

PART 2A OF FORM ADV: FIRM BROCHURE

OFS

OFS Capital Management, LLC

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This brochure provides information about the qualifications and business practices of OFS Capital Management, LLC (“**OFS Management**”). If you have any questions about the contents of this brochure, please contact OFS Management at 847-734-2000 or compliance@ofsmanagement.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about OFS Management is also available via the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) or with any state securities authority does not imply a certain level of skill or training.

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 Client (as defined below) or other investment vehicle advised by OFS Management**
- **a complete discussion of the features, risks or conflicts associated with any advisory relationship or Client**

As required by the Advisers Act, OFS Management provides this Brochure to current and prospective Clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Client, prior to, or in connection with, such persons' investment in the Client (as defined below). Additionally, this Brochure is available through the SEC's Investment Adviser Public Disclosure website.

Persons who receive this Brochure (whether from OFS Management or not) should be aware that the Brochure is intended solely to provide information about OFS Management necessary to comply with disclosure obligations under the Advisers Act. The offering documents, regulatory filings (as applicable), organizational documents, management contracts or other related documents (the "**Governing Documents**") for any Client in which an investor or prospective investor is considering an investment should be read carefully prior to investment. Information in this Brochure may be presented differently from information presented in the Governing Documents or in other public or private disclosures. To the extent there is any conflict between discussions herein and similar or related discussions in any Governing Documents, the relevant Governing Documents shall govern and control. More complete information about each Client is included in the relevant Governing Documents, certain of which may be provided to current and eligible prospective investors only by the Client or by another authorized party.

Item 2 Material Changes

Since we filed our last update to Form ADV Part 2A on November 4, 2022, the following changes have been made to this Brochure:

Item 4: The section entitled, “Advisory Services”, has been updated to reflect that OFS Management may invest, to a lesser extent, in publicly traded corporate bonds on behalf of its Clients.

Item 8 has been updated to disclose OFS Management’s approach to Environmental, Social and Governance (“**ESG**”) within its investment process. Item 8 has also been updated to include changes to certain risk factors relevant to OFS Management and its affiliated advisers in accessing material non-public information on publicly traded issuers in which OFS Clients (as defined below) and Affiliated Clients (as defined below) are currently invested.

On December 22, 2020, the SEC adopted a revised Rule 206(4)-1 (“**Marketing Rule**”) which became effective on November 4, 2022. The revised rule implements a single rule that draws from and replaces the current advertising and cash solicitation rules, Rule 206(4)-1 and Rule 206(4)-3 of the Advisers Act, respectively. This new Marketing Rule governs advertising as well as paid and unpaid solicitation activity (known as “client referrals”). Therefore, Item 14 has been updated to reflect the following changes:

- References to Rule 206(4)-3 have been removed as the rule has been repealed. In addition, the section has been updated to reflect changes to client referrals and other compensation practices as required by the new Marketing Rule.

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Item 4 Advisory Business

Background

OFS Management is a Delaware limited liability company that was organized on March 18, 2010. The sole member and manager of OFS Management is Orchard First Source Asset Management, LLC (“**OFSAM**”), a subsidiary of Orchard First Source Asset Management Holdings, LLC (“**OFSAM Holdings**”). The principal owner of OFSAM Holdings is The OI3 2019 Trust, through its interest in Orchard Investments, LLC, and Richard Ressler is a Trustee of The OI3 2019 Trust. OFS Management is an affiliated adviser of OFS CLO Management, LLC, (“**OFS CLO Management**”) a registered investment adviser organized on December 15, 2016 and OFS CLO Management II, LLC (“**OFS CLO Management II**”), a registered investment adviser organized on August 24, 2022. OFS Management, OFS CLO Management and OFS CLO Management II (collectively, “**OFS Advisors**”) share management, investment and other professionals, advise clients (“**OFS Clients**”) who invest in similar investments, have overlapping investment committees, and are subject to a common compliance program and share a common Chief Compliance Officer (“**CCO**”). OFS CLO Management and OFS CLO Management II have filed their own Form ADVs and have their own brochures. References to OFS CLO Management and/or OFS CLO Management II within this Brochure are to describe conflicts of interest related to them and policies and procedures they jointly adopted with OFS Management.

OFS Management does not have any employees. Most of the persons who provide services to OFS Management, including most of its investment professionals, are employees of Orchard First Source Capital, Inc. (“**OFSC**”), a wholly owned subsidiary (and manager) of OFSAM. Other persons who provide services to OFS Management, including its CCO, are employees of CIM Group, LP and its affiliates. Such persons also provide services to: (a) CIM Group, LP and its SEC-registered investment adviser affiliates (including CIM Capital, LLC (“**CIM Capital**”), CIM Capital’s relying advisers, CIM Capital IC Management, LLC (“**IC Management**”) and CIM Capital SA Management, LLC (“**SA Management**”)), and (b) Orchard Capital Corp. (“**OCC**”), a California corporation controlled by Mr. Ressler, that provides consulting and advisory services to companies in which Mr. Ressler invests. All the services described above are provided via (i) a mutual services agreement among OFSC, CIM Group, and OCC, and (ii) a staffing agreement between OFSC and OFS Management. The same professionals, who service OFS Management, similarly service OFS CLO Management and OFS CLO Management II via (i) the mutual services agreement and (ii) a staff and services agreement between OFSC and each of OFS CLO Management and OFS CLO Management II (the “**Services Agreements**”).

OFS Management focuses primarily on investments in middle-market and broadly syndicated U.S. loans, debt and equity positions in collateralized loan obligations (“**CLO**”), and structured credit investments. OFS Management also expects to provide investment advice in publicly traded securities, specifically corporate fixed income bonds (“**corporate bonds**”). While OFS Management does not currently provide investment advice regarding other types of investments, including other types of debt and equity investments, it may do so in the future. The term “**Middle-Market**” refers to companies that may exhibit one or more of the following characteristics: (i) fewer than 2,000 employees; (ii) revenues between \$15 million and \$300 million; (iii) annual earnings before interest, taxes, depreciation, and amortization (“**EBITDA**”) between \$5 million

and \$50 million; (iv) generally, private companies owned by private equity firms or owners/operators; and (v) enterprise values between \$10 million and \$500 million.

OFS Management Clients

OFS Management serves as the investment adviser to two business development companies (each a “**BDC**” and together, the “**BDCs**”), OFS Capital Corporation and Hancock Park Corporate Income, Inc., a registered closed-end fund (a “**CEF**”), OFS Credit Company, Inc. (collectively with the BDCs, the “**Regulated Funds**”), and certain separately managed accounts (“**SMAs**”). OFS Management does not currently serve as an investment adviser or collateral manager to CLOs but may in the future. OFS Management also serves as sub-adviser to certain affiliated and unaffiliated pooled investment vehicles (“**Sub-Advised Accounts**”). OFS Management’s affiliated advisers, OFS CLO Management and OFS CLO Management II, serve as investment advisers and collateral managers to various CLOs. In the future, OFS Management may serve as investment adviser and/or collateral manager to other funds, including pooled investment vehicles, to be formed. OFS Management refers to each of the BDCs, OCCI, Sub-Advised Accounts, and SMAs, together with future advisory Clients, as each a “**Client**” and collectively as “**Clients**.”

The BDCs

OFS Capital Corporation (“**OFS BDC**”) and Hancock Park Corporate Income, Inc. (“**HPCI BDC**”) are externally managed, closed-end, non-diversified management investment companies that have elected to be regulated as business development companies under the Investment Company Act of 1940, as amended (the “**1940 Act**”). OFS Management provides tailored investment advisory services to each of the BDCs pursuant to an investment management agreement (each, a “**BDC Management Agreement**” and, collectively, the “**BDC Management Agreements**”). As a regulated business development company, each BDC is subject to restrictions on its investments, including the requirement that it invest primarily in “eligible portfolio companies,” as defined in the 1940 Act. Each BDC invests in senior secured loans, which include first lien, second lien, and unitranche loans, as well as subordinated loans and, to a lesser extent, equity securities, in Middle-Market U.S. companies. Each BDC may also invest in CLO mezzanine debt, CLO subordinated notes and CLO loan accumulation facility securities.

The CEFs

OFS Credit Company, Inc. (“**OCCI**”) is a non-diversified, externally managed closed-end management investment company that has registered as an investment company under the 1940 Act. OFS Management provides tailored investment advisory services to OCCI pursuant to an investment advisory and management agreement (“**OCCI Management Agreement**”). As a registered investment company, OCCI is subject to certain restrictions on its investments, including the requirement that it invest at least 80% of its total assets in floating rate credit investments and other structured credit investments including, CLO mezzanine debt, CLO subordinated notes, CLO loan accumulation facility securities, leveraged loans, high yield bonds, opportunistic credit investments, and long/short credit investments, and other credit-related instruments.

The Sub-Advised Accounts

Currently, OFS Management provides tailored investment sub-advisory services to certain affiliated and unaffiliated assets, pursuant to negotiated sub-advisory agreements (“**Sub-Advisory Agreements**”), between OFS Management and an affiliated investment adviser (“**Affiliated Adviser**”) and an unaffiliated third-party investment manager (“**Primary Adviser**”), respectively. Generally, the various Sub-Advisory investment strategies are to primarily invest in middle market debt obligations, other debt obligations, debt of U.S. and non-U.S. obligors, high yield bonds, bank debt, and mezzanine or unsecured debt or equity. The Sub-Advised Accounts are managed on a discretionary basis. OFS Management expects to enter into additional Sub-Advisory Agreements in the future.

The SMAs

Currently, OFS Management provides tailored investment advisory services to SMA clients each pursuant to a negotiated managed account agreement (“**SMA Agreements**”). The SMA investment strategies are to primarily invest in middle market debt obligations, other debt obligations, debt of U.S. and non-U.S. obligors, high yield bonds, bank debt, and mezzanine or unsecured debt or equity. The SMAs are managed on a discretionary basis. OFS Management expects to enter into additional SMA arrangements in the future.

Management of Client Assets

As of December 31, 2022, OFS Management managed approximately \$2,483,876,115 of regulatory assets under management on a discretionary basis.

Item 5 Fees and Compensation

General

OFS Management enters into an investment management agreement with each Client that specifies the terms of compensation for that Client. The following discussion provides an overview of OFS Management's current fee and compensation arrangements.

OFS Management typically charges Clients both a base management fee ("**Base Management Fee**") and a performance-based incentive fee ("**Incentive Fee**"), or an asset-based management fee ("**Asset-Based Fee**"). The Base Management Fee, Incentive Fee, and Asset-Based Fee vary by Client, and OFS Management may negotiate different fee schedules for Clients (or underlying investors) based on a variety of factors, including the nature of the Client's proposed investments. Moreover, certain investors may negotiate for more favorable compensation arrangements, such as a rebate or reduction on the management fee attributable to their investment, the provision of additional information or reports, more favorable transfer rights, and more favorable liquidity rights.

Subject to the specific terms of their respective investment management agreements, OFS Management typically bills current Clients directly for their fees quarterly, in arrears or in advance. Future Clients, however, may authorize OFS Management to directly deduct fees from their accounts, or the underlying investors in such Clients may elect to be billed directly for fees. Client accounts initiated or terminated during a quarter may be charged a pro-rated base management fee, incentive fee, or asset-based fee. Upon termination of any Client account, OFS Management will promptly refund any unearned, prepaid fees and any earned, unpaid fees will remain due and payable by the Client.

Clients may incur certain charges imposed by custodians, trustees, brokers, and other third parties, including custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. OFS Management's management fees are exclusive of such brokerage commissions, custody fees, trustee fees, fund expenses, transaction fees, and other related costs and expenses. OFS Management does not expect to receive any portion of these commissions, fees, and costs and will not receive a brokerage commission or other compensation attributable to the sale of securities or other investment products. For a detailed discussion of the factors that OFS Management considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of commissions and compensation for such broker-dealers, please see "Item 12 Brokerage Practices - Selection of Broker-Dealers and Reasonableness of Compensation."

An affiliate of OFS Management provides agency services to lenders, including, in some cases, investment advisory Clients. This affiliate typically receives an annual flat fee in connection with these services, but these agency fees constitute a *de minimis* amount relative to OFS Management's investment advisory fees.

BDC Management Agreements

OFS Management is currently a party to each of the BDC Management Agreements. The boards of directors of the OFS BDC and HPCI BDC, each of which includes independent directors, approves their respective BDC Management Agreement on an annual basis. Throughout this Brochure, OFS Management refers to directors who are not “interested persons” as defined in the 1940 Act as independent directors. Unless terminated earlier, each BDC Management Agreement will remain in effect from year to year provided the board of directors of the relevant BDC, or the holders of a majority of the outstanding voting securities of such BDC, approve such continuation. In addition, a majority of each BDC’s independent directors must approve the continuation of the BDC Management Agreements. Each BDC Management Agreement may be terminated by either party thereto without penalty with at least 60 days’ written notice to the other party. The holders of a majority of outstanding voting securities of each BDC may also terminate their respective agreement without penalty with at least 60 days’ written notice to OFS Management.

Pursuant to the BDC Management Agreements, in exchange for OFS Management’s investment advisory services, each BDC pays OFS Management a Base Management Fee (the “**BDC Base Management Fee**”) equal to a percentage of the average value of the BDC’s total assets, adjusted for stock issuances and stock purchases, at the end of the two most recently completed calendar quarters, payable quarterly in arrears.

In addition, each BDC pays OFS Management an Incentive Fee (the “**BDC Incentive Fee**”). The BDC Incentive Fee has two components. The first part is calculated and payable quarterly in arrears in an amount equal to specified percentage of that portion of the BDC’s “pre-incentive fee net investment income” (expressed as a rate of return) for the immediately preceding quarter that exceeds a specified hurdle rate. The second part is determined and payable in arrears as of the end of each calendar year in an amount equal to specified percentage of the BDC’s realized capital gains, if any, on a cumulative basis at year-end, net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid BDC Incentive Fee.

OFS Management provides and pays for the compensation of OFS Management’s investment professionals and OFS Management’s affiliates, to the extent they provide investment advisory services to one of the BDCs, and the compensation and routine overhead expenses of personnel allocable to these services. Pursuant to the terms of the BDC Management Agreements, each BDC is responsible for paying all other costs and expenses incurred in connection with administering the BDC’s businesses.

Each BDC Management Agreement provides that OFS Management is entitled to indemnification by the relevant BDC against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with the business and operations of the BDC, or any action taken or omitted on behalf of the BDC, pursuant to authority granted under each BDC Management Agreement, unless OFS Management acts with gross negligence, willful misconduct, bad faith or reckless disregard of its duties.

In addition, each BDC has entered into an administration agreement (the “**Administration Agreement**”) with OFS Management’s affiliate, OFS Capital Services, LLC (“**OFS Services**”), pursuant to which OFS Services furnishes the BDCs with office facilities, equipment, necessary software licenses and subscriptions, clerical, bookkeeping, and recordkeeping services, and certain officers of the BDCs, together with their staffs. In consideration for such services, the relevant BDC reimburses OFS Services for such BDC’s allocable portion of overhead and certain other expenses, including the allocable portion of the salaries and bonuses of such BDC’s chief executive officer, chief financial officer, chief compliance officer, chief accounting officer, and their respective staffs. The Administration Agreement may be renewed annually with the approval of the relevant BDC’s board of directors. The Administration Agreement may be terminated by either party thereto without penalty upon 60 days’ written notice to the other party.

Specific information about the BDC Management Agreements and Administration Agreements are available in the public filings made by each BDC pursuant to the requirements of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) on the SEC’s EDGAR system at www.sec.gov/edgar.

OCCI Management Agreement

OFS Management is currently a party to the OCCI Management Agreement. The OCCI Management Agreement became effective on October 4, 2018 and remained in effect for two years after such date. Thereafter, the board of directors of OCCI, which includes independent directors, has provided the requisite approval for the continuation of the OCCI Management Agreement and must do so on an annual basis. The OCCI Management Agreement may be terminated by either party thereto without penalty with at least 60 days’ written notice to the other party. The holders of a majority of outstanding voting securities of OCCI may also terminate the OCCI Management Agreement without penalty with at least 60 days’ written notice to OFS Management.

Pursuant to the OCCI Management Agreement, in exchange for OFS Management’s investment advisory services, OCCI pays OFS Management a Base Management Fee (the “**OCCI Base Management Fee**”) equal to a percentage of the OCCI’s total equity base (“**Total Equity Base**”), calculated and payable quarterly in arrears. Total Equity Base means the sum of the net asset value (“**NAV**”) of the OCCI’s stockholders and the paid-in capital of the OCCI’s preferred stock, if any.

In addition, OCCI pays OFS Management an Incentive Fee (the “**OCCI Incentive Fee**”). The OCCI Incentive Fee is calculated and payable quarterly in arrears in an amount equal to specified percentage of that portion of the OCCI’s “pre-incentive fee net investment income” (expressed as a rate of return) for the immediately preceding quarter that exceeds a specified hurdle rate.

OFS Management provides and pays for the compensation of OFS Management’s investment professionals and OFS Management’s affiliates, to the extent they provide investment advisory services to the OCCI, and the compensation and routine overhead expenses of personnel allocable to these services. Pursuant to the terms of the OCCI Management Agreement, OCCI is

responsible for paying all other costs and expenses incurred in connection with administering OCCI's business.

The OCCI Management Agreement provides that OFS Management is entitled to indemnification by OCCI against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with the business and operations of the OCCI, or any action taken or omitted on behalf of the OCCI, pursuant to authority granted under the OCCI Management Agreement, unless OFS Management acts with gross negligence, willful misconduct, bad faith or reckless disregard of its duties.

In addition, OCCI has entered into an administration agreement (the “**Administration Agreement**”) with OFS Management's affiliate, OFS Services, pursuant to which OFS Services furnishes OCCI with office facilities, equipment, necessary software licenses and subscriptions, clerical, bookkeeping, and recordkeeping services, and certain officers of OCCI together with their staffs. In consideration for such services, OCCI reimburses OFS Services for such allocable portion of overhead and certain other expenses, including the allocable portion of the salaries and bonuses of OCCI's chief executive officer, chief financial officer, chief compliance officer, chief accounting officer, and corporate secretary and their respective staffs. The Administration Agreement became effective on October 4, 2018 and remained in effect for two years after such date. Thereafter, the Administration Agreement has been, and may be, renewed annually with the approval of OCCI's board of directors. The Administration Agreement may be terminated by either party thereto without penalty upon 60 days' written notice to the other party.

Sub-Advisory Agreements

OFS Management is currently a party to multiple Sub-Advisory Agreements. Generally, each Sub-Advisory Agreement will remain in effect until such time written notice of termination to the other party is given. The Sub-Advisory Agreements may typically be terminated by either party thereto without penalty upon 30 days' written notice.

Sub-Advisory Agreements are negotiated on a case-by-case basis, and terms and conditions may vary widely. In general, in exchange for OFS Management's investment advisory services, OFS Management is paid a portion of the fee that investors pay to the affiliated or primary adviser serving the Sub-Advised Account. The fees paid to OFS Management are negotiated compensation (“**Sub-Advisory Fees**”), calculated and payable pursuant to the terms and conditions set forth in each Sub-Advisory Agreement entered into by OFS Management.

The Affiliated Adviser or Primary Adviser [shall pay or reimburse, as applicable, OFS Management for all expenses paid or incurred by OFS Management (including the wages, salaries, and other personnel-related expenses of OFS Management's in-house personnel) in connection with the execution of OFS Management's duties with respect to the Sub-Advised Accounts.

SMA Management Agreements

OFS Management is currently a party to multiple SMA Management Agreements. Generally, each SMA Management Agreement will remain in effect until such time written notice of termination to the other party is given. The SMA Management Agreements may typically be terminated by either party thereto without penalty with at least 30 days' written notice from OFS Management to the SMA Client or, in the case of termination by the SMA Client, at such time designated by the SMA Client.

SMA Management Agreements are negotiated on a case-by-case basis, and terms and conditions may vary widely. Generally, pursuant to a SMA Management Agreement, in exchange for OFS Management's investment advisory services, the SMA pays OFS Management an Asset-Based Fee equal to a percentage of the SMA's market value, calculated and are payable quarterly in advance as of the first business of each calendar quarter or in arrears as of the last day of the calendar quarter. In the event that the SMA account size decreases during a quarter and fees are paid in advance, the Asset-Based Fee shall be calculated and paid on a pro rata basis to reflect such decrease(s) and any prepaid, unearned Asset-Based Fee will be, in the sole discretion of OFS Management, either (i) promptly refunded to the SMA Client; or (ii) applied by OFS Management against any other amounts owed by the SMA Client to OFS Management hereunder. The Asset-Based Fee shall be pro-rated for any partial quarterly period.

Each SMA Management Agreement generally provides that OFS Management is entitled to indemnification by the Client against any claims or liabilities, including reasonable legal fees and other expenses arising out of or in connection with the SMA Management Agreement unless OFS Management engages in specified activities such as fraud, willful misconduct, or gross negligence.

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

OFS Management's management agreements typically provide for performance-based or incentive fee arrangements. The terms and conditions of OFS Management's fee arrangements are subject to individualized negotiations with each Client and are structured in accordance with Section 205 of the Advisers Act and the rules promulgated thereunder, which permit performance-based fee arrangements with certain types of Clients, including business development companies, registered investment companies, and "qualified Clients." For a description of OFS Management's performance-based fee arrangements, please see "Item 5 Fees and Compensation."

Conflicts Relating to Performance Fees

Performance-based fee arrangements may create an incentive for OFS Advisors to recommend investments that may be riskier or more speculative than those that they would otherwise recommend under a different fee arrangement. In the allocation of investment opportunities among OFS Clients, performance-based fee arrangements may also create an incentive for OFS Advisors to favor certain OFS Clients with performance or incentive fee arrangements over OFS Clients that are not charged a performance fee, or even to favor one OFS Client with incentive fee arrangements over another OFS Client with similar arrangements, depending on the relative performance of such OFS Client's investment portfolios. OFS Advisors have promulgated policies

and procedures to address these conflicts, including policies and procedures designed to ensure allocation of trades and securities to OFS Clients on a fair and equitable basis, taking into account the OFS Clients' investment objectives and strategies as well as other relevant factors including applicable law.

Investment Allocation Policy

Although the 1940 Act generally restricts co-investments by business development companies, such as the BDCs, and other pooled investment vehicles, such as CLOs, advised by the same investment adviser, on August 4, 2020, OFS Management was granted an order of exemptive relief by the SEC (the "**Co-Investment Order**"), which permits, subject to certain terms and conditions, the Regulated Funds and Affiliated Funds (each as defined in the Co-Investment Order) to co-invest with each other and/or with other OFS Clients and/or clients of CIM Group in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act. Non-negotiated transactions could also occur in which the Regulated Funds will co-invest with each other and/or with other OFS Management and/or clients of CIM Group without reliance on the exemptive relief granted by the SEC. In addition, and without regard to the restrictions imposed on co-investments by BDCs by the 1940 Act, CLOs currently and will continue to co-invest with each other on a regular basis.

To assist OFS Advisors, including OFS Management, in ensuring that investment opportunities are allocated among their OFS Clients in a manner that, over time, is fair and equitable, the OFS Advisors have jointly adopted an order aggregation and trade allocation policy (the "**Aggregation and Allocation Policy**"). In accordance with the Aggregation and Allocation Policy, while each OFS Client may not participate in each individual investment opportunity, on an overall basis, each OFS Client will be entitled to participate equitably with all other OFS Clients.

The OFS Advisors have one investment committee for all OFS Clients that are CLOs. A second investment committee is for OFS Clients, such as the BDCs, focused primarily on investments in middle market companies. A third investment committee is focused on investments made by a small business investment company ("**SBIC**") owned by OFS BDC. A fourth investment committee is focused on investments by OCCI. A fifth investment committee (the "**Pre-Allocation Investment Committee**"), which distributes opportunities to the other investment committees for final allocation, serves as the primary investment committee focused on investments by SMAs and accounts for which OFS Capital Management may serve as a sub-advisor. Each investment committee is responsible for allocation decisions among the OFS Clients it serves. If an investment opportunity may be appropriate for OFS Clients served by more than one investment committee, such as for both the CLOs and BDCs, the Pre-Allocation Investment Committee, comprised primarily of members of multiple investment committees, will allocate such investment between the groups of OFS Clients served by such investment committees, and then the individual investment committees will allocate the investment among their individual OFS Clients. In determining the appropriateness of an investment opportunity for a particular group of OFS Clients, the Pre-Allocation Committee will consider the regulatory and other restrictions applicable to that group of OFS Clients, as well as certain other factors, including:

- (i) the availability of sufficient capital to make such investment;

- (ii) the investment objectives or strategies of the OFS Clients;
- (iii) liquidity objectives and constraints of the OFS Clients;
- (iv) tax considerations applicable to the OFS Clients;
- (v) risk, diversification, or investment concentration parameters for the OFS Clients (including investment size, fixed or floating rate requirements, industry categories and credit rating requirements);
- (vi) characteristics of the security being considered for purchase or for the disposition (including the expected return, type of security, seniority in the capital structure, and call and put features);
- (vii) supply or demand for a security being considered for purchase or for the disposition at a given price level;
- (viii) size of the available investment;
- (ix) the OFS Client's life cycle (i.e., inside ramp-up period versus outside ramp-up period); and
- (x) such other factors as may be relevant to a particular transaction.

If an investment opportunity is allocated to a single group of OFS Clients by the Pre-Allocation Investment Committee, the investment committee for those OFS Clients will allocate the opportunity among them by considering, among other things, the following factors and the weight that should be given with respect to each of these factors:

- (i) the investment guidelines and/or restrictions set forth in the applicable Governing Documents;
- (ii) the OFS Client's risk and return profile;
- (iii) the suitability/priority of a particular investment for the OFS Client;
- (iv) if applicable, the targeted position size of the investment for the OFS Client;
- (v) the OFS Client's level of available cash for investment;
- (vi) the OFS Client's total capitalization;
- (vii) the vintage and remaining term of the OFS Client's investment period, if any; and
- (viii) any other consideration deemed relevant (e.g., price, credit, legal documentation) by the investment committee, in good faith.

When not relying on the Co-Investment Order, OFS Clients that are in their "ramp-up" period will generally have priority in acquisitions over OFS Clients that are outside their ramp-up period but

still within their investment or re-investment periods. The application of one or more of the factors listed above, however, or other factors determined by the investment committee to be relevant/appropriate, may result in the allocation of an investment opportunity to an OFS Client no longer in its ramp-up period over an OFS Client that is still within its ramp-up period.

If the OFS Advisors are unable to obtain the aggregate amount desired of a limited investment opportunity for two or more groups of OFS Clients, the Pre-Allocation Investment Committee will generally pro-rate the aggregate allocation received between the OFS Client groups, and the individual investment committees will allocate among their individual OFS Clients, in all cases, generally based on the original amount recommended for each such OFS Client, such that each OFS Client will get the same percentage of the amount originally sought for such OFS Client. If, in either the Pre-Allocation Investment Committee's or the individual investment committee's reasonable business judgment, a non-pro-rata allocation is justified, a brief description of how the investment was allocated and the reasoning for such non-pro rata allocation will be included in the documentation pertaining to that investment for the affected OFS Clients. The size of an aggregated order will be based on an estimate of what the applicable investment committee expects to be appropriate for each OFS Client.

From time-to-time, the Pre-Allocation Investment Committee and OFS Advisors' other investment committees will review investment opportunities sponsored by Ares Management ("**Ares**") and Apollo Global Management ("**Apollo**"), in the normal course of business. Certain principals or founders of Ares and Apollo have a familial relationship with Richard Ressler, an indirect owner of OFS Management.

Conflicts Related to Purchases and Sales

Certain OFS Clients will sometimes make an investment: (1) in conjunction with an investment being made by another OFS Client or a client of OFS Advisors' affiliates (an "**Affiliated Client**"); or (2) that is already held by another OFS Client or Affiliated Client. Investment opportunities are, from time to time, appropriate for more than one OFS Client and/or Affiliated Client in the same, different, or overlapping securities of a portfolio company's capital structure. Conflicts arise when an OFS Client invests in a level of the capital structure of a portfolio company that differs from that of another OFS Client or Affiliated Client. Questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be restructured, modified, or refinanced.

Certain OFS Clients and Affiliated Clients may invest in debt and other securities of companies in which another OFS Client and/or Affiliated Client hold those same securities or different securities, including equity securities. In the event that such investments are made by an OFS Client or Affiliated Client, the interests of such OFS Client or Affiliated Client will at times conflict with the interests of the other, particularly in circumstances where the underlying company is facing financial distress. Decisions about what action should be taken, particularly in troubled situations, raise conflicts of interest, including, among other things, whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring. The involvement of such OFS Clients and Affiliated Clients at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors, including among OFS Clients or Affiliated Clients. In certain

circumstances, OFS Clients or Affiliated Clients may be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interest.

In the event that an OFS Client or Affiliated Client has a controlling or significantly influential position in a portfolio company, that OFS Client or Affiliated Client may have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling OFS Client or Affiliated Client is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other OFS Clients or Affiliated Clients that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the OFS Clients and/or Affiliated Clients may or may not provide such additional capital, and if provided, each OFS Client or Affiliated Client will supply such additional capital in such amounts, if any, as determined by the OFS Advisors. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by more than one OFS Client or Affiliated Client or a portfolio company of more than one OFS Client or Affiliated Client. Investments by more than one OFS Client or Affiliated Client in a portfolio company also raises the risk of using assets of an OFS Client or Affiliated Client to support positions taken by other OFS Clients or Affiliated Clients, or that an OFS Client or Affiliated Client may remain passive in a situation in which it is entitled to vote. In addition, there may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs, different OFS Client or Affiliated Client mandates or fund differences, or different securities being held. These variations in timing may be detrimental to an OFS Client or Affiliated Client.

The application of an OFS Client's or Affiliated Client's Governing Documents and the policies and procedures of the OFS Advisors are expected to vary based on the particular facts and circumstances surrounding each investment by two or more OFS Clients/Affiliated Clients, in particular when those OFS Clients or Affiliated Clients are in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

OFS Advisors leverage an extensive network of third-party sponsors to identify and source attractive opportunities in which to co-invest on behalf of its OFS Clients. From time to time, the OFS Advisors will invest in opportunities offered by these sponsors on behalf of their OFS Clients, and sponsors will invest in OFS Clients or in CLO warehouse vehicles that are expected to form part of the portfolio of future CLOs to be managed by OFS Advisors. In these instances, the OFS Advisors will (and may during the warehouse period, if and to the extent provided in the warehouse's governing documents) receive fees (which can include asset based and/or performance fees, depending on OFS Advisors meeting internal rates of return thresholds) from the sponsor. A potential conflict exists, as OFS Advisors may be incentivized to invest OFS Client

assets in the sponsor sourced opportunities, despite such opportunities being unsuitable for such OFS Client, for the sole purpose of spurring reciprocal investment in the same OFS Client or other Clients. OFS Advisors has established an Order Aggregation and Trade Allocation Policy as well as procedures for each respective investment committee to regularly monitor the portfolios of its OFS Clients in order to ensure compliance with each OFS Client's investment objectives.

Conflicts Related to Investments in Publicly Traded Securities

OFS Management may limit investing in the broadly syndicated loans of U.S. issuers on behalf of its Clients if the corporate bonds of that issuer are already held in certain Clients accounts. Additionally, OFS Advisors may not be able to exit an investment in a corporate bond should OFS Management have possession of material non-public information regarding the bond's issuer.

Item 7 Types of Clients

OFS Management provides investment advisory services to the BDCs, OCCI, the Sub-Advised Accounts and the SMAs. Investors in the BDCs and OCCI, which include affiliates of OFS Management, are believed to be individual retail and institutional investors of all types and kinds. Due to the nature of each sub-advisory arrangement, the Client is the Sub-Advised Account, and the underlying investors in each Sub-Advised Account are not known. The SMAs are institutional investors.

The minimum account size necessary to open and maintain an account with OFS Management varies by the type of Client. OFS BDC's common stock is traded on the Nasdaq Global Select Market (NASDAQ: OFS) and there are no minimum investment requirements or investor accreditation requirements to invest in OFS BDC. OCCI's common stock is traded on the Nasdaq Capital Market (NASDAQ: OCCI) and there are no minimum investment requirements or investor accreditation requirements to invest in OCCI.

The offering and sale of HPCI BDC common stock has not been registered under the Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws and such shares may only be sold (i) in the United States to U.S. persons who are "accredited investors" as defined in Rule 501(a) of Regulation D of the Securities Act and (ii) outside the United States in accordance with Regulation S under the Securities Act. The minimum permitted purchase is \$10,000, although purchases of lesser amounts may be accepted by OFS Management in its sole discretion.

On behalf of each Sub-Advised Account, each Sub-Advisory Agreement is negotiated on a case-by-case basis between the Affiliated Adviser or Primary Adviser and OFS Management. The minimum account size to open and maintain an SMA with OFS Management is negotiated and determined on case-by-case basis between the Client and OFS Management.

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

The investment strategy of OFS Management focuses primarily on debt investments in Middle-Market and large corporate U.S. companies, as well as CLO mezzanine debt, CLO subordinated notes and CLO loan accumulation facility securities.

Methods of Analysis

The portfolio investments OFS Management makes on behalf of its Clients typically originate from the following sources:

- OFS Management’s proprietary database of borrowers and intermediaries;
- Private equity sponsors;
- Lending institutions, including agent and investment banks; and
- Financial intermediaries.

Potential investments undergo a detailed review by OFS Management’s credit personnel, which includes a consideration of the following factors:

- Client eligibility;
- Competitive strengths/weaknesses of the borrower;
- Purpose of the loan/use of funds;
- Financial performance (historical and projected) of the borrower;
- Overall business of the borrower, including products, services, management, sponsor, industry, and competition;
- Enterprise and collateral value;
- Transaction and corporate structure;
- Environmental, social and governance (“ESG”) factors;
- Exit alternatives; and
- Any other identified weaknesses/risks and potential mitigating factors.

From time to time, OFS Management may engage third parties, including certain of its affiliates, to assist in the underwriting and due diligence process.

Investments that satisfy OFS Management’s underwriting criteria are submitted to the relevant investment committee (depending on the Client), which must approve the investment. Once an investment is acquired, it is reviewed on an ongoing basis as appropriate by the relevant investment committee(s). This review generally includes the following:

- Receipt and review of periodic borrower financial statements and other deliverables;
- Ongoing communication with senior management; and
- Regular review of any “watch list” credits; i.e., those that fall below designated internal and external credit quality ratings.

All middle market portfolio companies in which the BDCs invest are offered significant managerial assistance in compliance with the BDCs' regulatory requirements. In certain cases, OFS Management's investment personnel may provide significant guidance and counsel concerning the management, operations or business objectives and policies of a borrower and may, as necessary, participate as board members or observers, members of creditors' committees, or consultants, or in other managerial roles with respect to the portfolio companies in which OFS Management's Clients invest.

OFS Management's ESG Approach

Although ESG considerations do not represent a primary focus of the OFS Management's investment strategies, OFS Management integrates them into pre-investment sourcing and origination, underwriting, approval and portfolio management functions where OFS Management deems appropriate. OFS Management believes that, in certain scenarios, ESG matters have the potential to impact financial risk or create opportunities for an issuer and are best analyzed in combination with an issuer's fundamentals, including its industry, management, growth prospects, geography and strategic position. OFS Management believes that addressing ESG factors can contribute to a more robust and integrated evaluation of all investment risks.

Where OFS Management deems appropriate, OFS Management considers one or more ESG factors together with non-ESG factors in making investment decisions, and the ESG factors are generally no more significant than other factors in the investment selection process, such that ESG factors may not be determinative in providing advice with respect to any particular investment. The specific ESG factors that may be considered in connection with any potential investment may depend on, and be tailored as appropriate to, the particular asset class or issuer being evaluated for investment. Depending on the investment, OFS Management likely has differing levels of control and information transparency both during the underwriting process and after an investment has been consummated, which could affect the way OFS Management assesses and integrates ESG factors. The specific ESG factors OFS Management may look at include: (1) environmental factors, such as climate risks, water management, pollution and waste and adherence to local regulations; (2) social factors, such as customer relations, human capital, demographic and societal trends and employee and community health and safety; and (3) governance factors, such as organizational structure, management credibility and track record, risk management, accounting and compliance reporting standards, corporate governance and conflicts of interests. Given that the materiality of certain factors may vary based on sector, issuer and industry, OFS Management does not focus on any particular factor or set of factors in its review of potential investments, and OFS Management may consider certain ESG factors for certain investments and not for other investments. When considering ESG factors, OFS Management generally uses company disclosures, public data sources, third-party ESG ratings and/or industry standard frameworks (e.g., SASB, TCFD) as inputs to support its ESG assessment. OFS Management may incorporate ESG factors to evaluate an issuer as part of risk analysis, credit analysis or in other manners. ESG factors may vary across types of investments and issuers, and not every ESG factor may be identified or evaluated for a particular investment.

OFS Management does not employ negative screening, but will generally not seek to make investments where the principal business activities include the following: controversial weapons,

tobacco, controlled substances (e.g., opioids or federally prohibited drugs), adult entertainment, coal mining and coal terminals, oil and gas (independent exploration and production, refining and marketing), payday or subprime lending (highly speculative financial operations) or private prisons because they often do not align with the OFS Management's core values. Before due diligence commences, an OFS Management's investment team will flag potential investments in these sensitive sectors and they will generally fail to progress through the due diligence process.

Risk of Loss

Investing in securities involves risk of loss that Clients and their investors should be prepared to bear. Investors should be aware that all of OFS Management's Clients have limited investment mandates, which may not be diversified. None of these Clients are intended to provide a complete investment program and investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

The following discusses certain material risks associated with investments in OFS Managements' Clients. Please refer to each Client's Governing Documents for further discussion of material risks.

Conflicts Relating to the Regulated Funds Management Fees and Use of Leverage. In the course of its investing activities, each Regulated Fund will pay base management and, potentially, incentive fees to OFS Management. Because the Base Management Fees are based on the Regulated Fund's total assets, including assets purchased with borrowed amounts, OFS Management stands to benefit when a Regulated Fund incurs debt or uses leverage. The relevant Regulated Fund's board of directors is charged with protecting the Regulated Fund's interests by monitoring how OFS Management addresses these and other conflicts of interests. While the Regulated Funds' boards of directors are not expected to review or approve each borrowing or incurrence of leverage, the independent directors periodically review OFS Management's services and fees as well as OFS Management's portfolio management decisions and the performance of the relevant Regulated Fund portfolio. A Regulated Fund is generally not permitted to incur indebtedness unless immediately after such borrowing it maintains certain asset coverage ratios.

Conflicts Relating to the Allocation of Expenses. Pursuant to the Administration Agreements and any Sub-Advisory Agreements, OFS Services, OFS Management, and their affiliates, perform, or oversee the performance of, the administrative services necessary for the operation of each BDC, OCCI and Sub-Advised Account. (For a description of the Administration Agreements and Sub-Advisory Agreements, please see "Item 5 Fees and Compensation"). The relevant BDC, OCCI and Sub-Advised Account each pays its allocable share of OFS Services' and OFS Management's and their affiliates' cost to provide these services, including its allocable portion of the wages, salaries and other personnel-related expenses of in-house personnel, Regulated Fund officers and staff, and other personnel performing services for the relevant BDC, OCCI or Sub-Advised Account, who may also be OFS Management personnel. The allocation of costs and expenses could create conflicts of interest among OFS Management, OFS Services and their affiliates, and OFS Management's respective Clients, if costs are not fairly and accurately allocated. To mitigate and limit the potential for a conflict of interest, OFS Management's personnel track the amount of time that they work on each Client, which is provided to OFS

Management's accounting department to calculate the salary expenses that will be charged to the relevant Client. The costs of facilities, equipment and necessary software licenses and subscriptions are also allocated to the relevant Client, as appropriate, by the accounting department, based on the amount of space and equipment that OFS Management personnel who work on such Client are using. Our basis for calculating assets under management, which is one factor used in calculating the allocation of certain expenses, may be different from Client to Client, in some cases for the same underlying investment (e.g., one client may calculate based on par value and another based on fair value). The allocation of expenses to each Regulated Fund are reviewed by their respective board of directors on a quarterly basis. Allocation of expenses for other Clients are reviewed by the accounting department and may be billed to a particular Client if permitted by the relevant investment management agreement. The expenses allocated to (i) each Regulated Fund are submitted to their respective board of directors and (ii) each Sub-Advised Account are submitted to that fund's primary adviser, prior to payment.

Conflicts Relating to Service Fees. CIM Group and OFSC, as applicable, will be reimbursed for certain administrative services provided to OFS Management and its affiliates, and OFS Management's Clients, such as internal finance, tax, accounting, legal, compliance, human resources and information technology. To the extent that any such reimbursements are to be paid by Clients, the terms and conditions of the reimbursements will be set forth in the Client's Governing Documents and are generally expected to be on terms no less favorable to a Client than the terms on which the Client could obtain comparable services from an unaffiliated third party.

Conflicts Relating to the BDCs' Investments in Non-Cash Paying Investments. Pursuant to each BDC Management Agreement, the BDC Incentive Fee is computed and paid on income that the relevant BDC may not have yet received in cash. This fee structure may be considered to involve a conflict of interest for OFS Management to the extent that it may encourage OFS Management to favor debt financings that provide for deferred interest, rather than current cash payments of interest. OFS Management may have an incentive to invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the incentive fee even when the issuers of the deferred interest securities would not be able to make actual cash payments to the BDC on such securities. This risk could be increased because OFS Management is not obligated to reimburse the BDCs for any BDC Incentive Fees received even if the BDCs subsequently incur losses or never receive in cash the deferred income that was previously accrued. To mitigate and limit the potential for a conflict of interest, the independent directors of each BDC periodically review OFS Management's advisory services and fees, as well as OFS Management's portfolio management decisions and portfolio performance.

Conflicts Relating to the Valuation of BDC Investments. Many of the BDCs' portfolio investments are not publicly traded. Pursuant to Rule 2a-5 under the 1940 Act, the board of directors of each BDC designated OFS Management, as valuation designee, to perform fair value determinations relating to each BDC's investments, for which market quotations are not readily available. In order for the board of directors of each BDC to maintain oversight, OFS Management implemented the requirements as prescribed in Rule 2a-5. The determination of fair value and, consequently, the amount of unrealized gains and losses in each BDC portfolio, are, to a significant degree, subjective and dependent on a valuation process undertaken by OFS Management and overseen by each BDC's board of directors. The participation of OFS Management's professionals

in each BDC's valuation process results in a conflict of interest since OFS Management's management fee is based, in part, on the average value of each BDC's total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts and including assets owned by any consolidated entity). To mitigate this conflict, OFS Management has adopted a valuation policy to ensure that valuations are properly and consistently determined. Pursuant to the valuation policy, OFS Management has retained an independent third-party valuation firm to prepare the valuation of the securities in each BDC's portfolio each quarter.

To mitigate each of the conflicts associated with the fees payable to the BDCs, the board of directors of each BDC, including the independent directors, continuously monitor OFS Management's investment advisory services, portfolio management decisions and such BDC's portfolio performance to determine whether the BDC Base Management Fee, BDC Incentive Fee and OFS Management's other expenses remain appropriate.

Cybersecurity Risk. OFS Management and its service providers increasingly depend on complex information technology and communications systems to conduct business functions. Despite the efforts of OFS Management and the efforts of its service providers to adopt technologies, processes and practices intended to mitigate cyber risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Client or their investors, not all cyber risks are preventable and cyber breaches could have an adverse effect on Clients and their investors.

Investments in Highly Leveraged Companies. The debt investments OFS Management makes for its Clients consist primarily of non-investment-grade loans to leveraged companies. Investment in leveraged companies involves significant risks. Leveraged companies in which OFS Management invests on behalf of its Clients may have limited financial resources and may be unable to meet their obligations under their debt securities that OFS Management's Clients hold due to significant market volatility or other factors that may affect such companies. Such developments may be accompanied by deterioration in the value of any collateral and a reduction in the likelihood of OFS Management's Clients realizing any guarantees that may have been obtained with their investment. Any default on the debt is likely to result in substantial and protracted negotiations or restructuring that may result in a reduction in the interest rate, write-down of principal, or changes to the terms, conditions, or covenants with respect to the investment. Please also refer to "Effects of Bankruptcy" below.

Although a large portion of OFS Management's Clients' investment portfolios consist of senior secured loans, OFS Management's Clients also invest in subordinated loans, which are generally unsecured, and, to a lesser extent, equity securities and corporate bonds. As such, other creditors may rank senior to OFS Management's Clients in the event of an insolvency. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position. Such investments typically result in a higher amount of risk than senior secured loans and corporate bonds, as well as volatility or loss of principal. Investments in portfolio companies made on behalf of OFS Management's Clients may be highly speculative and aggressive, and therefore, an investment in OFS Management's Clients may not be suitable for someone with lower risk tolerance.

Investments in CLOs. Investments in CLO securities present risks similar to other credit investments, including default (credit), interest rate and prepayment risks. CLOs are typically governed by a complex series of legal documents and contracts, which increases the possibility of disputes over the interpretation and enforceability of such documents. The documents governing the loans underlying the CLO investment may allow for “priming transactions,” where majority lenders or debtors can amend the documents to the detriment of other lenders, amend the documents in order to move collateral, or amend the documents in order to facilitate capital outflow to other parties/subsidiaries in a capital structure, any of which adversely affect the rights and security priority with respect to such loans. In addition, a collateral manager or trustee of a CLO may not properly carry out its duties to the CLO, potentially resulting in loss to the CLO.

Material Non-Public Information. OFS Management’s Compliance Department maintains a list of restricted issuers, with regard to which, OFS Management or its affiliates likely possess material non-public information (“MNPI”) and are therefore restricted from trading in such issuers’ securities on behalf of OFS Clients. In the event that any employee of OFS Management or its affiliates obtains MNPI, OFS Management may be restricted from acquiring or disposing of investments on behalf of Clients, which could impact the returns generated for Clients. Notwithstanding the maintenance of restricted lists and other internal controls, it is possible that the internal controls relating to the management of MNPI could fail and result in OFS Management, or one of its investment professionals, buying or selling a security while potentially in possession of MNPI. Inadvertent trading while in possession of MNPI could have adverse effects on the reputation of OFS Management, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact OFS Management’s ability to perform investment management services on behalf of Clients.

Investments in Structured Finance Notes. Investments in subordinated notes that comprise the equity tranche of CLOs (“**Structured Finance Notes**”) are junior in priority of payment and are subject to certain payment restrictions generally set forth in an indenture governing such investments. In addition, Structured Finance Notes generally do not benefit from any creditors’ rights or ability to exercise remedies under the indenture governing such investments. Structured Finance Notes are not guaranteed by another party and are subject to greater risk than the secured notes issued by the CLO. CLOs are typically highly levered, utilizing up to approximately 9-13 times leverage, and therefore Structured Finance Notes are subject to a risk of a total loss. There can be no assurance that distributions on the assets held by the CLO will be sufficient to make any distributions or that the yield on the Structured Finance Notes will meet our expectations.

CLOs generally may make payments on Structured Finance Notes only to the extent permitted by the payment priority provisions of an indenture governing the notes issued by the CLO. CLO indentures generally provide that principal payments on Structured Finance Notes may not be made on any payment date unless all amounts owing under secured notes are paid in full. In addition, if a CLO does not meet the asset coverage tests or the interest coverage test set forth in the indenture governing the Structured Finance Notes issued by the CLO, cash would be diverted from the Structured Finance Notes to first pay the secured notes in amounts sufficient to cause such tests to be satisfied.

Certain Clients will invest in Structured Finance Notes in which OFS Management will have no influence over the underlying investments managed by non-affiliated third-party CLO collateral managers. OFS Management is not responsible for, and has no influence over, the asset management of the portfolios underlying the Structured Finance Notes that could be held by certain Clients as those portfolios are managed by non-affiliated third-party CLO collateral managers. Similarly, OFS Management is not responsible for and has no influence over the day-to-day management, administration, or any other aspect of the issuers of CLOs in which OFS Clients could invest. As a result, the values of the portfolios underlying the Structured Finance Notes held by those Clients could decrease as a result of decisions made by third-party CLO collateral managers.

Investments in Private and Middle-Market Companies. Investment in private and Middle-Market companies involves significant risks. Generally, little public information exists about these companies, and OFS Management expects to rely on the ability of its investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If OFS Management is unable to uncover all material information about these companies, OFS Management may not make a fully informed investment decision, and its Clients may lose money on these investments. Middle-Market companies may have limited financial resources and may be unable to meet their obligations under their debt securities that OFS Management's Clients hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of realizing any guarantees that may have been obtained with the investment. In addition, such companies 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 general economic downturns. Additionally, Middle-Market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation, or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on OFS Management's Clients. Middle-Market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence.

Investments in Mortgage-Backed Securities. Mortgage-backed securities are bonds which evidence interests in, or are secured by, commercial mortgage loans. Accordingly, collateralized mortgage-backed securities ("CMBS") are subject to all of the risks of the underlying mortgage loans. In a rising interest rate environment, the value of CMBS may be adversely affected when payments on underlying mortgages do not occur as anticipated. The value of CMBS may also change due to shifts in the market's perception of issuers and regulatory or tax changes adversely affecting the mortgage securities markets as a whole. In addition, CMBS are subject to the credit risk associated with the performance of the underlying commercial mortgage properties. CMBS are also subject to several risks created through the securitization process.

Illiquid Investments. OFS Management's Clients' assets are frequently invested in illiquid securities, and a substantial portion of OFS Management's Clients' investments in leveraged companies are subject to legal and other restrictions on resale or are otherwise less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult to

sell such investments if the need arises. In addition, if OFS Management is required to liquidate all or a portion of a Client portfolio quickly, this Client may realize significantly less than the value at which OFS Management had previously recorded the Client's investments. OFS Management may also face other restrictions on its ability to liquidate an investment in a Client portfolio company to the extent that any OFS Management or any of its affiliates have material nonpublic information regarding such portfolio company.

Portfolio Concentration. Certain Client portfolios will be concentrated in a limited number of portfolio companies and industries. While certain Client portfolios may be subject to asset diversification requirements, such as the BDCs (associated with the BDCs' qualification as regulated investment companies under the Internal Revenue Code) and OCCIs (pursuant to the requirements of a registered investment company under the 1940 Act), OFS Management does not have fixed guidelines for diversification. Consequently, a Client's aggregate returns may be significantly adversely affected if a small number of investments perform poorly or if there are write downs to the value of any one investment. Additionally, while OFS Management is not generally targeting any specific industries, a particular Client's investments may be concentrated in relatively few industries. Accordingly, a downturn in any particular industry in which a Client is invested could significantly impact such Client's aggregate returns.

Effects of Bankruptcy. Although OFS Management generally does not make investments on behalf of its Clients in companies or securities that it determines to be distressed investments, OFS Management's Clients may hold debt securities of leveraged companies which may have limited financial resources and may be unable to meet their obligations under their debt securities, due to significant volatility of such companies. Negative developments may be accompanied by deterioration of the value of any collateral and a reduction in the likelihood of OFS Management's Clients realizing any guarantees that OFS Management may have obtained in connections with its Clients' investment. Such developments may ultimately result in the leveraged companies in which OFS Management's Clients invest entering into bankruptcy proceedings which have a number of inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by an issuer or obligor under a loan or debt investment may adversely and permanently affect such issuer or obligor. If the proceeding is converted to a liquidation, the value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment.

The duration of a bankruptcy proceeding is also difficult to predict, and a creditor's return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs of a bankruptcy proceeding are frequently high and would be paid out of the debtor's estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, OFS Management's influence with respect to the class of securities or other obligations owned by its Clients may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial. In addition, since the mezzanine loans in which OFS Management's Clients have invested are generally subordinated to

senior loans and are generally unsecured, other creditors may rank senior to such Clients in the event of a bankruptcy proceedings.

Non-Controlling Investments. OFS Management's Clients will not hold controlling positions in the portfolio companies in which they invest. As a result of not holding controlling interests in these portfolio companies, OFS Management's Clients are subject to the risk that a portfolio company may make business decisions with which OFS Management disagrees, and that the management and/or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to the Client's interests. Due to the lack of liquidity of the debt and equity investments that OFS Management's Clients may hold in portfolio companies, OFS Management may not be able to dispose of these investments in the event it disagrees with the actions of a portfolio company and OFS Management's Clients may therefore suffer a decrease in the value of these investments.

Effects of Default. A portfolio company's failure to satisfy financial or operating covenants imposed by OFS Management on behalf of its Clients or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets. This could trigger cross-defaults under other agreements and jeopardize such portfolio company's ability to meet its obligations under the debt or equity securities held by some of OFS Management's Clients. OFS Management may incur expenses on behalf of its Clients to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants with respect to a defaulting portfolio company.

Subordination Risk. OFS Management will invest a portion of its Clients' capital in second lien and unitranche loans issued by portfolio companies. These portfolio companies may be permitted to incur other debt that ranks equally with, or senior to, the debt securities in which OFS Management's Clients invest. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which OFS Management's Clients would be entitled to receive payments in respect of their debt investments. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to OFS Management's Client's investment in that portfolio company would typically be entitled to receive payment in full before OFS Management's Clients receive any distribution in respect of their investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use to repay its obligation to OFS Management's Clients. In the case of debt ranking equally with debt securities in which Clients invest, Clients would have to share any distributions on an equal and ratable basis with other creditors holding such debt.

Additionally, certain loans portfolio companies held by Clients may be secured on a second-priority basis by the same collateral securing first priority debt of such companies. The senior secured liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first-priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before OFS Management's Clients. In addition, the value of the collateral in the event of

liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of the collateral would be sufficient to satisfy the loan obligations secured by the second-priority liens after payment in full of all obligations secured by the first-priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second-priority liens, then OFS Management's Clients, to the extent not repaid from the proceeds of the sale of the collateral, would only have an unsecured claim against the portfolio company's remaining assets, if any.

The rights that OFS Management's Clients may have with respect to the collateral securing the loans made to portfolio companies with more senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements entered into with the holders of such senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first-priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first-priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

OFS Management may not have the ability to control or direct any such actions, even if the rights of OFS Management's Clients are adversely affected.

OFS Management's Clients may also invest in unsecured subordinated loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens generally control the liquidation of, and are entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before OFS Management's Clients. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy the unsecured loan obligations of OFS Management's Clients after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then OFS Management's Clients' unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

Subordinated investments will generally be subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If OFS Management makes a subordinated investment on behalf of its Clients in a

portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service its debt obligations.

Please also refer to “Conflicts Related to Purchases and Sales” above.

Negative Loan Ratings. Per the terms of a CLO’s indenture, assets rated “CCC+” or lower or their equivalent in excess of applicable limits generally do not receive full par credit for purposes of the CLO’s overcollateralization tests. As a result, a general decrease in ratings across a CLO’s loans could cause a CLO to be out of compliance with its overcollateralization tests. This could cause a diversion of cash flows away from the CLO equity and subordinate debt tranches in favor for the more senior CLO debt tranches until the overcollateralization test breaches are cured. This could have a negative impact on the OCCI’s NAV and cash flows.

Contingent Liabilities. A significant portion of OFS Management’s Clients’ investments involve private securities. Upon disposition of such investments, OFS Management may be required to make representations on behalf of its Clients about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. OFS Management’s Clients may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that must be satisfied through OFS Management’s Clients’ return of previously-made distributions.

Competitive Environment. OFS Management operates in a highly competitive market for investment opportunities, which could reduce returns and result in losses for its Clients. Other entities compete with OFS Management to make the types of investments that OFS Management seeks on behalf of its Clients. OFS Management competes with public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity, and hedge funds. Many of these competitors are substantially larger and have considerably greater financial, technical, and marketing resources than OFS Management or its Clients do. For example, OFS Management believes that some of these competitors have access to funding sources not available to OFS Clients. In addition, some of these competitors may have higher risk tolerances or different risk assessments and investment strategies, which could allow them to consider a wider variety of investments and establish more relationships than OFS Management’s Clients. The competitive pressures OFS Management faces may have a material adverse effect on the business, financial condition, and results of operations of OFS Management’s Clients. Because of this competition, OFS Management’s Clients may not be able to take advantage of attractive investment opportunities from time to time, and OFS Management may not be able to identify and make investments on their behalf that are consistent with their investment objectives.

The success of OFS Management’s Clients will depend on OFS Management’s ability to originate, recommend, structure, identify and consummate suitable investments in a highly competitive environment, to improve the operating performance of portfolio companies, and to satisfactorily exit the investments. The activity of identifying, completing and realizing attractive debt

investments involves a significant degree of uncertainty, and OFS Management's Clients will compete with the public debt and equity markets and with other investors, including other Clients, other funds, private equity funds, direct investment firms and merchant banks, for investment opportunities. There can be no assurance that OFS Management will be able to locate and complete investments that satisfy its Clients' rate of return objectives or realize upon their values or that OFS Management will be able to fully invest Clients' capital.

Leverage. OFS Management may borrow money on behalf of its Clients to make certain investments and address certain working capital needs. Consequently, OFS Management's Clients may be required to provide capital commitments or investments as collateral and agree to certain restrictions with respect to future indebtedness or other corporate actions. Payments of interest and fees so incurred may reduce OFS Management's Clients' profitability and may prevent them from taking advantage of attractive investment opportunities. The income and net assets of a leveraged entity will tend to increase or decrease at a greater rate than if borrowed money were not used. The use of leverage, combined with negative performance may result in investors in Clients losing some or all of their principal.

New Issuers. OFS Management may indirectly invest in the securities of new issuers and CLOs sponsored by new collateral managers. Investments in relatively new issuers, i.e., those having continuous operating histories of less than three years and CLOs sponsored by new collateral managers, may carry special risks and may be more speculative because such issuers or collateral managers are relatively unseasoned. Such issuers or collateral managers may also lack sufficient resources, may be unable to generate internally the funds necessary for growth and may find external financing to be unavailable on favorable terms or even unavailable at all. Certain issuers may be involved in the development or marketing of a new product with no established market, which could lead to significant losses. Securities of such issuers may have a limited trading market which may adversely affect their disposition and can result in their being priced lower than might otherwise be the case. If other investors who invest in such issuers seek to sell the same securities when OFS Management attempts to dispose of its holdings, OFS Management may receive lower prices than might otherwise be the case.

Lender Liability. A number of judicial decisions have upheld judgments of borrowers against lenders on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because OFS Management's Clients will typically act as lenders to the portfolio companies in which they invest, and may, directly or through OFS Management, be deemed to engage in managerial activities with respect to certain borrowers, Clients could become subject to allegations of lender liability. Such allegations may subject Clients to the risk of becoming involved in litigation by third parties. This risk may be greater where OFS Management or its Clients exercise control or significant influence over a portfolio company's direction.

Inflation Risk. OFS Management expects the current high inflationary environment to continue, and some economists predict that the U.S. economy may enter an economic recession. Inflation could adversely affect the business, results of operations and financial condition of the portfolio companies in which OFS Management's Clients invest. Certain portfolio companies may be impacted by inflation, especially those in the manufacturing industry. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect such portfolio companies' results and impact their ability to pay interest and principal on existing loans. In addition, any projected future decreases in these portfolio companies' operating results due to inflation could adversely impact the value of the Clients' investments in these portfolio companies. Any decrease in the value of the Clients' investments could result in future unrealized losses and therefore reduce the Clients' net assets resulting from operations.

Interest Rate Risk. Although OFS Management will generally attempt to match the interest rates its Clients pay to finance their portfolio investments against the interest paid by the investments themselves, variations in interest rates may result in a "mismatch" that would lower the overall profitability of Clients' investment programs. In addition, portfolio investments that bear interest at a rate tied to an index will pay a lower interest rate when the index falls. Although many of the variable-rate debt instruments OFS Management purchases on behalf of its Clients may bear a minimum "floor" rate of interest to mitigate interest rate risks, this may not always be the case.

In addition, increasing interest rates may lead to higher prepayment rates, as borrowers look to avoid escalating interest payments or refinance floating rate loans. Further, a general rise in interest rates will likely increase a Client's financing costs.

LIBOR Risk. The London Interbank Offered Rate ("LIBOR") was the basic rate of interest used in lending transactions between banks on the London interbank market and was widely used as a reference for setting the interest rates on loans globally. OFS Management's Clients typically used LIBOR as the reference rate in loans extended to portfolio companies, such that the interest due to Clients, pursuant to a loan, was calculated using LIBOR. The terms of the Clients' investment in debt generally would include minimum interest rate floors, which were calculated based on LIBOR.

On March 5, 2021, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it will not compel banks to contribute to the overnight and 1-, 3-, 6-, and 12-month US LIBOR tenors and cease publication of all other tenors after December 31, 2021. To identify a successor rate for U.S. dollar LIBOR, the Alternative Reference Rate Committee ("ARRC"), a U.S.-based group convened by the U.S. Federal Reserve Board and the Federal Reserve Bank of New York, was formed. On July 29, 2021, the ARRC formally recommended Secured Overnight Financing Rate ("SOFR") as its preferred alternative replacement for LIBOR for use in derivatives and other financial contracts currently indexed to LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. The ARRC has proposed a paced market transition plan to SOFR from LIBOR.

There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR

reflects term rates at different maturities. If the Clients' LIBOR-based borrowing are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in higher interest costs for OFS Management's Clients, which could have a material effect on such Clients' operating results and liquidity. Although SOFR is the ARRC's recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR. In addition, the planned discontinuance of LIBOR and/or changes to another index could result in mismatches with the interest rate of some Clients' investments. The transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in accounting, financial reporting, loan servicing, liability management and other aspects of OFS Management's business. However, OFS Management cannot reasonably estimate the impact of the transition at this time.

On July 29, 2021, the ARRC formally announced that it recommends the Chicago Mercantile Exchange's ("CME") forward-looking SOFR term rates for use in business loans, including securities backed by such assets. However, forward-looking SOFR term rates will not be representative of three-month LIBOR, and there is no guarantee that the CME will continue to publish forward-looking SOFR term rates, in which case syndicated banks loans and CLOs may be required to use other measurements of SOFR, as applicable.

On March 15, 2022, President Biden signed into law, the Adjustable Interest Rate Act, as part of the Consolidated Appropriations Act of 2022, which among other things, provides for the use of interest rates based on SOFR in certain contracts currently based on LIBOR and a safe harbor from liability for utilizing SOFR-based interest rates as a replacement for LIBOR.

The specific effects of the transition away from LIBOR cannot be determined with certainty. The transition away from LIBOR could:

- adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any LIBOR-linked investment;
- require extensive changes to documentation that govern or references LIBOR or LIBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding investments;
- results in inquiries or other actions from regulators in respect of OFS Management's preparation and readiness for the replacement of LIBOR with one or more alternative reference rates;
- results in disputes, litigation or other actions with investors, regarding the interpretation and enforceability of provisions in the Clients' investments, such as fallback language or other related provisions, including, in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between LIBOR and the various alternative reference rates;
- require the transition and/or development of appropriate systems and analytics to effectively transition Client risk management processes from LIBOR-based products to those based on

one or more alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and

- cause OFS Management or its Clients to incur additional costs in relation to any of the above factors.

LIBOR Mismatch. The effect of a phase out of LIBOR on U.S. senior secured loans, the underlying assets of the portfolio companies in which Clients invest, is currently unclear. To the extent that any replacement rate utilized for senior secured loans differ from that utilized for a Client that holds those loans, the Client would experience an interest rate mismatch between its assets and liabilities which could have an adverse impact on the Client's net investment income and portfolio returns. [Duplicated below]

In addition, there could be a mismatch between the terms of LIBOR and a replacement rate. Many corporate borrowers can elect to pay interest based on 1-month LIBOR, 3-month LIBOR and/or other rates in respect of the loans held by a Client, in each case plus an applicable spread, whereas a Client generally pays interest to investors of a Client's debt tranches based on 3-month LIBOR plus a spread. The 3-month LIBOR currently exceeds the 1-month which may result in many underlying corporate borrowers electing to pay interest based on a 1-month full LIBOR. It is uncertain at this time that how the applicable spreads will diverge once there is a full transition to SOFR, or any other alternative rate, and any applicable benchmark rate adjustments. This mismatch in the rate at which a Client earns interest and the rate at which it pays interest on its debt tranches negatively impacts the cash flows on the Client's equity tranche, which may in turn adversely affect its cash flows and results of operations. Unless spreads are adjusted to account for such increases, these negative impacts may worsen as the amounts by which the 3-month LIBOR exceeds the 1-month LIBOR increases or the amount by which the corresponding alternative reference rate might differ.

LIBOR Floor Risk. Because the senior secured loans in which a Client invests typically have floating interest rates, an increase in LIBOR or its replacement rate will likely increase the Clients' financing costs. Many of the senior secured loans held by Clients have LIBOR floors such that, when LIBOR is below the stated LIBOR floor, the LIBOR floor (rather than LIBOR itself) is used to determine the interest payable under the loans. Therefore, if LIBOR increases but stays below the average LIBOR floor rate of the senior secured loans held by a Client, there would not be a corresponding increase in the investment income of that Client. The combination of increased financing costs without a corresponding increase in investment income in such a scenario would result in smaller distributions to equity holders of a Client. In addition, there may be disputes between market participants regarding the interpretation and enforceability of provisions in a Client's LIBOR-based investments (or lack of such provisions) related to the economic floors in such investments, which may result in a loss or degradation of floor protection in the case of a transition from LIBOR to any one of the various alternative reference rates, including SOFR.

Cov-Lite Loans. Although certain of the loans in which OFS Management invests on behalf of its Clients are governed by loan agreements that include ongoing financial maintenance covenants or which are used to proactively address materially adverse changes in a borrower's financial performance. OFS Management also invests in "Cov-Lite Loans" on behalf of its Clients. Cov-

Lite Loans generally do not have a complete set of financial maintenance covenants and provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means that can only be imposed only upon the occurrence of certain events, such as dividend payments, incurrence of incremental indebtedness, mergers, or acquisitions, share purchases, or when the borrower borrows on a revolving loan past a certain threshold, etc., rather than a deterioration in the borrower's financial condition. To the extent that this delays or forestalls the Clients' ability to foreclose, force a restructuring, or take other action to protect their investment in a portfolio company, Cov-Lite Loans may involve a materially greater risk of loss, lower liquidity, and higher price volatility as compared to investments in or exposure to loans with financial maintenance covenants.

Publicly Traded Securities. OFS Management may invest in publicly traded corporate bonds of an issuer ("**public issuer**") on behalf of its Clients. OFS Management may be prevented from disposing publicly traded securities of a public company held by its Clients if OFS Advisors inadvertently accesses MNPI on such public company. OFS Management may also be prevented from purchasing a publicly traded security of a public company while OFS Advisors are in possession of MNPI on the public company. Additionally, OFS Management's Clients may experience a loss of returns if OFS Advisors are restricted from selling OFS Clients' holdings due to their possession of MNPI.

The OFS Advisors have implemented controls to ensure that the OFS Advisors do not have access to MNPI of a public company prior to investing in a publicly traded security of such public company on behalf of OFS Clients. The OFS Advisors have also implemented controls to prevent the access of MNPI of public companies of which publicly traded securities are held by OFS Clients. As such, the OFS Advisors maintain a restricted list including names of public companies for which the OFS Advisors have access to MNPI, and are, thereby, restricted from purchasing or selling publicly traded securities of such public companies on behalf of OFS Clients. Failure to adhere to the OFS Advisors' internal controls could ostensibly subject an OFS Client to inadvertently trading in a publicly traded security of a public company.

Assignments vs. Participations. Typically, when OFS Management acquires interests in third-party loans on behalf of its Clients, these interests are acquired directly by way of an assignment from the lending institution. The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assignor and becomes a lender under the loan agreement. OFS Management may, however, purchase loan interests for its Client in the form of participations. Loan participations involve significant risks. A participation results in a contractual relationship only with the selling institution, not with the borrower. In the case of a participation, the investor will generally have the right to receive payments of principal, interest, and any fees to which it is entitled only from the seller and only upon receipt by the seller of such payments from the borrower. The investor generally will have no right to enforce compliance by the borrower with the loan agreement and may not directly benefit from the collateral supporting the loan. Consequently, the investor will assume the credit risk of both the borrower and the institution selling the participation.

Force Majeure/Unforeseen Events. Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, war, terrorism, outbreaks of an infectious disease, pandemic or any other serious public health concern and labor strikes. In particular, terrorist attacks have caused instability in the world financial markets and may generate global economic instability.

Public Health Risk. Certain countries have been and continue to be susceptible to pandemics and epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently the novel strain of coronavirus (“COVID-19”). The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the countries in which Clients may invest and thereby adversely affect the performance of the Client’s investments. Given the increasing interdependence of global economies and markets, conditions in one country, market or region are increasingly likely to adversely affect markets and issuers in other countries, including the U.S. These disruptions could prevent normal business operations and increase the risk profile of investment strategies.

Potential Disruptions and Instability of Global Capital Markets. The state of the current worldwide financial markets, as well as various social and political tensions in the United States and around the world, may contribute to increased market volatility, may have long-term effects on the United States and worldwide financial markets and may cause economic uncertainties or deterioration in the United States and worldwide. For example, global financial markets are currently experiencing supply chain disruptions, significant labor and resource shortages, the impacts of economic sanctions as a result of the ongoing war between Russia and Ukraine, rising interest rates and a period of high inflation. In addition, there is currently geopolitical, economic and financial market instability in the United States, the United Kingdom, the European Union and China.

Russia’s military invasion of Ukraine in February 2022 and the resulting global responses, including economic sanctions by the United States, the European Union and other countries, could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The extent and duration of the ongoing war in Ukraine and the repercussions of such war are impossible to predict but could result in significant market disruptions. Depending on the direction and timing, the Russian-Ukraine war may result in adverse changes to, among other things: (1) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) available credit in certain markets; (v) import and export activity from certain markets; and (vi) laws, regulations, treaties, pacts, accords and governmental policies. Economic and military sanctions related to the Russian-Ukraine war, or other conflicts, have the potential to gravely impact markets, global supply and demand, energy prices, inflation, import/export policies, and the availability of labor in certain markets. The foregoing could have a material adverse effect on the ability of underlying borrowers and issuers to perform their obligations.

OFS Management expects the current high inflationary environment to continue, and some economists predict the U.S. economy may enter an economic recession. Any disruptions in the

capital markets, as a result of economic, political and market instability, may increase the spread between the yields realized on risk-free and higher risk securities and can result in illiquidity in parts of the capital markets, significant write-offs in the financial sector and re-pricing of credit risk in the broadly syndicated and corporate bond markets.

Significant disruption or volatility in the capital markets may also have a negative effect on the valuations of OFS Management Clients' investments and affect the pace and the potential for liquidity events involving such Clients' investments. Thus, the illiquidity of the Clients' investments may make it difficult for OFS Management to sell such investments to access capital on behalf of its Clients, if required. As a result, Clients could realize significantly less than the value at which OFS Management has anticipated as the investment value if it were required to sell the investments for liquidity purposes. An inability to raise or access capital could have a material adverse effect OFS Management's Clients' business, financial condition or results of operations.

The global pandemic caused by the outbreak of COVID-19 has led, and may continue to lead, to significant economic disruption in the economy of the United States and the economies of other nations. While many of the emergency measures and recommendations imposed by governmental authorities in response to the pandemic, including restrictions on travel and the closure of non-essential businesses have been eased, the pandemic and the resulting economic dislocations caused substantial disruption, volatility and a reduction in liquidity in the capital markets and the credit markets, including the leveraged loan market specifically, which may continue for an extended period. Any such volatility or additional waves of the COVID-19 outbreak or future pandemics, as well as the generally negative economic impact of such events, may have adverse impacts on our business and our results of operations and financial condition. While certain markets have shown signs of stabilizing, market conditions remain uncertain and a period of deterioration and volatility could re-emerge.

Negative economic trends would also increase the likelihood that major financial institutions or other entities with a significant impact on the financial and credit markets suffer a bankruptcy or insolvency. In addition, certain industries may feel the impact of such negative economic trends more than others. There is a material possibility that economic activity will be more volatile or will slow significantly, and some obligors may be significantly and negatively impacted by these negative economic trends. Although the leveraged finance and collateralized loan obligation markets have made significant recoveries from the adverse impact of the credit crisis, there can be no assurance that the leveraged finance and the collateralized loan obligation markets will not be adversely impacted by future economic downturns or market volatility.

OFS Management's Clients may also be subject to risk arising from a default by one of several large institutions (such as banks and other financial institutions) that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution may cause a series of defaults by the other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries with which OFS Management interacts in the conduct of its business.

Overall uncertainty in the economic environment globally and in the United States may adversely affect OFS Management's business, results of operations and financial condition, including its

revenue growth and profitability. OFS Management continuously monitors developments and seeks to manage its investments in a manner consistent with achieving its investment objectives, but there can be no assurance that OFS Management will be successful in doing so.

Foreign Investments. Although OFS Management's Clients invest primarily in portfolio companies in the U.S., a portion of Clients' investments may from time to time consist of obligations of non-U.S. obligors or U.S. obligors that are affiliated with non-U.S. companies. Investing outside the United States may involve a significant number of risks, which may include: less publicly available information; varying levels of governmental regulation and supervision; difficulties in enforcing legal rights or interpretation of laws; possible expropriation; or political, economic, or social instability. Even U.S. borrowers may be subject to these risks when they engage in substantial overseas investments or operations.

For a more complete discussion of the risks associated with investing with OFS Management, potential investors should refer to the public filings made by each BDC and OCCI pursuant to the requirements of the Exchange Act and 1940 Act, respectively, available on the SEC's EDGAR system at www.sec.gov/edgar and the offering memorandum of each of the CLOs.

ESG Risk Factor Considerations in the Investment Process. OFS Management may utilize quantitative and qualitative ESG considerations as a component of the investment process to implement its Clients' investment strategies and objectives where deemed appropriate as part of a focus on capital preservation. The incorporation of ESG factors may affect a Client's exposure to certain issuers or industries, which could negatively impact a Client's performance, depending on whether such investments are in or out of favor. To the extent that OFS Management engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial results. OFS Management's Clients may underperform compared to other funds that do not assess an issuer's ESG factors as part of the investment process or that use a different methodology to identify or incorporate ESG factors. Investing on the basis of ESG factors is qualitative and subjective by nature, and there is no guarantee that the ESG criteria utilized will reflect the beliefs or values of any particular investor. The ESG characteristics utilized in the investment process may change over time, and different ESG characteristics may be relevant to different investments.

Although OFS Management has established a process to oversee ESG integration in accordance with its investment objective and strategies, successful integration of ESG factors will depend on OFS Management's skill in researching, identifying and applying these factors, and there can be no assurance that the strategy or techniques employed will be successful. The method of evaluating ESG factors and subsequent impact on portfolio composition, performance and other factors, is subject to the interpretation of the investment committees. ESG factors may be evaluated differently by different investment committees. Information used to evaluate such factors, including company disclosures, public data sources, third-party ESG ratings and industry standard frameworks (e.g., SASB, TCFD), may not be readily available, complete or accurate, and may vary across providers and issuers as ESG is not a uniformly defined characteristic, which could negatively impact the ability to accurately assess an issuer and the firm's performance.

The regulatory landscape with respect to ESG investing in the United States is evolving and any future rules or regulations may require OFS Management to change its investment process with respect to ESG integration.

Financial Institution Risk: An OFS Client’s investment is subject to the risk that its banks, brokers, counterparties or other custodians of some or all of the Client’s assets (each, a “Financial Institution”) fail to perform its obligations or experience insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Client and/or its portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of OFS Management to manage OFS Clients’ investments, and on the ability of the OFS Management, OFS Clients and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to cause OFS Clients and/or portfolio companies to pay fees and expenses in the event OFS Clients and/or portfolio companies are not able to close transactions (whether due to the inability of investors to make capital contributions or otherwise), as well the inability of OFS Clients to acquire or dispose of investments at prices that OFS Management believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although OFS Management expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that clients and/or their portfolio companies maintain all or a set amount or percentage of their respective accounts or assets with custodians, which heightens the risk associated with a Distress Event with respect to such custodians. Although OFS Client seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to OFS Client, OFS Client’s portfolio companies are under no obligation to use a minimum of custodians or to maintain account balances at or below the relevant insured amounts.

Item 9 Disciplinary Information

To the best of OFS Management's knowledge, there are no legal or disciplinary events that OFS Management believes would be material to its Clients' or prospective Clients' evaluation of its advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

As noted in “Item 4 Advisory Business,” OFS Management is part of a family of investment advisors, including OFS CLO Management and OFS CLO Management II, that share resources, including investment professionals, and that service Clients with overlapping investment strategies. OFSC, which is also a wholly owned subsidiary of OFSAM, provides most of OFS Managements’ investment professionals, and provides OFS Management back- and middle-office, legal/compliance/risk analysis, credit analysis, execution and documentation, marketing, reporting, and other administrative services. The employees who provide services to multiple different entities face conflicts of interest due to competing priorities and allocation of time and responsibilities.

Also as noted in “Item 4 Advisory Business,” Certain investment professionals that service OFS Management’s Clients are the same professionals that service OFS CLO Management’s and OFS CLO Management II’s CLOs under the Services Agreements. The investment professionals who service each of the OFS Advisors face conflicts in allocating their time among them. OFS Management’s professionals, including its investment professionals, will devote as much of their time to OFS Management as is reasonably required for OFS Management to fulfill its fiduciary duties to its Clients and perform its duties to its Clients pursuant to the Governing Documents and in accordance with reasonable commercial standards.

Richard Ressler is a Trustee of The OI3 2019 Trust, which is an indirect principal owner of OFSAM. Mr. Ressler is also a member of OFS Management’s investment committees, and he wholly owns and is employed by OCC, a consulting and advisory services firm. In addition, Mr. Ressler is the indirect majority owner of OCV Management, LLC (“OCVM”), an exempt reporting adviser that was previously registered as a relying adviser to OFS Management. OCVM serves as the investment adviser to a venture capital fund focused primarily on control-oriented investments in middling or displaced companies in the technology and life sciences sectors. Richard Ressler is a founder and principal owner of CIM Group, which owns, operates and develops urban real estate and real estate related assets and infrastructure assets. CIM Group indirectly wholly owns CIM Capital, its relying advisers, IC Management, SA Management and CCO Capital, LLC (“CCO Capital”). CIM Capital provides investment advisory services primarily to investment funds that are exempt from registration under the Investment Company Act and directly to institutional investors, high net worth individuals and family offices. IC Management provides investment advisory services to securities subsidiaries of public REITs and a non-diversified, closed end management investment company registered under the Investment Company Act. SA Management serves as a sub-adviser to a non-diversified, closed end management investment company registered under the Investment Company Act. CCO Capital is a limited purpose broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc., the scope of which is limited to acting as dealer manager and/or placement agent for certain CIM Funds and HPCI BDC. OFS Management’s CCO is solely employed by CIM Capital Securities Management, a relying adviser of CIM Capital, and serves as the CCO to CIM Group, CIM Capital, its relying advisers, IC Management, SA Management, OCVM and OFSC. OFS Management’s CCO is also a registered representative of CCO Capital, serving in a non-sales, compliance-related capacity. Mr. Ressler is not an employee of OFS Advisors, OCVM, CIM Capital, CCO Capital or OFSC. However, both Mr. Ressler and OFS Management’s CCO provide services to OFS Management and other affiliates that engage in

lending, private equity, venture capital, real estate, and capital markets-oriented investment activities. OFS Management pays OCC and CIM Group for services performed by these persons pursuant to the mutual services agreement. Their multiple roles could create conflicts of interest due to competing priorities and allocation of time and responsibilities.

OFS Management's investment professionals are not solely dedicated to its current Clients, and may in the future manage other investment funds, accounts, or other investment vehicles advised by an affiliated adviser with investment objectives similar to or different from those of current Clients, which may compete with current Clients for investments or take opposing investment positions, or serve or may serve as officers, directors, or principals of entities that operate in the same, or a related, line of business as current Clients.

BDC and OCCI Officers Who Are Also Officers and Principals

Each of the officers of the BDCs and OCCI also serve as officers and principals with OFS Management. They will devote as much of their time to the BDCs, OCCI, and OFS Management's other Clients as they deem reasonably required to perform their duties to the BDCs, OCCI, or to OFS Management's other Clients pursuant to the Governing Documents and in accordance with reasonable commercial standards. Each of the BDCs' and OCCI officers' performance of its roles with or for the BDCs, OCCI and with or for OFS Management's other Clients creates conflicts of interest due to competing priorities and allocation of time and responsibilities.

OFS Management's Financial Interests in its Clients

In many cases, OFS Management, its affiliates, and/or its personnel invest in OFS Management's Clients and/or in Clients advised by OFS CLO Management or OFS CLO Management II. For instance, OFSAM Holdings owns approximately 22% of the outstanding common stock of OFS BDC, 3.0% of the outstanding common stock of HPCI BDC, 1.6% of the common stock of OCCI, and from time to time invests in the CLOs (in addition to investment vehicles managed by unaffiliated advisers). In addition, OFS Management's personnel have purchased, and are expected to continue to purchase, the publicly traded shares of OFS BDC and OCCI; however, such purchases may occur only during open trading windows announced by the CCO, and then only with the express pre-approval of the CCO. As noted above, the type and amount of fees paid to OFS Management also differs among Clients. The differences in the financial interests OFS Management, its affiliates and its personnel have in its Clients may give rise to conflicts of interest when allocating investment opportunities between and among Clients. OFS Advisors have adopted the Conflicts Procedures (as hereinafter defined) and Aggregation and Allocation Policy to address such conflicts. For a detailed discussion of OFS Management's Aggregation and Allocation Policy, please see "Item 6 Performance-Based Fees and Side-by-Side Management—Investment Allocation Policy."

OFS Management's Personnel May Provide Services to Portfolio Companies

OFS Management may be requested, be required to, or wish to, participate in the management or direction of certain portfolio companies in which its Clients invest, or on committees formed by creditors to negotiate the management of financially troubled borrowers that may or may not be in bankruptcy. Pursuant to the Code of Ethics (discussed in Item 11 below), with the permission of OFS Management's CCO, OFS Management personnel may serve as directors or in other capacities with, and receive compensation from, these portfolio companies. In acting in such capacities, OFS Management and/or its personnel may be deemed to have duties to the portfolio company's shareholders or other creditors that could conflict with OFS Management's duties to its Clients. Such activities could also expose OFS Management and its Clients to liability to such shareholders or other creditors. Each of the OFS Advisors has jointly adopted the Conflicts Procedures to address these types of conflicts. For a further discussion of these risks, please see "Item 8 Methods of Analysis, Investment Strategies and Risk of Loss."

Other Relationships with Affiliates

CCO Capital, a limited purpose broker-dealer and affiliate of OFS Management, acts as dealer manager for HPCI BDC. CCO Capital provides certain sales, promotional and marketing services in connection with the offering and earns dealer manager fees when acting in this capacity.

OFS Management acts in a sub-advisory capacity to certain pooled investment vehicles that are managed by affiliated investment advisers. Investors do not pay fees in excess of those disclosed in the applicable Governing Documents as a result of these relationships.

Conflicts Procedures

OFS Advisors, including OFS Management, have jointly adopted various policies and procedures (the "**Conflicts Procedures**"), including the Code of Ethics, described in detail in "Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading", to address potential conflicts among OFS Advisors and their Clients. These policies and procedures, which may be modified from time to time at OFS Advisors' sole discretion, may require prior review or approval of certain transactions by OFS Advisors' CCO or members of senior management. Relevant policies and procedures for addressing conflicts with respect to a particular Client may be described in greater detail in the Governing Documents or offering materials for that Client. With respect to affiliate transactions or other matters giving rise to conflicts of interest, the relevant Governing Documents may provide for, among other things, consultation regarding or approval of such transactions by a person or body such as a trustee, a board of directors, an advisory committee comprised of certain of the underlying investors in a pooled investment vehicle, or, in the case of the BDCs and OCCI, by their independent directors, and in the case of the CLOs, the board of directors or the trustee. The Conflict Procedures, together with the provisions of relevant Governing Documents concerning such potential conflicts, may limit OFS Advisors' ability to buy or sell a security for a Client or otherwise participate in an investment opportunity for a Client, or to take other actions that OFS Advisors might consider in the best interests of a Client and its investors.

For a discussion of additional conflicts of interest and OFS Advisors' procedures for addressing those conflicts, please see "Item 6 Performance-Based Fees and Side-by-Side Management" and the Client Governing Documents.

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

OFS Management owes a fiduciary duty to its Clients and therefore mandates the highest standards of ethical conduct and care from all its officers, directors, and employees, including employees of affiliates that provide services to it. Such persons, whom OFS Management collectively refers to as its "personnel," must abide by this basic business standard and must not take inappropriate advantage of their position. OFS Management's personnel are under a duty to exercise their authority and responsibility for the benefit of OFS Management and its Clients, and such personnel may not have outside interests that inappropriately conflict with the interests of OFS Management and its Clients. OFS Management's personnel must avoid circumstances or conduct that adversely affect, or that appear to adversely affect, OFS Management and its Clients.

Code of Ethics

Pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 of the 1940 Act, the OFS Advisors, including OFS Management, have jointly adopted a Code of Ethics ("**Code of Ethics**") with each of the Regulated Funds to establish applicable policies, guidelines, and procedures that promote ethical practices and conduct by all its personnel and that prevent violations of the federal securities laws, including the Advisers Act and the 1940 Act. OFS Management's Code of Ethics is predicated on the principle that OFS Management owes a fiduciary duty to its Clients. It consists of several policies primarily designed to address potential conflicts of interest, including a Personal Investment Policy, an Inside Information Policy, Gifts and Entertainment Policy, Political Activities Policy, Outside Affiliations Policy, Anti-Corruption Policy, Computer Acceptable Use Policy and Personal Use of Firm's Resources and Relationships Policy.

OFS Management's personnel must observe the applicable standards of care set forth in the Code of Ethics and may not seek to evade the policies and procedures set forth therein in any way, including through indirect acts by family members or other associates. All OFS Advisors, including OFS Management, also maintain various joint compliance policies to assure compliance with other relevant provisions of the Advisers Act. Further, all activities involving the Regulated Funds are subject to the 1940 Act and the policies and procedures adopted by the Regulated Funds as set forth in each Regulated Fund's Rule 38a-1 Compliance Manual. The obligations set forth in the Code of Ethics are in addition to, and not in lieu of, the policies and procedures set forth in the other compliance policies, the Regulated Funds' Compliance Manuals, OFSC's Employee Handbook, or any other policies and procedures OFS Management adopts in respect of the conduct of its business. OFS Management's personnel must certify at least annually that they have read, understand, are subject to, and have complied with the Code of Ethics. Such personnel also acknowledge receipt and understanding of OFS Management's Compliance Manual and the Rule 38a-1 Compliance Manuals. OFS Management's personnel must comply with applicable federal securities laws and must report violations of the Code of Ethics to OFS Management's CCO.

OFS Management will provide a copy of the Code of Ethics, free of charge, to any Client or investor or any prospective Client or prospective investor upon request. The Code of Ethics may be requested by contacting OFS Management at 847-734-2000 or compliance@ofsmanagement.com.

Participation or Interest in Client Transactions

Conflicts of interest may occur when OFS Management or its personnel invest in Clients or invest in the same investments, trade in the same investments at or about the same time or have a material financial interest in the same investments that OFS Management or affiliates recommend to Clients. The interest of OFS Management or its personnel in a Client may create an incentive to take actions that are not in the best interests of such Client or other investors in such Client. In addition, if OFS Management has a greater interest in one Client than another, OFS Management may have an incentive to take actions that favor that Client over the other.

OFS Management's Code of Ethics and the policies and procedures set forth therein have been designed to limit conflicts of interest in cases where OFS Management or any of its personnel, buy, sell, or otherwise have a direct or indirect interest in, OFS Management's Clients or investments that OFS Management or affiliates have recommended to its Clients.

Cross Trades

Cross-trades are transactions between two clients of the same investment adviser or affiliated investment advisers, regardless of whether a broker-dealer is engaged to effect the transaction. OFS Advisors may utilize cross-trades to address account funding issues or for other bona fide portfolio management reasons. Under OFS Management's policies and procedures, any proposed cross-trade must be advantageous to each of the Clients involved in the transaction. The applicable investment committees must seek the approval of OFS Advisors' CCO in advance of the trade and must provide information such as the size of the trade, confirmation that the positions are freely tradable, documentation regarding the price of the transaction, and an assertion that the transaction is advantageous to each Client involved. Any proposed cross-trades involving a fund registered under the 1940 Act are subject to the provisions set forth in that registered fund's compliance manual.

Principal Transactions

In a principal transaction, an adviser, acting for its own account, buys an investment from, or sells an investment to, a Client. In addition, a transaction between OFS Management's Clients and an entity in which OFS Management or its affiliates, collectively, own more than 25% of the equity ownership may be considered a principal transaction. Section 206(3) of the Advisers Act requires an investment adviser to provide written disclosure to a client and obtain the client's consent prior to settlement of any principal transaction. Prior to execution of a principal transaction, the investment committee member recommending the trade must prepare a brief memorandum setting forth the reasons that the transaction is in the best interests of the Client involved, explaining how the transaction will be priced and demonstrating compliance with the relevant provisions of the Advisers Act relating to such type of transaction, including the client consent requirement of Section 206(3). The 1940 Act generally prohibits principal transactions involving funds registered

under the 1940 Act. Any permissible principal trade must also be pre-approved by OFS Management's CCO.

Personal Trading Policy

As discussed above, OFS Management's personnel must abide by the Code of Ethics. As a general matter, OFS Management's personnel owe an undivided duty of loyalty to its Clients. OFS Management's personnel may not use their knowledge concerning a trade, pending trade, or contemplated investment by any of its Clients, to profit personally from such transaction, including by purchasing or selling such investments.

As required by Rule 204A-1 under the Advisers Act and Rule 17j-1 of the 1940 Act, OFS Advisors' jointly adopted Code of Ethics contains a Personal Investment Policy that mandates that OFS Management's personnel disclose their personal securities holdings and transactions made in a "Reportable Security," as defined in the Code of Ethics. Further, OFS Management's personnel are generally prohibited from purchasing or selling, for any personal accounts, securities or other obligations of companies or issuers that, at that time, are listed on OFS Management's "Restricted List" which contains names of companies or other issuers: (i) about which OFS Management or its affiliates may possess material non-public information, (ii) to which OFS Management or its affiliates may owe a fiduciary obligation, or (iii) in which OFS Clients or Affiliated Clients own or intend to purchase an interest. Additionally, OFS Management's personnel may not invest in an initial public offering, OFS Advisor affiliated security or a private placement without the prior written approval of OFS Management's Compliance department. Lastly, OFS Management's personnel cannot engage in short sales in names listed on the "Client Securities List".

In addition, OFS Advisors' jointly adopted Code of Ethics contains policies and procedures to prevent the misuse of material non-public information by OFS Management's personnel, including the misuse of material non-public information about OFS Management's investment recommendations and Client investments and transactions. OFS Advisors' Code of Ethics describes what constitutes "material" and "non-public" information and outlines the penalties that OFS Management's personnel are subject to if they trade on such information.

OFS Management's personnel may not engage in "front running." Front running is an illegal practice in which an investment professional takes a position in an investment in advance of an action he or she knows will predictably affect the price of the investment. While OFS Advisors' personnel are not restricted from trading in publicly traded securities of public companies of which OFS Clients hold corporate bonds of such public companies, OFS Advisors have implemented controls to monitor employees' personal trades in such publicly traded securities issued by such public companies for front-running purposes.

The Restricted List and the prohibition on front running are intended to prevent OFS Management and its personnel from buying or selling investments contemporaneously with OFS Clients and Affiliated Clients in a manner where OFS Management or its personnel might benefit, or OFS Clients or Affiliated Clients might be harmed.

Item 12 Brokerage Practices

OFS Management typically has discretionary authority to buy and sell investments for its Clients and to determine the amount of such investments to be bought or sold, consistent with each Client's investment objectives and the restrictions set forth in each Client's Governing Documents. In addition, OFS Management may determine, without Client consultation or consent, the broker-dealers through which investments are bought and sold and the commission rates or dealer spreads at which transactions are effected. Because OFS Management's Clients typically acquire and dispose of the majority of their investments in privately negotiated transactions, many of the transactions in which they engage do not require the use of brokers or the payment of brokerage commissions.

Selection of Broker-Dealers and Reasonableness of Compensation

A material portion of OFS Management's Clients' investments are in illiquid debt or equity instruments issued by private companies for which there are a limited universe of trading counterparties, and, therefore, OFS Management frequently transacts directly with the company, an existing investor, administrative agent, or an agent bank without the use of a broker-dealer. However, in certain circumstances, an assignment fee may be charged by the administrative agent for a particular loan, and fees may be payable when buying and selling bank loans by the OFS Client. OFS Management may, nevertheless, effect certain investments, including purchasing or selling positions in corporate bonds, CLOs, exchange traded Funds ("ETFs") and CMBS through agents and broker-dealers from time to time and have, along with the OFS CLO Management and OFS CLO Management II, adopted a best execution policy and corresponding procedures in respect of OFS Management's duty to obtain "best execution" for OFS Management's Clients' investment transactions.

OFS Management's objective in selecting broker-dealers and executing transactions is to seek to obtain the best combination of price and execution. OFS Management considers the full range and quality of a broker-dealer's service in selecting broker-dealers to meet best execution obligations. The determinative factor is whether the transaction represents the best overall qualitative execution for OFS Management's Clients. As a primary consideration, OFS Management considers the trade price and imputed mark-up/mark-down. These things being equal or fairly equal among broker-dealers, the following qualitative factors, among others, may be considered:

- (i) liquidity of the securities traded and current market conditions;
- (ii) ability to maintain the confidentiality of trading intentions;
- (iii) ability to place trades in difficult market environments;
- (iv) quality and value of the research services provided;
- (v) execution facilitation services provided;
- (vi) timeliness of execution and trade confirmations;

- (vii) allocation of limited investment opportunities;
- (viii) custody services provided;
- (ix) frequency and correction of trading errors and fairness in resolving disputes;
- (x) ability to access a variety of market venues;
- (xi) expertise as it relates to specific investments;
- (xii) intermediary compensation (dealer spreads);
- (xiii) financial condition and business reputation;
- (xiv) gross compensation paid to each broker-dealer;
- (xv) order flow sent to the broker-dealers; and
- (xvi) willingness to commit capital.

As discussed above, privately placed investments may be purchased directly from the issuer or its placement agent on terms OFS Management negotiates. Terms subject to such negotiation may include, but are not limited to: the frequency and amount of dividends and other distributions; debt limitations; permitted investments, sales of assets, consolidations, and mergers; transactions with affiliates; subordination provisions; representations and warranties; rights of inspection; and events of default. OFS Management's ability to negotiate terms as part of a private placement may depend upon the amount of an offering to be bought or sold.

Notwithstanding, from time to time, OFS Management may determine it can best fulfill its best execution obligations by executing certain types of securities transactions exclusively with a single broker. In such cases, the prevailing determinate in choosing the broker will be favorable margin rates.

“Soft-Dollar” Arrangements

Currently, OFS Management does not have any formal “soft-dollar” arrangements, under which it would direct portfolio brokerage commissions to a specific broker-dealer in return for brokerage or research services. Although OFS Management may receive research from broker-dealers and counterparties with whom the firm transacts, such research is typically free of charge to all market participants.

When OFS Management receives research or related products or services from broker-dealers, it could potentially cause a conflict of interest as OFS Management may have incentive to select broker-dealers based on their interest in receiving these services, rather than receiving the most favorable execution for Client trades. However, OFS Management generally does not consider access to research or brokerage services when considering broker-dealers with which to place trades. In addition, the types of investments OFS Management makes for its Clients do not

typically generate commissions. Nevertheless, when receiving research or brokerage services from broker-dealers with whom OFS Management deals, the firm receives a benefit because it does not have to produce or pay for such services.

In the last fiscal year, OFS Management acquired the following types of research and related products or services from broker-dealers with whom it did business: written information and analyses concerning specific securities, companies, or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; and statistical and pricing services. These products and services were not provided in exchange for execution or trade fees.

Trade Errors

Although OFS Management exercises care in making and implementing investment decisions, we may, from time to time, make errors with respect to trades made on behalf of Clients. When a trade error occurs, we work with all relevant parties in the trading process to promptly correct the error while ensuring it does not disadvantage the affected Client(s). As a general matter, if OFS Management commits a trade error that results in a loss for a Client, we will credit an amount equal to the loss to that Client as soon as reasonably practical. A trade error gain will typically remain with the Client. Notwithstanding, OFS Management has full discretion to resolve a particular trade error in a manner other than specified above after a complete investigation and evaluation of the circumstances surrounding the event, including the reallocation of trades among Clients.

Brokerage for Client Referrals

In selecting or recommending broker-dealers, OFS Management will not consider whether OFS Advisors receives Client or investor referrals from a broker-dealer or other third party.

Directed Brokerage

OFS Management does not engage in any directed brokerage arrangements at this time.

Trade Aggregation and Allocation

Please refer to “Item 6-Performance-Based Fees and Side-By-Side Management–Investment Allocation Policy” for information on OFS Management’s practices related to aggregation of purchase or sales of investments for its Clients.

Item 13 Review of Accounts

Periodic Review of Client Accounts

OFS Management has adopted a Portfolio Management Review Policy and corresponding procedures (the “**Portfolio Management Review Policies**”), which governs the manner in which OFS Management considers, approves, documents, and monitors its Clients’ investments. To ensure effective supervision and management oversight of the firm’s investment activities, OFS Management continuously monitors the composition and quality of its Clients’ investment portfolios as appropriate, as well as compliance with Clients’ Governing Documents. Among other things, OFS Management may review a variety of portfolio reports, which may include weekly balance reports, portfolio summaries and other periodic reports containing detailed information regarding the portfolio and investments under consideration.

In accordance with the Portfolio Management Review Policies, OFS Management’s investment committees are primarily responsible for ensuring that the investments held by its Clients are consistent with the respective Client’s investment objectives and applicable investment guidelines and restrictions. OFS Management maintains expert investment committees that serve each of its Clients, comprised of members designated from time to time by senior management. The applicable investment committee, in consultation with OFS Management’s CCO, will periodically review its Clients’ portfolios, performance, and prospects to identify irregularities or inappropriate positions.

Contents and Frequency of Account Reports to Clients

As required by the Exchange Act and 1940 Act, each BDC and OCCI, respectively, files with the SEC written periodic, quarterly, and annual reports, as applicable, regarding the composition of its portfolios and fund performance and, if requested, will provide more frequent reports to the board of directors, as it may reasonably request.

Under each Sub-Advisory Agreement, OFS Management shall timely furnish to the [Affiliated Adviser or Primary Adviser, as applicable], all information relating to OFS Management’s investment sub-advisory services, as reasonably requested by such [Affiliated Adviser or Primary Adviser]. In the case of the SMAs, the Clients receive periodic written reports regarding the composition and activity of the account from a qualified custodian, as well as periodic reports from OFS Management.

Item 14 Client Referrals and Other Compensation

OFS Management has in the past, and may in the future, enter into placement agent arrangements, pursuant to which OFS Management compensates third parties for placing pooled investment vehicle interests with investors. OFS Management may make cash payments to such placement agents, and may be reimbursed therefor, or the pooled investment vehicle may make such payments directly, as specified in the Governing Documents.

OFS Management will only compensate, directly or indirectly, a placement agent when doing so in compliance with Rule 206(4)-1, the Marketing Rule. The Marketing Rule requires, with some exceptions, placement agent activities to be subject to a written agreement, disclosures to be provided to the investor that explains the compensation and related conflicts of interest and prohibits placement agents with certain disciplinary history from being compensated for referring investors to OFS Management. OFS Management's CCO, or her or his designee, oversees these placement agent arrangements, and OFS Management maintains policies and procedures to reasonably ensure referrals in exchange for direct or indirect compensation are carried out in compliance with the Marketing Rule. OFS Management expects to only engage registered broker-dealers or banks to act as placement agents.

OFS Management does not make any indirect payments to marketing intermediaries, such as pension consultants, for the referral of investors and will comply in all respects with applicable "pay to play" legislation and rulemaking. Such payments would include, but are not limited to, direct payments for products/services offered by consultants and utilizing a consultant's affiliated broker-dealer for securities transactions.

Placement agents that solicit or refer potential investors to OFS Management and its Clients experience a conflict of interest because they will be compensated in connection with their placement activities. Any material conflict between the placement agent and OFS Management will be disclosed by either OFS Management or the placement agent to the potential Client or private fund investor.

Economic Benefits for Providing Services to Clients

OFS Management does not receive an economic benefit from third parties for providing investment advice or other advisory services to Clients.

Item 15 Custody

Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”) (and certain related rules and regulations under the Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

Investment advisers are required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which they have custody with a “qualified custodian.” Qualified custodians include banks, broker-dealers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients’ funds or securities. However, an adviser need not comply with such requirements with respect to a pooled investment vehicle if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board, and (ii) distributes its audited financial statements, prepared in accordance with Generally Accepted Accounting Principles, to the limited partners, members, or other beneficial owners, within 120 days (or 180 days in the case of a fund of funds adviser) of its fiscal year end.

Each Regulated Fund has adopted a custody policy to comply with Section 17f of the 1940 Act, as amended. The rules adopted in connection therewith, and the accounts of registered investment companies are specifically exempted from the Custody Rule. Each BDC prepares audited financial statements and makes such audited financial statements publicly available within 90 days of the fiscal year end in accordance with Exchange Act reporting requirements. OCCI prepares audited financial statements and makes such audited financial statements publicly available within 60 days of the OCCI’s fiscal year end, in accordance with its 1940 Act reporting requirements.

OFS Management is deemed to have custody of certain Client funds if an affiliate, OFS Agency Services LLC (“**OFS Agency**”), serves as loan agent to loans in which certain Clients are lenders. OFS Agency and OFS Management are not operationally independent. As loan agent, OFS Agency receives loan payments from borrowers in a dedicated bank account (“**Agency Account**”) and makes corresponding payments to each lender based on their ownership in the loan syndicate. OFS Agency serves as loan agent for loans where both OFS Management’s Clients and third-parties serve as lenders in the loan syndicate. This means that the loan payments collected in the OFS Agency Account, prior to disbursement to borrowers, are the comingled assets of OFS Management’s Clients and third-parties. If OFS Agency does serve as loan agent to certain Client funds, in order to comply with the Custody Rule, OFS Management will make the required disclosure of custody in this Brochure and will obtain a written internal control report, no less frequently than once each calendar year, prepared by an independent public accountant.

OFS Management is deemed to have custody of certain SMA client funds, specifically if OFS Agency provides loan servicing to such SMA clients, and complies with the provisions of the

Custody Rule, including, among other things, the requirement to engage an independent public accountant to conduct an annual surprise examination of the assets held in the SMA account.

OFS Management is not deemed to have custody of Sub-Advised Accounts, and therefore is not subject to the requirements of the Custody Rule with respect to the Sub-Advised Accounts.

Item 16 Investment Discretion

At the outset of an advisory relationship, OFS Management typically receives discretionary authority from a Client to select the investments to be purchased and sold by the Client subject to the terms of the Governing Documents.

Each Client's Governing Documents generally place limitations on OFS Management's ability to buy or sell investments. Similarly, the Regulated Funds are subject to certain federal securities and tax laws, including the 1940 Act, and, in the case of the Small Business Administration ("SBA") portfolio of OFS BDC, to SBA regulations, which limit the types of investments that can be made.

OFS Management's Clients must provide the firm with investment guidelines and restrictions in writing. Additionally, OFS Management requires Clients to execute a power of attorney in OFS Management's favor, when necessary. However, OFS Management's authority will be limited so as not to cause OFS Management to have custody of a Client's funds or securities.

For a complete discussion of OFS Management's advisory business and the services provided to Clients, please see "Item 4 Advisory Business."

Item 17 Voting Client Securities

Although the investments in OFS Management's Clients' portfolios do not typically involve proxy voting, the firm has accepted, and in the future will continue to accept, discretionary authority to vote any Client proxy ballots it may receive. As such, OFS Management, together with the other OFS Advisors, have jointly adopted a Proxy Voting Policy (the "**Proxy Voting Policy**") and corresponding procedures to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act and with OFS Management's fiduciary obligations. The Proxy Voting Policy applies to voting securities held by OFS Management's Clients and has been designed to ensure that OFS Management votes proxies in the best interest of its Clients.

When voting economic proxies, OFS Management's primary objective is to make decisions in the best interest of Clients. In fulfilling its obligations to Clients, OFS Management will act in a prudent and diligent manner to enhance the economic value of the underlying investments held by each of its Clients. In acting upon these matters on behalf of its Clients, OFS Management will seek to avoid material conflicts of interest between the firm's interests and the interests of its Clients.

An officer or employee designated by OFS Management will be responsible for making proxy voting decisions for Clients. In addition, OFS Management's Proxy Voting Policy permits a director level employee to cast votes on requests for certain types of waivers and amendments related to loan documents. When voting proxies, some, but not all, of OFS Management's considerations include:

- the view and opinion of the portfolio company's management and the effect of management's position on the value of the Client's investment;
- for corporate governance matters, the purpose underlying the Client's investment position, including the investment horizon and the current or planned ownership position and degree of OFS Management's involvement, on behalf of the Client, in management;
- for proposals related to stock option plans and other management compensation issues, the portfolio company's need to recruit and retain highly qualified individuals in competitive labor markets and the relevant industry standards and practices; and
- for proposals related to social and corporate responsibility, OFS Management will generally defer to company management, but will not support any proposals that may conflict with the portfolio company's ability to maximize long-term profits or may have an adverse effect on the Client's investment
- for proposals related to ESG considerations, OFS Management will consider where proposals are consistent with OFS Client's investment objective.

Each Regulated Fund has delegated the exercise of its proxy voting rights to OFS Management. Although the boards of directors of the Regulated Funds have reviewed and approved OFS Advisors' Proxy Voting Policy and would review any proxy votes where a material conflict of

interest was identified, the Regulated Funds cannot direct how OFS Management votes on a particular solicitation or request.

When OFS Management determines how to vote proxies, certain conflicts of interest may arise. For example, portfolio companies in which different Clients are invested may be competing for or involved in similar transactions, investments, lines of business, or types of research. Voting a proxy for one Client's portfolio company may adversely affect the prospects or business of another Client's portfolio company. In the past, OFS Management's Clients have co-invested with each other and will continue such co-investing, unless doing so is impermissible based on existing regulatory guidance, applicable regulations, SEC exemptive relief, or the Aggregation and Allocation Policy. Because OFS Management advises multiple Clients, a proxy vote in any instance may benefit one Client and adversely affect another Client. In acting upon these matters on behalf of its Clients, OFS Management will seek to avoid or mitigate material conflicts between and among it and its Clients.

OFS Management will maintain proper records in connection with the Proxy Voting Policy and as required under the Advisers Act. OFS Management's Clients can obtain a copy of OFS Management's Proxy Voting Policy, voting procedures and information about how OFS Management has voted proxies, by contacting OFS Management at 847-734-2000 or compliance@ofsmanagement.com.

Item 18 Financial Information

Balance Sheet

OFS Management does not require or solicit any prepayment of fees six months or more in advance and, therefore, is not required to provide a balance sheet for its most recent fiscal year.

Contractual Commitments to OFS Management's Clients

OFS Management does not have any financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to Clients.

Bankruptcy Petitions

OFS Management has not been the subject of a bankruptcy petition.