
OWL ROCK

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This brochure (the “Brochure”) provides information about the qualifications and business practices of the collateral loan obligation 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.

March 25, 2020

Item 2 – Material Changes

This Brochure, dated March 25, 2020, and is the annual updating amendment to the prior Brochure dated May 24, 2019.

This annual update reflects changes in connection with the November 2019 acquisition by Dyal Capital Partners, L.P., a division of Neuberger Berman (“Dyal Capital Partners”), of a passive, indirect, non-voting minority interest in an Owl Rock Entity.

In addition, in the ordinary course of its annual review of the Brochure, ORCA has provided a general update of the information contained herein including information relating to the launch of additional collateralized loan obligations (“CLO”) funds. ORCA does not consider those changes to be material.

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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 (i) CLO securitizations (the “ORCA CLO Funds”), or (ii) funds which have elected to be regulated as business development companies under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the “Investment Company Act”) (each, an “ORCA BDC” and together with the ORCA CLO 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 of its CLO program. ORCA may also provide this Brochure in its discretion to current or prospective investors (each, an “Investor”) in an ORCA CLO Fund, together with other relevant Offering Materials (as defined below), prior to, or in connection with, such persons’ establishment or consideration of an investment in an ORCA CLO 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 CLO Funds as necessary to respond to certain disclosure obligations under the Advisers Act. More complete information about each ORCA CLO 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, offering circular, indenture, limited liability company agreement or other operating agreement (collectively, the “Offering Materials”), certain of which may be provided to current and eligible prospective ORCA CLO 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 an interest in an ORCA CLO Fund or relied upon in determining to invest in an ORCA CLO Fund. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

Item 4 – Advisory Business

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”).

In November 2019, Dyal Capital Partners acquired a passive, indirect, non-voting minority interest in an Owl Rock Entity. There were no changes in the strategy, management team, investment team, investment process or day-to-day operations of any of the management companies as a result of this transaction.

ORCA provides advisory services to pooled investment vehicles, including the ORCA CLO Funds and the ORCA BDCs. As of December 31, 2019, ORCA managed approximately \$10.7 billion on a discretionary basis and together with the other Owl Rock Advisers (as discussed in [Item 10 – Other Financial Industry Activities and Affiliations](#)) collectively managed approximately \$16.4 billion on a discretionary basis.

The ORCA CLO Funds

Each ORCA CLO Fund is generally organized as a Cayman Islands exempted company. As an ORCA CLO Fund’s investment adviser, ORCA will, among other things, manage the selection, acquisition, reinvestment and disposition of the underlying collateral obligations in the ORCA CLO Fund’s investment portfolio (“Collateral Obligations”). Each ORCA CLO Fund’s investment portfolio consists primarily of middle market loans (and participation interests in middle market loans) that are below investment grade. A substantial portion of these loans are expected to be originated by the ORCA BDCs through their wholly owned subsidiaries (the “Financing Subsidiaries”).

Middle market loans are generally loans extended to obligors with annual earnings before interest, taxes, depreciation and amortization of between \$10 million and \$250 million, and/or annual revenue of \$50 million to \$2.5 billion at the time of investment. These loans share many of the same characteristics as more broadly syndicated loans, including a senior secured position in the borrower’s capital structure and floating rate interest payments. These loans also tend to be privately held and are not often publicly rated.

ORCA does not tailor advice given to an ORCA CLO Fund based on the individualized needs of any particular Investor. Each Investor in an ORCA CLO Fund must consider whether that ORCA CLO 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 CLO 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 CLO Funds.

Item 5 – Fees and Compensation

Management Fees

The ORCA CLO Funds compensate ORCA for its investment management services through an annual management fee based on the value of the assets held by the ORCA CLO Funds and payable quarterly in arrears. Management fees include both a senior base management fee and a subordinated management fee.

Advisory fees paid by the ORCA CLO Funds are indirectly borne by the underlying noteholders and are deducted from the ORCA CLO Funds' assets. ORCA currently waives its rights to receive any portion of the management fees on any payment date.

Performance Fees

The ORCA CLO 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 CLO Funds will also bear, directly and indirectly, certain additional expenses related to the services offered by ORCA.

Each ORCA CLO Fund will pay, or reimburse ORCA for, certain organizational expenses and operating expenses related to such ORCA CLO Fund, as further set out in the related Offering Materials.

Organizational expenses for an ORCA CLO Fund typically include those related to the negotiation, preparation and execution of the ORCA CLO Fund Offering Materials and the offering and sale of the notes issued by the ORCA CLO Fund (the "Notes") to prospective Investors, including any related rating agency expenses, legal payments, travel expenses, printing costs, capital raising, accounting, regulatory compliance, administrative, filing or other related expenses.

Operating expenses for an ORCA CLO Fund typically include those related to the ongoing operation of the ORCA CLO Fund, including but not limited to:

- costs and expenses incurred in connection with the issuance of any additional Notes,
- fees necessary to register any Collateral Obligation in accordance with the Offering Materials,

- expenses in connection with the acquisition, management, disposition, evaluation, rating and pricing of the Collateral Obligations,
- expenses incurred in connection with the rating of the Notes or obtaining ratings or credit estimates on Collateral Obligations,
- expenses incurred to comply with any law or regulation related to the activities of the ORCA CLO Funds,
- taxes, regulatory and governmental charges incurred or payable by the ORCA CLO Funds,
- any and all insurance premiums or expenses incurred in connection with the activities of the ORCA CLO Funds,
- expenses relating to communications with Investors, including expenses related to the preparation and audit of the ORCA CLO Funds' financial statements and financial statements of ORCA or its affiliates, to the extent the ORCA CLO Fund is included in such consolidated financial statements.

In connection with investments made by the ORCA CLO Funds, an Owl Rock Entity may receive arrangement, structuring or similar fees from Collateral Obligations in which an ORCA CLO 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 you 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.

The ORCA CLO Funds do not pay a performance-based fee to ORCA. The ORCA BDCs either currently pay a performance-based fee to ORCA or are expected to pay a performance-based fee to ORCA following a public offering.

Side-by-Side Management

ORCA and its affiliated investment advisers Owl Rock Technology Advisors LLC (“ORTA”) and Owl Rock Capital Private Fund Advisors LLC (“ORPF,” and collectively with ORCA, ORTA and any future affiliated investment adviser, the “Owl Rock Advisers”) provide concurrent advisory services to funds (each an “Owl Rock Fund”) and/or separately management accounts (each an “Owl Rock SMA” and collectively with the Owl Rock Funds, an “Owl Rock Client”) 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 for the Owl Rock Advisers to favor certain Owl Rock Clients over others. 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 Owl Rock 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 Advisers.

In order to manage such potential conflicts, client portfolios are reviewed regularly under the supervision of investment committees made up of Owl Rock management and investment personnel which each oversee one or more Owl Rock Client (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, allocations are fair and equitable over time.

Item 7 – Types of Clients

ORCA provides investment advisory services to:

- The ORCA CLO Funds
- The ORCA BDCs

ORCA CLO Funds

The ORCA CLO Funds are discrete special purpose vehicles (“SPVs”) that hold Collateral Obligations, primarily senior secured middle market loans (and participation interests therein). Such SPVs maintain their own capital structures and generally consist of noteholders and equity investors. CLOs are issued at discrete points in time and are typically closed to new investors once a deal has been issued (subject to future refinancing or extensions, in accordance with the governing documents).

The Investors in the ORCA CLO Funds form the collateral pool to which ORCA serves as the investment adviser. Therefore, ORCA’s client is the SPV, not the underlying noteholders and/or equity investors within these structures. ORCA arranges for the payment of interest and principal to the Investors, and regularly reports to the Investors as to the performance of the Collateral Obligations.

ORCA CLO Fund Investors must be persons that are either (i) not “U.S. persons” (as defined in Regulation S) or (ii) persons that are both Qualified Institutional Buyers (as defined in Rule 144A) and Qualified Purchasers (as defined in the Investment Company Act).

ORCA may enter into side letters or other arrangements with certain ORCA CLO Fund Investors which can modify or add to any of the terms in the relevant ORCA CLO Fund’s Offering Materials, including fee reductions or other modifications (each, a “Side Letter”).

In order to comply with the risk retention rules applicable in the United States and Europe (the “Risk Retention Rules”) it is expected that all or a substantial portion of the equity interests in each ORCA CLO Fund will be purchased and retained by ORCA, an affiliate, or an ORCA BDC as originator (directly or through its Financing Subsidiaries) of a substantial portion of the Collateral Obligations purchased by such ORCA CLO Fund.

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

Investment Strategies for ORCA CLO Funds

ORCA will source and arrange for the purchase of middle market loans (and participation interests therein) for each ORCA CLO Fund according to such fund's concentration limits and other investment criteria (as set out in the applicable Offering Materials). It is anticipated that a substantial majority of the Collateral Obligations for ORCA CLO Funds will be sourced directly from Owl Rock Entities, although ORCA may also acquire Collateral Obligations from third parties. Collateral Obligations may also be substituted or repurchased by the selling Owl Rock Entity in certain circumstances. All Collateral Obligations are subject to review and approval by an ORCA CLO Fund's Investment Committee to ensure each purchase is in the best interest of such ORCA CLO Fund.

The loans purchased by the ORCA CLO Funds, whether originated by an Owl Rock Entity or an unaffiliated third-party, are evaluated and selected by Owl Rock 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. Following diligence of an opportunity, 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. 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 CLO Funds, which are more fully discussed in [Exhibit A](#). However, it is not possible to identify all of the risks associated with investing. It is critical that you consult the relevant Offering Materials for a complete understanding of the significant risks associated with each ORCA CLO Fund. The information contained herein is a summary only and qualified in its entirety by the relevant Offering Materials.

The following is a non-exhaustive list of the more common risks that you should consider:

- general global economic conditions, including risks related to
 - recent developments surrounding Libor, including the potential for Libor to be discontinued and an alternate reference rate to be adopted for the Collateral Obligations and/or the Notes,
 - actions by U.S. federal, state and foreign governments and agencies to address the coronavirus pandemic and market volatility (including interventions in the global financial markets by the Federal reserve and other central banks) and the related impacts on the value of the Collateral Obligations, the value and liquidity of the Notes, the ability of obligors to make timely payments on the Collateral Obligations or the performance of the ORCA CLO Funds generally; and
 - the potential for changes in the regulatory and legal regimes applicable to the Collateral Obligations or the Notes;
- illiquidity in the leveraged finance market;
- international investing, including risks related to
 - financial economic distress in several European nations that may spread and adversely affect collateral issued by obligors located in the European Union, and
 - the United Kingdom's exit from the European Union;
- the ability of the ORCA CLO Funds to acquire suitable Collateral Obligations;
- the suitability of an investment in the Notes for certain Investors;
- investments in senior secured loans, mezzanine loans, non-investment grade investments and middle market companies, including risks related to
 - The mismatch of maturities on the Collateral Obligations and the Notes,
 - Defaults in the Collateral Obligations, and
 - Limited recourse obligations;
- private ratings and credit estimates for the Collateral Obligations;
- the potential for refinancing of the Collateral Obligations; and
- reliance on the skill and expertise of ORCA and portfolio company management.

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. 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 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 and ORPF.

Dyal Capital Partners holds a passive, indirect, non-voting minority interest in an Owl Rock Entity. Dyal Capital Partners has no involvement in the strategy, management team, investment team, investment process or day-to-day operations of Owl Rock.

ORCA serves as investment adviser to two ORCA BDCs, Owl Rock Capital Corporation (“ORCC”) and Owl Rock Capital Corporation II (“ORCC II”), which have each elected to be regulated as business development companies under the Investment Company Act. Both ORCC and ORCC II have wholly owned Financing Subsidiaries that are in the business of originating and making loans to, and making debt and equity investments in, U.S. companies.

Additionally, ORCA serves as investment adviser to the ORCA CLO Funds. The ORCA CLO Funds purchase, and are expected to continue to purchase, middle market loans (and participation interests therein) from one or more Financing Subsidiaries of the ORCA BDCs. Providing investment advisory services to both the ORCA CLO Funds and the ORCA BDCs may create a conflict of interest. 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.

ORTA and ORPF are registered investment advisers with the SEC. ORTA and ORPF 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 Advisors’ allocation policy.

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.

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
<p>ORCA provides investment advisory services to multiple clients, and it is anticipated that ORCA will act as investment manager to other investment vehicles and accounts in the future. Employees of ORCA may also provide services to multiple Owl Rock Advisers and/or Owl Rock Entities.</p> <p>As a result, ORCA may have a conflict of interest in allocating the time and resources of employees between and among its clients. In the course of managing the Collateral Obligations held by the ORCA CLO Funds, ORCA may consider its relationships with other clients and its affiliates.</p>	<p>ORCA employees will devote as much of their time to each client as deemed reasonably required in order to perform ORCA's duties to each client, as required by the Advisers Act and the relevant Offering Materials.</p>
<p>ORCA advises (and receives management fees from) both the ORCA CLO Funds and the ORCA BDCs. A substantial portion of the Collateral Obligations for each ORCA CLO Fund are expected to be purchased from one or more Financing Subsidiaries of the ORCA BDCs. The management fees ORCA is paid for its services to the ORCA BDCs and the ORCA CLO Funds are related to the value of each fund's portfolios. As a result, ORCA may have an incentive to allocate investment opportunities in order to maximize fees.</p> <p>Furthermore, certain ORCA BDCs currently pay, and in the future other ORCA BDCs are expected to pay, performance-based fees on certain or all investments alongside ORCA Funds that do not pay any performance-based fees and, where ORCA Funds pay performance-based fees, these payments may be made at different net rates or subject to different calculation methodologies. ORCA may have an economic incentive to allocate more favorable investment opportunities to an account from which they receive a performance payment. Refer to Item 6 –</p>	<p>In order to comply with the Risk Retention Rules, a significant interest in the Notes of each ORCA CLO Fund must be purchased and retained by ORCA, an affiliate, or the ORCA BDC which originates (directly or through its Financing Subsidiaries) a substantial portion of the Collateral Obligations purchased by such ORCA CLO Fund. This operates to align ORCA's interests with the interests of the Investors in each ORCA CLO Fund.</p> <p>Additionally, ORCA currently waives the management fees for the ORCA CLO Funds and intends to do so wherever receipt of such fees would cause an inequitable result for its clients.</p> <p>Finally, the Owl Rock Advisers maintain policies and procedures relating to investment allocation. ORCA seeks to allocate transactions and investment opportunities among its clients in a manner it believes to be as equitable as possible over time, while considering each client's objectives, programs, limitations and capital available for investment. Furthermore, all investment decisions require unanimous approval of the</p>

Potential Conflict of Interest	Mitigating Policies
<p><u>Performance-Based Fees and Side-By-Side Management</u> for further details.</p>	<p>relevant Investment Committee. Refer to <u>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</u>, <u>Item 12 – Brokerage Transactions</u>, and <u>Item 13 – Review of Accounts</u> for further details.</p>
<p>Certain Owl Rock employees who qualify as eligible purchasers under the relevant Offering Materials may invest in the ORCA CLO Funds. These investments would generally be expected to be on the same terms and conditions as Investors.</p>	<p>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.</p>
<p>Additionally, officers and employees of ORCA, including members of an ORCA CLO Fund’s related Investment Committee, may have investments in the ORCA BDCs and other Owl Rock Funds.</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>
<p>Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to ORCA.</p>	<p>On occasion, Owl Rock employees or members of their family may have personal investments in a portfolio company for which the ORCA BDCs have originated a loan, and such loan may subsequently be sold to an ORCA CLO Fund.</p>
<p>Additionally, Owl Rock employees or members of their families may have an interest in a particular transaction or in obligations or securities of the same kind or class, or obligations or securities of a different kind or class of the same obligor or issuer, as those whose purchase or sale ORCA may direct for the ORCA CLO Funds.</p>	<p>The Owl Rock Advisers’ personal securities trading policies require employees to (i) with limited exception, pre-clear all personal securities transactions (the Owl Rock Advisers currently permits limited employee personal trading); (ii) report personal securities transactions on at least a quarterly basis; and (iii) provide the Owl Rock Advisers annually with a detailed summary of certain holdings and securities accounts over which such employees have a direct or indirect beneficial interest.</p>
	<p>In instances where personal investments in portfolio companies recommended to or held by the ORCA CLO Funds are permitted, these employees will not be permitted to be</p>

Potential Conflict of Interest	Mitigating Policies
<p>ORCA, at times, incurs expenses that are allocable to more than one ORCA CLO Fund or one or more Owl Rock Entity and/or ORCA Fund or Owl Rock Client.</p> <p>In addition, certain Owl Rock Clients may be restricted, either by terms of Offering Materials or by operation of law, from bearing certain expenses that might otherwise be allocable to them.</p>	<p>involved in the investment decision making process regarding that portfolio company.</p> <p>The Owl Rock Advisers 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.</p> <p>Expenses that an Owl Rock Client is restricted from bearing will either be paid by the relevant Owl Rock Adviser or, as permitted, allocated to other appropriate Owl Rock Clients in a manner that is fair and equitable in accordance with the applicable policies and procedures.</p>
<p>ORCA, its affiliates and their respective clients may invest in debt obligations that could be appropriate as Collateral Obligations. Such investments may be different from those made on behalf of the ORCA CLO Funds. ORCA and/or its affiliates may also have ongoing relationships with, render services to or engage in transactions with other issuers of CLOs that invest in assets of a similar nature to those of the ORCA CLO Funds, and with companies whose debt obligations are pledged to secure the Notes, and may own equity or debt obligations issued by issuers of and other obligors of Collateral Obligations.</p> <p>As a result, officers or affiliates of ORCA may possess material non-public information relating to issuers of Collateral Obligations that is not known to the individuals at ORCA responsible for monitoring the Collateral</p>	<p>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.</p>

Potential Conflict of Interest	Mitigating Policies
<p>Obligations and performing the other obligations under the Offering Materials.</p> <p>Owl Rock employees may engage in business activities outside of their employment with Owl Rock.</p>	<p>The ORCA 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 underlying a Collateral Obligation held by an ORCA CLO Fund which is outside their employment with Owl Rock will not be permitted to be involved in the investment decision making process regarding that Collateral Obligation.</p> <p>All investment decisions require unanimous approval of the relevant Investment Committee.</p>
<p>On occasion, an account advised by ORCA may have an interest in a particular transaction ORCA directs an ORCA CLO Fund to take.</p> <p>Specifically, ORCA expects to direct the ORCA CLO Funds to purchase a substantial majority of their Collateral Obligations from certain Financing Subsidiaries of the ORCA BDCs. Although ORCA does not serve as the investment adviser to such Financing Subsidiaries, ORCA holds indirect influence over such Financing Subsidiaries through its investment management of the ORCA BDCs. As a result, such transactions could be viewed under the Advisers Act as a cross transaction between two ORCA clients (a "Cross Transaction").</p> <p>Additionally, following the sale of a Collateral Obligation to an ORCA CLO Fund from a</p>	<p>Cross Transactions are reviewed by the relevant Investment Committees and require unanimous consent. Such Cross Transactions are expected to be executed only where in the best interest of both clients and in compliance with the requirements of the Advisers Act.</p> <p>The value of any Collateral Obligations that are cross-traded will be determined in a manner that is consistent with ORCA's valuation policies (which include periodic third-party valuations) and is generally expected to be the fair market value thereof on the date of acquisition as reasonably determined by ORCA. ORCA CLO Funds and Investors are not expected to have any right to a third-party valuation in connection with any purchase, repurchase or substitution.</p>

Potential Conflict of Interest	Mitigating Policies
<p>Financing Subsidiary, such as Collateral Obligation may be substituted or repurchased by the applicable ORCA BDC or Financing Subsidiary in certain circumstances as set forth in the related Offering Materials, which could be viewed under the Advisers Act as a Cross Transaction.</p>	<p>ORCA and its affiliates earn no compensation directly as a result of such Cross Transactions.</p>
<p>With the prior authorization of an ORCA CLO Fund (which is expected to be given in the relevant collateral management agreement, but which may be revoked at any time), ORCA or its affiliates may, on occasion, enter into a transaction where ORCA or its affiliate acts as broker for the ORCA CLO Funds and for the other party to the transaction. As a result, such transactions could be viewed under the Advisers Act as agency cross transactions (an "Agency Cross Transaction").</p>	<p>Agency Cross Transactions are reviewed by the relevant Investment Committees and require unanimous consent. Such transactions expect to be executed only where in the best interest of the client and in compliance with the requirements of the Advisers Act.</p>
<p>In such case, ORCA or its affiliate will receive commissions from both parties to the transaction, and may have a potentially conflicting division of loyalties and responsibilities to both parties.</p>	
<p>The sale and purchase of Collateral Obligations acquired by the ORCA CLO Funds from the ORCA BDCs and the substitution or repurchase of Collateral Obligations by the ORCA BDCs could be considered principal transactions under the Advisers Act because of the related nature of such entities.</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 Fund and/or its portfolio companies for its own account, ORCA will comply with the necessary disclosure and consent requirements under the Advisers Act.</p> <p>Additionally, the purchase price in any acquisitions by the ORCA CLO Funds in a principal transaction under the Advisers Act will be determined in a manner that is consistent with ORCA's valuation policies (which include periodic third-party valuations) and is generally expected to be the fair market value thereof on the date of acquisition as reasonably determined by ORCA. ORCA CLO Funds and Investors are not expected to have</p>

Potential Conflict of Interest	Mitigating Policies
	any right to a third-party valuation in connection with any purchase, repurchase or substitution.
In connection with investments made by the ORCA CLO Funds, an Owl Rock Entity may receive arrangement, structuring or similar fees from Collateral Obligations in which an ORCA CLO Fund may invest or propose to invest.	Each instance in which an arrangement, structuring or similar fee is charged by an Owl Rock Entity is documented in a memo to file which is reviewed and approved by a member of the relevant Investment Committee.
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 the ORCA CLO Fund.	All investment decisions require unanimous approval of the relevant Investment Committee. Refer to Item 5 – Fees and Compensation and Item 14 – Client Referrals and Other Compensation for further discussion.
While ORCA selects broker-dealers, counterparties and service providers for the ORCA CLO Funds in accordance with its fiduciary obligations, from time to time, such parties or their employees may also invest in an ORCA CLO 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’ 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.
Certain of the investment objectives, methods and strategies that ORCA utilizes in managing the ORCA CLO Funds are similar to those utilized by ORCA in managing other current and future vehicles (“Manager Related Accounts”).	ORCA seeks to allocate transactions and investment opportunities, including opportunities to liquidate Collateral Obligations, 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 Transactions for further details.
Simultaneous identical portfolio transactions for an ORCA CLO Fund and for Manager Related Accounts may tend to decrease the prices received, and increase the prices required to be paid, by an ORCA CLO Fund for its portfolio transactions.	

Potential Conflict of Interest	Mitigating Policies
<p>Further, it may not always be possible or consistent with the investment objectives of an ORCA CLO Fund and the other Manager Related Accounts for the same investments to be taken off or liquidated at the same time or at the same price.</p>	
<p>ORCA may communicate with certain ORCA CLO Fund Investors relating to the composition of the ORCA CLO Fund's investments and/or matters relating to the ORCA CLO Fund. There can be no assurances that such communications will not influence ORCA's decisions.</p>	<p>ORCA's material conflicts of interest related to the formation of each ORCA CLO Fund and the selection of the Collateral Obligations will be disclosed to Investors in the related Offering Materials.</p>
<p>Additionally, ORCA may enter into Side Letters or other arrangements with Investors to waive or rebate portions of the management fees, which may affect the incentives of ORCA in managing the Collateral Obligations.</p>	<p>All purchase and sale decisions for each Collateral Obligation will be subject to review and approval by the relevant Investment Committee and will be executed in compliance with ORCA's fiduciary obligations under the Advisers Act.</p>
<p>Finally, Investors may also be investors in other funds managed by ORCA, including the ORCA BDCs, which may influence ORCA or such Investors' exercise of their rights with respect to the Notes.</p>	

Item 12 – Brokerage Practices

The Collateral Obligations will primarily be sold pursuant to privately negotiated transaction that do not require the use of brokers or the payment of third-party brokerage commissions.

If ORCA chooses to effect a transaction for the purchase or sale of a Collateral Obligation through a broker-dealer, ORCA, in executing portfolio transactions and selecting brokers or dealers, will seek the best overall terms available on behalf of its clients. In assessing these terms, ORCA may find it appropriate to cause the ORCA CLO 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 CLO Fund's portfolio, and constitutes the best net results for the ORCA CLO Funds.

While ORCA generally seeks 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 CLO 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, allocations are fair and equitable over time.

ORCA's process for making an allocation determination includes an assessment as to whether a particular investment opportunity is suitable for each ORCA CLO Fund they manage. In making this assessment, ORCA may consider a variety of factors, including, without limitation: the investment objective, guidelines and strategies applicable to an ORCA CLO 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 ORCA CLO 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 Entities.

Item 13 – Review of Accounts

As provided in the related Offering Materials for the ORCA CLO Funds, the related Investment Committee and other employees will review and monitor the performance and credit quality of the Collateral Obligations on an ongoing basis, including quarterly reviews pursuant to ORCA's internal portfolio monitoring procedures applicable to all ORCA Funds. The Investment Committee and supporting staff will conduct ongoing reviews consistent with ORCA's internal portfolio monitoring procedures for all ORCA Funds. These periodic reviews are generally monthly and quarterly to coincide with reporting requirements under the related Offering Materials and/or the credit agreement, management agreement and/or servicing agreement relating to the Collateral Obligation (the "Loan Documents"). This review includes:

- credit monitoring of the Collateral Obligations;
- monitoring compliance with the stated requirements and tests provided for in the related Offering Materials and Loan Documents; and
- certain calculations and provision of information in reports as may be required.

The related Investment Committee and other employees will also review the Collateral Obligations in connection with the occurrence of certain events, such as, but not limited to, (i) initial sale or purchase, (ii) a material change in credit condition and any actions which may be required, (iii) adverse market events, (iv) substitution or repurchase and (v) changes in portfolio composition for the CLO Fund (due to, but not limited to, items (i) through (iv) above, as well as prepayments or sales of Collateral Obligations) and compliance with stated requirements and tests with respect to the Collateral Obligations as set out in the Offering Materials and the Loan Documents.

Reporting

Monthly reports regarding the ORCA CLO Funds will be made available to Investors by the ORCA CLO Funds and the related trustee as required by the relevant Offering Materials and any related Side Letter. ORCA itself does not formally provide Investor reports for the ORCA CLO Funds. However, an ORCA CLO Fund relies conclusively on the accuracy and completeness of the information, data and certain calculations regarding the Collateral Obligations that has been provided to it by ORCA in making the reports.

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.

From time to time, in connection with the launch of an ORCA CLO Fund, ORCA may enter into agreements with one or more third-party placement agents (each, a “Placement Agent” and such agreements, “Placement Agreements”). Pursuant to such Placement Agreements, a Placement Agent will, on behalf of the ORCA CLO Fund, offer the Notes to Investors for sale from time to time in privately negotiated transactions at varying prices to be determined in each case at the time of sale. The Placement Agent may offer the Notes through its affiliates. The Placement Agent may, but is not obligated to, initially purchase the Notes to facilitate their distribution.

The ORCA CLO Fund will be responsible for the related Placement Agent’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 defines custody as holding or having the authority to obtain possession of client securities or funds.

ORCA does not have custody of the funds or securities of the ORCA CLO Funds.

Item 16 – Investment Discretion

ORCA has discretionary investment authority to manage investments on behalf of the ORCA CLO Funds. ORCA assumes this discretionary authority pursuant to the terms of the related Offering Materials.

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

Item 17 – Voting Client Securities

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 Funds and in accordance with ORCA's fiduciary duty to its clients.

Although the portfolio companies in which the ORCA 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 Funds.

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 Funds. Depending on the particular circumstances, ORCA may vote one ORCA Fund's securities differently than those of another ORCA 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 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 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 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 disclose in 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 should be considered 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 clients and Investors should refer to the related Offering Materials for additional information about the specific risks that may apply to their particular investment or investment program.

General Economic Conditions

Significant risks may exist for the ORCA CLO Funds and Investors as a result of uncertain general economic conditions. These risks include, among others, (i) the possibility that the prices at which Collateral Obligations can be sold by the ORCA CLO Funds will have deteriorated from their effective purchase price, (ii) the illiquidity of the Notes, as there may be no secondary trading in the Notes and (iii) the possibility of a decline in the market value of the Notes. These risks may affect the returns on the Notes to Investors and the ability of Investors to realize their investment in the Notes prior to the stated maturity of the Notes, if at all.

In addition, the primary market for a number of financial products including leveraged loans may be volatile, and the level of new issuances may be uncertain and may vary based on a number of factors, including general economic conditions. As well as reducing opportunities for the ORCA CLO Funds to purchase assets in the primary market, this may increase reinvestment or refinancing risk in respect of maturing Collateral Obligations. These additional risks may affect the returns on the Notes to Investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally. Limitations on the amount of available credit in the market may have an adverse impact on general economic conditions that affect the performance of the Collateral Obligations. A slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the Collateral Obligations. It is possible that the Collateral Obligations will experience higher default rates than anticipated and that performance will suffer.

The market value and performance of the Collateral Obligations and the Notes may be adversely impacted by current and future economic conditions, including perceptions of potential, current or future conditions, market trading imbalances or technical dislocation. To the extent that economic and business conditions deteriorate, the levels of defaults and delinquencies are likely to increase and market values may decrease, which may adversely affect the amount of proceeds that could be obtained upon the sale of the Collateral Obligations and could adversely impact the ability of the ORCA CLO Funds to make payments on the Notes.

The volume of leveraged loans in the primary market fluctuates from time to time. If volume is relatively low, the lack of new loans may make it more difficult for ORCA to acquire Collateral Obligations that it considers appropriate for an ORCA CLO Fund's portfolio and that otherwise satisfy the eligibility criteria described in the related Offering Materials. If ORCA cannot make appropriate investments for an ORCA CLO Fund in a timely manner, it may choose to repay part or all of the Notes and, even if it does not, the returns on the Notes may be substantially impaired.

Illiquidity in the Leveraged Finance Market

The financial markets have experienced substantial fluctuations in prices for leveraged loans and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, the ORCA CLO Funds' ability to acquire or dispose of Collateral Obligations at a price and time that ORCA deems advantageous may be severely impaired, which may impair its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Furthermore, it is expected that substantially all of the Collateral Obligations will have a limited trading market (or none) under any market conditions. Illiquid debt obligations may trade at a discount from comparable, more liquid investments or the ORCA CLO Funds may be unable to sell illiquid debt obligations. The impact of limited liquidity on the global credit markets may adversely affect the management flexibility of ORCA in relation to the portfolio and, ultimately, the returns on the Notes to Investors.

International Investing

Subject to the domicile requirements in the definition of Collateral Obligation and to the concentration limitations, the ORCA CLO Funds may acquire Collateral Obligations that are obligations of obligors or issuers located in countries other than the United States. The obligations of non-U.S. obligors may be subject to various laws enacted in their home countries for the protection of debtors or creditors, which could adversely affect the ORCA CLO Funds' ability to recover amounts owed. These insolvency considerations will differ depending on the country in which each obligor is located and may differ depending on whether the obligor is a non-sovereign or a sovereign entity. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies.

Foreign markets also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the ORCA CLO Funds are uninvested and no return is earned thereon. The inability of the ORCA CLO Funds to make intended Collateral Obligation purchases due to settlement problems or the risk of intermediary counterparty failures could cause the ORCA CLO Funds to miss investment opportunities. The inability to dispose of a Collateral Obligation due to settlement problems could result either in losses to the ORCA CLO Funds due to subsequent

declines in the value of such Collateral Obligation or, if an ORCA CLO Fund has entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling foreign securities, including brokerage, tax and custody costs, also are generally higher than those involved in domestic transactions. Furthermore, foreign financial markets have, for the most part, substantially less volume than U.S. markets, and securities of many foreign companies are less liquid and their prices more volatile than securities of comparable domestic companies. The continuing sovereign debt crisis in certain European countries has also negatively impacted the debt markets in the European Economic Area (“EEA”) and debt markets in countries with significant exposure to the impacted EEA debt markets.

The economies of individual non-U.S. countries also may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources self-sufficiency and balance of payments position.

The ORCA CLO Funds May Not Be Able to Acquire Collateral Obligations that Satisfy the Related Investment Criteria

The ability of the ORCA CLO Funds to acquire Collateral Obligations that satisfy their respective investment criteria (as set out in the related Offering Materials) at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Collateral Obligations. Any inability of the ORCA CLO Funds to acquire Collateral Obligations that satisfy the related investment criteria may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Notes. There is no assurance that the ORCA CLO Funds will be able to acquire Collateral Obligations that satisfy the related investment criteria.

Investor Suitability

An investment in the Notes will not be appropriate for all Investors. Structured investment products like the Notes are complex instruments, and typically involve a high degree of risk and are intended for sale only to sophisticated Investors who are capable of understanding and assuming the risks involved. Moreover, certain prospective Investors may be subject to regulatory requirements that restrict their ability to purchase Notes. Any Investor interested in purchasing Notes should conduct its own investigation and analysis of such investment and consult its own professional advisers as to the risks involved in making such a purchase.

Middle-Market Loans Involve Particular Risks

All or a significant majority of the Collateral Obligations will consist of middle market loans including certain assets that are considered lower middle market loans. Because a more limited number of Investors purchase middle market loans, the trading volume for middle market loans is likely to be relatively illiquid as compared to broadly syndicated loans. As a result, the Collateral

Obligations will be subject to greater risks than investment grade corporate obligations and broadly syndicated leveraged loans.

In addition to limited liquidity, middle market loans may involve a number of additional risks. These companies 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 traditional sources, such as commercial banks. Accordingly, middle market loans involve higher risks than loans made to companies that have larger businesses, greater financial resources or are otherwise able to access traditional credit sources.

Generally, little public information exists about such companies. If the ORCA CLO Funds are unable to uncover all material information about such companies, it may not make a fully-informed investment decision, and may incur losses. Private middle market companies typically have shorter operating histories, less predictable operating results, narrower product lines, and smaller market shares than larger businesses, which characteristics tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Private middle market companies are also more likely to depend on the management talents and efforts of a small group of persons, the loss of which could have a material adverse impact. In addition, private middle market companies may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

Also, middle market businesses might need additional capital to survive an economic downturn. As a consequence, certain loans invested in by the ORCA CLO Funds could be or become nonperforming loans and obligors could default with respect to such loans. Often, a deterioration in an obligor's financial condition and prospects will be accompanied by a deterioration in the value of the collateral securing the related Collateral Obligation, if any, by an inability to obtain refinancing and/or by the need to restructure the Collateral Obligation. These conditions may make it difficult for the ORCA CLO Funds to obtain repayment of the Collateral Obligations. As a result, the Investors may experience a loss on their investment.

The ORCA CLO Funds' investments are not diversified across investment strategies and should not be considered a complete investment program. Such concentration of asset class risk may expose the ORCA CLO Funds to losses disproportionate to those incurred by the market in general or other asset classes if the investments in which the ORCA CLO Funds are concentrated are disproportionately adversely affected economic stress or market volatility. In addition, diversification by obligor and industry classification may not sufficiently reduce losses if middle market loans as an asset class are adversely effected by economic or market conditions.

In the event that an ORCA CLO Fund forecloses on collateral securing a Collateral Obligation, the ORCA CLO Fund will be subject to the costs associated with the ownership and maintenance of such collateral to preserve its value pending sale in accordance with the Indenture.

Private Ratings and Credit Estimates

All or substantially all of the Collateral Obligations held by the ORCA CLO Funds will have private ratings or credit estimates. Credit ratings and credit estimates of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings and estimates may not fully reflect all the risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings or credit estimates in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating or estimate indicates. Further, rating agencies may change credit rating and credit estimate methodology in response to legislative and regulatory initiatives or for other reasons. Consequently, credit ratings and credit estimates of any Collateral Obligation (and the credit ratings of the secured Notes) should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating and estimate reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the Notes. It is possible that many credit ratings or credit estimates of assets included in or similar to the Collateral Obligations will be subject to significant or severe adjustments downward.

Refinancing Risk

A significant portion of the Collateral Obligations will consist of loans for which most or all of the principal is due at maturity. The ability of such obligor to make such a large payment upon maturity typically depends upon its ability to refinance the Collateral Obligation prior to maturity, to generate sufficient cash flow to repay the Collateral Obligation at maturity or to engage in a sale of all or a portion of the business of such obligor, which may be negatively affected by multiple factors. The inability of an obligor to pay could result in losses to the related ORCA CLO Fund and, indirectly, to the Investors.

Significant numbers of obligors on loans may face the need to refinance their debt over the next few years, and significant numbers of collateralized loan obligation transactions (historically an important source of funding for loans) have reached or are close to reaching the end of their reinvestment periods or the final maturities of their own debt. As a result, there could be significant pressure on the ability of obligors on loans to refinance their debt over the next few years unless a significant volume of new collateralized loan obligation transactions or other sources of funding develop. If such sources of funding do not develop, significant defaults in Collateral Obligations could occur, and there could be downward pressure on the prices and markets for debt instruments, including Collateral Obligations.

Reliance on ORCA and Portfolio Company Management

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