



BLUE OWL INSURANCE ADVISORS LLC

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Blue Owl Insurance Advisors LLC (“BOIA”). If you have any questions about the content of this Brochure, please contact the Compliance Department at the number listed above. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about BOIA is also available on the SEC’s website at www.adviserinfo.sec.gov.

April 30, 2024

Item 2 – Material Changes

This Brochure is dated April 30, 2024 and is the initial brochure for BOIA and will be amended annually or as necessary to reflect material changes.

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Item 4 – Advisory Business

Blue Owl Insurance Advisors LLC (“BOIA”) provides investment advisory services to funds-of-one or other separately managed account clients (“Clients”), with a focus on investors in the insurance industry. BOIA commenced operations in 2024.

BOIA is principally owned, through certain intermediary vehicles, by Blue Owl Capital Inc. (“Blue Owl”), which is a publicly traded company listed on the New York Stock Exchange (NYSE: OWL), and an affiliate of Neuberger Berman Group LLC and is controlled by Blue Owl. Blue Owl is ultimately controlled by the founders and principals of Blue Owl. More information about BOIA’s owners and executive officers is available in Form ADV, Part 1A, Schedule R.

As of April 1, 2024, BOIA did not manage any client assets.

Blue Owl, through BOIA and together with the other SEC-registered investment advisers associated with the Credit, GP Strategic Capital, and Real Estate platforms of Blue Owl (collectively, the “Blue Owl Advisers”), managed approximate \$165.7 billion (based on information as of December 31, 2023).¹

BOIA offers investment advisory and management services with respect to a variety of fixed income and equity asset classes, including through the Credit (“Blue Owl Credit”), GP Strategic Capital (“Blue Owl GPSC”) and Real Estate (“Blue Owl Real Estate”) platforms of Blue Owl. As part of its investment strategy, BOIA seeks to invest in investment-grade assets backed by diversified pools of hard and financial assets, in sectors including consumer, corporate, real estate, transportation, and energy/infrastructure. BOIA has the ability to build fully customizable separate managed accounts, which can be structured as a traditional separate account or as a fund of one, depending on the client’s preferences. BOIA generally works with each client to design portfolio construction guidelines including investment objectives, constraints and preferences as well as monitoring and reporting obligations. Any such limitations or restrictions

¹ For the purposes of these calculations, for Blue Owl Credit, assets under management (approximately \$84.6 billion based on information as of December 31, 2023) represents the sum of (i) total assets of clients (including assets acquired with leverage) managed by Blue Owl Credit, (ii) undrawn debt available to these clients (including certain amounts subject to restrictions), (iii) uncalled committed capital of these clients (including commitments to products that have yet to commence their investment periods), and (iv) par value of collateral for collateralized loan obligations. For Blue Owl GP Strategic Capital, assets under management (approximately \$54.2 billion based on information as of December 31, 2023) represents the sum of (i) total assets of clients (including assets acquired with leverage) managed by Blue Owl GP Strategic Capital and (ii) uncalled committed capital of these clients (including commitments to products that have yet to commence their investment period. For Blue Owl Real Estate, assets under management (approximately \$26.9 billion based on information as of December 31, 2023) represents the sum of (i) total assets of clients (including assets acquired with leverage) managed by Blue Owl Real Estate, (ii) undrawn debt available to these clients (including certain amounts subject to restrictions), and (iii) uncalled committed capital of these clients (including commitments to products that have yet to commence their investment periods).

are generally set forth in the applicable investment management agreement for that Client. BOIA's advisory services are further described below:

Blue Owl Credit

- **Diversified Lending:** Our diversified lending strategy seeks to generate current income and, to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns across credit cycles with an emphasis on preserving capital primarily through originating and making loans to, and making debt and equity investments in, U.S. middle market companies. We provide a wide range of financing solutions with a strong focus on the top of the capital structure and operate this strategy through diversification by borrower, sector, sponsor and position size.
- **Technology Lending:** Our technology lending strategy seeks to maximize total return by generating current income from our debt investments and other income producing securities, and capital appreciation from our equity and equity-linked investments primarily through originating and making loans to, and making debt and equity investments in, technology related companies based primarily in the United States. We originate and invest in senior secured or unsecured loans, subordinated loans or mezzanine loans, and equity and equity-related securities including common equity, warrants, preferred stock and similar forms of senior equity, which may be convertible into common equity of companies in which our products invest. Our technology lending strategy invests in a broad range of established and high growth technology companies that are capitalizing on the large and growing demand for technology products and services. This strategy focuses on companies that operate in technology-related industries or sectors which include, but are not limited to, information technology, application or infrastructure software, financial services, data and analytics, security, cloud computing, communications, life sciences, healthcare, media, consumer electronics, semi-conductor, internet commerce and advertising, environmental, aerospace and defense industries and sectors.
- **First Lien Lending:** Our first lien lending strategy seeks to realize current income with an emphasis on preservation of capital primarily through originating primary transactions in and, to a lesser extent, secondary transactions of first lien senior secured loans in or related to private equity sponsored, middle market businesses based primarily in the United States.
- **Opportunistic Lending:** Our opportunistic lending strategy seeks to generate attractive, risk-adjusted returns by taking advantage of credit opportunities in U.S. middle market companies with liquidity needs and market leaders seeking to improve their balance sheets. We focus on high-quality companies that could be experiencing disruption, dislocation, distress or transformational change. We aim to be the partner of choice for companies by being well-equipped to provide a variety of financing solutions to meet a broad range of situations, including the following: (i) rescue financing, (ii) new issuance

and recapitalizations, (iii) wedge capital, (iv) debtor-in-possession loans, (v) financing for additional liquidity and covenant relief and (vi) broken syndications.

- **Liquid Credit:** Our liquid credit strategy seeks to generate attractive, risk-adjusted returns by managing portfolios of broadly syndicated leveraged loans, including through CLO vehicles.
- **Other:** Our other Credit strategies employ various investment strategies to pursue long-term capital appreciation and risk adjusted returns including (i) direct investments in strategic equity assets, with a focus on single-asset GP-led continuation funds and (ii) mid-to-late-stage biopharmaceutical and healthcare companies.

Blue Owl GP Strategic Capital

- **GP Minority Stakes:** We build diversified portfolios of minority equity investments in institutionalized alternative asset management firms across multiple strategies, geographies, and asset classes (such firms, “Partner Managers”). Our investment objective is to generate compelling cash yield by collecting a set percentage of contractually fixed management fees, a set percentage of carried interest and a return on balance sheet investments from the underlying managers. We primarily focus on acquiring minority positions in multi-product alternative asset managers who continue to gain a disproportionate proportion of the assets flowing into private investment strategies and exhibit high levels of stability. Our inaugural products followed a hedge fund manager-focused investment program that has since evolved into a private capital manager-focused investment program in our more recent products.
- **GP Debt Financing:** The GP debt financing strategy focuses on originating and making collateralized, long-term debt investments, preferred equity investments and structured investments in private capital managers. We originate and invest in secured term loans that are collateralized by substantially all of the assets of a manager and become subject to repayment on an accelerated basis pursuant to cash flow sweeps of set percentages of management fees, GP realization, carried interest and other fee streams of the management company in the event that certain minimum coverage ratios are not maintained. Our investment objective is to generate current income by targeting investment opportunities with attractive risk-adjusted returns. We expect that the loans will be made primarily to allow borrowers to support business growth, fund GP commitments, and launch new strategies.

Blue Owl Real Estate

- **Net Lease:** Our net lease real estate strategies structure portfolios of single tenant properties across industrial, essential retail and mission critical office sectors, occupied by investment grade or creditworthy tenants. By combining our proprietary origination

infrastructure, enhanced lease structures and a disciplined investment criteria, we seek to provide investors with predictable current income, and potential for appreciation, while limiting downside risk.

Item 5 – Fees and Compensation

Management Fees

Client fee schedules can be negotiated and as such will vary based upon a wide variety of factors including the type of client mandate, services provided, investment amount and other factors as may be agreed with the Client.

Depending on the structure of the Client's account, management fees can be deducted directly from the account or invoiced to the Client and may be charged in advance or arrears, as agreed to with the Client. Clients initiated or terminated during a calendar quarter will be charged a prorated fee for the period (if fees are paid in arrears) or have any prepaid, unearned fees refunded (if fees are paid in advance).

Subject to the relevant investment management agreement, management fees may be offset by the Client's share of any directors' fees, origination fees, monitoring fees, commitment fees, transaction fees, closing fees and break-up fees received by BOIA or its affiliates with respect to any investment made by the Client.

Performance Fees

Refer to **Item 6 – Performance-Based Fees and Side-By-Side Management** for discussion of performance-based compensation.

Additional Expenses

The fees described above cover only BOIA's investment management services. BOIA and the Clients also bear, directly and indirectly, certain additional expenses, in each case as described in the relevant investment management agreement.

Clients can bear certain specific expenses in relation to their account, some of which are enumerated below, including any applicable management fees, costs and expenses related to the Client's portfolio investments and any other costs and expenses agreed to between the Client and BOIA, including indemnification.

For example, Clients could bear fees, costs, expenses, liabilities and obligations related to the trading and investment activity of their account (including establishing the account) as determined by BOIA in good faith and (to the extent not borne or reimbursed by an investment or potential investment) including but not limited to:

- deal related expenses (such as due diligence on an investment and structuring and monitoring of an investment) including those deals that BOIA ultimately determines not appropriate for investment;
- third party expenses associated with the purchase, holding or disposing of an asset;

- research and market data (such as news and quotation equipment, software and services);
- expenses related to legal, tax, auditors, accountants, administrators, custodians, consultants, compliance firms, third party valuation firms, information technology providers and other outside advisors and professionals;
- insurance;
- regulatory or tax compliance;
- brokerage, custodial and banking charges;
- forming and holding a credit facility; hedging investments;
- interest expense on borrowed money;
- taxes, duties and other governmental charges;
- administrative expenses;
- costs related to services provided to such account by the Blue Owl legal, compliance, operations, finance, tax and accounting teams (“In-House Costs”);
- reasonable travel expenses (including transportation, lodging, meals and related expenses) incurred in respect of any of the foregoing, indemnification expenses and such other expenses as may be set forth in the relevant investment management agreement.

In addition to the fees and expenses enumerated above, in connection with investments made by Clients, Blue Owl Credit entities have received in the past, and expect to continue to receive arrangement, structuring or similar fees from portfolio investments in which a Blue Owl Credit Client may invest or propose to invest. Refer to **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**, **Item 12 – Brokerage Practices** and **Item 14 – Client Referrals and Other Compensation** for additional information about brokerage and other transaction costs.

It is critical that you refer to the relevant investment management agreement for a complete understanding of how BOIA is compensated for its investment management services and for additional or supplementary information regarding the expenses paid by Clients. The information contained in this section and in Item 6 – Performance Based Fees and Side-By-Side Management is a summary only and is qualified in its entirety by such documents.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

BOIA required to disclose in this Item whether it charges performance-based fees to any of its Clients and if it does charge such fees to some, but not all, of its Clients, any conflicts of interest that could arise from their simultaneous management of these accounts and the procedures they have in place to mitigate these conflicts.

BOIA generally does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Side-by-Side Management

BOIA and the other Blue Owl Advisers (as defined in Item 10) provide concurrent advisory services to clients for which the investment mandates, compensation and fee arrangements (including with respect to fee offsets) and other circumstances differ. The existence of different compensation and fee arrangements between clients, and the possibility for certain clients to pay performance-based compensation, has the potential to create an incentive to favor certain clients over others. In addition, Blue Owl employees and their affiliates will generally have investments or other financial interests in Blue Owl Funds (as defined in Item 10), some of which may be more significant than others. As such, there will, in certain circumstances, be an incentive for the Blue Owl Advisors to favor one client over another, which constitutes a potential conflict of interest. Refer to **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** for additional information.

Item 7 – Types of Clients

BOIA offers its advisory services to a wide range of institutional clients, which mainly consist of insurance companies but may include banks, corporate entities, pension funds, charitable institutions, foundations and endowments, sovereign funds, investment funds, and limited partnerships.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Blue Owl Credit

Origination and Sourcing. Investment personnel (the “Investment Team”) using their networks from which to source deal flow and referrals, identify potential portfolio investments from a variety of different investment sources including, among others, management teams, financial intermediaries and advisers, investment bankers, private equity sponsors, family offices, accounting firms and law firms.

Due Diligence Process. Prior to making an investment decision, the Investment Team conducts extensive research into the portfolio company and its industry, growth prospects and ability to withstand adverse conditions. Though each transaction may involve a somewhat different approach, diligence of each opportunity typically includes a combination of the following:

- understanding the purpose of the loan or other investment, the key personnel and variables, as well as the sources and uses of the proceeds;
- meeting the company’s management, including top and middle-level executives, to get an insider’s view of the business, and to probe for potential weaknesses in business prospects;
- checking management’s backgrounds and references;
- performing a detailed review of historical financial performance, including performance through various economic cycles, and the quality of earnings;
- contacting customers and vendors to assess both business prospects and standard practices;
- conducting a competitive analysis, and comparing the company to its main competitors on an operating, financial, market share and valuation basis;
- researching the industry for historic growth trends and future prospects as well as to identify future exit alternatives;
- assessing asset value and the ability of physical infrastructure and information systems to handle anticipated growth;
- leveraging Blue Owl Credit’s internal resources and network with institutional knowledge of the company’s business; and
- investigating legal and regulatory risks and financial and accounting systems and practices.

Selective Investment Process. After an investment has been identified and preliminary diligence has been completed, a credit research and analysis report is prepared and reviewed by the members of the Investment Team responsible for the potential investment. If the outlook on the investment remains favorable after this review, the Investment Team will, as it deems appropriate on a case-by-case basis, conduct a more extensive due diligence process including

leveraging due diligence conducted by attorneys, independent accountants, and other third-party consultants and research firms prior to closing the investment.

Structuring and Execution. Once the relevant investment committee has determined that a prospective portfolio company is suitable for investment, BOIA works with the management team or sponsor of that company and its other capital providers, including senior, junior and equity capital providers, if any, to finalize the structure and terms of the investment.

Blue Owl GP Strategic Capital

Within each strategy, investment opportunities can be identified from a range of sources, including equity holders, bankers, advisors, brokers, and service providers to Partner Managers, as well as through other professional and personal networks of the Blue Owl GPSC Advisers (as defined below) and their employees.

When a potential investment opportunity is identified, the relevant investment team (“Investment Team”) performs a rigorous initial evaluation prior to undertaking a more extensive due diligence effort. For the GP Minority Equity Investments and GP Debt Financing Investments strategies, the Investment Team generally seeks Partner Managers with integrity and a compelling business and investment strategy, as well as a well-developed framework for implementing the Partner Manager’s strategy (or strategies), extensive investment experience and an established track record.

After conducting in-person meetings with the key principals and receiving certain preliminary financial and business information, if the Investment Team believes that a transaction should continue to be pursued, the Investment Team is generally able to provide a potential Partner Manager with a detailed term sheet setting forth the material economic and legal terms of a potential transaction.

Following mutual agreement on a final term sheet, the Investment Team undertakes a more extensive due diligence effort. For the GP Minority Equity Investments and GP Debt Financing Investments strategies, due diligence includes an in-depth review of a prospective Partner Manager’s legal, compliance, tax, finance, infrastructure and human resources functions, as well as its investment management processes and historical performance attribution.

Investment Teams evaluate opportunities with a qualitative scorecard of “drivers of franchise value.” For the GP Minority Equity Investments and GP Debt Financing Investments strategies, Partner Managers generally are assessed based on factors that include: underwriting and investment capabilities; portfolio management capabilities; performance attribution; product diversity; stability and growth potential; succession mentality; employee retention; client relationships; balance sheet management; and operational platform.

The Investment Team evaluates the overall combination of the foregoing factors, weighing the significance of each factor depending on the circumstances. Upon the completion of the Investment Team's due diligence process and structuring determinations, the Investment Team will assemble an investment case for review by the relevant investment committee for final approval.

Blue Owl Real Estate

The analysis of potential investments for the Net Lease strategy begins with the identification of potential investments. The acquisition team identifies a potential investment opportunity with an initial screen to determine suitability followed by exploratory diligence to understand the local real estate market, economic terms and overall situation. The investment team focuses its underwriting efforts on several critical areas including: (i) tenant credit strength and operating history, (ii) tenant industry analysis to understand short-term and long-term strengths and weaknesses, and (iii) local real estate market research to understand market rental rates, vacancy rates, demographics, trends, and comparable property sale values. The investment team then performs rigorous tenant credit underwriting process and financial stress testing, and performs a broad survey of specific risks relating to the property's usage, protections available in the lease, as well as the underlying real estate prior to closing. The investment team uses various resources to assist in the underwriting process, including: global investment bank research, third-party databases, and reports from nationally recognized real estate firms. The investment team then prepares an extensive investment memorandum for each deal. This memorandum is presented by the investment team to the relevant investment committee. After a thorough discussion and all questions have been discussed and answered, the investment committee votes to approve or deny the execution of the investment. Finally, the investment team evaluates multiple factors regarding dispositions such as: (i) tenant credit strength, (ii) local and macro market fundamentals, (iii) pro forma return on investment, and (iv) viability of the offer received.

Other Investment Strategies

In addition, in pursuing investment grade assets, BOIA generally originates investments from the following sources:

- BOIA's proprietary database of borrowers/issuers and intermediaries;
- Lending institutions, including agent and investment banks;
- Financial intermediaries; and
- Private equity, real estate and/or other financial sponsors.

BOIA's investment team thoroughly analyzes each investment opportunity, taking into consideration a variety of factors, including:

- Client eligibility and suitability;
- Competitive strengths/weaknesses of the borrower/issuer;
- Purpose of the loan/use of funds;

- Financial performance (historical and projected) of the borrower/issuer;
- Overall business of the borrower/issuer, including products, services, management, sponsor, industry and competition;
- Enterprise and collateral value;
- Transaction and corporate structure;
- Exit alternatives; and
- Any other identified weaknesses/risks and potential mitigating factors.

The principal sources of information typically include: annual and interim financial reports, SEC or National Association of Insurance Commissioners (“NAIC”) filings, prospectuses and offering circulars prepared by borrowers/issuers or their agents; information published in newspapers, periodicals and commentaries from investment bankers, engineers and financial advisors; ratings and reviews of securities from services such as Fitch, Moody’s, Standard & Poor’s; and many other sources such as commercial mortgage information providers, appraisal studies, feasibility studies, real property market analyses and materials provided by mortgage bankers. BOIA may engage third parties, including certain of its affiliates, to assist in the underwriting and due diligence process.

Investments that satisfy BOIA’s highly-selective criteria are submitted for consideration by the investment committee, which is charged with approving the acquisition and disposition of Client investments.

Refer to **Item 13 – Review of Accounts** for discussion of BOIA’s ongoing portfolio monitoring process.

Client Risks

Set forth in Exhibit A is an overview of the primary risks associated with the type of investing described herein. However, it is not possible to identify all of the risks associated with investing. The particular risks applicable to a Client will depend on the nature of the account, its investment strategy or strategies and the types of securities held. As such, it is critical that you consult your investment management agreement or other offering materials for a complete understanding of the significant risks associated with this type of investing. The information contained herein is a summary only and qualified in its entirety by the relevant investment management agreement or other offering materials.

While BOIA seeks to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss, and there can be no guarantee or representation that the BOIA’s investment program will be successful. You should understand that you could lose some or all of your investment and should be prepared to bear the risk of such potential losses.

Refer to **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** for discussion of potential conflicts of interest.

Item 9 – Disciplinary Information

BOIA is required to disclose in this Item all material facts regarding any legal or disciplinary events that would be material to your evaluation of BOIA or the integrity of its management.

As of the date of this Brochure and to the best of BOIA's knowledge, there are no material legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

BOIA is a subsidiary, through various intermediary vehicles, of Blue Owl, which is a publicly traded company listed on the New York Stock Exchange (NYSE: OWL). Other U.S.-regulated operating entities owned by Blue Owl include the other Blue Owl Advisers, as further discussed below, and Blue Owl Securities LLC (“Blue Owl Securities”).

The Credit platform of Blue Owl (“Blue Owl Credit”) is comprised of OPFA, Blue Owl Credit Advisors LLC, Blue Owl Diversified Credit Advisors LLC, Blue Owl Technology Credit Advisors LLC, Blue Owl Technology Credit Advisors II LLC, Blue Owl Strategic Equity Advisors LLC, and Blue Owl Strategic Equity Partners Advisors LLC Blue Owl Healthcare Opportunities Advisors LLC (collectively, the “Blue Owl Credit Advisers”). Each of the Blue Owl Credit Advisers is an SEC-registered investment adviser. Clients of one or more Blue Owl Credit Advisers (collectively, the “Blue Owl Credit Clients”) include (i) commingled private funds relying on an exemption from registration as an investment company under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the “1940 Act”), including one or more collateralized loan obligation vehicles, (ii) separately managed account including those structured as funds of one (“SMA Clients”) and (iii) investment companies that have elected to be regulated as business development companies under the 1940 Act (the “Blue Owl BDCs”).

In addition to the Blue Owl Credit Advisers, Blue Owl Liquid Credit Advisors LLC (“Blue Owl Liquid Credit”), is a relying adviser of Blue Owl Credit Private Fund Advisors LLC and part of the Credit platform of Blue Owl. Blue Owl Liquid Credit provides investment management services to commingled private funds relying on exemptions from registration under the 1940 Act, including one or more collateralized loan obligation vehicles.

As mentioned above, certain of the Blue Owl Credit Advisers serve as investment adviser to the Blue Owl BDCs. Two of these BDCs, Blue Owl Capital Corporation (NYSE: OBDC) and Blue Owl Credit Income Corp., are party to joint ventures (each, a “JV”) that operate investment strategies that can directly or indirectly overlap with the potential targeted investments of certain Blue Owl Credit Clients. Each JV is managed jointly by its members, which have equal voting rights; officers of these two Blue Owl BDCs and certain employees of Blue Owl are authorized to manage the respective JV’s investments. While none of the Blue Owl Credit Advisers manage either JV, and the JVs are not subject to the Blue Owl Credit Advisers’ allocation policy, the Blue Owl Credit Advisers may share investment research with each JV.

The GP Strategic Capital platform of Blue Owl (“Blue Owl GPSC”) is comprised of Blue Owl GPSC Advisors LLC and its relying adviser, Blue Owl GPSC IV Advisors LLC. Blue Owl GPSC provides investment management services to commingled private funds relying on an exemption from registration under the 1940 Act. Certain funds managed by Blue Owl GPSC hold a passive, indirect, non-voting minority interest in an entity of which each of the Blue Owl Credit Advisers is an indirect subsidiary.

The Real Estate platform of Blue Owl (“Blue Owl Real Estate”) is comprised of Blue Owl Real Estate Capital, LLC and its relying adviser, Blue Owl Real Estate Seeding and Strategic Capital LLC. Blue Owl Real Estate provides investment management services to investment funds and funds of one or other separately managed accounts. Blue Owl Real Estate may, from time to time, be a party to a JV with Blue Owl Real Estate clients and other third parties. Such JVs may have investment strategies or hold investments that can directly or indirectly overlap with other Blue Owl Real Estate clients. Certain employees of Blue Owl are authorized to manage the respective JV’s investments.

The advisers associated with the Blue Owl Credit, Blue Owl GPSC and Blue Owl Real Estate platforms of Blue Owl and Black Owl are referenced herein as the “Blue Owl Advisers”. The funds managed by Blue Owl Advisers (as described above) are referenced herein as the “Blue Owl Funds”. The Blue Owl Funds, in addition to the Blue Owl Credit and Blue Owl Real Estate SMA Clients are referenced herein as the “Blue Owl Clients”.

The Blue Owl Advisers share common officers, partners, employees, consultants or persons occupying similar positions as well as office space.

Blue Owl Securities is a FINRA-regulated limited purpose broker-dealer. Blue Owl Securities shares office space with the Blue Owl Advisers and certain employees who perform services for the Blue Owl Advisers are also registered representatives of Blue Owl Securities. Registered representatives of Blue Owl Securities may sell interests in the Blue Owl Funds or, as applicable, provide support to intermediaries that sell interests in the Blue Owl Funds. Blue Owl Securities may itself act as a placement agent/distribution agent/principal underwriter for interests in the Blue Owl Funds. Blue Owl Securities does not perform any trading or related services for any of the Blue Owl Funds. Blue Owl Securities and its registered representatives from time to time, where permitted under the relevant Blue Owl Fund’s offering materials, could receive commissions or other fees from the sale of the Blue Owl Funds to Investors. Please refer to **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** and **Item 14 – Client Referrals and Other Compensation** for additional information.

Affiliates of Blue Owl serve as the general partners to certain Blue Owl Funds. The general partners to the Blue Owl Funds share common owners, officers, partners, employees, consultants and/or persons occupying similar positions with one or more of the Blue Owl Advisers. In addition, certain Blue Owl employees are also limited partners in the Blue Owl Funds.

Blue Owl Capital UK Limited is an entity organized and operating in the United Kingdom whose employees assist in the marketing and distribution of Blue Owl Funds in EMEA (Europe, Middle East, and Africa).

Blue Owl Capital HK Limited (“Blue Owl HK”) is an entity organized and operating in Hong Kong whose employees, together with the employees of Blue Owl Capital Pte. Ltd., an entity organized and operating in Singapore, assist in the marketing and distribution of Blue Owl Funds in the

APAC (Asia-Pacific). Blue Owl HK is registered with the Hong Kong Securities & Futures Commission.

Blue Owl Capital Japan is an entity organized and operating in Japan whose employees will assist in the marketing and distribution of Blue Owl Funds in Japan.

Blue Owl Capital Canada ULC is an entity organized and operating in Canada whose employees assist in the marketing and distribution of Blue Owl Funds in Canada.

Refer to **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** for a further discussion of potential conflicts of interest that may arise from these other financial industry activities or affiliations.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Blue Owl Advisers have adopted a code of ethics (the “Code of Ethics”) that describes the standards of business conduct and responsibilities to clients expected from employees and that governs certain potential conflicts of interest which may exist when providing services to clients. The Code of Ethics is designed to ensure that the Blue Owl Advisers meet their obligations to clients and to instill a culture of compliance within Blue Owl.

The Code of Ethics is distributed to each employee at the time of hire and annually thereafter. The Blue Owl Advisers also supplement the Code of Ethics with ongoing monitoring of employee activity. Employees who fail to comply with the requirements of the Code of Ethics and its related policies may be subject to disciplinary actions, up to and including termination of employment and/or personal liability, as permitted by law.

The Code of Ethics includes, among others, policies relating to:

- employee conduct;
- conflicts of interest;
- prohibitions on insider trading;
- employee personal securities transactions;
- acceptance/provision of gifts and entertaining;
- rules relating to political contributions;
- preserving the confidentiality of client and firm information; and
- reporting of certain outside business activities.

All employees are required to acknowledge annually that they are in compliance with the Code of Ethics.

A copy of the Code of Ethics is available upon request by contacting the Compliance Department at the phone number or address on the cover page of this Brochure.

Potential Conflicts of Interest

The Blue Owl Advisers offer different products and services and there are various actual and potential conflicts of interest which can arise, including but not limited to those listed below, in connection with the management of business affairs for the Blue Owl Clients. As a general matter, the Blue Owl Advisers attempt to resolve such conflicts of interest in light of their obligations to the Blue Owl Clients and, as relevant, in a manner they believe to be fair and equitable to the Blue Owl Clients under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Blue Owl Advisers will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. The Blue Owl Advisers have adopted, and will continue to maintain, policies and procedures to address the following and other potential conflicts of interest. Certain of such policies and procedures are described below.

Potential Conflicts of Interest for the Blue Owl Advisers Generally

- 1) ***Multiple Clients and Strategies.*** The Blue Owl Advisers currently provide investment advice and related services to multiple Blue Owl Clients, and it is anticipated that the Blue Owl Advisers will act as investment manager to other investment vehicles and accounts in the future, which are expected to pursue strategies similar to or different from existing Blue Owl Clients.

In certain circumstances, a Blue Owl Adviser will deem it appropriate to (i) direct certain relevant investment opportunities to one Blue Owl Client while not making a similar investment for another Blue Owl Client or (ii) cause more than one Blue Owl Client to invest in the same opportunity. The Blue Owl Advisers' allocation of investment opportunities among their Clients will not always, and often will not, be proportional. Refer to Allocation of Investment Opportunities below and **Item 12 – Brokerage Practices** for further details.

- 2) ***Interests of Blue Owl Affiliates.*** In the course of managing the investments held by Blue Owl Clients, a Blue Owl Adviser will, from time to time, consider its relationships with other Blue Owl Clients and entities affiliated with the Blue Owl Adviser. From time to time, it is anticipated that one Blue Owl Adviser will recommend or cause its clients to invest in, or dispose of, Portfolio Investments in which a client of another Blue Owl Adviser has a direct or indirect financial interest. Such financial interest can include, but is not limited to, having a business relationship (whether as client, investor, co-investor, broker, vendor or investment consultant), or serving as investment adviser, general partner or director for a particular investment product. In such instances, the acquisition or disposition of the Portfolio Investment directed by the Blue Owl Adviser on behalf of a Blue Owl Client will from time to time directly or indirectly benefit the client of another Blue Owl Adviser.
- 3) ***Blue Owl Employees.*** Employees who act on behalf of one Blue Owl Adviser are permitted to provide services to or through multiple other Blue Owl Advisers. As a result, the Blue Owl Advisers are expected to encounter conflicts of interest in allocating the time and resources of its employees between and among their clients. The Blue Owl Advisers endeavor to mitigate these conflicts by seeking to ensure that employees devote as much of their time to each client as deemed reasonably required in order to perform duties to each client as consistent with their obligations under the Advisers Act) and, where applicable, the relevant investment management agreement or other offering materials. A Blue Owl employee may also serve on the Board of Directors of a Blue Owl Fund. The Blue Owl Advisers seek to mitigate the resulting potential conflicts through their Code of Ethics, which is discussed above.

Employees of the Blue Owl Advisers and/or other persons related to them have previously served, and in the future are expected to serve, as directors, on the advisory board, on the investment committee, or in a similar capacity for other companies, including companies in which Blue Owl Clients invest or seek to invest. While this generally could enable a Blue Owl Adviser to obtain a better understanding of the operations of the company (or potential

portfolio company), these employees are likely to obtain material non-public information through such positions that might restrict the Blue Owl Advisers' ability to transact in securities or other investments involving the company.

Employees of the Blue Owl Advisers are permitted to engage in business activities outside of their employment, subject to approval from the Chief Compliance Officer. Blue Owl generally permits employees to engage in philanthropic, charitable or other similar pursuits, subject to certain limitations and with prior approval from the Chief Compliance Officer. Outside business activities that are likely to represent a material conflict of interest with Blue Owl's business are also subject to additional approval requirements and are typically not permitted. In instances where these outside affiliations are permitted, employees with an affiliation to a portfolio company held by a Blue Owl employee that is outside their employment with Blue Owl will not be permitted to be involved in the investment decision-making process regarding that portfolio company.

- 4) ***Allocation of Investment Opportunities.*** The Blue Owl Advisers' allocation of investment opportunities among Blue Owl Clients will not always, and often will not, be proportional. Rather, the Blue Owl Advisers seek to allocate transactions and investment opportunities among their clients in a manner they believe to be as equitable as possible over time, while considering each adviser's fiduciary obligations to its clients and each client's objectives, programs, limitations and capital available for investment, as set forth in the relevant investment management agreement, offering materials or otherwise. Nevertheless, there will, from time to time, be limited availability for any particular investment, and the Blue Owl Advisers will have various incentives to favor certain clients over others in deciding how to allocate the opportunity. Among other things, the Blue Owl Advisers and their employees could have investments or other financial interests in a Blue Owl Fund seeking an allocation of an investment opportunity. Refer to "Investment by Blue Owl Employees" below as well as to **Item 12 – Brokerage Practices**; **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** and **Item 13 – Review of Accounts** for further details.

Each Blue Owl Client has its own fee structure, some of which include performance fees or fees based on different proportions of capital commitments or assets under management, or subject to different calculation methodologies. Moreover, a Blue Owl Adviser will from time to time enter into arrangements with a Blue Owl Fund, an Investor in a Blue Owl Fund and/or a Blue Owl Client to reduce, waive or share portions of the management fees or other compensation. There is an incentive for the Blue Owl Advisers to allocate investment opportunities to accounts with fee arrangements most favorable to the relevant Blue Owl Advisers. Refer to **Item 6 – Performance-Based Fees and Side- By-Side Management** for further details. The Blue Owl Advisers maintain policies and procedures designed to mitigate conflicts that arise in making investment allocation decisions.

In addition, because the Blue Owl BDCs are considered to be affiliates of the Blue Owl Clients, from time to time, a Blue Owl Client will be prohibited under the 1940 Act from participating in certain transactions involving the Blue Owl BDCs, affiliates of the Blue Owl Advisers or other

Blue Owl Clients or their affiliates. The Blue Owl Credit Advisers and Blue Owl BDCs have been granted an exemptive order by the SEC (the “Exemptive Order”)² to permit Blue Owl BDCs to co-invest with other funds managed by Blue Owl Advisers, subject to compliance with various conditions.

The Exemptive Order requires that any opportunities that are appropriate for both Blue Owl BDCs and other Blue Owl Clients that rely on the Exemptive Order, if any, will need to be offered to the Blue Owl BDCs and any such investments, if made, will need to be conducted in compliance with the conditions of the Exemptive Order and other requirements under the 1940 Act (including the requirement that certain investment opportunities cannot be allocated to vehicles that are not subject to the Exemptive Order). The 1940 Act also restricts the ability of Blue Owl Clients to invest alongside the Blue Owl BDCs in certain transactions that are not covered by the Exemptive Order.

Subject to the foregoing, in general, transactions and investment opportunities will be allocated among Blue Owl Clients in light of various factors, including, without limitation the investment objective, guidelines and strategies applicable to such client, the nature of the investment (including its risk return profile and expected holding period), portfolio diversification and concentration concerns, the liquidity needs of a client and regulatory requirements and restrictions. In accordance with its policies and procedures, the Blue Owl Advisers will seek to allocate transactions and investment opportunities among their clients in a manner they believe to be as equitable as possible over time, considering each Blue Owl Advisers’ fiduciary obligation to its clients and each client’s objectives, programs, limitations and capital available for investment.

- 5) ***Investing Across Capital Structure.*** At times, a Blue Owl Client will make an investment in a portfolio company in which other Blue Owl Clients have invested or in which they are expected to invest, in a different part of the capital structure. While decisions whether to make an investment are made in the context of each Blue Owl Client’s investment objectives, programs, limitations, and capital available for investment, this could result in differences among the interests of the Blue Owl Clients in a single portfolio company, including differences in priority or seniority, price, leverage, associated costs and other terms. In addition, such Blue Owl Clients will not necessarily exit the investment at the same time or on the same terms. As such, one Blue Owl Client’s return on an investment in the portfolio company likely will not be the same as that of another participating Blue Owl Client.
- 6) ***Investment by Blue Owl Employees.*** Employees of the Blue Owl Advisers, including members of a Blue Owl Client’s investment committee are permitted to invest, and at times will invest significantly, in Blue Owl Funds. Such investments can operate to align the interests of the Blue Owl Advisers and their employees with the interests of the Blue Owl Funds and their investors but will also give rise to conflicts of interest as such employees can have an incentive

² Owl Rock Capital Corporation, et al., SEC Release No. IC-32469, available at <https://www.sec.gov/rules/icreleases.shtml>.

to favor the Blue Owl Funds in which they participate or from which they are otherwise entitled to share in returns or fees. Although investments made by employees are generally on the same terms and conditions as those made by third-party Investors, employees (and in some cases, family of employees and/or Blue Owl) invested in Blue Owl Funds (other than the Blue Owl BDCs) typically do not bear management fees or performance-based compensation (whether investing directly or through a specially formed vehicle for such persons), or in some cases benefit from reduced rates for such fees. In addition, an affiliate of a Blue Owl Adviser that serves as a general partner to, or an entity that receives carry as a “special limited partner” of, a Blue Owl Fund will have an indirect beneficial interest in the investments owned by such Blue Owl Fund and will share in any profits and losses generated by such investments.

Further, from time to time, employees of the Blue Owl Advisers, or members of their families, could have an interest in a particular transaction, or in securities or other financial instruments of the same kind or class, or a different kind or class, of the same portfolio company, obligor or issuer, that a Blue Owl Adviser directs for a Blue Owl Client. In addition, conflicts can arise to the extent employees of the Blue Owl Advisers have proprietary or personal investments in other investment companies, funds or accounts (including through family or retirement vehicles managed by employees directly or through family offices such as Black Owl Managing LLC). In these circumstances, Blue Owl Advisers could have an incentive to favor these other investment companies, funds or accounts over Blue Owl Clients. Blue Owl Advisers will seek to monitor these conflicts but there can be no assurances that such monitoring will fully mitigate any such conflicts.

- 7) ***Deployment of Capital.*** Certain Blue Owl Funds have a fixed investment period, after which capital from investors generally will only be drawn down in limited circumstances. As the management fee can, at certain times during the life of these Blue Owl Funds, be calculated based upon the invested capital of such funds, the management fee structure can create an incentive for a Blue Owl Adviser to deploy capital when it might not otherwise have done so.
- 8) ***Allocation of Expenses.*** At times, a Blue Owl Adviser or other Blue Owl affiliate, or a Blue Owl Fund or other Blue Owl Client, will incur expenses that are allocable to one or more other Blue Owl Clients or Blue Owl affiliates, including with respect to proposed transactions that are not consummated. From time to time in such circumstances, the benefit of the service or product to which an expense relates will be greater for certain of these beneficiaries than others. In addition, certain Blue Owl Clients can be restricted, either by terms of investment management agreement, offering materials (for example, a negotiated expense cap for a particular Blue Owl Client) or by operation of law, from bearing certain expenses that might otherwise be allocable to them.

The Blue Owl Advisers allocate expenses on a basis that they consider fair and equitable under the circumstances over time. The method for allocating expenses will generally vary depending on the nature of the expense and such determinations involve inherent discretion, e.g., in determining whether to allocate pro rata based on the number of clients receiving

related benefits, proportionately in accordance with asset size, or on some other basis that the Blue Owl Advisers deem appropriate.

- 9) ***Diverse Investors and Conflicting Investor Interests.*** Investors in Blue Owl Funds will likely have conflicting investment, tax and other interests with respect to the fund's investments. As a consequence, conflicts of interest will from time to time arise in connection with decisions made by a Blue Owl Adviser that are more beneficial for one investor than another investor in a particular Blue Owl Fund. The results of a Blue Owl Fund's investment activities will affect individual investors differently, depending on their different situations. In selecting and structuring investments for a Blue Owl Fund, the Blue Owl Advisers generally consider the investment and tax objectives of the fund as a whole and not the objectives of any particular investor. As a consequence, there can be no assurance that a determination will not be more advantageous to some investors as compared to others.

In addition, relationships with certain investors are expected to create incentives for the Blue Owl Advisers to favor the interests of certain investors over others. Among other relationships, investors in one Blue Owl Fund could be current or prospective investors in other funds managed by the Blue Owl Advisers. Additionally, from time to time, a Blue Owl Adviser may communicate with certain investors regarding the composition of a Blue Owl Fund's investments and/or other matters relating to Blue Owl Funds, and there can be no assurance that such communications will not influence a Blue Owl Adviser's decisions.

- 10) ***Principal and Cross Transactions.*** Where appropriate and believed to be in the best interest of both clients, a Blue Owl Adviser could cause one Blue Owl Client to purchase a security or other investment from, or sell a security or other investment to, another Blue Owl Client (a "Cross Transaction"). This would typically be done for the purpose of rebalancing portfolios, in order to further such participating Blue Owl Clients' investment programs or for other reasons consistent with the investment and operating guidelines of such participating Blue Owl Clients. Generally, the value of any positions that are cross-traded in this manner will be determined in a manner that is consistent with the relevant Blue Owl Advisers' valuation and cross-trade policies and, as applicable, with requirements under regulations applicable to the Blue Owl BDCs. The Blue Owl Advisers and their affiliates generally will not earn any brokerage compensation from Cross Transactions. To the extent required by the Advisers Act and/or relevant investment management agreement or offering materials, the relevant Blue Owl Adviser(s) will obtain the written consent of the relevant Blue Owl Clients (which in certain circumstances will be from a Blue Owl Fund's Advisory Committee) prior to effecting the Cross Transaction.

In the event a Blue Owl Adviser is acting, or is deemed to be acting, as principal in the purchase or sale of a security or other investment to or from a Blue Owl Client (a "Principal Transaction"), or otherwise engages, or is deemed to be engaged, in a transaction with a Blue Owl Client and/or portfolio company for the Blue Owl Adviser's own account, to the extent required by the Advisers Act and/or relevant investment management agreement or offering materials, the Blue Owl Adviser will obtain the written consent of the Blue Owl Client (which

in certain circumstances may be from a Blue Owl Fund's Advisory Committee) prior to effecting the transaction.

On occasion, a Blue Owl Adviser or an affiliate thereof, and/or certain persons associated with such adviser or affiliate, will have a controlling interest in a Blue Owl Fund participating in a Cross Transaction and, as a result, such transaction could be deemed a Principal Transaction in respect of the Blue Owl Adviser. In addition, to the extent permitted by the Advisers Act and/or relevant investment management agreement or offering materials, the Blue Owl Advisers or their affiliates from time to time can engage in transactions for their own account with Blue Owl Clients and/or their portfolio companies, including, for example, where an investment in a portfolio company has been bridged or otherwise warehoused by a Blue Owl Adviser or its affiliate prior to its acquisition by a Blue Owl Client.

11) *Selection of Service Providers.* While the Blue Owl Advisers select broker-dealers, counterparties and service providers for Blue Owl Clients in accordance with their fiduciary obligations, from time to time, such parties or their employees will also invest in a Blue Owl Fund or provide services to a Blue Owl Adviser or one of its affiliates. The Blue Owl Advisers generally undertake to use reasonable diligence to ascertain whether each service provider provides its service on a "best execution" basis, taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates in comparison with similar service providers. While the Blue Owl Advisers seek to rely on this diligence, and not on other relationships or interests between a service provider and any Blue Owl Adviser or affiliate thereof to determine whether to engage a service provider, such relationships or other interests can create a conflict of interest in the selection of service providers.

12) *Investment Program Limitations.* As a result of the extensive operations of the Blue Owl Advisers and Blue Owl, the Blue Owl Advisers from time to time come into possession of confidential or material, non-public information. Where such information could be relevant to an investment decision to be made by a Blue Owl Adviser on behalf of a Blue Owl Client, such Blue Owl Adviser's ability to transact in such investments might be restricted on account of applicable securities laws or the Blue Owl Advisers' internal policies. Due to these restrictions, a Blue Owl Adviser will not, in certain circumstances, be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold on behalf of a Blue Owl Client. In addition, in sourcing investment opportunities, the Blue Owl Advisers will need to take into account the requirements imposed on entities that are deemed affiliated with the Blue Owl BDCs. Because the Blue Owl BDCs will be under common control with other Blue Owl Clients, it is possible that, from time to time, a Blue Owl BDC portfolio company will be deemed to be an "affiliated person" of another Blue Owl Client under the 1940 Act. In those instances, the ability of a Blue Owl BDC to engage in certain transactions involving the Blue Owl BDC portfolio company could be prohibited, or permitted only if the Blue Owl BDC complies with the terms of the Exemptive Order or obtains approval from the Blue Owl BDC's board of directors. As a result, a Blue Owl Adviser will have an incentive to avoid certain transactions that could be advantageous for certain Blue Owl

Clients, but would result in creating an affiliation, in order to preserve flexibility for the Blue Owl BDCs to engage in other transactions. In addition, certain Blue Owl Clients could be required to take actions that are adverse to other Blue Owl Clients' investments, which could adversely affect a Blue Owl Adviser's relationships with its investment partners. There can be no assurance that the identification and management of those conflicts will not limit the range of potential investment opportunities available for any particular Blue Owl Client.

- 13) ***Side-By-Side Management.*** As further discussed in **Item 6 – Performance-Based Fees and Side-By-Side Management**, the Blue Owl Advisers provide concurrent advisory services to clients for which the compensation arrangements and other circumstances differ, which results, in certain circumstances, in an incentive for the Blue Owl Advisers to favor one client over another. In addition, the existence of performance-based compensation has the potential to create an incentive for the Blue Owl Advisers to make more speculative investments on behalf of clients than they would otherwise make in the absence of such arrangement, although the Blue Owl Advisers generally considers performance-based compensation to better align their interests with those of their clients, particularly in instances where the offering materials include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals. The Blue Owl Advisers believe that the potential for such conflicts is mitigated by various factors, including that the Blue Owl Advisers have established allocation policies to address related conflicts and that client portfolios are reviewed regularly under the supervision of the relevant investment committees. Refer to Allocation of Investment Opportunities above, **Item 12 – Brokerage Practices** and **Item 13 – Review of Accounts** for further details.
- 14) ***Boards of Directors of Blue Owl Funds.*** Blue Owl employees could serve on the Board of Directors of a Blue Owl Fund. The Blue Owl Advisers' Code of Ethics addresses acceptable standards of business conduct and covers among other things, conflicts of interest, fiduciary obligations and employees' responsibilities to the Blue Owl Advisers' Client. Among other things, the Code of Ethics requires that the Blue Owl Advisers protect the interests of each of their Clients, place the Client's interest first and take steps to seek to verify that all actions taken on behalf of Clients are in the Clients' best interest.
- 15) ***Fees from Portfolio Investments.*** In connection with investments made by a Blue Owl Credit Client, affiliates of the Blue Owl Advisers have received in the past, and expect to continue to receive, arrangement, structuring or similar fees from Portfolio Investments in which a Blue Owl Credit Fund may invest or propose to invest. These types of arrangements provide the Blue Owl Advisers with an incentive to recommend investments based on compensation received or to be received rather than solely on the best interests of a Blue Owl Credit Fund. Each instance in which an arrangement, structuring or similar fee is charged is documented in a memo to file which is reviewed and approved by a member of the relevant investment committee. Please refer to **Item 5 – Fees and Compensation** and **Item 14 – Client Referrals and Other Compensation** for further discussion of fees and other compensation.

Additional information regarding conflicts of interest is set forth in the investment management agreement or offering materials for the Blue Owl Clients. The information contained in this section is a summary only and is qualified in its entirety by such documents.

Item 12 – Brokerage Practices

Selection of Brokers

Subject to the investment objectives, policies and restrictions of each Client as set out in their respective investment management agreement, BOIA has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Client. As a general matter, BOIA invests for its Clients in illiquid investments issued by private companies for which there are a limited universe of trading counterparties. Typically, BOIA acquires and disposes of Client investments in privately negotiated transactions that do not necessarily require the use of brokers or the payment of third-party brokerage commissions.

From time to time, however, BOIA can effect transactions through broker-dealers. In executing portfolio transactions and selecting brokers or dealers, BOIA seeks the best overall terms available on behalf of its Clients. In assessing these terms, BOIA could determine it appropriate to cause the Clients to pay commissions in excess of the amount another broker or dealer would have charged for the same transaction, if BOIA determines, taking into account factors such as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the broker or dealer and the firm's risk and skill in positioning blocks of securities, that such amount of commission is reasonable in relation to the value of the brokerage and/or research services provided by such broker or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Clients' portfolios, and constitutes the best net results for the Clients.

While BOIA generally seeks reasonably competitive trade execution costs, it will not always pay the lowest spread or commission available. BOIA could also select a broker based upon services BOIA receives from the broker. In return for such services, BOIA could cause the Clients to pay a higher commission than other brokers would have charged if they determine in good faith that such commission is reasonable in relation to the services provided.

BOIA does not currently participate in any soft dollar arrangements.

Aggregation and Allocation of Orders

Should BOIA determine that the purchase and sale of the same security is in the best interests of more than one Client, BOIA could, but is not obligated to, aggregate orders in order to reduce transaction costs. When an aggregated order is filled through multiple trades at different prices from the same time period within a trade day, each participating Client will receive the average price with transaction costs allocated pro rata based on the size of each Client's participation in the order (or allocation in the event of a partial fill) as determined by BOIA. In the event of a partial fill, allocations generally will be made pro rata based on the initial order, but could be modified on a basis that BOIA deems to be appropriate, including, for example, in order to avoid "odd-lot" positions or de minimis allocations. This could result in allocations of certain investments on other than a pro rata basis. In addition, BOIA reserves the right to consider

certain of its Clients as a collective and allocate opportunities at an aggregate level for further allocation to the individual Client accounts based on certain factors that BOIA deems to be appropriate.

The Blue Owl Advisers have implemented procedures that they believe are reasonably designed to mitigate the potential conflicts of interest that can arise when allocating investments among the client accounts of each adviser. These policies are designed to ensure that (i) each client is provided the opportunity to participate in all investments sourced by the Blue Owl Advisers which are suitable for the client, taking into consideration each adviser's fiduciary obligations to its clients and each client's existing portfolio and stated strategy and/or mandate, and (ii) although participation by every client in a suitable investment is not feasible or appropriate in every situation, that allocations are fair and equitable over time.

BOIA's process for making an allocation determination includes an assessment as to whether a particular investment opportunity is suitable for each Client. In making this assessment, BOIA is permitted to consider a variety of factors, including, without limitation, the investment objective, guidelines and strategies applicable to a Client, the nature of the investment (including its risk return profile and expected holding period), portfolio diversification and concentration concerns, the liquidity needs of a Client and regulatory requirements and restrictions, including as applicable compliance with the 1940 Act and the terms of the Exemptive Order, and specifically the requirements pertaining to certain co-investment transactions between the Blue Owl BDCs and other clients of the Blue Owl Advisers that are subject to the exemptive order.

Exceptions to the aggregation and allocation practices described above are permissible; provided that BOIA believes they are fair and equitable to Clients under the circumstances over time. Please refer to **Item 11– Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** for discussion of potential conflicts of interest in connection with these aggregation and allocation practices.

Allocation of Co-Investment Opportunities

From time to time, if BOIA has determined, in its sole discretion, that doing so would be in the best interest of its Clients, a co-investment opportunity may be offered to one or more potential co-investors, including investors in Blue Owl Funds or third parties, subject to the applicable policies and procedures for the Credit platform of Blue Owl.

The allocation of co-investment opportunities may be made to one or more persons for any number of reasons as determined by BOIA in its sole discretion and may not be in the best interests of any Client, or any investor in a Blue Owl Fund. In exercising its sole discretion in connection with such co-investment opportunities, BOIA may consider some or all of a wide range of factors, which may include, but are not limited to, the size of the available investment allocation and the practicality of splitting the allocation into smaller tranches; any requirements of the underlying borrower or issuer as to the identity of the investors participating as co-investors; the knowledge and sophistication of the potential co-investor with respect to the

borrower or issuer, segment, industry, geographic region or other characteristics that BOIA determines in good faith to be relevant to the investment; the ability of the potential co-investor to invest an amount of capital that is consistent with the needs of the borrower or issuer (including the potential for add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; the potential co-investor's ability to approve the investment pursuant to any applicable internal processes and to otherwise execute the transaction in a timely manner, as determined by BOIA in good faith; whether the potential co-investor has a history of successfully consummating co-investment opportunities; whether the potential co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the likelihood that the potential co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the borrower or issuer, or material informational rights) that would complicate or jeopardize the transaction; whether the potential co-investor has any interests in any competitor of the underlying borrower or issuer; whether the potential co-investor has any known investment policies or restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; the extent to which the potential co-investor has previously been provided co-investment opportunities; the potential co-investor's current priority in any rotation-based list of potential co-investors; and any other factors that BOIA considers in good faith to be important in connection with the specific transaction or investment. BOIA may, in its sole discretion, determine that any proposed participants in a co-investment opportunity will not be required to bear any broken deal expenses in connection with a proposed co-investment, which would result in the relevant Client or BOIA bearing the portion of such broken deal expenses attributable to such co-investment, as reasonably determined by BOIA.

Item 13 – Review of Accounts

Monitoring and Review

BOIA closely monitors the Portfolio Investments of Clients and maintains an ongoing oversight position in the Portfolio Investments. The relevant portfolio managers, analysts, and asset management personnel are responsible for monitoring the portfolios on a continuous basis. Such matters reviewed include specific assets held, adherence to investment guidelines or lease requirements, the performance of each asset, and/or the credit risks and ratings of tenants. The investment portfolios of each Client are generally private, illiquid and long-term in nature and accordingly BOIA's review of them is not directed toward a short-term decision to dispose of securities. The Investment Committee for a Client would perform additional reviews in the event that a Portfolio Investment needed subsequent financing, in the event of a potential acquisition or liquidity event, market volatility, or if there were a serious performance issue.

Reporting

Clients receive ongoing reporting as agreed upon between BOIA and the Client.

Item 14 – Client Referrals and Other Compensation

BOIA, its affiliates and its respective employees generally do not receive economic benefits, such as sales awards or other incentives, for providing investment advice or other advisory services to Clients of BOIA, from any person who is not a Client of BOIA.

In connection with investments made by BOIA's Clients, Blue Owl Credit entities have received in the past, and expect to continue to receive, arrangement, structuring or similar fees from portfolio investments in which BOIA's Clients may invest or propose to invest. The potential for such economic benefits can create conflicts of interest as BOIA may have economic incentives to recommend portfolio investments that provide such benefits. Please refer to **Item 11 –Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** for discussion of potential conflicts of interest in connection with these arrangements.

Item 15 – Custody

The custody rule under the Advisers Act (the “Custody Rule”) defines custody as holding or having the authority to obtain possession of client securities or assets.

BOIA does not have custody of Client funds or securities. Client assets are generally held in custodial accounts with banks, broker-dealers or other qualified custodians retained by our Clients under arrangements negotiated by them.

Item 16 – Investment Discretion

BOIA receives discretionary investment authority from Clients through the investment management agreement that governs its relationship with the Client. These investment management agreements authorize BOIA to supervise and direct investment of assets in the Client's portfolio and generally stipulate any limitations on BOIA's discretionary authority. Under certain circumstances, however, BOIA may only provide non-discretionary or advisory services to Clients.

In exercising discretion, BOIA will at all times observe the investment policies, limitations and restrictions imposed by the relevant investment management agreement, including in the case of the Blue Owl Private Funds, any applicable side letters or other arrangements with such Clients.

Item 17 – Voting Client Securities

BOIA has adopted a policy governing the voting of proxies that is designed to ensure that it will vote proxy proposals in the best interest of its Clients and in accordance with BOIA's fiduciary duty to its Clients.

Although the Portfolio Investments made by Clients do not typically issue proxies or require BOIA to vote proxies, which generally only applies to publicly traded securities, BOIA has accepted and will continue to accept the discretionary authority to vote proxies for Clients. In addition, a Client can authorize BOIA to vote proxies on its behalf.

BOIA reviews each proposal submitted for a vote on a case-by-case basis to determine its impact on the Portfolio Investments held by its Clients. Depending on the particular circumstances, BOIA may vote one Client's Portfolio Investments differently than those of another Client or may vote differently on specific proposals, even though the Portfolio Investments or proposals are similar or identical. Nonetheless, each vote cast on behalf of Clients should be consistent with applicable proxy voting policies and procedures. In some instances, BOIA may determine that it is in a Client's best interest to abstain from voting and will do so accordingly. This is typically the case with proposals that appear to have a negative impact on Client Portfolio Investments. That said, BOIA may vote for such a proposal if compelling long-term reasons to vote exist.

BOIA's proxy voting decisions are made by the members of the Investment Team who are responsible for monitoring the Portfolio Investment issuing the proxy. Such investment team members are permitted to refer any proxy voting matter to a third-party proxy voting service ("Proxy Service"), engaged by and subject to the ongoing oversight of BOIA, for a voting recommendation. BOIA generally will vote proxies in accordance with the Proxy Service's recommendations. However, BOIA may decide not to vote in accordance with the Proxy Service's recommendations, or not to vote at all, if it believes that doing so is in the best interests of the relevant Client(s).

BOIA has adopted policies designed to mitigate the concern that a particular proxy vote is a product of a conflict of interest. These include (i) requiring employees involved in the proxy voting decision-making process to disclose to the Chief Compliance Officer any potential conflict relating to the proxy of which (s)he is aware as well as any contact that (s)he has had with any interested party regarding a proxy vote; and (ii) prohibiting employees involved in the decision-making process or vote administration from revealing how BOIA intends to vote on a proposal (in order to reduce any attempted influence from interested parties).

Where BOIA believes that there may be an actual or perceived material conflict of interest, BOIA will, as appropriate under the specific circumstance, (i) consult with legal counsel; (ii) disclose the conflict of interest to the Client's or interested party's board of directors or other governing body and defer to its voting recommendation (in which case consent to the vote must be obtained prior to voting the proxy); (iii) abstain from voting; or (iv) either (a) rely on the recommendation

of a third-party proxy voting service or (b) vote the Client's shares in the same proportion as that of the aggregated vote of the issuer's other outstanding shares (also known as "echo voting").

Depending on the particular circumstances involved, the appropriate resolution of any single conflict of interest may differ from the appropriate resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or even identical). BOIA seeks to resolve all potential material conflicts of interest in the best interest of their clients.

Clients can direct BOIA on how to vote a particular proxy.

Clients may request a copy of BOIA's Proxy Voting Policy and a copy of BOIA's voting records in relation to their account, by contacting the Compliance Department at the phone number or address on the cover page of this Brochure.

Item 18 – Financial Information

Registered investment advisers are required to provide in response to this item certain financial information or disclosures about their financial condition, including with respect to certain prepaid management fees.

BOIA does not require prepayment of management fees six months or more in advance.

BOIA is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients and has not been the subject of any bankruptcy petition.

Exhibit A – Risks

The following is a non-exhaustive list of the more common risks that you should consider in connection with an investment program of the kind described herein. This Brochure cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to a particular client. You should refer to the investment management agreement or offering materials for additional information about the specific risks that may apply to your particular investment or investment program.

- **Integration of the Blue Owl Advisers**

Historically, the various business divisions of Blue Owl Advisers operated independently. The future success of their combination within Blue Owl, including anticipated benefits, depends, in part, on Blue Owl's ability to optimize its operations, and those of the respective business divisions. The optimization of Blue Owl's operations will be a complex, costly and time-consuming process, and anticipated benefits to Blue Owl Clients will not necessarily be realized fully or at all or could take longer to realize than expected. There can be no assurances that Blue Owl will realize any potential operating efficiencies, synergies or other benefits from the combination of its business units, or that any such efficiencies will ultimately benefit Blue Owl Clients.

The integration of the Blue Owl Advisers presents material challenges, including, without limitation: (i) combining the leadership teams and corporate cultures of the business divisions; (ii) the diversion of Blue Owl management's attention from the Blue Owl Advisers' investment advisory services as a result of the devotion of management's attention to the integration of the various Blue Owl business divisions; (iii) managing a larger combined business; (iv) maintaining employee morale and retaining key management and other employees at the combined company, including by offering sufficiently attractive terms of employment; (v) retaining existing business and operational relationships, and attracting new business and operational relationships; (vi) the possibility of faulty assumptions underlying expectations regarding the integration process; (vii) consolidating corporate and administrative infrastructures and eliminating duplicative operations; (viii) difficulty replicating or replacing functions, systems and infrastructure provided by prior owners of interests in one or more Blue Owl business divisions or the loss of benefits from such prior owners' global contracts; and (ix) unanticipated issues in integrating information technology, communications and other systems.

Some of those factors are outside of Blue Owl's control, and any one of them could result in delays, increased costs, performance shortfalls, and diversion of management's time and energy from investment advisory matters, which could materially, and potentially adversely, affect Blue Owl Clients.

In addition, as a result of the ownership that certain Blue Owl personnel have in Blue Owl, those individuals are potentially incentivized to take actions to favor the appreciation of Blue

Owl stock. In particular, Blue Owl will own all or substantially all of the management fee streams from the Blue Owl Clients and a portion of the performance fee streams and carried interest attributable to certain Blue Owl Clients. Although the interests of certain Blue Owl Adviser personnel in the carried interest of applicable Blue Owl Clients is expected to align their interests with those of such Blue Owl Clients, Blue Owl's combined business strategy and such individuals' interests in Blue Owl can give rise to potential conflicts of interests with respect to the management of Blue Owl Clients and the development of the Blue Owl business. There can be no assurance that Blue Owl will successfully develop and implement compensation structures that successfully balance such incentives.

While each Blue Owl Adviser will seek to make investment decisions designed to maximize long-term value to its Blue Owl Clients, a Blue Owl Client's investment team will, at times, have, or appear to have, incentives to manage the Blue Owl Client or make decisions with respect to the Blue Owl Client's investments in a manner that favors their direct interests in Blue Owl to the detriment of the interests of the Blue Owl Client. While each Blue Owl Adviser will seek to act in accordance with its statutory and contractual duties to the Blue Owl Clients, there can be no assurance that all conflicts will ultimately be resolved in a manner advantageous to the Blue Owl Clients.

- Lack of Sufficient Investment Opportunities and Competition for Investments

The business of identifying, structuring and completing attractive investments is highly competitive and involves a high degree of uncertainty. Other Investors compete to make the types of investments that the Blue Owl Clients plan to make. Certain of these competitors are substantially larger, have considerably greater financial, technical and marketing resources, have higher risk tolerances or risk assessments and offer a wider array of financial services than the Blue Owl Clients. A Blue Owl Client could lose investment opportunities if it does not match its competitors' pricing, terms and structure.

There can be no assurance that there will be a sufficient number of attractive potential investments available to a Blue Owl Client to achieve target returns, and it is possible that a Blue Owl Client will never be fully invested if enough sufficiently attractive investments are not identified. Even if a Blue Owl Client is not fully invested, a Client will generally be required to bear management fees as set forth in the relevant investment management agreement and discussed in **Item 5 – Fees and Compensation**.

- Illiquidity; Lack of Current Distributions and Limited Transferability of Certain Investments

To the extent that a Blue Owl Client acquires a significant percentage of its portfolio company investments from privately held companies in directly negotiated transactions, substantially all of these investments are subject to legal and other restrictions on resale or are otherwise less liquid than exchange-listed securities or other securities for which there is an active trading market. A Client typically would be unable to exit these investments unless and until the portfolio company has a liquidity event such as a sale, refinancing, or initial public

offering. The illiquidity of its investments may make it difficult or impossible for it to sell such investments if the need arises. In addition, if a Client is required to liquidate all or a portion of its portfolio quickly, it may realize significantly less than the value at which it had previously recorded its investments, which could have a material adverse effect on the Client. Moreover, investments purchased by a Client that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer, market events, economic conditions or investor perceptions.

- Reliance on BOIA and Portfolio Investment Management

The success of each Client depends upon the diligence, skill and network of business contacts of the Investment Team. The Investment Team will evaluate, negotiate, structure, close, monitor and manage each Client's investments in accordance with the terms of its Offering Materials. A Client's future success will depend to a significant extent on the continued service and coordination of the Investment Team, which includes maintaining and building new relationships that will generate investment opportunities for the Client. There can be no assurance that the members of the Investment Team upon which BOIA relies will continue to be associated with BOIA.

Although BOIA will monitor the performance of each Portfolio Investment, with respect to Portfolio Investments that are companies, it will primarily be the responsibility of each Portfolio Investment's management team to operate such Portfolio Investment on a day-to-day basis. Although BOIA generally intends to invest Clients' assets in companies with strong management, there can be no assurance that the management of such Portfolio Investments will be able or willing to successfully operate the Portfolio Investment in accordance with a Client's objectives.

- Non-Specified Investments and Discretion in Determining Use of Contributed Capital

Contributed capital will be used to finance or make investments that generally will not be meaningfully described to the Blue Owl Clients prior to such financing or investment, and BOIA will have broad discretion in determining the specific uses of contributed capital. Blue Owl Clients generally will not have the opportunity to evaluate the economic, financial or other information on which BOIA bases its decisions, and therefore must rely on the judgment and ability of BOIA.

As discussed in **Item 5 – Fees and Compensation**, each Blue Owl Client as permitted in its respective investment management agreement and other offering materials generally will, pay certain expenses, including operating expenses, and generally will pay other expenses such as due diligence expenses of potential new investments, from contributed capital. A Blue Owl Client's ability to achieve its investment objective can be limited to the extent that contributed capital is used to pay operating expenses. No assurance can be given that BOIA will be successful in identifying investments suitable for financing or investment or that, if

such financings or investments are made, a Client's investment objectives will be achieved. These factors increase the uncertainty, and thus the risk, of such investments.

- Need for Follow-On Investments

Following its initial investment in a given Portfolio Investment, a Blue Owl Client could have the need or opportunity to provide additional funds to the investment. There is no assurance that a Blue Owl Client will make follow-on investments or have sufficient funds to make all or any of such investments. Any Blue Owl Client's decision not to, or inability to, make follow-on investments could have a substantial negative effect on a Portfolio Investment in need of such an investment (including an event of default). Additionally, failure to make follow-on investments could result in lost opportunities for a Blue Owl Client to increase its participation in successful investments or maintain a control or majority interest in certain investments.

- Potential Lack of Diversification and Limited Number of Portfolio Companies

Blue Owl Clients may not, have fixed guidelines for diversification (other than certain maximum concentration limitations). A Blue Owl Client could participate in a relatively limited number of investments and, as a consequence, the aggregate return of the Blue Owl Client could be substantially adversely affected by the unfavorable performance of even a single investment. Clients have no assurance as to the degree of diversification of investments, either by geographic region, asset type or sector. To the extent that a Blue Owl Client assumes large positions with respect to a small number of investments or industries, its valuation may fluctuate to a greater extent than that of a more diversified portfolio. Realized aggregate returns may be significantly adversely affected if a small number of investments perform poorly or if the value of any one investment is written down, and a downturn in any particular industry in which a Blue Owl Client is invested could significantly affect its aggregate returns.

- Cyber-security Risks

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of Blue Owl Client information resources. These incidents could be an intentional attack or an unintentional event and could involve gaining unauthorized access to BOIA's information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. BOIA relies heavily upon computer systems to perform necessary business functions. Despite the implementation of a variety of security measures, BOIA's computer systems, networks, and data, like those of other companies, could be subject to cyber-attacks and unauthorized access, use, alteration, or destruction, such as from physical and electronic break-ins or unauthorized tampering. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary, and other information processed, stored in, and transmitted through BOIA's computer systems and networks. The result of these incidents could include disrupted operations, misstated or unreliable financial data, liability for stolen information, misappropriation of assets, increased cyber-security protection and insurance costs, litigation

and damage to BOIA's business relationships. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect the business, financial condition or results of operations of Blue Owl Clients. In addition, the Blue Owl Clients could be required to expend significant additional resources to modify their protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. BOIA faces risks posed to information systems, both internal and those provided to it by third-party service providers. BOIA and its affiliates have implemented processes, procedures and internal controls to help mitigate cyber-security risks and cyber intrusions, but these measures, as well as BOIA's increased awareness of the nature and extent of a risk of a cyber incident, may be ineffective and do not guarantee that a cyber incident will not occur or that the financial results, operations or confidential information of Blue Owl Clients will not be negatively impacted by such an incident.

- Third parties with which BOIA intends to do business (including those that provide services to them) can also be sources or targets of cyber-security or other technological risks

BOIA intends to outsource certain functions, and these relationships will, in certain circumstances, allow for the storage and processing of information and assets, as well as certain Client, counterparty, employee and borrower information. While BOIA intends to engage in actions to reduce their exposure resulting from outsourcing, ongoing threats could result in unauthorized access, loss, exposure or destruction of data, or other cyber-security incidents, with increased costs and other consequences, including those described above. Privacy and information security laws and regulation changes, and compliance with those changes, could also result in cost increases due to system changes and the development of new administrative processes.

- Public Health Emergencies

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could result in significant losses to a Blue Owl Client.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Blue Owl Clients. The extent of the impact on the Blue Owl Clients' and the operational and financial performance of their investments will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Blue Owl Clients to source, diligence and execute new investments and to manage,

finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Blue Owl Clients intend to pursue, all of which could adversely affect the Blue Owl Clients' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Blue Owl Clients, their portfolio companies, and BOIA may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

- Restricted Nature of Investment Positions

A Client's investments will typically be difficult to value because there is generally no readily available market for such investments. In addition, without an active market for such investments, there will be circumstances in which a Blue Owl Client is unable to dispose of an investment expeditiously or at an anticipated value. In limited circumstances, certain investments will be distributed in kind to Blue Owl Clients, and it will be difficult for such investors to liquidate the securities received at an ideal price or within an ideal time period.

- Risk of Loss

Investors should understand that all investment strategies and the Portfolio Investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment, which investors should be prepared to bear. The investment performance and the success of any investment strategy or particular Portfolio Investment can never be predicted or guaranteed, and the value of investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for Blue Owl Clients will be subject to various market, liquidity, currency, economic, political and other risks, and will not necessarily be profitable and it is possible that they will lose value. Past performance of any Blue Owl Client is not indicative of future performance.

The risks listed herein are not in order of importance. In addition to the risks listed here, there are additional material risks associated with the types of products in which a Blue Owl Client invests. Investors should refer to the offering materials for a discussion of applicable risk factors for those particular investments.

- Trading Volatility

Portfolio Managers and Portfolio Funds in which Clients could invest will, directly and indirectly, engage in the trading of securities, currencies, commodities, derivatives and other instruments. A principal risk in speculative trading is the traditional volatility in the market prices of instruments. Generally, price movements in the markets in which a Client may invest can be volatile and are influenced, among other things, by: changing supply and demand relationships; government trade and fiscal policies; national and international political and economic events; and changes in interest rates. If investment management companies incorrectly predict price movements, large losses could result, including the loss of their entire capital.

- Non-U.S. Investments

Clients invest in Portfolio Investments in non-U.S. entities as described herein. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Client's non-U.S. investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in, and relative illiquidity of, some foreign securities markets and the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements (including incomplete or lower quality reporting or disclosure that could affect a Client's investment decision making) and less governmental supervision and regulation; (iii) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability, the possibility of substantial rates of inflation and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities or distributions therefrom; and (v) differences in applicable legal systems, including the possibility that a Client may experience difficulty in asserting legal claims or obtaining legal remedies in foreign jurisdictions.

- Lack of Information for Investments in Non-Traded Companies

A Client may invest in private companies for which no market exists. Little public information exists about many of these companies, and Clients will be required to rely on diligence efforts to obtain adequate information to evaluate the potential risks and returns involved in investing in these companies. Therefore, the greater risk that a Client may invest on the basis of incomplete or inaccurate information may adversely affect a Client's investment performance, which could impact both initial and ultimate valuation, as well as implementation of the operating plan. This could subject a Client to greater risk than investments in publicly traded companies and negatively affect a Client's investment returns.

There is no assurance that diligence efforts will result in a Portfolio Investment being successful.

- Risk Management

The application of any risk management approach involves numerous judgments and qualitative assessments. No risk management system is fail-safe, and no assurance can be given that a Client's or Portfolio Investment's risk control framework will achieve their respective objectives.

- Hedging Policies/Risks

BOIA is permitted, in some circumstances, directly or indirectly, to employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange and other factors (including risks associated with the use of derivative instruments). While such transactions are generally expected to reduce certain risks, such transactions themselves entail certain other risks. Thus, while a Blue Owl Client could benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors could result in a poorer overall performance for a Blue Owl Client than if it had not entered into such hedging transactions.

- Valuation Risk

Market prices could not be readily available for Portfolio Investments. Restrictions on resale or the absence of a liquid secondary market could adversely affect BOIA's ability to determine a value for a Portfolio Investment. The sale price of securities that are not readily marketable could be lower or higher than BOIA's most recent determination of their fair value. Valuations of assets of Blue Owl Clients could involve uncertainties and the exercise of judgment and discretion. If such valuations should prove to be incorrect, the net asset value of a Blue Owl Client's account could be adversely affected. There can be no assurance that the value of Portfolio Investments as reported will ultimately be realized.

- Future Changes in Applicable Law

The ability of BOIA to implement the investment program of the Blue Owl Clients is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect a Blue Owl Client's ability to implement its investment program, as well as the ability of the Client to conduct its operations and achieve its objectives.

- Litigation

Blue Owl engages in a broad variety of activities on a global basis in respect of its managed funds and investments. These activities subject Blue Owl to risks of becoming involved in litigation by third parties and subject Blue Owl to investigations or proceedings initiated by governmental authorities. Additionally, Blue Owl is, and expects from time to time in the future to be, engaged in ongoing litigation. It is difficult to determine what impact, if any, such litigation could have on Blue Owl. As a result, there can be no assurance that the foregoing will not have an adverse impact on Blue Owl or otherwise impede BOIA's ability to effectively achieve its objectives with respect to Blue Owl Clients.

- Russia-Ukraine Conflict

The ongoing military conflict between Russia and the Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Blue Owl Clients or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Blue Owl Clients and/or their respective portfolio investments. Such impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of BOIA to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategies which BOIA pursues for Blue Owl Clients, all of which could adversely affect BOIA's ability to fulfill Blue Owl Clients' investment objectives.

- Capital Markets Risks

A Client may hold investments in publicly traded securities (including, for example, securities that it is required, or elects, to receive in connection with a monetization or realization of a Portfolio Investment). The market prices and values of publicly traded securities of companies may be volatile and are likely to fluctuate due to a number of factors beyond BOIA's control, including actual or anticipated fluctuations in the monthly, quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation,

shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. The fluctuation of the prices of public securities a Client holds could lead to significant changes in the net asset values of the Client's account on a monthly, quarterly or annual basis.

- Equity Risk

Although BOIA's primary investment focus is investments in fixed income securities, Client's may hold equity securities, including as a result of a restructuring of an existing debt investment, and in such instances the client may be subject to the following risks:

- **Common and Preferred Stock Risk** - Common and preferred stocks represent equity ownership in a company. The price of equity securities will fluctuate and can decline and reduce the value of the assets. The value of equity securities purchased by a Client could decline if the financial condition of the companies that a Client invests in declines or if overall market and economic conditions deteriorate. The value of equity securities may also decline due to factors that affect a particular industry or industries, such as labor shortages or an increase in production costs and competitive conditions within an industry. In addition, the value may decline due to general market conditions that are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or generally adverse investor sentiment; and

- **Preferred Securities Risk** - Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred securities generally pay dividends only after the company makes required payments to holders of its bonds and other debt. Unlike interest payments on debt securities, dividends on preferred shares are generally payable at the discretion of the board of directors of the issuer. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred stock of larger companies.

- Mortgage-Related and Other Asset-Backed Risk

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if a Client holds mortgage related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities

are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Client because it may have to reinvest that money at the lower prevailing interest rates. Clients' investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

- Commercial Real Estate Loan Risk

Investments in commercial mortgage loans include the risks that a borrower may default on the loan and the real estate collateral may decline in value. Defaults can be complicated by borrower bankruptcy and other litigation, including the costs and expenses associated with foreclosure, which can decrease an investor's return. Declines in real estate value can result from changes in rental or occupancy rates, tenant defaults, extended periods of vacancy, increases in property taxes and operational expenses, adverse general and local economic conditions, overbuilding, deterioration in the physical condition of the asset, environmental issues at the mortgaged property, casualty, condemnation, changes in zoning laws, taxation and other governmental rules. The volatility of capital markets can also impact the liquidity and valuation of both mortgages and the underlying properties through changes in interest rates, the availability and pricing of mortgage capital, and the return requirements used in the valuation of real estate by prospective purchasers. Increases in interest rates can also directly reduce the market value of a fixed rate loan. Commercial mortgage investments are also dependent on the financial health, operational expertise, and management skills of the borrower.

While BOIA strives to develop views or opinions on future cash flows across a range of investment types, the future is uncertain, and BOIA cannot predict outcomes with a high degree of precision. Clients should be prepared to bear the risk of loss that may result from adverse developments across the range of investment types.

- Insolvency and Bankruptcy

Various laws enacted for the protection of creditors may apply to a Client's investments. In a lawsuit brought by an unpaid creditor or representative of creditors of an issuer/borrower, such as a trustee in bankruptcy, a court may find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such Client's investment. If, after giving effect to such indebtedness, the issuer/borrower (i) is insolvent, (ii) is engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intends to incur, or believes that it will incur, debts beyond its ability to pay such debts as they mature, such court could determine (i) to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, (ii) to subordinate such indebtedness to existing or future creditors of the issuer or (iii) to recover amounts previously paid by the issuer/borrower in satisfaction of such indebtedness. The

issuer/borrower may enter bankruptcy, receivership, insolvency or similar proceedings (collectively, “bankruptcy”). Bankruptcy may result in, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of the Client’s investments. There are a number of risks inherent in the bankruptcy process, including:

- Rulings in a bankruptcy case are the product of adversarial proceedings determined by a court with equitable powers and are beyond the control of specific creditors;
 - A bankruptcy filing may adversely and permanently affect the issuer/borrower making such filing. The issuer/borrower may lose its market position, key employees, relationships with important suppliers, access to the capital markets or other sources of liquidity and otherwise become incapable of restoring itself as a viable entity. If a Chapter 11 reorganization is converted to or becomes a liquidation, the liquidation value of the issuer/borrower may not equal the liquidation value that was believed to exist at the time of purchase of the Client’s investment;
 - A creditor’s return on investment may be adversely affected by delays while a plan of reorganization is being negotiated, approved by parties in interest and confirmed by the bankruptcy court until it ultimately becomes effective. In addition, the administrative costs of the debtor and official committees in connection with the case are frequently high and will be paid out of the debtor’s estate prior to any return to general unsecured creditors. Certain claims that have priority by law (for example, claims for taxes) also may be significant;
 - If a Client purchases an investment for less than its par amount, recovery of the discount (the difference between the purchase price and the par amount) may be disallowed or limited in whole or in part in a bankruptcy; and
 - Creditors’ claims against bankrupt or insolvent entities may be subject to equitable subordination or re-characterization as equity (particularly where the creditor is an insider or otherwise controls the debtor), and transfers made to creditors may be subject to avoidance and disgorgement as preferences or fraudulent conveyances.
- Lender Liability Risk

U.S. courts have upheld the right of borrowers to sue lenders or bondholders based on a variety of evolving legal theories (sometimes referred to as “lender liability”). Generally, lender liability is founded on the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or stockholders. The assets also may be subject to claims from creditors of an obligor that debt obligations issued by such obligor should be equitably subordinated. For example, because Clients may hold equity or other interests in an issuer, the assets could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.
 - Call and Prepayment Risk

The ability of issuers/borrowers to prepay assets will vary. The assets will experience a loss if a Client investment was purchased at a price greater than par and is prepaid at par or at a price lower than the purchase price. The rate of prepayments, amortization, delinquencies and defaults may be influenced by various factors including:

- Changes in issuer/borrower performance and requirements for capital;
- Interest rate movements;
- Unavailability of credit or a decline in credit underwriting standards; and
- The overall economic environment.

Further, in the case of prepayment, the Client bears reinvestment risk, because the Client may be required to invest the proceeds at a lower rate than the original investment. The assets may pay floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related issuer also will increase. As prevailing interest rates increase, some issuers may not be able to make the increased interest payments on assets or refinance their balloon and bullet loans, resulting in payment defaults.

- Spread Widening Risk

For various reasons, the prices of the assets may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be “undervalued” or “discounted” levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which a Client invests.

- Leveraged Loans and High Yield Instruments

A severe liquidity crisis in the global credit markets has in the past resulted in, and may again result in, substantial fluctuations in prices for leveraged loans and high yield debt securities and limited liquidity for such instruments. Although certain sectors may recover in such times, the conditions giving rise to such price fluctuations and limited liquidity may continue and may become more acute. During periods of limited liquidity and higher price volatility, BOIA’s ability to acquire or dispose of assets at a price and time that it deems advantageous may be severely impaired. In addition, a broad credit crisis may adversely affect the primary market for a number of financial products, which may reduce opportunities for Clients to purchase new issuances of investments.

- Broadly Syndicated Loan (“BSL”) Risk

Investments in BSLs and high yield debt strategies may include “covenant-lite” loans. Covenants are contractual restrictions that lenders place on obligors to limit the corporate actions a company may pursue. BOIA expects to invest in loans that have financial

maintenance covenants which are used to proactively address material adverse changes in a borrower's financial performance as well as in other loans known as "covenant-lite" loans. The term "covenant-lite" refers generally to loans that do not have a complete set of financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, to the extent BOIA invests in "covenant-lite" loans, Clients may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

The documents governing BSLs may allow for "priming transactions," where majority lenders or debtors can amend the documents to the detriment of other lenders, amend the documents in order to move collateral, or amend the documents in order to facilitate capital outflow to other parties/subsidiaries in a capital structure, any of which may adversely affect the rights and security priority with respect to such loans. Borrowers of BSLs may be permitted to designate unrestricted subsidiaries under the terms of their financing agreements, which would exclude such unrestricted subsidiaries from restrictive covenants under the financing agreement with the borrower. Without restriction under the financing agreement, the borrower could take various actions with respect to the unrestricted subsidiary including, among other things, incurring debt, granting security on its assets, selling assets, paying dividends or distributing shares of the unrestricted subsidiary to the borrower's shareholders. Any of these actions could increase the amount of leverage that the borrower is able to incur and increase the risk involved in investments in BSLs accordingly.

- Unsecured Loans; Unsecured Bonds

Unsecured loans are not secured obligations and do not have the benefit of a pledge of specified property. The absence of a security interest may make unsecured loans more illiquid investments than senior secured loans, second lien loans or secured bonds. In addition, unsecured bonds are subordinate in right of payment to one or more other obligations of the related issuer and therefore are subject to additional risks that the cash flows of the related issuer may be insufficient to make the scheduled payments on the subordinated bonds after giving effect to any senior obligations of the issuer. Subordination is also expected to cause subordinated bonds to be more illiquid investments than senior obligations.

- Syndicated Debt and Secondary Market Investments

Clients may acquire investments in primary transactions and also buy secondary market investments. To the extent a Client trades in any syndicated debt, it may be subject to certain additional risks as a result of having no direct contractual relationship with the borrower of the underlying loan. In such circumstances, a Client generally will be dependent on the lender to enforce its rights and obligations under the loan arrangements. Such investments will be

subject to the credit risk of both the borrower and the lender, because they depend on the lender to make payments of principal and interest received on the underlying loan.

- Investment Grade Debt

Investment grade debt obligations are obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit and liquidity risk than those for high yield and mezzanine debt securities. A higher credit rating is not necessarily an indication or a guarantee of actual higher credit quality.

- Balloon Loans and Bullet Loans

Balloon and bullet loans involve a greater degree of risk than other types of transactions because they are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the loan, requiring the issuer to make a large final payment upon the maturity of the investment. The ability of such issuer to make this final payment upon the maturity of the investment typically depends upon its ability either to refinance the investment prior to maturity or to generate sufficient cash flow to repay the investment at maturity. The ability of any issuer to accomplish any of these goals will be affected by many factors, including (i) the availability of financing at acceptable rates to such issuer, (ii) the financial condition of such issuer, (iii) the marketability of the collateral (if any) securing such investment, (iv) the operating history of the related business, (v) tax laws and (vi) the prevailing general economic conditions. Consequently, such issuer may not have the ability to repay the investment at maturity, and a Client could lose all or most of the principal of the investment. Given their relative size and limited resources and access to capital, some issuers may have difficulty repaying or refinancing their balloon and bullet loans on a timely basis or at all.

- Limited Control of Administration and Amendment of Investments

A Client may have limited consent and control rights with respect to an investment, and such rights may not be effective in view of the expected proportion of such obligations held by a client. Clients may exercise or enforce, or refrain from exercising or enforcing, any or all of Client's rights in connection with the assets or any related documents or will refuse amendments or waivers of the terms of any assets and related documents in accordance with its portfolio management practices.

- Reliance on Corporate Management and Financial Reporting

Clients may trade various corporate debt instruments and collateralized debt securities. BOIA may select investments for a Client in part on the basis of information and data filed by issuers of securities with various government regulators or made directly available to BOIA by the issuers of securities or through sources other than the issuers such as collateral pool servicers. Although BOIA will evaluate all such information and data and seek independent

corroboration when it considers it appropriate and reasonably available, BOIA will not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be readily available. BOIA is dependent upon the integrity of the management of these issuers and of such servicers and the financial and collateral performance reporting processes in general. Corporate mismanagement, fraud and accounting irregularities on the part of any such issuers may result in material losses to investors such as a Client.

- Mortgage Loans Generally

A Client may invest in mortgage loans and may be subject to all of the risks inherent in mortgage loan investments, including:

- The Client is at risk of defaults by the borrowers on those mortgage loans. These defaults may be caused by many conditions beyond BOIA's control, including interest rate levels and local and other economic conditions affecting real estate values. BOIA will not know whether the values of the properties securing the mortgage loans will remain at the levels existing on the dates of origination of those mortgage loans. If the values of the underlying properties drop, the risk to the Client will increase;
- A defaulted mortgage loan may also become subject to workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal and a substantial change in the terms, conditions and covenants with respect to the loan. Such negotiations or restructuring may be extensive and protracted over time and may result in substantial uncertainty with respect to the ultimate recovery on a Client's investment in the loan;
- Fixed-rate, long-term mortgage loans could yield a return that is lower than the then-current market rates if interest rates rise. If interest rates decrease, a Client could be adversely affected to the extent that mortgage loans are prepaid because a Client may not be able to generate equivalent returns upon reinvestment of the funds;
- Declines in real estate values may induce mortgagors to voluntarily default on their loans, increasing the risk of foreclosure and loss of capital; and
- Delays in liquidating defaulted mortgage loans could reduce a Client's investment returns. If there are defaults under those mortgage loans, lenders may not be able to repossess and sell the underlying properties quickly. The resulting time delay could reduce the value of the Client's investment in the defaulted mortgage loans. An action to foreclose on a property securing a mortgage loan is regulated by state statutes and regulations and is subject to many of the delays and expenses of other lawsuits if the defendant raises defenses or counterclaims.

- Commercial Mortgage Loan Risk

Clients may invest in or originate commercial mortgage loans. The value of a Client's commercial mortgage loans may be influenced by the historical rate of delinquencies and defaults experienced on the commercial mortgage loans and by the severity of loss incurred as a result of such defaults. The factors influencing delinquencies, defaults and loss severity include:

- economic and real estate market conditions by industry sectors (e.g., multifamily, retail, office);
- the terms and structure of the mortgage loans; and
- any specific limits to legal and financial recourse upon a default under the terms of the mortgage loan.

The ability of a borrower to repay a commercial mortgage loan secured by income-producing property typically is dependent primarily upon the successful operation and operating income of such property (i.e., the ability of tenants to make lease payments, the ability of a property to attract and retain tenants, and the ability of the owner to maintain the property, minimize operating expenses, and comply with applicable zoning and other laws) rather than upon the existence of independent income or assets of the borrower and many commercial mortgage loans may provide recourse only to specific assets, such as the property, and not against the borrower's other assets or personal guarantees. Commercial mortgage loans generally do not fully amortize, which can necessitate a sale of the property or refinancing of the remaining "balloon" amount at or prior to maturity of the mortgage loan. Accordingly, investors in and originators of commercial mortgage loans bear the risk that the borrower will be unable to refinance or otherwise repay the mortgage at maturity, thereby increasing the likelihood of a default on the borrower's obligation. Exercise of foreclosure and other remedies may involve lengthy delays and additional legal and other related expenses, including transfer taxes, in addition to potentially declining property values. In certain circumstances, the creditors may also become liable upon taking title to an asset for environmental or structural damage existing at the property.

- CLO Risk

Certain Clients may invest in CLOs. CLOs will generally be subject to substantial transfer restrictions. CLOs are difficult to value and may be illiquid investments because there is no established secondary market for the notes. There can be no assurance that any secondary market for any of the notes will develop, or if a secondary market does develop, securities issued in securitizations transactions may experience high volatility and significant fluctuations in market value. Additionally, some potential buyers of such securities may view securitization products as an inappropriate investment, or may be unable to invest in them due to regulatory reasons, thereby reducing the number of potential buyers and/or potentially affecting liquidity in the secondary market. CLOs are subject to changing regulations, which may influence the eligibility of certain investments, risk retention

requirements and other factors that could ultimately affect liquidity of CLOs. During periods of economic uncertainty and recession, the incidence of modifications and restructurings of investments may increase, resulting in impairments to the underlying asset value and reduced subordination to the CLO liabilities. CLO portfolios need to meet portfolio concentration and quality criteria as determined by the rating agencies and negotiated with CLO investors, which may restrict KIS's ability to adjust to changing market conditions.

Risks Related to the Blue Owl Credit Diversified Lending Programs

- Leveraged Investments

Subject to any limitations set forth in the relevant investment management agreement or offering materials, a Blue Owl Client may make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company. The use of borrowings, also known as leverage, increases the volatility of investments by magnifying the potential for gain or loss on invested equity capital. To the extent that leverage is used to partially finance investments through borrowing from banks and other lenders, Clients will experience increased risks of investing. If the value of assets decreases, leverage would cause net asset value to decline more sharply than it otherwise would have without such borrowing and employing of leverage. Similarly, any decrease in income would cause net income to decline more sharply than it would have without such borrowing and employing of leverage. Such a decline could negatively affect the ability to service debt or make distributions.

In addition, Clients will bear the burden of any increase in expenses as a result of the use of leverage, including interest expenses. If income on investments made with borrowed funds is less than the costs of the leverage, the value of a Client's assets will decrease. In addition, many financial instruments used to employ leverage are subject to variation or other interim margin requirements, which may force premature liquidation of investments.

The cost and availability of leverage is highly dependent on the state of the broader credit markets, which is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The amount of leverage will depend on the assessment of market and other factors at the time of any proposed borrowing. There can be no assurance that leveraged financing will be available on favorable terms or at all. However, to the extent that leverage is used to finance assets, financing costs will reduce cash available for distributions. Moreover, to the extent that financing obligations cannot be met, there is a risk of loss of assets to liquidation or sale to satisfy the obligations. In such an event, it may be necessary for assets to be sold at significantly depressed prices due to market conditions or otherwise, which may result in losses.

A Client may also borrow money or otherwise be liable for indebtedness (such as a guaranty of a portfolio company's debt), and it is not expected that such Client would be compensated for providing the guarantee or exposure to liability. A Client may also incur leverage on a joint

and several basis with, or cross-collateralize certain of the obligations of, one or more other Blue Owl Credit entities.

- General Market and Credit Interest Rate Risks that Affect Debt Instruments Generally

Debt instruments are subject to general market and credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default on the payment of principal, interest or other amounts owed on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk, but other factors may also impact credit risk, such as an obligor's failure to meet its business plan, a downturn in its industry, negative economic conditions or deterioration in value of collateral or other assets expected to be the source of repayment. Credit risk may change over the life of an instrument, and there can be no assurance that the investment team will be successful in assessing the credit risk of portfolio investments or mitigating the impact of credit risk changes on a Client.

Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively affect the price of a fixed rate debt instrument and falling interest rates will have a positive effect on the price of a fixed rate debt instrument. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, interest rate increases generally will increase the interest carrying cost of a Client's borrowed securities.

- Risks Related to a Low Interest Rate Environment and Changes in Interest Rates

Because Blue Owl Clients may borrow money as permitted under the respective investment management agreements and offering materials to make investments, net investment income will depend, in part, upon the difference between the rate at which funds are borrowed and the rate at which funds are invested. As a result, there is no assurance that a significant change in market interest rates will not have a material adverse effect on a Blue Owl Client's net investment income.

A low interest rate environment can depress a Blue Owl Client's net investment income, even though the terms of its investments generally will include a minimum interest rate. In addition, any reduction in the level of interest rates on new investments relative to interest rates on current investments could adversely impact a Blue Owl Client's net investment income, reducing its ability to pay distributions or interest and principal on its indebtedness. However, an increase in interest rates could decrease the value of any investments which earn fixed interest rates and also could increase interest expense, thereby decreasing net income. Further, rising interest rates could also adversely affect performance if such increases cause borrowing costs to rise at a rate in excess of the rate that investments yield.

In periods of rising interest rates, to the extent that a Blue Owl Client borrows money subject to a floating interest rate, its cost of funds would increase, which could reduce net investment income. Further, rising interest rates could also adversely affect performance if a Blue Owl Client holds investments with floating interest rates, subject to specified minimum interest rates (such as a LIBOR floor), while at the same time engaging in borrowings subject to floating interest rates not subject to such minimums. In such a scenario, rising interest rates may increase interest expense, even though interest income from investments is not increasing in a corresponding manner as a result of such minimum interest rates.

In addition, a substantial amount of Blue Credit Client debt investments are likely to be floating rate obligations based on reference rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. General interest rate fluctuations, as well as the transition to replacement reference rates in connection with the anticipated discontinuation of LIBOR, may have a substantial negative impact on Client investments, share value and rate of return on invested capital. A prolonged period of spread tightening or decreases in interest rates could have an adverse effect on a Blue Owl Client's net investment income.

If general interest rates rise, there is a risk that the portfolio companies in which a Blue Owl Client holds floating rate securities will be unable to pay escalating interest amounts, which could result in a default under their loan documents. Rising interest rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. In addition, rising interest rates may increase pressure to provide fixed rate loans to portfolio companies, which could adversely affect net investment income, as increases in cost of borrowed funds would not be accompanied by increased interest income from such fixed-rate investments.

- Non-controlling Investments

To the extent that a Blue Owl Client makes non-controlling investments, a Blue Owl Client will not be in a position to control the management, operation and strategic decision-making of the companies in which it invests. As a result, a Blue Owl Client will be subject to the risk that a portfolio company it does not control, or in which it does not have a majority ownership position, may make business decisions with which it disagrees, and the equity holders and management of a portfolio company may take risks or otherwise act in ways that are adverse to such Blue Owl Client's interests. Because a Blue Owl Client will typically hold illiquid debt investments, it may not be possible to dispose of investments in the event of a disagreement with the actions of a portfolio company, which may result in a decrease in the value of such portfolio company.

- Portfolio Company Leverage

A Blue Owl Client may make investments in portfolio companies with leveraged capital structures, which could constrain the ability of these companies to finance their future

operations and capital needs. These portfolio companies may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such company or its industry, and are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses. In the event that such a portfolio company is unable to generate sufficient cash flow to timely meet principal and interest payments on indebtedness, the value of a Blue Owl Client's investment could be significantly reduced or even eliminated.

- Defaults by Portfolio Companies

A portfolio company's failure to satisfy financial or operating covenants imposed by a Blue Owl Client or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets. This could ultimately jeopardize such portfolio company's ability to meet its obligations under the loans or debt or equity securities that such Blue Owl Client holds. In such a situation, the Blue Owl Client may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms. While loans to portfolio companies are generally expected to be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the proceeds would satisfy the obligations of a defaulting portfolio company.

- Repayment of a Significant Portion of Assets is Subject to the Obligor's Ability to Refinance such Assets at or Prior to their Maturity

A significant portion of a Client's assets may, consist of loans for which most or all of the principal is due at maturity. An obligor's ability to make such a large payment upon maturity typically depends upon its ability to refinance the loan prior to maturity, which will be affected by many factors, including the availability of financing rates acceptable to the obligor, the obligor's financial condition, the marketability of any collateral securing the loan, the operating history of the obligor and related businesses, tax laws and prevailing general economic conditions. Middle-market obligors generally have more limited access to capital and higher funding costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from more traditional sources, such as commercial banks. Consequently, an obligor may not have the ability to repay the loan at maturity and, unless it is able to refinance such loan, it could default in payment at maturity, which could result in losses to a Blue Owl Client and its investors. Any deterioration of the debt markets, any failures of certain financial services companies and any significant rise in market perception of counterparty default risk may result in lenders being less willing to finance new investments, or offering financing on less favorable terms, than previously, which can adversely impact the investment team's ability to generate attractive investment returns.

- Origination of Loans and Licensing Requirements

As a result of its investment activities, it is possible that a Blue Owl Client could be deemed to be engaged in the origination of debt or debt-linked securities for purposes of the applicable laws in jurisdictions in which such activities take place. Such laws are frequently highly complex and may include licensing requirements. Certain federal and local banking and regulatory bodies or agencies in or outside the United States may require one or more Clients, and/or Blue Owl Credit employees to obtain licenses or authorizations to engage in many types of lending activities including the origination of loans. It may take a significant amount of time and expense to obtain such licenses or authorizations and a Blue Owl Client may be required to bear the cost of obtaining such licenses and authorizations. The inability to obtain necessary licenses or authorizations, the structuring of an investment in an inefficient or otherwise disadvantageous manner, or changes in licensing regulations, could adversely affect the investment team's ability to implement a Blue Owl Client's investment program and achieve its intended results.

- Risks Particular to Investments in Senior Secured Loans, Unitranche Loans, Mezzanine Debt, Subordinated Debt, Cov-Lite Loans, Equity-Related Investments, Non-Investment Grade Investments, Middle Market Companies, Privately Held Companies, Public Company Holdings, Distressed Investments, Special Situations and "Event-Oriented" Situations

Senior Secured Loans. Issuers of first lien loans may have multiple tranches of first lien debt outstanding, each with first liens on separate collateral. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. When a Blue Owl Client makes a first or second lien loan or a unitranche loan to a portfolio company, such Client generally takes a security interest in the available assets of the portfolio company, including the equity interests of its subsidiaries, to help mitigate the risk that such Client will not be repaid. However, there is a risk that the collateral securing such loans may decrease in value over time, be difficult to sell in a timely manner, be difficult to appraise, or fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, a Blue Owl Client's lien could be subordinated to claims of other creditors. Consequently, the fact that a loan is secured does not guarantee that a Client will receive principal and interest payments according to the loan's terms, or at all, or that such Client will be able to collect on the loan if any available remedies are enforced.

Unitranche Loans. In connection with any unitranche loans (including "last out" portions of such loans) in which it may invest, a Blue Owl Client would enter into agreements among lenders. Under these agreements, a Client's interest in the collateral of the first-lien loans may rank junior to those of other lenders in the loan under certain circumstances. This may result in greater risk and loss of principal on these loans.

Mezzanine Debt. Any mezzanine loan in which a Blue Owl Client may invest generally will be subordinated to senior secured loans on a payment basis and typically will be unsecured and

rank *pari passu* with other unsecured creditors. As such, other creditors may rank senior to a Client in the event of an insolvency. This may result in an above average amount of risk and loss of principal.

Subordinated Debt. Any investments in subordinated debt in which a Blue Owl Client may invest would be unsecured and rank behind the issuer's secured indebtedness. While such subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions, some or all of such terms may not be part of particular investments. Moreover, the ability of a Blue Owl Client to influence an issuer's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, secured creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights or remedies they may have as creditors for a period of time. Accordingly, a Client may not be able to take steps to protect its investments in a timely manner or at all. In addition, any unsecured debt in which a Blue Owl Client may invest may not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and may not be rated by a credit rating agency. Further, upon any distribution to an issuer's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such issuer's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made with respect to the Client's subordinated debt investments.

Cov-Lite Loans. A Blue Owl Client may invest in "covenant-lite" loans, which do not have a complete set of financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, to the extent that a Client invests in "covenant-lite" loans, it may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

Equity-Related Investments. Any equity securities of portfolio companies, warrants, options, or convertible instruments that a Blue Owl Client may acquire will generally involve a high degree of risk and will be subordinate to the debt securities and other liabilities of the issuer of such equity securities. Such equity interests may not appreciate in value and, in fact, may decline in value. Accordingly, a Client may not be able to realize gains from such equity interests, and any gains that are realized on the disposition of equity interests may not be sufficient to offset any other losses such Client experiences.

Non-Investment Grade Investments. Debt securities rated below investment grade quality are generally regarded as having predominantly speculative characteristics and may carry a greater risk with respect to a borrower's capacity to pay interest and repay principal. Investments in non-investment grade middle-market loans are subject to liquidity, market

value, credit, interest rate, reinvestment and other risks and are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. There can be no assurance that the investment team will correctly evaluate the nature and magnitude of the various factors that could negatively affect the value or performance of such assets. It is anticipated that these loans will be subject to greater risks than investment grade corporate obligations, and these risks could be exacerbated if a Client's portfolio is concentrated in one or more particular types of assets.

For example, issuers of non-investment grade securities may be less creditworthy and have a larger amount of outstanding debt relative to their assets than issuers of investment grade securities. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of holders of non-investment grade securities, leaving few or no assets available to repay holders of non-investment grade securities. Prices of non-investment grade securities are subject to extreme price fluctuations, and issuers of non-investment grade securities may be unable to meet their interest or principal payment obligations. In addition, non-investment grade securities frequently have redemption features that permit an issuer to repurchase the security from a Blue Owl Client before it matures, which could cause such Client to invest the proceeds in securities with lower yields and lose income. Non-investment grade securities may also be less liquid than higher rated fixed-income securities, even under normal economic conditions. Judgment may play a greater role in valuing these securities, and the credit rating of a high yield security does not necessarily address its market value risk. A Client may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer. Ratings and market value may change from time to time, positively or negatively, to reflect new developments regarding the issuer.

Investments in Middle Market Companies. Investments in private and middle market companies involve a number of significant risks. Such companies may have limited financial resources and may be unable to meet their obligations under debt investments held by a Blue Owl Client. Such companies also typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as to general economic downturns. These companies often depend on the management talents and efforts of a small group of persons, have less predictable operating results, engage in rapidly changing businesses with products subject to a substantial risk of obsolescence, require substantial additional capital and have less publicly available information about their businesses, operations and financial condition upon which the investment team might base an investment decision. Further, such companies may have difficulty accessing the capital markets, and any leverage they are able to obtain may be relatively costly and contain restrictive terms and covenants.

Investments in Privately Held Companies. Investments in private companies pose certain incremental risks as compared to investments in public companies. Investments in private companies tend to be less liquid. The securities of private companies are not publicly traded or actively traded on the secondary market and are, instead, traded on a privately negotiated

over-the-counter secondary market for institutional investors. These over-the-counter secondary markets may be inactive during an economic downturn or a credit crisis and in any event often have lower volumes than publicly traded securities even in normal market conditions. In addition, the securities in these companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. If there is no readily available market for these investments, a Blue Owl Client will be required to carry these investments at fair value as determined by the Blue Owl Adviser. As a result, if a Client is required to liquidate all or a portion of its portfolio quickly, it may realize significantly less than the value at which it had previously recorded these investments. A Client may also face other restrictions on its ability to liquidate an investment in a portfolio company to the extent that the Client, BOIA or any of their affiliates have material nonpublic information regarding such portfolio company. The reduced liquidity of investments may make it difficult to dispose of them at a favorable price, and, as a result, a Client may suffer losses.

Finally, little public information generally exists about private companies and these companies may not have third-party credit ratings or audited financial statements. A Blue Owl Client must therefore rely on the ability of the investment team to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies, and to monitor the activities and performance of these investments. To the extent that Clients hold a larger number of investments, greater demands will be placed on the investment team's time, resources and personnel in monitoring such investments, which may result in less attention being paid to any individual investment and greater risk that its investment decisions may not be fully informed. Additionally, these companies and their financial information will not generally be subject to the Sarbanes-Oxley Act of 2002 and other rules that govern public companies. If the investment team is unable to uncover all material information about these companies, fully informed investment decisions may not be made, and money may be lost on investments.

Public Company Holdings. Any investments in securities and debt issued by publicly held companies may subject a Blue Owl Client to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Blue Owl Client to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including investment professionals, and increased costs associated with each of the aforementioned risks.

Distressed Investments. A Blue Owl Client may invest in securities and other obligations and assets of issuers that are, or could be, in special situations involving significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments could result in significant returns to a Blue Owl Client, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high. There is no assurance that the investment team will correctly evaluate the value of the

assets collateralizing a Client's investments or the prospects for a successful reorganization or similar action in respect of any company. In any reorganization or liquidation proceeding relating to an issuer in which a Client invests, a Client could lose its entire investment, could be required to accept cash or securities or assets with a value less than the original investment and/or could be required to accept payment over an extended period of time.

Investments in distressed securities, particularly in connection with reorganizations, often involve litigation generally related to issues related to control and preference among classes, claimants and other related matters. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses that by their nature involve business, financial, market and/or legal risks. Under such circumstances, the returns generated from that investment will potentially not compensate the Investors adequately for the risks assumed.

Troubled company investments and other distressed asset-based investments require active monitoring and could, at times, require participation in business strategy or reorganization proceedings by the Blue Owl Adviser and its affiliates. To the extent that the Blue Owl Adviser and its affiliates become involved in such proceedings, a Client could have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Blue Owl Adviser and its affiliates in a company's reorganization proceedings could result in the imposition of restrictions limiting a Client's ability to liquidate its position in the issuer.

Investments in Special Situations. A Blue Owl Credit Client may invest in "event-driven" and other special situations, such as recapitalizations, spin-offs, restructurings, reorganization, bankruptcy, litigation, corporate control transactions, corporate events and other catalyst-oriented strategies. The investment team believes these types of investments often have limited downside risk relative to their current valuations. The investment team could, however, be incorrect in its assessment of the downside risk associated with an investment, thus resulting in significant losses to a Client. Investments in such securities often are difficult to analyze or have limited trading histories or in-depth research coverage. Although the investment team intends to utilize appropriate risk management strategies with respect to the Clients, such strategies cannot fully insulate a Client from the risks inherent in its planned activities. Moreover, in certain situations the investment team will be unable to, or could choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

Event-Oriented Situations. The price offered for securities of a company involved in an announced deal can generally represent a significant premium above the market price prior to the announcement. Therefore, the value of such securities held by a Blue Owl Client could decline in the event the proposed transaction is not consummated and if the market price of the securities returns to a level comparable to the price prior to the announcement of the deal. Furthermore, the difference between the price paid by a Client for securities of a company involved in an announced deal and the anticipated value to be received for such

securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually decline, perhaps by more than a Client's anticipated profit.

Risks Related to the GP Minority Equity Investments Strategy and GP Debt Financing Investments Strategy

- Partner Manager Relationships

As a result of the Blue Owl GPSC becoming subsidiaries of Blue Owl, certain other subsidiaries of Blue Owl and/or their affiliates are expected to compete with certain current or prospective Partner Managers, which has and could continue to negatively impact relations with certain Partner Managers. The terms of investments in Partner Managers typically address Blue Owl GPSC sharing of competitive information with competitors of a Partner Manager. Blue Owl has implemented an information control policy with restrictions regarding the sharing of confidential information of Partner Managers with other subsidiaries of Blue Owl and/or their affiliates. Further, certain investment agreements between a Blue Owl Private Fund and a Partner Manager provide protections to the Partner Manager in the event that Blue Owl GPSC becomes an affiliate of a competitor. Blue Owl will seek to mitigate this through internal policies and procedures.

- Minority Equity Interests

Clients invest in minority, non-controlling, equity interests of investment management companies and make passive investments in alternative asset managers and other entities. As a result, Clients typically have a limited ability to exert influence over the Portfolio Investments in which the Client invests, will not have the opportunity to evaluate or select the specific underlying investments made by any Portfolio Investment and will not be responsible for the results of Portfolio Investments. The existing managers of the Portfolio Investments will retain autonomy over the day-to-day operations of their investment management companies and will generally retain a majority stake in them. In such cases, the Client will rely on the existing management and board of directors or similar body of such entities, which may include representation of other investors. In holding non-controlling interests, a Client will have a limited ability to create additional value in the entities in which it invests by effecting changes in the strategy and operations of these entities or to protect its positions in such entities or to create or take advantage of exit opportunities. A Client's inability to control the timing of the making, restructuring, refinancing and exiting of its investments may adversely affect performance. The timing and extent to which a Client realizes proceeds from any disposition, listing, financing or other liquidity event with respect to a Portfolio Investment will depend on the decisions and actions of Partner Managers. The management of Portfolio Investments may make business, financial or management decisions with which the investment team does not agree or such management may take risks or otherwise act in a manner that does not serve the Client's interests. There can be no

assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of a Portfolio Investment or the interpretation of applicable law or regulations, investments by the Client will not be deemed to have control elements for certain contractual, regulatory or other purposes.

- Revenue Participation Rights; Equity Interests

While investments in Partner Managers offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risks that can result in substantial losses. These include the risks associated with investments in businesses at an early stage of development or with little or no variations in operating results. Although Clients do not control or make investment decisions with respect to any Portfolio Investment's operations, Clients will own interests in Partner Managers or other potential Portfolio Investments and may have observer rights and other transparency rights with respect to the Portfolio Investments. It is possible that regulators or third parties will try to impose liability on a Client in connection with the operations of such Partner Manager or other potential Portfolio Investments. If successful, any such liability could adversely affect the performance of the Client's account. Interests may be subordinated to indebtedness or other equity securities that rank senior to the Client's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of a Client's investment. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, holders of securities ranking senior to a Client's investment would typically be entitled to receive payment in full before distributions could be made to the Client. After repaying senior security holders, the Portfolio Investment may not have any remaining assets to use for repaying amounts owed to the Client. To the extent that any assets remain, holders of claims that rank equally with a Client's investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets.

Certain Partner Managers also have "high water marks" (or "benchmarks," or "hurdle rates") whereby the investment management company does not earn performance-based income during the current period, as a result of losses in prior periods (or where current period results did not satisfy such benchmarks or hurdles), even though the managed investment funds had positive returns in the current period. If a fund of a Partner Manager experiences losses (or fails to meet performance benchmarks or hurdles), such Partner Manager will not be able to earn performance-based returns from that fund until it surpasses its previous high water mark (or satisfies such benchmarks or hurdles).

The returns on the interests in Partner Managers held by a Client will depend on the profitability of Partner Managers, who will retain control over the operations, budgets, expenses, compensation and revenues of their firms. It is possible that Partner Managers may make decisions in the exercise of their discretion over these items that may adversely affect

the performance of the Partner Managers or cash flows available for distribution by Partner Managers to a Client.

- Portfolio Investment Leverage

A portion of some of the portfolios indirectly held by a Client through Partner Managers may be in companies with leveraged capital structures, which may impair the ability of these companies to finance their future operations and capital needs. These companies may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such company or its industry, and are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses. In the event that such a company is unable to generate sufficient cash flow to timely meet principal and interest payments on indebtedness, the value of a Client's investment could be significantly reduced.

- Termination or Redemption of Certain Portfolio Investments

The organizational documents of an investment fund managed by a Partner Manager may permit investors to terminate that investment fund, or a Partner Manager's investment management agreement with such fund, in either case without the approval of the applicable Partner Manager. In the event that a fund or an investment management agreement is terminated pursuant to such a provision, the applicable Partner Manager will no longer be able to earn income from management of such fund, which would adversely affect the profitability of a Client's investment in such Partner Manager. In addition, the organizational documents of an investment fund may permit the investors in such fund to redeem their interests upon short notice. To the extent that investors redeem their interests in a fund, the applicable Portfolio Investment may be required to liquidate the investments of such fund at an undesirable time, which may reduce the return on such investments and adversely affect the investment management company's compensation. Furthermore, any such redemptions would reduce the amount of the fund's assets under management, which would negatively impact the Portfolio Investment's ability to deploy capital and earn management and performance-based fees.

- Multi-Investment Management Company Approach

While investment in multiple investment management companies may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or if it does, that it will not reduce, rather than increase, potential net profits. Also, investment in multiple investment management companies may cause a Client indirectly to hold opposite positions in an underlying investment, thereby decreasing or eliminating the possibility of positive returns from such investment. Portfolio Investments that employ similar investment strategies and make overlapping investments may result in a Client having increased exposure with respect to those investments.

- Importance of General Market Conditions to Profitability; Uncertainty of AUM Growth

The investment strategy of the Client may be adversely impacted by market conditions. Such premises include, among others, that (i) Partner Managers will experience AUM and earnings growth after an investment by a Client driven by investment performance and/or increased investment allocations into alternative managers by high net worth individuals, institutions and sovereign wealth funds; (ii) a Client can source investment opportunities and acquire stakes in Partner Managers and make other investments at favorable prices; (iii) Partner Managers may experience monetization or liquidity events such as refinancings, sales, or public listings, and that such events will be effected at favorable prices; and (iv) a Client may achieve any liquidity strategy at favorable prices. No assurance can be given that any or all of these premises will be achieved, since this will depend upon market conditions and other events and factors outside the control of the investment team.

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of a Client.

Achievement of the strategic premises listed above, as well as others, may depend significantly on favorable market conditions. For example, if there were significant dislocation, illiquidity and volatility in the global financial markets it could materially and adversely affect the ability of a Client to acquire stakes in Partner Managers, the investment performance of Portfolio Investments, the ability of Portfolio Investments and a Client to achieve liquidity strategies, and the likelihood of investors to increase allocations to Partner Managers. Market conditions could also materially and adversely affect Partner Managers' ability to obtain financing, both for ongoing operations (e.g., prime brokerage) and/or to achieve strategic objectives.

A Client's strategy is based, in part, upon the premise that Portfolio Investments will be available for purchase by such Client and a liquidity event may be achieved, in each case at prices considered favorable to a Client. Furthermore, a Client's strategy relies upon favorable market conditions existing during the term of the investment and prior to the occurrence of a liquidity event, including AUM growth of Partner Managers relative to current levels. A Client's investment strategy depends on capturing an outsized portion of industry growth, generating significant enterprise value and seeking a means to monetize this value. No assurance can be given that Portfolio Investments can be acquired or disposed of at favorable prices, that the market for such Portfolio Investments will be favorable, that a liquidity event will be achieved or that the AUM of the Partner Managers will grow since this will depend upon events and factors outside the control of the investment team. Failure of Partner Managers to grow their AUM in accordance with base case assumptions would materially adversely affect a Client's investment returns. There can be no assurance that AUM growth will occur as projected. Actual results and events may differ significantly from projections.

Portfolio Investments are susceptible to economic recessions or downturns. During periods of adverse economic conditions, Partner Managers may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, Partner Managers may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due. Any of the foregoing could cause the value of Portfolio Investments to decline. In addition, during periods of adverse economic conditions, a Client may have difficulty accessing financial markets, which could make it more difficult or impossible to implement liquidity strategies and obtain funding for additional investments and harm a Client portfolio's value and results.

- Changes in Expected Investment Objectives of Portfolio Investments May Be Adverse to Client

Portfolio Investments may have the ability to change their investment objectives and strategies and economic and other terms, as well as those of their related funds after a Client has made its investments in such Portfolio Investments and such change in the investment objectives and strategies may be adversely different from the objectives currently expected. A Client may not have the ability to reduce or withdraw its investments in such Portfolio Investments.

- Ability of Partner Managers and Funds to Enter New Lines of Business

The Portfolio Investments may enter into new lines of business not anticipated at the time Client investments are made. A Client will likely not have the ability to prevent the Portfolio Investment from taking such action and may not have the ability to reduce or withdraw its investments in such Portfolio Investment following such decisions to enter into new lines of business. As a result, such decisions by the Portfolio Investment may negatively impact the Client's performance.

- Conflicts Between Portfolio Investments

The sponsors and others affiliated with any of the Portfolio Investments may have conflicts of interest. One type of conflict of interest involves the overlap of investment interests by different investment funds in which a Client may acquire interests, and that are operated by the same sponsor. Such an overlap of investment interests may result in competition between such sponsor's funds for the same investment opportunities. In addition, such Portfolio Investments may engage in other transactions with affiliated parties on terms and conditions not determined through arm's-length negotiations.

- Governmental or Regulatory Consent

Certain Portfolio Investments may be in entities that are regulated entities or may otherwise require the satisfaction of certain legal requirements. Accordingly, a Client's acquisition and

disposition of interests in Portfolio Investments may often be subject to the consent and filing requirements of various governmental or regulatory bodies (in particular but not limited to the governmental and regulatory bodies of the United States and the United Kingdom), including agencies charged with oversight of financial institutions, investment advisers or similar enterprises, or the administration of competition laws. As a result, prior to the acquisition or disposition of an interest in a Partner Manager, a Client may have to seek consent from the applicable governmental or regulatory bodies, which consent may or may not be granted, or might be granted only after considerable delay or after requiring the parties to alter the terms of their proposed transaction. This may increase the time required to complete a transaction, or may cause a Client not to enter into transactions it otherwise would, and could impede the ability of a Client to deploy all of its available capital and/or to realize on its investments. In addition, the failure to comply with regulations may result in disciplinary or enforcement actions with penalties that may include the disgorgement of fees, fines, suspensions or censure of individual employees or revocation or limitation of an investment management company's business activities (or registration as an investment adviser, commodity trading advisor or broker-dealer, if any).

Notwithstanding the foregoing, certain Portfolio Investments may not be subject to significant regulatory oversight. Accordingly, Clients may not enjoy certain protections afforded to investors in more heavily regulated alternative investment managers.

- Multiple Levels of Expense

Investments in Portfolio Funds are likely to significantly increase the fees, costs and expenses payable by a Client. Both BOIA and the Portfolio Fund impose management fees and/or performance fees or allocations. In addition, there will be organizational and operating expenses associated with a Client's account and the Portfolio Investments. These various levels of fees, costs and expenses will be charged whether or not the Client's investment performance generates positive returns. As a result, a Client will bear multiple levels of fees and expenses, which in the aggregate will exceed the expenses which would typically be incurred by an investment in a single Portfolio Investment, and which will offset the Client's returns. In addition, because of fees and expenses payable by a Client, its returns on Portfolio Investments will be lower than the returns to a direct investor in the Portfolio Investments. If a Client's investment does not produce significant positive investment returns, expenses will reduce the amount of the investment recovered by the Client to an amount less than the amount invested.

- Potential Exposure to Claims

Although the investment team does not intend to acquire controlling positions in the Portfolio Investments on behalf of Clients, ownership positions through equity interests or revenue interests as well as other rights could potentially expose the assets of a Client to claims by such Portfolio Investment's other equity holders, clients, creditors and other third parties. In addition, a Client may not be in a good position to limit or otherwise protect the

value of its Portfolio Investments, as a Portfolio Investment may have economic or business interests or goals that are inconsistent with those of the Client.

In addition, Portfolio Investments may accumulate substantial positions in the securities of a specific company. A Portfolio Investment may engage in a proxy fight, become involved in litigation or attempt to gain control of a company. Under such circumstances, such Portfolio Investment might be named as a defendant in a lawsuit or regulatory action. In addition, in the past there have been a number of widely reported instances of participants involved in corporate takeovers and in risk arbitrage having violated the securities laws through the misuse of confidential information or otherwise. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized and for penalties. Furthermore, if a Portfolio Investment had engaged in the past or engages in the future in such violations, Clients could be exposed to losses.

- Increase in Amount of Assets Under Management

Although the investment team, on behalf of Clients, intends to assist in the growth of a Portfolio Investment's assets under management, it is not known what effect, if any, such increase in the amount of assets under management will have on the trading strategies utilized by such Portfolio Investments or their investment results. No assurance can be given that their strategies will continue to be successful in light of such an increase.

- Partner Manager Misconduct or Bad Judgment

It will be difficult, and likely impossible, for the investment team to protect Clients from the risk of Partner Manager fraud, misrepresentation or material strategy alteration. Partner Managers may be motivated to pay out greater portions of their revenue as salaries, bonuses, and other similar expenses, in order to shift income that would otherwise be shared with Clients to expenses that are payable to other principals of the Partner Manager that are also employees. If a Partner Manager acts inconsistently with applicable laws and regulations or takes actions that cause disrepute, such actions may adversely affect a Client, and may adversely impact the Client's ability to complete investments in other Partner Managers and the Client's ability to realize its investment objective. If a Portfolio Investment underreports to a Client the amount of income it has generated or attempts to use other accounting methods in order to avoid its obligations to share income with the Client, the Client may be adversely affected.

- Key Person Risks

Some Portfolio Investments may consist of only one or a limited number of principals. If the services of such principals became unavailable, a Client might sustain losses. Clients expect to be entitled to receive a portion of a Portfolio Investment's income. This may motivate key managerial employees of the Portfolio Investment to leave to seek employment at a new entity that is not subject to a requirement to share income with the Client (and thus has

greater flexibility to share income with key employees), or create one or more new entities not affiliated with the Portfolio Investment, in order to avoid sharing the new entity's income with the Client.

- Availability of Suitable Investments

There can be no assurance that investments will be available for a Client or that available investments will meet a Client's investment criteria. There can be no assurance that a Client will be presented with an adequate number of new investment opportunities (whether sourced from within Blue Owl or from other sources). This risk is heightened due to the limited universe of investment management companies that may be willing to sell minority stakes to Client. Changes in various factors (including, among others, general economic conditions, general political conditions, securities markets conditions and tax burdens) may also adversely affect the availability of suitable and attractive investment opportunities. No assurance can be given that investment opportunities can be sourced, acquired, financed or disposed of at favorable prices or terms or that perceived trends in the market for investment management companies described herein will continue, because this will depend upon events and factors outside the control of the investment team. Accordingly, no assurance can be given that the investment team will be able to locate suitable investment opportunities for a Client. Clients will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the investment team and, accordingly, will be dependent upon the judgment and ability of the investment team to identify suitable investments.

- Clawback Payments to Partner Managers

Partner Managers may make distributions to a Client that are subject to clawback arrangements with those Partner Managers. The terms of a Client's investments in a Partner Manager may require the Client to return such distributions to the Partner Manager upon the occurrence of certain circumstances, such as the failure of a fund managed by the Partner Manager to achieve an overall level of profitability.

- Underlying Investment Risks

The success of a Client's investments in Partner Managers will generally depend on the successful implementation of their respective investment strategies and the alternative assets industry generally. Those strategies are subject to numerous and significant risks and uncertainties, some of which are highlighted generally below.

- Highly Competitive Market for Investment Opportunities

There is a highly competitive market for investment opportunities. A Client will compete with, among other entities, private funds, public funds, sovereign wealth funds and commercial and investment banks, governmental and private pension funds, public companies, business

development companies. In addition, certain potential Partner Managers may determine to seek capital from public markets rather than selling a stake to a Client or another financial investor. Funds with investment objectives similar to those of the Client and other Blue Owl Private Funds have been and may be formed in the future by other parties. The market for investments in alternative asset managers is relatively new and immature, compared to more traditional private equity asset classes. Some of the competitors for investments may have a lower cost of capital, more available capital to make similar investments and access to funding sources that are not available to a Client. In addition, some competitors may have higher risk tolerances, different risk assessments and/or different return targets than those of a Client, which could allow them to consider a wider variety of investments or to outbid a Client for investment opportunities. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Client and adversely affecting the terms upon which investments can be made.

- Less-Established Companies

Certain Portfolio Investments may be in less-established companies or early stage companies. Such Portfolio Investments may involve greater risks than are generally associated with investments in more-established companies. Such companies may have shorter operating histories on which to judge future performance and may not have significant or any operating revenues. Such companies also may have a lower capitalization and fewer resources (including cash) and be more vulnerable to failure, resulting in the loss of a Client's entire investment. In addition, less-mature companies could be more susceptible to irregular accounting or other fraudulent practices.

- Additional Capital

Certain Partner Managers will require additional financing and capital contributions by a Client to maintain their competitive position or satisfy operational requirements or growth strategies (including contributions in respect of Partner Manager capital commitments to new or existing investment funds). If the funds provided are not sufficient, a Partner Manager may have to raise additional capital at a price unfavorable to the existing investors, including a Client. In addition, a Client may make additional investments or exercise warrants, pre-emptive rights, options or convert convertible securities that were acquired in the initial investment in such Partner Manager in order to preserve a Client's proportionate ownership when a subsequent financing is planned, or to protect a Client's investment. The availability of capital is generally a function of market conditions that are beyond the control of the investment team. There can be no assurance that Partner Managers will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. A Client may be called upon to provide follow-on funding for fund investments or have the opportunity to increase its investment in or contribute additional capital to a Partner Manager. There can be no assurance that a Client will want to make follow-on investments or that it will have sufficient funds or the ability to do so. Any decision by a Client not to make follow-on investments or its inability to make them may have

a substantial negative impact on a Partner Manager in need of such an investment or may diminish the Partner Manager's future development and appreciation.

- Risk of Early Losses

A Client may suffer substantial early losses, especially if Partner Managers incur significant losses of assets of their underlying alternative investment funds. In such circumstances, the risk of a Client having to seek to terminate its investments will be substantially increased.

- Strategy Risk

The failure or deterioration of an entire strategy may cause most or all Partner Managers that employ that strategy to suffer significant losses. Strategy-specific losses may result from excessive concentration by multiple managers in the same investment or broad events that adversely affect particular strategies (e.g., illiquidity within a given market). Certain of the strategies employed by Partner Managers can be expected to be highly speculative and involve substantial risk of loss in the event of such failure or deterioration.

- General Business and Management Risks

Certain of the Partner Managers may make investments in companies that will be subject to the risks specific to the business sector in which such companies participate, including market conditions, changes in regulatory requirements, interest and currency rate fluctuations, general economic downturns, changing supply and demand forces, technology changes and other factors.

- Leverage and Distressed Securities

A portion of some of the portfolios indirectly held by a Client through Partner Managers may be in companies whose capital structures are highly leveraged and/or whose securities are distressed. More specifically, some of such portfolios may purchase distressed securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations. This will increase the exposure of such investments to adverse economic factors such as significantly rising interest rates, severe downturns in the economy or deterioration in the conditions of the Portfolio Investment or its industry. Furthermore, since there is substantial uncertainty concerning the outcome of transactions involving distressed business enterprises, there is a high degree of risk of loss, including loss of the entire investment, and the Partner Manager may be required to accept cash or securities with a value less than the original investment. If any such company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the investment in such company could be significantly reduced, eliminated, or not show any return for a considerable period of time. In bankruptcy situations, there can be considerable delay in reaching accord on a restructuring plan acceptable to a bankruptcy company's lenders, bondholders and other creditors and then obtaining the approval of the bankruptcy

court. Such delays could result in substantial losses to a Partner Manager (and, therefore, a Client) holding such company's securities or obligations. Under such circumstances, the returns generated from the Partner Managers' investments may not compensate its investors (including a Client) adequately for the risks assumed. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed, or may be found liable for damage suffered by parties as a result of such actions. In addition, under circumstances involving a Portfolio Investment's insolvency, payments to a Partner Manager and distributions by such Partner Manager to its investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by Partner Managers.

Moreover, there is no assurance that a plan favorable to the class of securities held by a Partner Manager will be adopted or that the subject company might not eventually be liquidated rather than reorganized. In liquidations (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security the value of which will be less than the purchase price to a Partner Manager of the security in respect of which such distribution is received. It may be difficult to obtain accurate information concerning a company in financial distress, with the result that the analysis and valuation are especially difficult. The market for such securities of such companies tends to be illiquid and sales may be possible only at substantial discounts. Moreover, the level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action will be correctly evaluated. Under all of these circumstances, the returns generated from such companies may not compensate, indirectly, a Client adequately for the risks assumed. To the extent that any such Partner Manager becomes involved in such proceedings, such Partner Manager may have to participate more actively in the affairs of the company than that assumed generally by an investor. In addition, involvement by a Fund Investment in an issuer's reorganization proceedings could result in the imposition of restrictions limiting such Fund Investment's ability to liquidate its position in the issuer.

- Risks Specifically Related to the GP Debt Financing Strategy

The GP debt financing strategy makes long-term loans to and/or preferred equity or structured investments in or with respect to privately held investment management companies that derive a significant component of their revenues from the sponsorship and management of private equity funds and other private closed-end funds and related products. The strategy also could make preferred equity or structured investments in or with respect to such investment management companies, as well as opportunistic investments

related to the investment strategy. The GP debt financing strategy is managed by the same investment team as the GPSC strategy, and investment proposals by the investment team will be approved by an investment committee that will be the same as (or have significant overlap with) the investment committee for GPSC stakes strategy. The ability to find investment opportunities is in large part dependent on the investment team's relationships with the employees of potential Partner Managers. Even with the network of relationships the investment team has, the strategy will have to compete with banks and other traditional lenders and sources of credit, business development companies, public funds, private funds (including private equity and hedge funds), sovereign wealth funds and governmental and private pension funds for opportunities to make loans to prospective Partner Managers. The market for lending to alternative asset managers is relatively new and immature, compared to more traditional asset classes. Funds with similar investment objectives may be formed in the future by other parties. Some competitors may have a lower cost of capital, more available capital to make similar loans and access to funding sources. In addition, some competitors may have higher risk tolerances, different risk assessments and/or different return targets than those of the Client, which could allow them to consider a wider variety of investments. It is possible that competition for appropriate lending opportunities may increase, thus reducing the number of lending opportunities available to Clients and adversely affecting the terms upon which loans can be made.

Risks Associated with Real Estate and Real Estate-Related Investments

- Real Estate Risks in General

Clients' investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals generally could negatively impact the performance of Client's accounts. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, the supply and demand for properties, decreases in property values, changes in the appeal of properties to or the financial conditions of tenants, buyers and sellers, energy and supply shortages, fluctuations in the average occupancy and room rates for hotel properties, changes in building, environmental, zoning and other laws and/or regulations, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which could render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress travel activity, changes in the availability of construction materials, environmental liabilities, contingent liabilities on disposition of assets, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of BOIA. There is no assurance that there will be a ready market for the resale of investments because investments will generally not be liquid. Illiquidity is expected to result from the absence of an established market for the assets, as well as legal or contractual restrictions on their resale.

- Environmental and Similar Liabilities

In certain circumstances, Clients will be exposed to substantial risk of loss from claims arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or problems with inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Under various federal, state, and local laws, ordinances and regulation, an owner of real property can be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws can impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability can also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefor as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, will generally adversely affect the owner's ability to sell the real estate. Environmental claims can exceed the value of the investment, and under certain circumstances, subject the other assets of such Client to such liabilities.

- Expiration of Leases, Lease Terminations and Tenant Defaults

A Client's investments will be subject to the risks that, upon expiration, leases for space will not be renewed, the space is not re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions, are less favorable than current lease terms. In the event of any of these circumstances, cash flow from a Client's investments could be adversely affected. The success of a Client's investments will materially depend on the financial stability of its tenants. A default by a significant tenant on its lease payments would cause a Client to lose the revenue associated with such lease and require finding an alternative source of revenue to meet mortgage payments and prevent a foreclosure if the property is subject to a mortgage. Such situations, given the current state of the economy, could be more common than in the recent past, and the investment team could fail to, or not be able to, discover factors that would indicate a heightened level of uncertainty with respect to particular key tenants when performing due diligence on prospective investments. An early termination of a lease by a bankrupt tenant would result in unanticipated expenses to re-let the premises. Tenant defaults thus increase the risk that a Client could suffer a loss. In addition, if a tenant defaults or goes bankrupt, a Client will likely experience delays in enforcing its rights as landlord and will likely incur substantial costs in protecting its investment and re-letting property. If significant leases are terminated, the Client could be unable to lease property for the rent previously received or sell an investment without incurring a loss. These events could limit distributions and decrease the value of an investment. A client could experience higher rates of lease default or termination in the event of a downturn in a particular industry or market than it would if the tenant base were more diversified. A Client's revenue from, and the value of the investments in, the Client's portfolio will be affected by a number of factors, including a deterioration in the financial condition of

a particular tenant and the corresponding downgrading of its credit rating. These factors could have a material adverse effect on the Client.

Risks Associated with the Blue Owl Real Estate Net Lease Strategy

- REIT Risks

Clients could hold investments through an entity that intends to qualify for tax treatment as a REIT. A REIT is subject to various complex qualification requirements, including quarterly requirements relating to the nature of its gross assets, annual gross income tests, minimum distribution requirements and requirements relating to the composition of its shareholders. Meeting, or attempting to meet, these requirements could preclude an entity from maximizing its potential pre-tax profits. Moreover, there can be no assurance that an entity will be able to qualify, or remain qualified, as a REIT. To the extent that an entity fails to qualify as a REIT, (subject to certain “cure” provisions, the application of which are highly technical and will not necessarily be available) it will be subject to U.S. federal income tax on its income, without any tax deduction for dividend payments, which could have a significant adverse effect on Clients that hold a direct or indirect interest in the entity, and will be precluded from re-electing REIT status for four years subsequent to the year of such failure. Even if an entity qualifies as a REIT, it will be subject to income tax on any income that it does not distribute, and could be subject to a variety of excise taxes and other taxes and penalties. Holding investments in or through REITs presents additional layers of costs and expenses and increases complexity.

- Leverage Associated with Asset-Backed Security (“ABS”) Issuer

Clients could contribute assets to Asset-Backed Securities pools as a method of refinancing with the goal of returning capital to Clients and decreasing the Client’s basis in the assets. As a result, a Client could own initial equity in the ABS issuers, which could have high levels of leverage by virtue of note issuance. Such leverage is typically associated with complex repayment terms and conditions, including conditions related to credit ratings. Changes in the average credit rating of an asset pool could require various actions including early asset sales, potentially at unfavorable pricing.

- Limited Market for Equity in ABS Issuers

As discussed above, a Client could hold equity in issuers of Asset-Backed Securities, commonly through a limited partnership structure. While ABS assets and issuers can be monetized, restrictions associated with note terms will, in certain cases, require long holding periods. A Client could be required to monetize its equity interests in the issuers themselves, for which there is a limited market. In the event a ready buyer is not available at the time such equity needs to be sold, the Client could be required to sell such equity interests at unfavorable pricing.