shareholder servicing agent at (877) 354-6311.

This document is not an offer to sell securities or the solicitation of an offer to buy securities, nor shall there be any sale or offer of these securities, in any jurisdiction where such sale or offer is not permitted.

The Fund s shares are only offered through broker/dealers on the secondary market. Unlike an open-end mutual fund, a closed-end fund offers a fixed number of shares for sale. After the initial public offering, shares are bought and sold in the secondary marketplace, and the market price of the shares is determined by supply and demand, not by net asset value (NAV), often at a lower price than the NAV. A closed-end fund is not required to buy its shares back from investors upon request.

Fund investing involves risk. Principal loss is possible.

Investments in debt securities typically decline in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in asset-backed and mortgage-backed securities include additional risks that investors should be aware of including credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for investments in emerging markets. Investments in lower rated and non-rated securities present a greater risk of loss to principal and interest than higher rated securities. Investment strategies may not achieve the desired results due to implementation lag, other timing factors, portfolio management decision-making, economic or market conditions or other unanticipated factors.

The Fund is a non-diversified investment company and therefore may invest a greater percentage of its assets in the securities of a single issuer or a limited number of issuers than funds that are diversified. Accordingly, the Fund is more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified fund might be.

In addition, the Fund may invest in other asset classes and investments such as, among others, REITs, credit default swaps, short sales, derivatives and smaller companies which include additional risks.

The Fund s investment objectives, risks, charges and expenses must be considered carefully before investing. You can obtain the Fund s most recent periodic reports and certain other regulatory filings by calling 1 (877) 354-6311/ 1 (877) DLINE11, or visiting www.doublelinefunds.com. You should read these reports and other filings carefully before investing.

The performance shown assumes the reinvestment of all dividends and distributions and does not reflect any reductions for taxes. Total return does not reflect broker commissions or sales charges in connection with the purchase or sale of Fund shares. ***Performance data quoted represents past performance; past performance does not guarantee future results.*** The investment return and principal value of an investment will fluctuate so that an investor s shares, when sold, may be worth more or less than original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling (877) 354-6311 or by visiting http://www.doubleline.com/closed_end_funds/opportunistic_credit/overview.html.

This material may include statements that constitute forward-looking statements under the U.S. securities laws. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to the Fund, market or regulatory developments. The views expressed herein are not guarantees of future performance or economic results and involve certain risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially from the views expressed herein. The views expressed herein are subject to change at any time based upon economic, market, or other conditions and DoubleLine undertakes no obligation to update the views expressed herein. While we have gathered this information from sources believed to be reliable, DoubleLine cannot guarantee the accuracy of the information provided. Any discussions of specific securities should not be considered a recommendation to buy or sell those securities. For a complete list of Fund holdings, please refer to the Schedule of Investments provided in this report.

ABX Index This Index consists of the 20 most liquid credit default swaps (CDS) on U.S. home equity asset-backed securities (ABS) and is used to hedge asset-backed exposure or to take a position in the subprime mortgage asset class. The ABX Index has four series (06-1, 06-2, 07-1 and 07-2) with five tranches per series. The ABX 07-1 AAA Index references underlying collateral of that 2007 vintage and AAA credit quality type, just as the ABX 06-2 AAA Index references underlying collateral of the 2006 vintage and AAA credit quality type.

Basis Point A basis point is a unit that is equal to 1/100th of 1%.

Barclays U.S. Aggregate Bond Index This 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 U.S. MBS Index This Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Duration A measure of the sensitivity of a price of a fixed income investment to a change in interest rates, expressed as a number of years. Securities with longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

Freddie Mac (FHLMC) Commitment Rate The commitment rate is the interest rate a lender would charge to lend mortgage money to a qualified borrower exclusive of the fees and points required by the lender. This commitment rate applies only to conventional financing on conforming mortgages with loan-to-value (LTV) rates of 80% or less, according to Freddie Mac.

Home Price Appreciation (HPA) HPA is an increase in the value of a property s price over time, which can occur for various reasons including increased demand, weakening supply or changes in inflation or interest rates.

Housing Affordability Index This Index is produced by the National Association of Realtors (NAR) and measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home for the purposes of this methodology is defined as the national median-priced, existing single-family home as calculated by the NAR. A typical family for the purposes of this methodology is defined as one earning the median family income as reported by the U.S. Bureau of the Census.

LIBOR The London Interbank Offered Rate (LIBOR) is the average interest rate estimated by leading banks in London that would be charged if borrowing from other banks. It is often considered the primary benchmark for short-term interest rates globally.

S&P/Case-Shiller 20-City Composite Home Price Index This index measures the value of residential real estate in 20 metropolitan areas of the U.S. It is included in the S&P/Case-Shiller Home Price Index Series which seeks to measure changes in the total value of all existing single-family housing stock.

A direct investment cannot be made in an index. The performance of any index mentioned in this commentary has not been adjusted for ongoing management, distribution and operating expenses applicable to mutual fund investments.

Principal Amount	Security Description	Rate	Maturity	Value $
COLLATERALIZED LOAN OBLIGATIONS 2.1%				
	BlueMountain Ltd.,			
1,000,000	Series 2012-2A-C	3.01%#^	11/20/2024	975,925
	Brookside Mill Ltd.,			
1,000,000	Series 2013-1A-D	3.27%#^	04/17/2025	920,681
	Canyon Capital Ltd,			
1,000,000	Series 2012-1A-C	3.07%#^	01/15/2024	978,406
	Finn Square Ltd,			
750,000	Series 2012-1A-B1	3.05%#^	12/24/2023	730,381
250,000	Series 2012-1A-C	3.85%#^	12/24/2023	242,315
	LCM LP,			
1,500,000	Series 11A-INC	12.95%#^@	04/19/2022	1,394,923
	Navigare Funding Ltd.,			
1,000,000	Series 2007-2A-D	1.97%#^	04/17/2021	937,484
	Venture Ltd.,			
900,000	Series 2005-1A-A2	0.71%#^	11/22/2018	866,249
	Total Collateralized Loan Obligations (Cost $7,089,688)			**7,046,364**
NON-AGENCY COMMERCIAL MORTGAGE BACKED OBLIGATIONS 1.3%				
	JP Morgan Chase Commercial Mortgage Securities Corporation,			
43,146,688	Series 2012-CBX-XA	2.20%# I/O	06/15/2045	4,455,111
	Total Non-Agency Commercial Mortgage Backed Obligations (Cost $4,539,282)			**4,455,111**
NON-AGENCY RESIDENTIAL COLLATERALIZED MORTGAGE OBLIGATIONS 57.3%				
	Adjustable Rate Mortgage Trust,			
4,260,218	Series 2006-1-2A1	3.15%#	03/25/2036	3,343,556
	Banc of America Alternative Loan Trust,			
2,868,458	Series 2005-8-2CB1	6.00%	09/25/2035	2,673,148
	Banc of America Funding Corporation,			
3,626,283	Series 2006-A-4A1	2.99%#	02/20/2036	2,937,246
	BCAP LLC Trust,			
5,269,567	Series 2010-RR6-2216	4.65%#^	06/26/2036	3,974,144
3,281,150	Series 2010-RR6-6A2	5.75%#^	07/26/2037	3,002,412
	Chase Mortgage Finance Corporation,			
4,835,629	Series 2007-S1-A7	6.00%	02/25/2037	4,316,495
	Chaseflex Trust,			

4,581,544	Series 2007-1-1A1	6.50%	02/25/2037	3,290,735
	Citicorp Mortgage Securities, Inc.,			
1,875,000	Series 2006-2-1A14	5.50%	04/25/2036	1,795,980
	Citigroup Mortgage Loan Trust, Inc.,			
1,802,267	Series 2006-8-A4	19.17%#^ I/F	10/25/2035	2,244,321
4,399,516	Series 2010-9-3A7	9.83%^	01/25/2036	3,717,414
5,860,374	Series 2010-9-4A3	7.07%#^	09/25/2035	5,843,776
	CitiMortgage Alternative Loan Trust,			
6,208,845	Series 2007-A4-IA6	5.75%	04/25/2037	5,130,456
4,899,892	Series 2007-A6-IA16	6.00%	06/25/2037	3,933,858
	Countrywide Alternative Loan Trust,			
3,250,782	Series 2005-85CB-2A5	1.28%#	02/25/2036	2,587,304
686,514	Series 2005-85CB-2A6	20.98%# I/F	02/25/2036	858,881
	Countrywide Home Loans,			
7,580,905	Series 2006-HYB1-3A1	2.68%#	03/20/2036	5,903,099
	Credit Suisse Mortgage Capital Certificates,			
6,117,424	Series 2006-5-3A3	6.50%	06/25/2036	3,543,903
1,734,629	Series 2006-9-2A1	5.50%	11/25/2036	1,720,871
2,218,957	Series 2006-9-6A14	6.00%	11/25/2036	2,111,990
	First Horizon Asset Securities, Inc.,			
2,946,960	Series 2007-AR3-2A2	5.82%#	11/25/2037	2,622,069
	GSAA Home Equity Trust,			
5,455,778	Series 2007-8-A2	0.53%#	08/25/2037	4,483,471
	IndyMac Mortgage Loan Trust,			
3,003,244	Series 2005-AR1-2A1	2.79%#	11/25/2035	2,615,706
4,710,405	Series 2005-AR23-6A1	4.71%#	11/25/2035	3,902,909

Principal Amount	Security Description	Rate	Maturity	Value $
	IndyMac Mortgage Loan Trust, (Cont.)			
4,074,606	Series 2007-FLX1-A2	0.36%#	02/25/2037	3,849,053
	JP Morgan Alternative Loan Trust,			
2,895,067	Series 2006-S1-2A5	5.50%	02/25/2021	2,813,112
	JP Morgan Resecuritization Trust,			
5,627,386	Series 2011-1-1A10	7.46%#^	12/26/2036	4,718,142
7,268,848	Series 2011-1-2A10	6.52%#^	06/26/2037	6,129,649
	Lehman Mortgage Trust,			
5,236,438	Series 2007-10-1A1	6.00%	01/25/2038	4,920,854
3,741,836	Series 2007-4-1A3	5.75%	05/25/2037	2,688,322
	Lehman XS Trust,			
3,113,180	Series 2005-2-1A2	0.53%#	08/25/2035	2,890,755
	MASTR Asset Securitization Trust,			
2,802,758	Series 2007-2-A3	6.25%	01/25/2038	2,632,720
	Nomura Resecuritization Trust,			
5,023,133	Series 2010-2RA-A2	5.50%^	01/26/2036	4,719,906
	RBSGC Structured Trust,			
3,441,072	Series 2008-B-A1	6.00%^	06/25/2037	3,145,596

	Residential Accredit Loans, Inc.,			
3,596,441	Series 2005-AS14-3A1	6.00%	09/25/2035	3,426,951
5,436,274	Series 2005-QS13-2A3	5.75%	09/25/2035	4,832,130
3,929,638	Series 2006-QS10-A1	6.00%	08/25/2036	3,075,625
4,633,434	Series 2006-QS6-1A5	5.75%	06/25/2036	3,584,026
7,829,456	Series 2006-QS7-A3	6.00%	06/25/2036	6,140,392
1,965,232	Series 2007-QS1-1A1	6.00%	01/25/2037	1,584,337
8,192,493	Series 2007-QS3-A1	6.50%	02/25/2037	6,575,196
3,450,756	Series 2007-QS6-A1	0.51%#	04/25/2037	2,180,888
3,653,284	Series 2007-QS6-A102	5.75%	04/25/2037	2,917,023
786,099	Series 2007-QS6-A2	54.09%# I/F	04/25/2037	1,678,024
	Residential Asset Securities Corporation,			
2,281,987	Series 2006-EMX2-A2	0.38%#	02/25/2036	2,233,116
4,739,026	Series 2006-EMX6-A3	0.33%#	07/25/2036	4,023,390
	Residential Asset Securitization Trust,			
2,436,477	Series 2006-A6-1A12	6.92%# I/F I/O	07/25/2036	682,926
2,409,108	Series 2006-A6-1A9	6.00%	07/25/2036	1,523,301
7,310,135	Series 2007-A2-1A2	6.00%	04/25/2037	6,477,233
3,777,059	Series 2007-A7-A1	6.00%	07/25/2037	2,985,958
2,260,339	Series 2007-A8-1A3	6.00%	08/25/2037	1,973,192
	Residential Funding Mortgage Securities Trust,			
4,880,250	Series 2006-S5-A9	6.00%	06/25/2036	4,505,154
2,759,707	Series 2007-S2-A4	6.00%	02/25/2037	2,464,247
3,328,610	Series 2007-S6-1A10	6.00%	06/25/2037	2,897,635
	Structured Adjustable Rate Mortgage Loan Trust,			
3,596,836	Series 2006-1-2A2	2.67%#	02/25/2036	3,108,749
	Structured Asset Securities Corporation,			
6,541,000	Series 2005-11H-A3	5.50%	06/25/2035	5,448,561
	Washington Mutual Mortgage Pass-Through Certificates,			
6,452,307	Series 2006-8-A4	5.17%#	10/25/2036	4,501,871
	Total Non-Agency Residential Collateralized Mortgage Obligations (Cost $173,939,436)			**193,881,778**

US GOVERNMENT / AGENCY MORTGAGE BACKED OBLIGATIONS 57.4%

	Federal Home Loan Mortgage Corporation,			
2,279,784	Series 3211-SI	26.90%# I/F I/O	09/15/2036	1,473,542
4,837,996	Series 3236-ES	6.52%# I/F I/O	11/15/2036	767,388
3,289,154	Series 3256-S	6.51%# I/F I/O	12/15/2036	588,591
2,861,315	Series 3292-SD	5.92%# I/F I/O	03/15/2037	317,598
15,405,066	Series 3311-BI	6.58%# I/F I/O	05/15/2037	2,387,177
5,739,834	Series 3314-SH	6.22%# I/F I/O	11/15/2036	677,714
1,222,853	Series 3317-DS	14.54%# I/F	05/15/2037	1,443,461
5,110,208	Series 3330-KS	6.37%# I/F I/O	06/15/2037	552,017
2,348,585	Series 3339-AI	6.37%# I/F I/O	07/15/2037	242,431
8,892,704	Series 3339-TI	5.96%# I/F I/O	07/15/2037	1,359,748
6,244,538	Series 3374-SD	6.27%# I/F I/O	10/15/2037	929,790
4,094,613	Series 3382-SU	6.12%# I/F I/O	11/15/2037	457,954

3,502,355	Series 3423-GS	5.47%# I/F I/O	03/15/2038	384,201
3,846,256	Series 3508-PS	6.47%# I/F I/O	02/15/2039	507,417

September 30, 2013

Principal Amount	Security Description	Rate	Maturity	Value $
	Federal Home Loan Mortgage Corporation, (Cont.)			
4,607,569	Series 3725-CS	5.82%# I/F I/O	05/15/2040	624,552
11,330,026	Series 3728-SV	4.27%# I/F I/O	09/15/2040	1,293,288
11,191,638	Series 3753-SB	5.82%# I/F I/O	11/15/2040	2,004,247
6,961,536	Series 3815-ST	5.67%# I/F I/O	02/15/2041	775,835
1,174,966	Series 3905-SC	21.85%# I/F	08/15/2041	2,164,604
5,217,049	Series 3924-SJ	5.82%# I/F I/O	09/15/2041	620,130
6,786,237	Series 3997-LZ	3.50%	02/15/2042	6,196,208
7,456,888	Series 3998-AZ	4.00%	02/15/2042	7,307,687
2,116,862	Series 4011-S	7.21%# I/F	03/15/2042	2,049,472
7,358,286	Series 4057-ZA	4.00%	06/15/2042	6,905,917
8,203,294	Series 4064-SA	5.82%# I/F I/O	06/15/2042	1,644,835
6,286,148	Series 4084-TZ	4.00%	07/15/2042	5,898,790
16,869,444	Series 4217-CS	5.06%# I/F	06/15/2043	13,772,150
	Federal National Mortgage Association,			
3,368,841	Series 2005-104-SI	6.52%# I/F I/O	12/25/2033	329,453
1,151,545	Series 2005-72-WS	6.57%# I/F I/O	08/25/2035	143,475
9,939,224	Series 2005-90-SP	6.57%# I/F I/O	09/25/2035	1,495,283
5,713,262	Series 2006-117-SQ	6.37%# I/F I/O	12/25/2036	643,295
3,248,415	Series 2006-119-HS	6.47%# I/F I/O	12/25/2036	364,567
6,362,818	Series 2006-60-YI	6.39%# I/F I/O	07/25/2036	1,409,816
8,904,553	Series 2007-15-BI	6.52%# I/F I/O	03/25/2037	1,540,201
5,428,727	Series 2007-20-S	6.56%# I/F I/O	03/25/2037	674,034
2,943,280	Series 2007-21-SD	6.30%# I/F I/O	03/25/2037	409,734
3,373,691	Series 2007-30-IE	6.56%# I/F I/O	04/25/2037	733,501
13,464,464	Series 2007-32-SA	5.92%# I/F I/O	04/25/2037	1,671,298
6,415,705	Series 2007-40-SA	5.92%# I/F I/O	05/25/2037	813,159
2,930,245	Series 2007-48-SE	5.92%# I/F I/O	05/25/2037	361,448
3,869,795	Series 2007-64-LI	6.38%# I/F I/O	07/25/2037	469,105
3,274,092	Series 2007-68-SA	6.47%# I/F I/O	07/25/2037	362,500
10,784,924	Series 2008-42-SC	5.72%# I/F I/O	05/25/2038	1,650,023
3,011,446	Series 2008-5-GS	6.07%# I/F I/O	02/25/2038	408,750
11,032,096	Series 2008-62-SD	5.87%# I/F I/O	07/25/2038	1,483,796
6,377,173	Series 2008-68-SB	5.92%# I/F I/O	08/25/2038	802,224
3,761,675	Series 2009-111-SE	6.07%# I/F I/O	01/25/2040	436,431
3,664,348	Series 2009-12-CI	6.42%# I/F I/O	03/25/2036	822,086
5,811,863	Series 2009-26-SM	6.17%# I/F I/O	08/25/2038	476,763
3,472,434	Series 2009-47-SA	5.92%# I/F I/O	07/25/2039	337,381
2,611,983	Series 2009-48-WS	5.77%# I/F I/O	07/25/2039	306,884
1,636,135	Series 2009-67-SA	4.97%# I/F I/O	07/25/2037	161,958
4,557,906	Series 2009-87-SA	5.82%# I/F I/O	11/25/2049	539,702
6,128,389	Series 2009-91-SD	5.97%# I/F I/O	11/25/2039	671,736
332,945	Series 2010-109-BS	53.02%# I/F	10/25/2040	1,229,138

2,400,659	Series 2010-115-SD	6.42%# I/F I/O	11/25/2039	267,398
5,006,277	Series 2010-11-SC	4.62%# I/F I/O	02/25/2040	422,007
10,962,780	Series 2010-150-MS	6.35%# I/F I/O	01/25/2041	1,539,235
5,803,364	Series 2010-15-SL	4.77%# I/F I/O	03/25/2040	530,664
1,897,067	Series 2010-19-AI	5.00% I/O	08/25/2037	21,397
2,789,603	Series 2010-19-SA	5.22%# I/F I/O	03/25/2050	292,882
5,040,498	Series 2010-31-SB	4.82%# I/F I/O	04/25/2040	453,990
7,056,724	Series 2010-39-SL	5.49%# I/F I/O	05/25/2040	822,899
6,033,517	Series 2010-40-EI	4.50% I/O	05/25/2024	382,445
4,417,051	Series 2010-8-US	4.62%# I/F I/O	02/25/2040	405,314
4,818,956	Series 2010-9-GS	4.57%# I/F I/O	02/25/2040	397,183
6,477,267	Series 2011-111-CZ	4.00%	11/25/2041	6,636,086
8,302,368	Series 2011-114-S	5.82%# I/F I/O	09/25/2039	885,394
3,322,334	Series 2011-146-US	6.75%# I/F	01/25/2042	3,193,653
157,371	Series 2011-40-SA	9.55%# I/F	09/25/2040	158,832
2,865,393	Series 2011-55-BZ	3.50%	06/25/2041	2,731,685
4,748,756	Series 2011-58-SA	6.37%# I/F I/O	07/25/2041	839,865
5,618,317	Series 2011-5-PS	6.22%# I/F I/O	11/25/2040	652,468
7,456,888	Series 2012-15-PZ	4.00%	03/25/2042	7,186,333

Principal Amount/ Shares	Security Description	Rate	Maturity	Value $
	Federal National Mortgage Association, (Cont.)			
761,529	Series 2012-16-BS	42.20%# I/F	03/25/2042	999,983
4,261,079	Series 2012-22-AZ	4.00%	03/25/2042	4,075,140
6,531,159	Series 2012-29-SG	5.82%# I/F I/O	04/25/2042	769,917
1,133,283	Series 2012-55-SC	6.68%# I/F	05/25/2042	1,070,567
2,351,148	Series 2012-82-SC	7.21%# I/F	08/25/2042	1,984,556
8,254,519	Series 2013-17-MS	5.18%# I/F	03/25/2043	6,433,115
4,134,825	Series 2013-18-BS	5.19%# I/F	03/25/2043	3,259,938
2,810,322	Series 2013-41-SC	5.73%# I/F	05/25/2043	2,193,459
5,825,217	Series 2013-51-SH	5.73%# I/F	05/25/2033	5,178,628
14,759,149	Series 2013-55-KS	5.73%# I/F	06/25/2043	11,912,230
3,387,919	Series 2013-61-ZN	3.00%	06/25/2033	2,988,257
9,311,180	Series 2013-66-MZ	3.00%	07/25/2043	7,357,131
12,090,225	Series 2013-74-HZ	3.00%	07/25/2043	9,359,926
13,832,048	Series 2013-83-US	4.82%# I/F	08/25/2043	11,368,705
1,861,781	Series 374-19	6.50% I/O	09/01/2036	298,832
	Government National Mortgage Association,			
3,713,969	Series 2009-104-SD	6.17%# I/F I/O	11/16/2039	474,288
2,813,589	Series 2010-98-IA	5.93%# I/O	03/20/2039	315,144
9,143,768	Series 2011-56-BS	5.92%# I/F I/O	11/16/2036	575,031
11,447,697	Series 2011-56-KS	5.92%# I/F I/O	08/16/2036	873,220
4,445,418	Series 2011-69-SB	5.17%# I/F I/O	05/20/2041	630,784
7,269,803	Series 2011-71-SG	5.22%# I/F I/O	05/20/2041	881,657
8,057,884	Series 2011-72-AS	5.20%# I/F I/O	05/20/2041	1,035,039
9,483,084	Series 2011-89-SA	5.27%# I/F I/O	06/20/2041	1,189,343
3,880,805	Series 2012-34-LI	6.00%# I/F I/O	12/16/2039	676,715
8,020,000	Series 2013-119-TZ	3.00%	08/20/2043	6,733,371

	Total US Government / Agency Mortgage Backed Obligations (Cost $214,207,055)		**194,549,191**
SHORT TERM INVESTMENTS 1.4%			
4,634,819	**BlackRock Liquidity Funds FedFund Portfolio**	0.01%¨ (a)	4,634,819
	Total Short Term Investments (Cost $4,634,819)		**4,634,819**
	Total Investments 119.5% (Cost $404,410,280)		**404,567,263**
	Liabilities in Excess of Other Assets (19.5)%		**(65,908,307)**
	NET ASSETS 100.0%		**$ 338,658,956**

SECURITY TYPE BREAKDOWN as % of Net Assets

US Government / Agency Mortgage Backed Obligations	57.4%
Non-Agency Residential Collateralized Mortgage Obligations	57.3%
Collateralized Loan Obligations	2.1%
Short Term Investments	1.4%
Non-Agency Commercial Mortgage Backed Obligations	1.3%
Other Assets and Liabilities	(19.5)%
	100.0%

Variable rate security. Rate disclosed as of September 30, 2013.

^ **Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional buyers. These securities are determined to be liquid by the Adviser, unless otherwise noted, under procedures established by the Fund s Board of Trustees. At September 30, 2013, the value of these securities amounted to $44,541,724 or 13.2% of net assets.**

I/O **Interest only security**

I/F **Inverse floating rate security whose interest rate moves in the opposite direction of reference interest rates**

¨ **Seven-day yield as of September 30, 2013**

(a) **Institutional class shares**

@ **Security pays interest at rates that represent residual cashflows available after more senior tranches have been paid. The interest rate disclosed reflects the estimated rate in effect as of September 30, 2013.**

All or partial amount transferred for the benefit of the counterparty as collateral for reverse repurchase agreements.

Reverse Repurchase Agreements

Counterparty	Rate	Trade Date	Maturity Date	Principal	Principal & Interest
JP Morgan Securities LLC	0.83%	09/19/2013	10/04/2013	$ 27,634,000	$ 27,651,245
RBC Capital Markets LLC	0.90%	09/27/2013	10/17/2013	678,000	678,237
Bank of America Merrill Lynch	0.73%	09/04/2013	10/22/2013	20,122,000	20,126,896
Bank of America Merrill Lynch	0.73%	09/17/2013	10/29/2013	16,686,000	16,687,354
				$ 65,120,000	$ 65,143,732

The weighted average daily balance of reverse repurchase agreements outstanding during the reporting period ended September 30, 2013 was $18,023,603, at a weighted average interest rate of 0.78%. Total market value of underlying collateral (refer to the Schedule of Investments for positions transferred for the benefit of the counterparty as collateral) for open reverse repurchase agreements at September 30, 2013 was $84,813,347.

Statement of Assets and Liabilities

September 30, 2013

ASSETS	
Investments in Securities, at Value*	$ 399,932,444
Short-term Securities*	4,634,819
Interest and Dividends Receivable	2,259,068
Prepaid Expenses and Other Assets	2,574
Total Assets	406,828,905
LIABILITIES	
Payable for Reverse Repurchase Agreements	65,120,000
Due to Custodian	2,272,941
Investment Advisory Fees Payable	328,981
Accrued Expenses	186,464
Administration, Fund Accounting and Custodian Fees Payable	166,016
Payable to Broker	68,668
Interest Payable for Reverse Repurchase Agreements	23,732
Transfer Agent Expenses Payable	3,147
Total Liabilities	68,169,949
Net Assets	$ 338,658,956
NET ASSETS CONSIST OF:	
Capital Stock ($0.00001 par value)	$ 147
Additional Paid-in Capital	351,368,133
Undistributed (Accumulated) Net Investment Income (Loss)	1,889,312
Accumulated Net Realized Gain (Loss)	(14,755,619)
Net Unrealized Appreciation (Depreciation) on Investments in Securities	156,983
Net Assets	$ 338,658,956
*Identified Cost:	
Investments in Securities	$ 399,775,461
Short-term Securities	$ 4,634,819
Shares Outstanding and Net Asset Value Per Share:	
Shares Outstanding (unlimited authorized)	14,746,224
Net Asset Value per Share	$ 22.97

Statement of Operations

For the Year Ended September 30, 2013

INVESTMENT INCOME	
Income:	
Interest	$ 28,989,003
Total Investment Income	28,989,003
Expenses:	
Investment Advisory Fees	3,761,896
Administration, Fund Accounting and Custodian Fees	609,243
Professional Fees	271,743
Interest Expense	144,776
Trustees Fees and Expenses	85,214
Shareholder Reporting Expenses	84,016
Registration Fees	25,187
Insurance Expenses	15,816
Transfer Agent Expenses	6,000
Miscellaneous Expenses	687
Total Expenses	5,004,578
Net Investment Income	23,984,425
REALIZED & UNREALIZED GAIN (LOSS)	
Net Realized Gain (Loss) on:	
Investments in Securities	13,482
Net Change in Unrealized Appreciation (Depreciation) on:	
Investments in Securities	(15,546,946)
Net Realized and Unrealized Gain (Loss)	(15,533,464)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$ 8,450,961

 The accompanying notes are an integral part of these financial statements

Statements of Changes in Net Assets

	For the Year Ended September 30, 2013	Period Ended September 30, 2012[1]
OPERATIONS		
Net Investment Income (Loss)	$ 23,984,425	$ 16,923,063
Net Realized Gain (Loss)	13,482	
Net Change in Unrealized Appreciation (Depreciation)	(15,546,946)	15,703,929
Net Increase (Decrease) in Net Assets Resulting from Operations	8,450,961	32,626,992
DISTRIBUTIONS TO SHAREHOLDERS		
From Net Investment Income	(36,589,482)	(17,197,795)
Total Distributions to Shareholders	(36,589,482)	(17,197,795)
NET SHARE TRANSACTIONS		
Increase (Decrease) in Net Assets Resulting from Net Share Transactions	693,128	350,675,152
Total Increase (Decrease) in Net Assets	$ (27,445,393)	$ 366,104,349
NET ASSETS		
Beginning of Period	$ 366,104,349	$
End of Period	$ 338,658,956	$ 366,104,349
Undistributed (Accumulated) Net Investment Income (Loss)	$ 1,889,312	$ 5,089,361

[1] *The Fund commenced operations on January 27, 2012.*

Statement of Cash Flows

For the Year Ended September 30, 2013

CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net Increase (Decrease) in Net Assets Resulting from Operations	$	8,450,961
Adjustments to Reconcile the Change in Net Assets from Operations to Net Cash Provided By (Used In) Operating activities:		
Purchases of Long-term Securities		(142,776,457)
Proceeds from Disposition of Long-term Securities		55,202,613
Net (Purchases of) Proceeds from Disposition of Short-term Securities		16,725,416
Net Amortization (Accretion) of Premiums/Discounts		16,535,732
Net Realized (Gain) Loss on Investments in Securities		(13,482)
Net Change in Unrealized Depreciation (Appreciation) on Investments in Securities		15,546,946
(Increase) Decrease in:		
Interest and Dividends Receivable		119,918
Prepaid Expenses and Other Assets		3,215
Increase (Decrease) in:		
Payable for Investments Purchased		(1,528,433)
Investment Advisory Fees Payable		28,717
Accrued Expenses		46,587
Administration, Fund Accounting and Custodian Fees Payable		68,436
Transfer Agent Fees Payable		844
Payable to Broker		68,668
Interest Payable for Reverse Repurchase Agreements		23,732
Net Cash Provided By (Used In) Operating Activities		(31,496,587)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Cash Dividends Paid to Common Stockholders		(35,896,354)
Purchases of Reverse Repurchase Agreements		262,112,000
Proceeds from Reverse Repurchase Agreements		(196,992,000)
Due to Custodian		2,272,941
Net Cash Provided By (Used In) Financing Activities		31,496,587
NET CHANGE IN CASH		
Cash at Beginning of Period		
Cash at End of Period	$	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW AND NON-CASH INFORMATION		
Additional Paid-in Capital from Dividend Reinvestment	$	693,128

The accompanying notes are an integral part of these financial statements

Financial Highlights

	For the Year Ended September 30, 2013	Period Ended September 30, 2012[1]
Net Asset Value, Beginning of Period	$ 24.87	$ 23.83[6]
Income (Loss) from Investment Operations:		
Net Investment Income (Loss)[3]	1.63	1.18
Net Realized and Unrealized Gain (Loss)	(1.05)	1.06
Total from Investment Operations	0.58	2.24
Less Distributions:		
Distributions from Net Investment Income	(2.48)	(1.20)
Total Distributions	(2.48)	(1.20)
Net Asset Value, End of Period	$ 22.97	$ 24.87
Market Price, End of Period	$ 22.88	$ 27.07
Total Investment Return[4, 5]	(6.60)%	13.43%
Supplemental Data:		
Net Assets, End of Period (000 s)	$ 338,659	$ 366,104
Ratios to Average Net Assets:		
Expenses	1.40%	1.30%[2]
Net Investment Income	6.70%	7.13%[2]
Portfolio Turnover Rate[5]	17.18%	10.79%

1 *The Fund commenced operations on January 27, 2012.*
2 *Annualized.*
3 *Calculated based on average shares outstanding during the period.*
4 *Total investment return is computed based upon the New York Stock Exchange market price of the Fund s shares and excludes the effect of brokerage commissions. Dividends and distributions are assumed to be reinvested at the prices obtained under the Fund s dividend reinvestment plan.*
5 *Not Annualized.*
6 *Net Asset Value, beginning of period, reflects a deduction of $1.17 per share of sales load and offering expenses from the initial public offering price of $25.00 per share.*

1. Organization

DoubleLine Opportunistic Credit Fund (the Fund) is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund was organized as a Massachusetts business trust on July 22, 2011 and commenced operations on January 27, 2012. The Fund is listed on the New York Stock Exchange (NYSE) under the symbol DBL . The Fund s investment objective is to seek high total investment return by providing a high level of current income and the potential for capital appreciation.

2. Significant Accounting Policies

The following is a summary of the significant accounting policies of the Fund. These policies are in conformity with accounting principles generally accepted in the United States of America (US GAAP).

A. Security Valuation. The Fund has adopted US GAAP fair value accounting standards which establish a definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below: