
OWL ROCK

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This brochure (the “Brochure”) provides information about the qualifications and business practices of the Private Fund Program sponsored by Owl Rock Capital Advisors LLC (“ORCA”). 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 ORCA is also available on the SEC’s website at www.adviserinfo.sec.gov.

June 25, 2018

Item 2 – Material Changes

This Brochure, dated June 14, 2018, is the initial Brochure prepared by ORCA. In the future, this Item will discuss material changes that are made to the Brochure and provide a summary of such changes.

Item 3 - Table of Contents

Item 2 – Material Changes	1
Item 3 - Table of Contents	2
Important Note About This Brochure	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9 – Disciplinary Information	13
Item 10 – Other Financial Industry Activities and Affiliations	14
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12 – Brokerage Practices	24
Item 13 – Review of Accounts.....	26
Item 14 – Client Referrals and Other Compensation.....	27
Item 15 – Custody	28
Item 16 – Investment Discretion	29
Item 17 – Voting Client Securities.....	30
Item 18 – Financial Information.....	32
Exhibit A – Risks	33

Important Note About This Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product or vehicle advised by ORCA;
- a complete discussion of the features, risks or conflicts associated with any investment product or vehicle advised by ORCA; or
- to be relied on in determining whether to invest in any current or future ORCA-sponsored commingled private fund relying on the exemption from registration as an investment company by virtue of Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the “Investment Company Act”) (each such fund, an “ORCA Private Fund”) or any current or future ORCA-sponsored fund which has elected to be regulated as a business development company under the Investment Company Act (each, an “ORCA BDC” and together with the ORCA Private Funds, the “ORCA Funds”).

As required by the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder (the “Advisers Act”), ORCA provides this Brochure to current and prospective clients and may also provide this Brochure in its discretion to current or prospective investors in an ORCA Private Fund (each an “Investor”), together with other relevant offering materials (as defined below), prior to, or in connection with, such persons’ establishment or consideration of a client relationship or an investment in an ORCA Private Fund.

Persons who receive this Brochure (whether or not from ORCA) should be aware that it is designed solely to provide information about the ORCA Private Funds as necessary to respond to certain disclosure obligations under the Advisers Act. More complete information about each ORCA Private Fund, as well as ORCA’s investment management services in general, is included in the materials that govern a client or Investor relationship with ORCA such as an advisory contract, private placement memorandum and related supplements, limited partnership agreement or other operating agreement (collectively, the “Offering Materials”), certain of which may be provided to current and eligible prospective clients or ORCA Private Fund Investors only by ORCA or another designated party. To the extent that there is any conflict between discussions herein and similar or related discussions in any Offering Materials, the relevant Offering Materials shall govern and control. As such, it is critical that persons who receive this Brochure refer to the information provided in the Offering Materials for a complete understanding of the services to be provided.

In no event should this Brochure be considered an offer of interest in an ORCA Fund or relied upon in determining to invest in an ORCA Fund. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

Item 4 – Advisory Business

Owl Rock Capital Advisors LLC (“ORCA”) is an independent, boutique investment firm formed in 2015, providing investment management services to institutional and individual investors. ORCA is principally owned, through certain intermediary vehicles, by Owl Rock Capital Partners LP (“ORCP” and collectively with all of its affiliates other than the Owl Rock Funds (as defined below), “Owl Rock”; each such entity, an “Owl Rock Entity”). ORCP is wholly-owned by Owl Rock affiliated individuals.

ORCA’s investment strategy focuses primarily on originating and making loans to, and making debt and equity investments in, U.S. companies. ORCA will invest client assets in instruments such as senior secured or unsecured loans, subordinated loans or mezzanine loans and equity-related securities including warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company’s common equity.

ORCA provides these services as the adviser to pooled investment vehicles, including the ORCA Private Funds and the ORCA BDCs. As of March 31, 2018, ORCA managed approximately \$7.2 billion on a discretionary basis.

The ORCA Private Funds

Owl Rock First Lien Fund, L.P. (“First Lien Fund”) is organized as a Delaware limited partnership. ORCA serves as the investment manager; an Owl Rock Entity is the general partner.

The First Lien Fund’s investment strategy focuses primarily on originating primary transactions in and, to a lesser extent, secondary transactions of first lien senior secured loans in or related to middle market businesses based primarily in the United States. The First Lien Fund may also invest, on a limited basis, in other types of debt and debt-related securities in or related to middle market businesses based primarily in the United States.

ORCA does not tailor advice given to an ORCA Private Fund based on the individualized needs of any particular Investor. Each Investor in an ORCA Private Fund must consider whether that ORCA Private Fund meets such Investor’s investment objectives and risk tolerances prior to investing.

The ORCA BDCs

ORCA also manages the ORCA BDCs whose investment strategy focuses primarily on originating and making loans to, and making debt and equity investments in, U.S. middle market companies. The ORCA BDCs will invest in senior secured or unsecured loans, subordinated loans or mezzanine loans and, to a lesser extent, equity-related securities and warrants. This Brochure generally covers ORCA’s Private Fund Program. More information about the ORCA BDCs can be found on

Owl Rock's website (www.owlrock.com) or by contacting ORCA at the phone number or address on the cover page of this Brochure.

Refer to [Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss](#) and [Item 13 – Review of Accounts](#) for further discussion on ORCA's investment process for the ORCA Private Funds.

Item 5 – Fees and Compensation

Management Fees

The ORCA Private Funds compensate ORCA for its investment management services through an annual management fee with respect to each Investor, payable quarterly in advance. Management fees charged with respect to each Investor may be negotiable and are typically equal to a percentage of the sum of the aggregated unfunded subscriptions and the fair value of investments, including the fair value of any investments attributable to any leverage used for the purpose of, or related to, making investments for the ORCA Private Fund.

Subject to the relevant Offering Materials, management fees may be offset by the ORCA Private Fund Investors' share of any directors' fees, origination fees, monitoring fees, commitment fees, transaction fees, closing fees and break-up fees received by ORCA or the ORCA Private Fund's general partner with respect to any investment made by the ORCA Private Fund. Owl Rock Entities may receive arrangement fees related to services provided as lead arranger that will not be included in the management fee offset described above. Refer to [Item 14 – Client Referrals and Other Compensation](#) for additional information about these arrangement fees.

Fees are deducted directly from the account of each ORCA Private Fund. Should an ORCA Private Fund liquidate during a quarterly period, any prepaid, unearned fees will be refunded.

Performance Fees

The ORCA Private Funds do not pay a performance-based fee to ORCA. Refer to [Item 6 – Performance-Fees and Side-By-Side Management](#) for additional information.

Additional Expenses

The fees described above cover only ORCA's investment management services. The ORCA Private Funds will also bear, directly and indirectly, certain additional expenses.

Each ORCA Private Fund typically pays, or reimburses ORCA for, operating expenses and organizational expenses related to such ORCA Private Fund. Expenses permitted to be charged to a specific ORCA Private Fund are set out in the relevant Offering Materials.

Operating expenses for an ORCA Private Fund typically include those related to the operation and liquidation of such ORCA Private Fund 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 ORCA 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; meetings of such ORCA Private Fund's advisory board or limited partners; interest expense on borrowed money; taxes, duties and other governmental charges; liquidation of such ORCA Private Fund; administrative expenses; costs related to services provided to such ORCA Private Fund by the Owl Rock 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 and such other expenses as may be set forth in the relevant Offering Materials.

Organizational expenses for an ORCA Private Fund typically include those related to the offering and sale of limited partnership interests to prospective Investors and the organization of such ORCA Private Fund including any related legal payments, travel expenses, printing, capital raising, accounting, regulatory compliance, In-House Costs (as defined above), administrative, filing or other organizational expenses. Subject to the relevant Offering Materials, organizational expenses with respect to an ORCA Private Fund in excess of a certain amount and any placement fees will either be borne by ORCA or borne by the relevant ORCA Private Fund and offset against the management fee. Refer to [Item 14 – Client Referrals and Other Compensation](#) for additional information about placement arrangements and related fees.

In connection with investments made by the ORCA Funds, and as discussed above, an Owl Rock Entity may receive arrangement, structuring or similar fees from portfolio investments in which an ORCA Fund 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 clients/ORCA Private Fund Investors and prospective clients/ORCA Private Fund Investors refer to the relevant Offering Materials for a complete understanding of how ORCA is compensated for its investment management services. The information contained in this section 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

ORCA is 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 may arise from its simultaneous management of these accounts and the procedures it has in place to mitigate these conflicts.

As of the date of this Brochure, the ORCA Private Funds do not pay a performance-based fee to ORCA. In addition, while the ORCA BDCs allow for a performance-based fee to be paid either currently or in the future based on certain circumstances, the ORCA BDCs do not currently pay a performance-based fee to ORCA.

Side-by-Side Management

ORCA and its affiliated investment advisers (the “Owl Rock Advisers” and any client advised by an Owl Rock Adviser, an “Owl Rock Fund”) 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 between clients. In addition, Owl Rock employees will generally have investments or other financial interests in the Owl Rock Funds, some of which may be more significant than others. As such, there may be incentives for the Owl Rock Advisers to favor one client over another, which constitutes a potential conflict of interest. Refer to [Item 10 – Other Financial Industry Activities and Affiliations](#) for additional information regarding the Owl Rock Advisors.

In order to manage such potential conflicts, client portfolios are reviewed regularly under the supervision of the investment committee of each Owl Rock Fund (each, an “Investment Committee”) (refer to [Item 13 – Review of Accounts](#)). In addition, the Owl Rock Advisers maintain an investment allocation policy (refer to [Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#) and [Item 12 – Brokerage Practices](#)) designed to ensure that (i) each client is provided the opportunity to participate in all investments sourced by the Owl Rock Advisers which are suitable for the client, taking into consideration the client’s existing portfolio and its 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.

Item 7 – Types of Clients

ORCA provides investment advisory services to:

- the ORCA Private Funds
- the ORCA BDCs

Investors in the ORCA Funds include:

- advisory firms
- corporations
- corporate pension plans
- endowments
- family offices
- foundations
- high net worth individuals
- institutions
- insurance companies
- non-profit organizations
- Owl Rock employees
- public pension plans

ORCA Private Fund Investors are subject to applicable suitability requirements and must be “accredited investors” (as defined in Regulation D under the U.S. Securities Act of 1933, as amended) and, in most cases, “qualified purchasers” (as defined under the Investment Company Act).

In addition, ORCA Private Fund Investors must meet certain stated minimum commitments as set out in the Offering Materials for the relevant ORCA Private Fund. These minimum commitments, which can vary by ORCA Private Fund, can be individually waived, increased or decreased at ORCA’s discretion.

ORCA may enter into side letters or other arrangements with certain ORCA Private Fund Investors which can modify or add to any of the terms in the relevant ORCA Private Fund’s Offering Materials, including fee reductions, waivers or sharing arrangements or other modifications.

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

As discussed in [Item 4 – Advisory Business](#), ORCA focuses primarily on originating and making loans to, and making debt and equity investments in, U.S. companies. ORCA will invest client assets in senior secured or unsecured loans, subordinated loans or mezzanine loans and equity-related securities including warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company's common equity.

Origination and Sourcing. Owl Rock investment personnel (the "Investment Team"), using their extensive 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, ORCA's 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 Owl Rock'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, ORCA 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. Approval of any investment requires the unanimous approval of the relevant Investment Committee.

Refer to [Item 13 – Review of Accounts](#) for discussion of ORCA’s ongoing portfolio monitoring process.

Client Risks

Set forth below is an overview of the primary risks associated with an investment in the ORCA Private Funds, each of which is more fully discussed in [Exhibit A](#). However, it is not possible to identify all of the risks associated with investing. It is critical that Investors and prospective Investors in an ORCA Private Fund consult their Offering Materials for a complete understanding of the significant risks associated with their investments. The information contained herein is a summary only and qualified in its entirety by the relevant Offering Material.

The following is a non-exhaustive list of the more common risks that ORCA Private Fund Investors should consider in connection with an investment program of the kind described herein:

- lack of sufficient investment opportunities and competition for investments;
- illiquidity, lack of current distributions and limited transferability of interests in ORCA Private Funds;
- risks associated with leveraged investments;
- general market and credit interest rate risks that affect debt instruments generally;
- risks related to the low interest rate environment and changes in interest rates;
- reliance on ORCA and portfolio company management;
- risks associated with non-controlling investments;
- risks associated with non-specified investments and discretion in determining how contributed capital is used;
- need for follow-on investments;
- risks associated with reinvestment of capital;

- risks particular to investments in senior secured loans, mezzanine loans, equity-related investments, non-investment grade investments and middle market companies;
- risk that the stated maturity of debt instruments may exceed the term of an ORCA Private Fund;
- potential lack of diversification and limited number of portfolio companies;
- risks associated with portfolio company leverage;
- defaults by portfolio companies;
- restricted nature of investment positions; and
- repayment of a significant portion ORCA Private Fund assets is subject to the obligor's ability to refinance such assets at or prior to their maturity.

While ORCA 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 ORCA's investment program will be successful. ORCA Private Fund Investors should understand that they could lose some or all of their 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 on potential conflicts of interest.

Item 9 – Disciplinary Information

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

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

Item 10 – Other Financial Industry Activities and Affiliations

ORCA is principally owned, through certain intermediary vehicles, by ORCP which is independently owned and managed. ORCP is wholly-owned by Owl Rock affiliated individuals. Other operating entities owned by ORCP include Owl Rock Capital Securities LLC (“Owl Rock Securities”), ORTA LLC (“ORTA”) and Owl Rock Capital Private Fund Advisors LLC (“ORPF”).

ORCA serves as investment adviser to two ORCA BDCs, Owl Rock Capital Corporation (“ORCC”) and Owl Rock Capital Corporation II, which have each elected to be regulated as business development companies under the Investment Company Act. ORCC is a party to a joint venture (the “JV”) that operates an investment strategy that can directly or indirectly overlap with the potential targeted investments of an ORCA Private Fund. The JV is managed jointly by its members, each of which has equal voting rights; officers of ORCC are authorized to manage ORCC’s investment in the JV. While ORCA does not manage the JV and the JV is not subject to the Owl Rock Advisers’ allocation policy, ORCA may share investment research with the JV. Officers of ORCC are also officers of ORCA.

Owl Rock Securities is a FINRA regulated limited purpose broker-dealer. Owl Rock Securities shares office space with ORCA and from time to time, employees of ORCA will also be registered representatives of Owl Rock Securities. Registered representatives of Owl Rock Securities may sell interests in the ORCA Private Funds or, as applicable, provide support to intermediaries that sell interests in the ORCA Private Funds. Owl Rock Securities may itself act as a placement agent/distribution agent for interests in the ORCA Private Funds. Owl Rock Securities does not perform any trading or related services for any of the ORCA Private Funds. In addition, neither Owl Rock Securities nor its registered representatives receive any commissions or other fees from the sale of ORCA Private Funds to investors.

ORTA and ORPF are in the process of registering as investment advisers with the SEC. Once registered, ORTA and ORPF will share common officers, partners, employees, consultants or persons occupying similar positions as well as office space and investment research with ORCA. In addition, it is anticipated that clients of the Owl Rock Advisers will participate in the same or similar investments. The Owl Rock Advisers will seek to allocate these transactions and investment opportunities among their clients in a manner they believe to be as equitable as possible over time, while considering each client’s objectives, programs, limitations and capital available for investment. Refer to [Item 12 – Brokerage Practices](#) for a further discussion on the Owl Rock Advisers’ allocation policy.

Owl Rock Entities are the general partners to the ORCA Private Funds. The general partners to the ORCA Private Funds share common owners, officers, partners, employees, consultants and/or persons occupying similar positions with ORCA. In addition, in many cases, Owl Rock employees will be limited partners in the ORCA Private Funds.

Refer to [Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#) for a further discussion on potential conflicts of interest.

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

The Owl Rock 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 Owl Rock Advisers meet their obligations to clients and to instill a culture of compliance within Owl Rock.

The Code of Ethics is distributed to each employee at the time of hire and annually thereafter. The Owl Rock 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 have read and are in compliance with the Code of Ethics.

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

Potential Conflicts of Interests

The Owl Rock Advisers offer different products and services and there are various potential conflicts of interest which may arise, including but not limited to those listed below. The Owl Rock Advisers have adopted, and will continue to maintain, policies and procedures to address these potential conflicts of interest.

Potential Conflict of Interest	Mitigating Policies
The Owl Rock Advisers provide investment advisory services to multiple clients. In addition, it is anticipated that the Owl Rock Advisers will act as investment manager to other investment vehicles and accounts in the future. As a result, the Owl Rock Advisers may have a conflict of interest in allocating the time and resources of employees between and among their clients.	Owl Rock employees will devote as much of their time to each client as deemed reasonably required in order to perform the Owl Rock Advisers' duties to each client as required by the relevant Offering Materials.
<p>The Owl Rock Advisers serve as investment manager for the Owl Rock Funds, some of which may have investment objectives similar to that of another Owl Rock Fund.</p> <p>The Owl Rock Advisers may deem it appropriate to (i) direct certain relevant investment opportunities to one Owl Rock Fund while not making a similar investment for another Owl Rock Fund or (ii) cause more than one Owl Rock Fund to invest in the same opportunity.</p> <p>The Owl Rock Advisers' allocation of investment opportunities among the Owl Rock Funds may not always, and often will not, be proportional.</p>	<p>Owl Rock employees invest, and at times may invest significantly, in each Owl Rock Fund. This operates to align Owl Rock's interest with the interest of the Investors in each Owl Rock Fund.</p> <p>The Owl Rock Advisers maintain policies and procedures relating to investment allocation. The Owl Rock 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 client's objectives, programs, limitations and capital available for investment. Refer to <u>Item 12 – Brokerage Transactions</u> for further details.</p> <p>Furthermore, all investment decisions require unanimous approval of the relevant Investment Committee. Refer to <u>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</u> and <u>Item 13 – Review of Accounts</u> for further details.</p>
At times, an ORCA Private Fund may make an investment in a portfolio company in conjunction with an investment made by another ORCA Private Fund in a different part of the capital structure of the portfolio company. This may result in differences between the ORCA Private Funds in price, investment terms, leverage and associated costs.	When deciding whether to approve an investment, the relevant Investment Committee will review the investment in the context of each ORCA Private Fund's (i) investment objectives and guidelines as set forth in its Offering Materials and (ii) investment performance. All investment decisions require unanimous approval of the relevant Investment Committee. Refer to <u>Item 8 – Methods of Analysis, Investment</u>

Potential Conflict of Interest	Mitigating Policies
In addition, these ORCA Private Funds may not exit the investment at the same time or on the same terms. As such one ORCA Private Fund's return on the investment may not be the same as that of another participating ORCA Private Fund.	<u>Strategies and Risk of Loss</u> and <u>Item 13 – Review of Accounts</u> for further details.
Owl Rock employees may invest in the Owl Rock Funds. These investments are generally on the same terms and conditions as Investors except that employees are not subject to management fees or carried interest (where applicable).	The Owl Rock 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 Owl Rock Advisers' clients. Among other things, the Code of Ethics requires that the Owl Rock 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.
When an employee is responsible for portfolio management of multiple Owl Rock Funds, such employee may have an incentive to favor the Owl Rock Fund in which (s)he is invested or otherwise entitled to share in returns or fees.	
In addition, an Owl Rock Entity, as general partner to an ORCA Private Fund, will have an indirect beneficial interest in the investments owned by such ORCA Private Fund, and will share in any profits and losses generated by such investments.	Furthermore, all investment decisions require unanimous approval of the relevant Investment Committee. Refer to <u>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</u> and <u>Item 13 – Review of Accounts</u> for further details.
There may be limited capacity in an investment the Owl Rock Advisers are seeking to effect for the Owl Rock Funds, and ORCA may need to apply discretion when allocating the available capacity to the ORCA Funds.	The Owl Rock Advisers maintain policies and procedures relating to investment allocation. The Owl Rock 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 client's objectives, programs, limitations and capital available for investment. Refer to <u>Item 12 – Brokerage Transactions</u> for further details.
The Owl Rock Advisers and Owl Rock employees may have investments or other financial interests in ORCA Funds to which ORCA is considering allocating the available capacity.	
Furthermore, each ORCA Fund has its own fee structure and as such, ORCA may manage some ORCA Funds that pay performance fees on certain or all investments alongside ORCA	

Potential Conflict of Interest	Mitigating Policies
<p>Funds that do not pay any performance fees and, where ORCA Funds pay performance fees, these payments may be made at different net rates or subject to different calculation methodologies.</p> <p>ORCA may have an economic incentive to allocate more favorable investment opportunities to an account from which they receive a performance payment. Refer to <u>Item 6 – Performance-Based Fees and Side-By-Side Management</u> for further details.</p> <p>Similar conflicts of interest could exist for the Owl Rock Advisers with respect to allocation of investment opportunities between the Owl Rock Funds.</p>	
<p>ORCA manages the ORCA BDCs, one of which is a party to a joint venture (the “JV”) that has an investment strategy that can directly or indirectly overlap with the potential targeted investments of an ORCA Private Fund. Circumstances and situations may arise in which potential investment opportunities satisfy the investment objectives of the ORCA Private Fund as well as those of the JV. Refer to <u>Item 10 – Other Financial Industry Activities and Affiliations</u> for further discussion.</p>	<p>The Chief Compliance Officer reviews all investments made by the JV. Information reviewed includes (i) whether the investment has capacity constraints, (ii) whether the investment is also being made by ORCA clients and if not, the reason(s) why and (iii) if ORCA is making such investment for its clients, whether the terms received by the JV are better than those received by ORCA clients.</p>
<p>On occasion, Owl Rock employees may have personal investments in a portfolio company that ORCA has recommended to the ORCA Funds.</p>	<p>The Owl Rock Advisers’ personal securities trading policies require employees to (i) with limited exception, pre-clear all personal securities transactions (ORCA currently permits limited employee personal trading); (ii) report personal securities transactions on at least a quarterly basis; and (iii) provide ORCA annually with a detailed summary of certain holdings and securities accounts over which such employees have a direct or indirect beneficial interest.</p>

Potential Conflict of Interest	Mitigating Policies
	In instances where personal investments in portfolio companies recommended to or held by the ORCA Funds are permitted, these employees will not be permitted to be involved in the investment decision making process regarding that portfolio company.
Certain ORCA Private Funds have a fixed investment period after which capital from limited partners generally may only be drawn down in limited circumstances. As the management fee can, at certain times during the life of these ORCA Private Funds, be calculated based upon the invested capital of such ORCA Private Fund, the management fee structure can create an incentive for ORCA to deploy capital when it might not otherwise have done so.	All investment decisions require unanimous approval of the relevant Investment Committee. Refer to <u>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</u> and <u>Item 13 – Review of Accounts</u> for further details.
ORCA, at times, incurs expenses that are allocable to more than one ORCA Fund or one or more Owl Rock Entity and/or ORCA Funds.	ORCA maintain policies and procedures relating to the allocation of expenses. ORCA allocates expenses on a basis that it considers fair and equitable under the circumstances. The allocation of expenses may not be proportional as such determinations involve inherent discretion, e.g., in determining whether to allocate pro rata based on the number of clients receiving related benefits or proportionately in accordance with asset size.
Owl Rock employees and/or other related persons may serve as director, on the advisory board or in a similar capacity of a portfolio company in which the Owl Rock Funds invest. This generally enables the Owl Rock Advisers to obtain a better understanding of the operations of the portfolio company.	The Owl Rock Advisers maintain policies and procedures relating to the prevention and misuse of material non-public information including the establishment of a restricted list, limitations on employees’ personal trading and controls with respect to the acceptance, use and handling of confidential information by Owl Rock employees.
Through these and other relationships with a portfolio company, these employees may obtain material non-public information that might restrict the Owl Rock Advisers’ ability to transact in securities or other investments in the company.	

Potential Conflict of Interest	Mitigating Policies
Owl Rock employees may engage in business activities outside of their employment with Owl Rock.	<p>The Chief Compliance Officer must approve any outside business activity. Outside business activities which are likely to represent a material conflict of interest with Owl Rock's businesses are also subject to additional approval requirements and are typically not permitted.</p> <p>In instances where these outside affiliations are permitted, employees with an affiliation to a portfolio company held by an Owl Rock Fund which is outside their employment with Owl Rock will not be permitted to be involved in the investment decision making process regarding that portfolio company.</p> <p>All investment decisions require unanimous approval of the relevant Investment Committee.</p>
Investors may have conflicting investment, tax and other interests with respect to an ORCA Private Fund's investments. As a consequence, conflicts of interest may arise in connection with decisions made by ORCA that may be more beneficial for one Investor than another Investor. The results of the ORCA Private Fund's investment activities may affect individual Investors differently, depending on their different situations.	In selecting and structuring investments for an ORCA Private Fund, ORCA will consider the investment and tax objectives of the ORCA Private Fund as a whole and not the objectives of any Investor individually. However, there can be no assurance that a result will not be more advantageous to some Investors than to other Investors.
Where appropriate and in the best interest of both clients, ORCA could cause one ORCA Private Fund to purchase an investment from or sell investments to another ORCA Private Fund ("Cross Transactions"). This would typically be done for purposes of rebalancing portfolios, in order to further such participating ORCA Private Funds' investment programs or for other reasons consistent with the investment and operating guidelines of such participating ORCA Private Funds.	<p>Cross Transactions are reviewed by the relevant Investment Committee and require unanimous consent.</p> <p>Generally, the value of any positions that are cross-traded in this manner will be determined in a manner that is consistent with ORCA's valuation policies.</p> <p>ORCA and its affiliates earn no compensation as a result of such transactions.</p>

Potential Conflict of Interest	Mitigating Policies
	Unless already approved by the ORCA Private Fund in its Offering Materials, ORCA will obtain the written consent of the relevant ORCA Private Fund's advisory board prior to effecting the transaction.
<p>On occasion, an Owl Rock Entity may have a controlling interest in one of the ORCA Private Funds participating in a Cross Transaction and as a result, be deemed to be acting as principal in the trade.</p> <p>In addition, to the extent permitted in an ORCA Private Fund's Offering Materials and by applicable law, ORCA may engage in transactions with an ORCA Private Fund and/or its portfolio companies for its own account, including, for example, where an investment in a portfolio company has been bridged or otherwise warehoused by an Owl Rock Entity prior to funding by an ORCA Private Fund.</p>	<p>In the event an Owl Rock Entity is deemed to be acting as principal in a trade or engages in a transaction with an ORCA Private Fund and/or its portfolio companies for its own account, ORCA will obtain written consent from the relevant ORCA Private Fund's advisory board prior to effecting the transactions.</p>
<p>In connection with investments made by the ORCA Funds, an Owl Rock Entity may receive arrangement, structuring or similar fees from portfolio investments in which an Owl Rock Fund may invest or propose to invest.</p> <p>These types of arrangements may provide ORCA with an incentive to recommend investments based on compensation received or to be received rather than solely on the best interests of an Owl Rock Fund.</p> <p>Refer to Item 5 – Fees and Compensation and Item 14 – Client Referrals and Other Compensation for further discussion.</p>	<p>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.</p> <p>All investment decisions require unanimous approval of the relevant Investment Committee.</p>
<p>An Owl Rock employee may also serve on the Board of Directors of an Owl Rock Fund.</p>	<p>The Owl Rock Advisors' Code of Ethics addresses acceptable standards of business conduct and covers among other things, conflicts of interest, fiduciary obligations and employees' responsibilities to the Owl Rock Advisors' client. Among other things, the</p>

Potential Conflict of Interest	Mitigating Policies
	Code of Ethics requires that the Owl Rock Advisors 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.
While ORCA selects broker-dealers, counterparties and service providers for the ORCA Funds in accordance with its fiduciary obligations, from time to time, such parties or their employees may also invest in an Owl Rock Fund or provide services to an Owl Rock Entity.	The Owl Rock 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 Owl Rock Advisers' client. Among other things, the Code of Ethics requires that the Owl Rock 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.

Item 12 – Brokerage Practices

Selection of Brokers

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

From time to time, however, ORCA may effect transactions through broker-dealers. In executing portfolio transactions and selecting brokers or dealers, ORCA seeks the best overall terms available on behalf of its clients. In assessing these terms, ORCA may determine it appropriate to cause the ORCA Private Funds to pay commissions in excess of the amount another broker or dealer would have charged for the same transaction, if ORCA 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 ORCA Private Funds' portfolio, and constitutes the best net results for the ORCA Private Funds.

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

ORCA does not currently participate in any soft dollar arrangements. In addition, ORCA does not receive client or Investor referrals from broker-dealers.

Aggregation and Allocation of Orders

The Owl Rock Advisers have implemented procedures that they believe are reasonably designed to mitigate the potential conflicts of interest that can arise when allocating investments among client accounts. These policies are designed to ensure that (i) each client is provided the opportunity to participate in all investments sourced by the Owl Rock Advisers which are suitable for the client, taking into consideration the client's existing portfolio and its 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.

The Owl Rock Advisers' process for making an allocation determination includes an assessment as to whether a particular investment opportunity is suitable for each Owl Rock Fund they manage. In making this assessment, the Owl Rock Advisers may consider a variety of factors, including, without limitation: the investment objective, guidelines and strategies applicable to an Owl Rock Fund, the nature of the investment (including its risk return profile and expected holding period), portfolio diversification and concentration concerns, the liquidity needs of an Owl Rock Fund and regulatory requirements and restrictions, including as applicable compliance with the Investment Company Act and the terms of the exemptive order granted to the Owl Rock Advisers and the Owl Rock Funds by the SEC, and specifically the requirements pertaining to certain co-investment transactions between the Owl Rock Funds.

Item 13 – Review of Accounts

Monitoring and Review

Subsequent to an initial investment, the Investment Team, under the supervision of the relevant Investment Committee, monitors the financial trends of each portfolio company to determine if it is meeting its business plans and to assess the appropriate course of action with respect to the ORCA Private Fund's investment in each portfolio company. ORCA evaluates and monitors the performance and fair value of the ORCA Private Funds' investments using one or more of the following methods:

- assessment of success of the portfolio company in adhering to its business plan and compliance with covenants;
- periodic and regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments;
- comparisons to other companies in the portfolio company's industry;
- attendance at, and participation in, board meetings; and
- review of monthly and quarterly financial statements and financial projections for portfolio companies.

Through its quarterly portfolio review process, the Investment Team meets to discuss each portfolio investment held in a client account.

Additionally, ORCA monitors all portfolio investments on behalf of each client account on an ongoing basis. Investments are reviewed by members of the Investment Team, under the supervision of the relevant Investment Committee, in the context of each ORCA Private Fund's (i) adherence to the investment objectives and guidelines as set forth in its Offering Materials and (ii) investment performance.

Reporting

ORCA provides reports to the Investors in the ORCA Private Funds as required by the relevant ORCA Private Fund's Offering Materials or as otherwise agreed to with an Investor. Typically, ORCA Private Fund Investors can expect to receive:

- quarter capital account statements;
- quarterly unaudited financial statements;
- annual audited reports; and
- year-end information for U.S. tax filings.

Item 14 – Client Referrals and Other Compensation

Owl Rock and its employees do not receive any economic benefits (such as sales awards or other incentives) for providing investment advice or other advisory services to clients of ORCA, from any person who is not a client of ORCA.

In connection with investments made by the ORCA Funds, an Owl Rock Entity may receive arrangement, structuring or similar fees from portfolio investments in which an Owl Rock Fund may invest or propose to invest. The potential for such economic benefits can create conflicts of interest as ORCA may have economic incentives to recommend portfolio investments that provide such benefits. Refer to [Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#) for a further discussion on potential conflicts of interest.

From time to time, ORCA may enter into agreements with third-party placement agents or finders that would provide for a payment to the placement agent/finder in the event that a prospective ORCA Private Fund Investor, introduced to ORCA by such placement agent/finder, invests in an ORCA Private Fund =. ORCA would be responsible for the placement agent/finder's fees, and the Investor will not be responsible for any increased or additional fees.

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.

ORCA does not physically hold cash or unrestricted certificated securities of the ORCA Private Funds. Cash and certificated securities are held by Qualified Custodians (as defined under the Advisers Act) appointed by each ORCA Private Fund.

ORCA and/or an Owl Rock Entity are deemed to have custody of the cash and securities of each of the ORCA Private Funds by virtue of ORCA’s relationship with such ORCA Private Fund’s general partner and/or by virtue of Owl Rock employees having authority to pay expenses or open accounts on behalf of the ORCA Private Funds.

In accordance with the Custody Rule requirements and relevant SEC staff guidance, each ORCA Private Fund has engaged an independent public accounting firm that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board to audit the ORCA Private Fund annually, and audited financial statements are expected to be provided to that ORCA Private Fund’s Investors within 120 days of such ORCA Private Fund’s fiscal year end.

Item 16 – Investment Discretion

ORCA has discretionary investment authority to manage investments on behalf of each ORCA Private Fund. ORCA assumes this discretionary authority pursuant to the terms of the Offering Materials and powers of attorney executed by the Investors in each ORCA Private Fund.

In exercising this discretion, ORCA will at all times observe the investment policies, limitations and restrictions stated in the relevant ORCA Private Fund's Offering Materials and any applicable side letters or other arrangements with ORCA Private Fund Investors.

Item 17 – Voting Client Securities

Although the portfolio companies in which the ORCA Private Funds invest do not typically issue proxies or require ORCA to vote proxies, ORCA has accepted and will continue to accept the discretionary authority to vote proxies for the ORCA Private Funds. As such, ORCA 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 the ORCA Private Funds and in accordance with ORCA's fiduciary duty to its clients.

ORCA reviews each proposal submitted for a vote on a case-by-case basis to determine its impact on the portfolio securities held by the ORCA Private Funds. Depending on the particular circumstances, ORCA may vote one ORCA Private Fund's securities differently than those of another ORCA Private Fund or may vote differently on specific proposals, even though the securities or proposals are similar or identical. In some instances, ORCA may determine that it is in the ORCA Private Fund'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 securities. That said, ORCA may vote for such a proposal if compelling long-term reasons to vote exist.

ORCA's proxy voting decisions are made by the members of the Investment Team who are responsible for monitoring the portfolio company issuing in the proxy. ORCA 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 ORCA intends to vote on a proposal (in order to reduce any attempted influence from interested parties).

Where ORCA believes that there may be an actual or perceived material conflict of interest, ORCA will, as appropriate under the specific circumstance, (i) consult with legal counsel; (ii) disclose the conflict of interest to the ORCA Private Fund's advisory board and defer to its voting recommendation (in which case consent to the vote must be obtained prior to voting the proxy); or (iii) abstain from 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). ORCA seeks to resolve all potential material conflicts of interest in the best interest of its clients.

Investors in the ORCA Private Funds cannot direct ORCA on how to vote a particular proxy.

Investors may request a copy of ORCA's Proxy Voting Policy 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.

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

ORCA 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 ORCA Private Fund Investors 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. ORCA Private Fund Investors should refer to the Offering Materials for additional information about the specific risks that may apply to their particular investment or investment program.

- 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 ORCA Private Funds plan to make in middle market companies. Certain of these competitors may be 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 ORCA Private Funds. An ORCA Private Fund may 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 an ORCA Private Fund to achieve target returns, and it is possible that an ORCA Private Fund will never be fully invested if enough sufficiently attractive investments are not identified. As set forth in the relevant Offering Materials, investment opportunities may be allocated between an ORCA Private Fund and any other Owl Rock Fund. Even if an ORCA Private Fund is not fully invested, limited partners will be required to bear management fees through an ORCA Private Fund as set forth in the Offering Materials and discussed in [Item 5 - Fees and Compensation](#).

- Illiquidity; Lack of Current Distributions and Limited Transferability of ORCA Private Fund Interests

An investment in an ORCA Private Fund should be viewed as an illiquid investment. There will be no public market for interests in the ORCA Private Funds, and none is expected to develop. The relevant Offering Materials and applicable securities laws impose substantial restrictions upon the transferability of ORCA Private Fund interests. Withdrawals or redemptions of ORCA Private Fund interests are generally not permitted.

It is uncertain as to when profits, if any, will be realized, and losses on unsuccessful investments may be realized before gains on successful investments are realized. Realization of profits or return of capital, if any, generally will occur only upon the payment of interest

from portfolio companies and the repayment of amounts loaned to such portfolio companies. At times, particularly early in the life of an ORCA Private Fund, income may not be available for distribution due to an excess of operating expenses over income.

- Leveraged Investments

Subject to any limitations set forth in the relevant Offering Materials, an ORCA Private Fund may make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company. 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 use of leverage by an ORCA Private Fund can be considered to multiply the leverage effect on investment returns in such ORCA Private Fund, meaning that small changes in the value of the underlying assets may cause larger changes in the value of the ORCA Private Fund. While this effect may be beneficial when markets' movements are favorable, it may result in a substantial or total loss of capital when markets' movements are unfavorable.

The use of leverage by an ORCA Private Fund will result in interest expense and other costs that may not be covered by distributions or investment appreciation. If income on investments made with borrowed funds is less than the costs of the leverage, the value of the assets of such ORCA Private Fund 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.

An ORCA Private Fund 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 ORCA Private Fund would be compensated for providing the guarantee or exposure to liability. An ORCA Private Fund may also incur leverage on a joint and several basis with, or cross-collateralize certain of the obligations of, one or more other Owl Rock Entities. To the extent an ORCA Private Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments, and limited partners may be required to make contributions directly to the lenders.

- 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 ORCA will be successful in assessing the credit risk of portfolio investments or mitigating the impact of credit risk changes on an ORCA Private Fund.

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 an ORCA Private Fund's borrowed securities.

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

Because the ORCA Private Funds intend to borrow money 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. The current, historically low interest rate environment can depress an ORCA Private Fund'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 an ORCA Private Fund's net investment income, reducing its ability to pay distributions or interest and principal on its indebtedness. In periods of rising interest rates, an ORCA Private Fund's cost of funds would increase, which could also reduce its net investment income.

In addition, a substantial amount of the ORCA Private Funds' debt investments are likely to be based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. General interest rate fluctuations may have a substantial negative impact on an ORCA Private Fund's 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 an ORCA Private Fund's business and net investment income.

- Reliance on ORCA and Portfolio Company Management

The success of each ORCA Private Fund 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 ORCA Private Fund's investments in accordance with the terms of its Offering Materials. An ORCA Private Fund'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 ORCA Private Funds. Any failure to manage an ORCA Private Fund's business and its future growth effectively could have a material adverse effect on such ORCA

Private Fund's business, financial condition, results of operations and cash flows. There can be no assurance that the members of the Investment Team upon which ORCA relies will continue to be associated with ORCA throughout the life of any ORCA Private Fund.

Although ORCA will monitor the performance of each ORCA Private Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although each ORCA Private Fund generally intends to invest in companies with strong management, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with an ORCA Private Fund's objectives.

- Non-controlling Investments

The ORCA Private Funds will typically make non-controlling investments, meaning that an ORCA Private Fund 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, an ORCA Private Fund 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 ORCA Private Fund's interests. Because an ORCA Private Fund 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.

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

Contributed capital will be used to finance or invest in portfolio companies that will not be meaningfully described to the limited partners prior to such financing or investment, and ORCA will have broad discretion in determining the specific uses of contributed capital. Limited partners will not have the opportunity to evaluate the economic, financial or other information on which ORCA bases its decisions, and therefore must rely on the judgment and ability of ORCA.

As discussed in [Item 5 - Fees and Compensation](#), each ORCA Private Fund will pay certain expenses, including operating expenses, and may pay other expenses such as due diligence expenses of potential new investments, from contributed capital. An ORCA Private Fund's ability to achieve its investment objective may be limited to the extent that contributed capital is used to pay operating expenses. No assurance can be given that an ORCA Private Fund will be successful in identifying portfolio companies suitable for financing or investment or that, if such financings or investments are made, its investment objectives will be achieved. These factors increase the uncertainty, and thus the risk, of investing in an ORCA Private Fund.

- Need for Follow-On Investments

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

- Reinvestment of Capital

An ORCA Private Fund may reinvest, or distribute and subsequently recall, any net proceeds of fully or partially repaid investments. If such amounts are reinvested, such ORCA Private Fund's limited partners will remain exposed to risks associated with such investments.

Limited partners will need to reserve capital to fund any such recalls. Failure to fund a drawdown could negatively impact the implementation of an ORCA Private Fund's investment strategy or otherwise have a material adverse effect on such ORCA Private Fund or its limited partners.

- Risks Particular to Investments in Senior Secured Loans, Mezzanine Loans, Equity-Related Investments, Non-Investment Grade Investments and Middle Market Companies

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 an ORCA Private Fund makes a first or second lien loan or a unitranche loan to a portfolio company, such ORCA Private Fund 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 ORCA Private Fund 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, an ORCA Private Fund's lien could be subordinated to claims of other creditors. Consequently, the fact that a loan is secured does not guarantee that an ORCA Private Fund will receive principal and interest payments according to the loan's terms, or at all, or that such ORCA Private Fund will be able to collect on the loan if any available remedies are enforced.

Mezzanine Loans. Any mezzanine loan in which an ORCA Private Fund 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 an ORCA Private Fund in the event of an insolvency. This may result in an above average amount of risk and loss of principal.

Equity-Related Investments. Any portfolio company equity securities that an ORCA Private Fund 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, an ORCA Private Fund 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 ORCA Private Fund experiences.

Non-Investment Grade Investments. 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 ORCA 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 an ORCA Private Fund'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 an ORCA Private Fund before it matures, which could cause such ORCA Private Fund 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. An ORCA Private Fund 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 an ORCA Private Fund. 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 an ORCA Private Fund 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.

- Maturity may Exceed the Term of the ORCA Private Fund

Because ORCA expects to actively make portfolio investments through the end of each ORCA Private Fund's investment period, the stated maturity of debt instruments may exceed the term of an ORCA Private Fund. ORCA generally seeks to make debt investments where it expects that the principal amount will be paid prior to the stated maturity of the instrument, but there is no guarantee that borrowers will repay obligations prior to the stated maturity date or that the maturity date or other terms of an instrument will not be modified. Thus, an ORCA Private Fund may not recoup proceeds from certain portfolio investments until such ORCA Private Fund's term has expired and it is in liquidation.

- Potential Lack of Diversification and Limited Number of Portfolio Companies

The ORCA Private Funds do not have fixed guidelines for diversification, and investments may be concentrated in relatively few industries and portfolio companies. To the extent that an ORCA Private Fund assumes large positions with respect to a small number of borrowers or industries, its valuation may fluctuate to a greater extent than that of a more diversified investment company. 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 an ORCA Private Fund is invested could significantly affect its aggregate returns. Lack of sufficient diversification could also limit an ORCA Private Fund's ability to obtain financing.

- Portfolio Company Leverage

An ORCA Private Fund may make investments in portfolio companies with leveraged capital structures, which may impair 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 an ORCA Private Fund'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 an ORCA Private Fund 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 ORCA Private Fund holds. In such a situation, an ORCA Private Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms. While loans to portfolio companies will 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.

- Restricted Nature of Investment Positions

An ORCA Private Fund's investments will typically be difficult to value because there is generally no readily available market for such investments. In limited circumstances, certain investments may be distributed in kind to partners, and it may be difficult for such partners to liquidate the securities received at an ideal price or within an ideal time period.

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

A significant portion of each ORCA Private Fund's assets will 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 an ORCA Private Fund and its limited partners. 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 an ORCA Private Fund's ability to generate attractive investment returns.