

OAKTREE CAPITAL MANAGEMENT, L.P.

333 South Grand Avenue, 28<sup>th</sup> Floor

Los Angeles, California 90071

(213) 830-6300

<http://www.oaktreecapital.com>

Form ADV Part 2A - the Brochure

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This brochure provides information about the qualifications and business practices of Oaktree Capital Management, L.P. If you have any questions about the contents of this brochure, please contact us at (213) 830-6300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Pursuant to an exemption from the Commodity Futures Trading Commission in connection with the accounts of Qualified Eligible Persons, this brochure or account document is not required to be, and has not been filed with the Commission. The Commodity Futures Trading Commission does not pass upon the merits of participating in a trading program or upon the adequacy or accuracy of Commodity Trading Advisor disclosure. Consequently, the Commodity Futures Trading Commission has not reviewed or approved this trading program or this brochure or account document.

Additional information about Oaktree Capital Management, L.P. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2. MATERIAL CHANGES

Since the last annual update, dated March 31, 2023, Oaktree (as defined below) filed an other-than-annual update of this brochure on August 24, 2023 to reflect the addition of a relying adviser. Oaktree does not have any other material changes to report since the last annual update, dated March 31, 2023. Oaktree routinely makes changes throughout its brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices. We encourage all recipients to read this brochure in its entirety.

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## ITEM 4. ADVISORY BUSINESS

### A. ADVISORY BUSINESS

Oaktree Capital Management, L.P. (“Oaktree” or “we”) was founded in April 1995 and is a leader among global investment managers specializing in alternative investments. Oaktree manages assets across a wide range of investment strategies within four asset classes: Credit, Private Equity, Real Assets, and Listed Equities, which are described more fully in Item 8 below.

Oaktree offers investment advisory services in the investment strategies more fully described in Item 8 below to clients with separately managed accounts (“Managed Accounts”) and to private limited partnerships, collateralized loan obligation vehicles (“CLOs”) and other investment vehicles (“Managed Funds”) for which either Oaktree or an affiliate acts as general partner and/or investment manager. Our Managed Funds may include any separately managed accounts structured as a limited partnership or limited liability company managed by us with the client as the limited partner or non-managing member. Our Managed Accounts and Managed Funds are sometimes referred to in this brochure collectively as “accounts” or “Oaktree Accounts.”

Clients establish Managed Accounts with Oaktree by depositing funds or securities into accounts maintained by qualified independent custodians and granting Oaktree discretionary authority to invest such funds pursuant to each client's investment needs, objectives, and restrictions as stated in each client's management agreement and other account documentation with Oaktree. The investment objectives and restrictions of Managed Funds are detailed in the relevant Managed Fund's governing documents. The principal owners of Oaktree are Oaktree



Capital Group Holdings, L.P. and Oaktree Capital Management GP, LLC. References to Oaktree and we, as the context requires, include U.S. and non-U.S. affiliates that provide investment advisory services to accounts. Six of those affiliates are relying advisers of Oaktree and are more fully described under Item 10 below.

As of December 31, 2022, we managed \$150,985,669,468 on a discretionary basis and \$328,130,310 on a non-discretionary basis.

## B. BROOKFIELD ASSET MANAGEMENT

Affiliates of Brookfield Corporation and Brookfield Asset Management, Ltd. (collectively, “Brookfield”) together own approximately 64% of the economic interest in Oaktree’s business. Brookfield and Oaktree operate their respective investment businesses largely independently, with each operating under its own brand and led by its existing management and investment teams, and Oaktree and Brookfield generally managing their investment operations independently of each other subject to an information barrier between the firms. Oaktree does not consider Brookfield or its affiliates to be its “advisory affiliates” or “related persons” for purposes of this Form ADV. For more information regarding Brookfield and its affiliates, please refer to the Form ADV of Brookfield affiliated investment advisers: Brookfield Public Securities Group LLC (CRD# 110497), Brookfield Asset Management PIC Canada, LP (CRD# 151605), Brookfield Asset Management Private Institutional Capital Adviser (Credit), LLC (CRD# 170811), Brookfield Asset Management PIC Adviser (Private Equity), L.P. (CRD# 171207), Brookfield Asset Management PIC U.S. LLC (CRD# 151599), Brookfield Asset Management PIC BMG, LLC. (CRD# 312797), Brookfield Asset Management Reinsurance Advisor LLC (CRD# 312792), Brookfield BHS Advisors LLC (CRD# 309500), and Brookfield Renewable Energy Group LLC (CRD# 316590).

# ITEM 5. FEES AND COMPENSATION

## A. COMPENSATION FOR ADVISORY SERVICES

The description below of our fees and compensation is intended to provide a brief summary of the more typical fee structures shared by certain types of our accounts and is not intended to depict every scenario where such structures may differ. Please refer to our accounts’ governing documents for specific details regarding all fees and expenses for specific accounts.

### (1) Management Fees

As investment adviser or sub-adviser of the Managed Funds, Oaktree or its affiliates generally receives management fees on a monthly or quarterly basis based on annual fee rates, the amount of which varies depending upon the relevant Managed Fund, and is set forth within the terms of the relevant governing document, investment management agreement or sub-advisory agreement of such Managed Fund.

In the case of our closed-end Managed Funds, management fees during the investment period of such funds are typically calculated as a fixed percentage, typically in the range of 0.85% to 1.75% per year, based on either (i) total committed capital or aggregate contributed capital (through the final close, these fees are earned on a retroactive basis to the start of such fund’s investment period), (ii) total invested capital, which may include drawn capital or borrowings incurred in lieu of drawing capital, or (iii) cost basis of permitted investments. In certain cases, additional fees may be charged at the discretion of Oaktree, to cover administrative expenses incurred by Oaktree and/or its affiliates in cases where the committed capital is lower than the stated minimum capital amount. During the liquidation period of the closed-end Managed Funds, the management fee generally remains the same fixed percentage, typically applied against the lesser of the total invested capital (including indebtedness incurred in lieu of drawing capital) and the cost basis of permitted investments. Oaktree’s right to receive management fees from a closed-end Managed Fund typically ends after 10 or 11 years from the start of such fund’s investment period, even if assets remain to be liquidated.



For Oaktree's open-end and evergreen Managed Funds, the management fee is generally based on the net asset value of the relevant fund. Generally, our open-end Managed Funds pay management fees ranging from 0.40% to 0.80% of the net asset value of the relevant fund per year, paid monthly or quarterly. Our evergreen Managed Funds pay a management fee typically quarterly, ranging from 0.9% to 1.5% per year, based on a fixed percentage of the net asset value of the relevant fund.

Additionally, collateral management fees for certain of our Managed Funds that are structured as CLOs are payable in arrears only to the extent that funds are available in accordance with the priority of payments described in the governing documents of such CLOs and may include a performance fee in the event that certain subordinated note return thresholds are exceeded. CLOs for which Oaktree or an affiliate serves as collateral manager are referred to herein as "Oaktree-Managed CLOs." A Managed Fund that invests in the equity of an Oaktree-Managed CLO ("Managed CLO Equity Fund") does not charge a management fee or performance fee directly to the Managed CLO Equity Fund or investors in the Managed CLO Equity Fund. However, Oaktree earns fees indirectly through the investment of the Managed CLO Equity Fund's assets in Oaktree-Managed CLOs.

Management fees for Managed Accounts vary and are negotiated between Oaktree and the client, and take into consideration the scope of management involved, the size of the account, and the particular investment objectives and needs of each client.

Oaktree may charge the Managed Fund an additional fee (the "Small Commitment Fee"), in respect of, and borne only by, those investors whose capital commitments are below a certain threshold, as Oaktree may determine in its sole discretion. The Small Commitment Fee is intended, to cover certain administrative expenses incurred by Oaktree and/or its affiliates.

Oaktree also provides clients with multi-strategy investment allocation. Assets in a multi-strategy account may be allocated and managed by Oaktree in Managed Accounts or Managed Funds. A multi-strategy allocation account may be charged a flat fee, or in accordance with the applicable fee (or weighted average) for the Managed Account or Managed Fund in which the assets are invested, as negotiated by the client and Oaktree.

From time to time Oaktree has afforded, and may in the future in its sole discretion afford, certain investors in Managed Funds or clients of Managed Accounts more favorable economic terms than other investors in the same Managed Fund or other clients of Managed Accounts within the same or similar investment strategy, including with respect to both management and performance-based fees, generally based on the timing and aggregate size of commitments of such investor or client, as applicable, to one or more accounts managed by Oaktree or its affiliates. Any fees may be reduced or waived entirely by Oaktree or its affiliates in their sole discretion.

## (2) Performance-Based Fees

Oaktree and its affiliates have the potential to earn performance-based compensation in the form of performance fees or profit/incentive allocations from our closed-end and evergreen Managed Funds. The amount of such performance-based compensation and the calculation and timing of payment of such compensation are set forth in the terms of the governing documents of such Managed Fund. Generally, for closed-end Managed Funds, we are entitled to receive up to 20% of the realized profits of a fund's aggregate investments after such fund first distributes all contributed capital from the inception of the fund plus an annual preferred return, most commonly 8%, to its investors. As a result, Oaktree generally receives a profit or incentive allocation from a closed-end Managed Fund, if any, in the latter part of a fund's life, although earlier in such fund's term we may receive tax distributions to cover our allocable share of income taxes.

With respect to certain of our evergreen Managed Funds, we typically receive annual performance-based compensation up to 20% of the year's profits, subject to either a high-water mark or hurdle rate. A high-water mark refers to the highest historical net asset value attributable to an investor's account. For funds that have a high-water mark, this means that Oaktree does not earn annual performance fees with respect



to an investor in such fund if such investor's year-end net asset value is lower than any prior year's net asset value, excluding any contributions or redemptions.

Certain Managed Accounts pay performance-based fees based on terms reflected in the investment management agreement. In the case of certain open-end and evergreen Managed Funds and certain Managed Accounts, in lieu of charging the regular management fee applicable to the relevant strategy, Oaktree has the potential to earn performance-based fees, typically in reference to a relevant benchmark index or hurdle rate.

Generally, any eligible employee, officer or director of Oaktree, an Oaktree affiliate or Brookfield (or their respective family trusts or other estate planning vehicles which they control), as well as certain former employees, who invests his or her own capital in a Managed Fund (including through a separate pooled investment vehicle for employees) or receives ownership in a particular investment or Managed Fund as compensation is not subject to paying any performance-based fees to Oaktree or its affiliates.

### (3) Transaction-Based Fees

Generally, for Managed Funds and certain Managed Accounts, any transaction and monitoring fees (including fees and income paid by portfolio companies), directors' fees, investment banking fees, break-up fees, advisory fees, success fees or other similar fees or compensation received by Oaktree or its affiliates in connection with investments, net of any related unreimbursed expenses paid by Oaktree or its affiliates (collectively, "Deal Fees"), will reduce on a dollar-for-dollar basis the applicable management fee and, to the extent necessary to absorb any excess Deal Fees, performance-based compensation (including carried interest) otherwise payable to Oaktree or its affiliates. For example, an arrangement may be established in which portfolio companies pay transaction fees or monitoring fees to Oaktree, including monitoring arrangements that include acceleration of such fees or early termination payments equal to the monitoring fees that would have been earned had the monitoring arrangement continued on such terms as Oaktree deems appropriate in its sole discretion. In many cases with respect to the implementation of such arrangements, there is not an independent third party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other terms in the applicable agreement with the portfolio company, which may be more favorable to Oaktree or its affiliates than terms that would otherwise be available on an arm's length market basis. There is also a risk that such fees could exceed available management fee offsets, resulting in an economic benefit to Oaktree or its affiliates at the expense of investors or clients, or that Oaktree or its affiliates will benefit from the accelerated timing of monitoring fees relative to the timing on which management fees would otherwise be paid.

In addition, former Oaktree employees have and may in the future become employees, officers or directors of, or otherwise engaged by, portfolio companies. Also, current Oaktree employees have and may in the future be temporarily seconded to, or otherwise engaged by, certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. Those companies may pay such persons' directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives and may reimburse such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. Oaktree may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by Oaktree to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the management fee paid or carried interest distributed by the Managed Fund to Oaktree will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by Oaktree and reimbursed by a portfolio company) will not be treated as Deal Fees and will not be offset against the management fees or any carried interest distributions otherwise payable to Oaktree or its affiliates. All or a portion of any such compensation and incentives will be borne by the Managed Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an Investment Related Consultant (as defined below), an employee or former employee of



Oaktree, or a seconded employee may be unclear. In such cases, Oaktree will make a determination in good faith based on its evaluation of the relevant facts and circumstances.

The reduction of the management fee and, to the extent necessary under the applicable governing documents, the performance-based compensation with respect to Deal Fees received relating to an investment held by more than one account, will be allocated pro rata between the accounts on the basis of their respective invested capital in the investments giving rise to such Deal Fees. For the avoidance of doubt, for certain Managed Funds, the applicable management fee will not be reduced by amounts of Deal Fees that are attributable to interests in the Managed Fund held by Oaktree or its affiliates and any Deal Fees attributable to Oaktree or its affiliates' interests in the Managed Fund is permitted to be retained by Oaktree or any of its affiliates or by any employees, officers or senior executives of Oaktree or any of their respective affiliates, as applicable. Any award of a stock option or other non-cash compensation in the ordinary course received by any employee of Oaktree or its affiliates in connection with an investment will not offset the management fee unless such stock option or other non-cash compensation has been transferred directly to Oaktree under the applicable documents or agreements governing such option or other non-cash compensation and Oaktree actually monetizes or otherwise realizes value of such stock option or other non-cash compensation. Managed Funds and Managed Accounts that do not pay management fees generally do not receive the benefit of any offset, and accounts that pay a lower fee will receive a proportionately lower offset.

#### B. DEDUCTION OF FEES

*Management Fees.* For Managed Accounts, clients are generally billed directly for management fees. For Managed Funds, the management fees are typically deducted from the assets of the Managed Fund.

*Performance-Based Compensation.* For Managed Accounts, clients are generally billed directly for performance-based compensation, if any. For Managed Funds, performance-based compensation is allocated and paid to Oaktree or its affiliates from the assets of the Managed Fund.

*Timing.* Generally, management fees for Managed Accounts are charged quarterly. For Managed Funds, management fees may be charged either quarterly or monthly. To the extent that an Oaktree Account is in existence less than a full payment period, the respective management fee will be pro-rated. Generally, performance-based fees for closed-end Managed Funds, if any, are charged in the latter part of such fund's life after it has distributed all contributed capital and preferred return distributions to the investors. Performance-based fees for evergreen Managed Funds and certain Managed Accounts are typically charged annually subject to the high-water mark or hurdle rate.

#### C. FEES PAID IN ADVANCE AND REFUNDS

Depending on the Managed Fund, management fees may be charged in advance or in arrears. Management fees for our Managed Accounts are generally charged in arrears.

An investor in our open-end or evergreen Managed Funds that is paying fees in advance has the ability to withdraw from such fund, as applicable, and Oaktree has the ability to terminate its services with an open-end or evergreen Managed Fund, in either case in accordance with the terms of the applicable governing documents. However, investors are generally not permitted to withdraw prior to the period covered by such fees.

An investor in our closed-end Managed Funds generally does not have the ability to withdraw from the closed-end fund, except under certain limited circumstances.

#### D. EXPENSES

##### (1) Account Operating Expenses

Subject to its governing documents, an account is expected to also bear out-of-pocket costs, fees, expenses and liabilities that are incurred by, or arise out of the operation and activities of or otherwise are related to, such account, or any other vehicle created to facilitate the account's investment program, including those incurred by Oaktree or its affiliates on behalf of or that are allocable to such account, including:



- costs, fees, expenses and liabilities relating to the sourcing, developing, evaluating, negotiating, structuring, acquiring, bidding on, committing to, holding, administering, monitoring, financing (including guarantees), refinancing, managing, restructuring, disposing, taking public or private, selling, winding up, liquidating, trading and hedging of investments (and proposed but unconsummated investments, as applicable), including appraiser, retainer, finder, placement, adviser, consultant (including Investment Related Consultants, as defined below), custodian, subcustodian, depository, transfer agent, disbursal, brokerage, registration, legal and other similar costs, fees and expenses, in each case, to the extent that such costs, fees and expenses are not reimbursed by a portfolio company, an issuer or other third party; reasonable travel, accommodations, meals, entertainment and related expenses associated therewith, which may include business or first class airfare and, in limited circumstances, private air travel (including reimbursement of Oaktree or its employees for the use of aircraft owned or leased by them), in each case, consistent with Oaktree's travel policies, provided that such travel and related expenses are related to (i) permitted investments (whether consummated or proposed but unconsummated), including in each case, those incurred in connection with the sourcing, developing, evaluating, negotiating, structuring, acquiring, bidding on, committing to, holding, administering, monitoring, financing (including guarantees), refinancing, managing, restructuring, disposing, taking public or private, selling, winding up, liquidating, trading and hedging thereof, (ii) meeting with or reporting to one or more investors or their representatives or (iii) the provision of services to and the administration of an account;
- Bloomberg fees, research and software expenses, and other expenses incurred in connection with data services providing price feeds, news feeds, securities and company information, company fundamental data, and "S&P Index Alerts" attributable to such investments;
- costs, fees and expenses for other third-party research (including calls, meetings and conferences hosted by third party research providers), news, industry information, analytics and expert networks/research resources;
- costs, fees and expenses for support services (including data processing, trading, settlement, client relations, reporting, accounting, legal, compliance, tax support and other services) outsourced to third-party service providers (including third-party administrators (including third parties who perform anti-money laundering diligence in connection with the ongoing participation of investors in the account) and including providers that may be exclusive to Oaktree);
- legal, compliance, custodial, depository (including a depository pursuant to the AIFM Directive or pursuant to any national private placement regime in any jurisdiction), compliance with the CISA and/or FinSA (including, but not limited to, the appointment of the Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act and/or the Swiss Financial Services Act 2018 (as amended) and the implementation thereof), trading, settlement, client relations, reporting, auditing, accounting and banking costs, fees and expenses, including for example, costs, fees and expenses attributable to or associated with (i) reporting, filing and other compliance requirements (other than the initial registration, filings and compliance requirements that are categorized as organizational expenses) contemplated by the AIFM Directive or any national private placement regime in any jurisdiction (including any reporting required in connection with Annex IV of the AIFM Directive), the EU Sustainable Finance Disclosure Regulation and/or the EU Taxonomy Regulation (as required), (ii) locally licensed intermediaries or distributors that the Managed Fund, Oaktree or its affiliates are required to engage in particular jurisdiction and where such costs, fees and expenses relate to the ongoing participation in the Managed Fund by any investors (which, for the avoidance of doubt, such costs, fees and expenses shall not be deemed to be placement fees or organizational expenses as defined in the governing documents), (iii) legal, compliance, trading, settlement, client relations, accounting, reporting and information management software, extranet tools, web portals and computer systems and other technology used in connection with an account and its activities, (iv) in the case of a Managed Fund, the preparation of financial statements, tax returns and Schedule K-1s (or equivalent forms), (v) the filing of various foreign tax withholding and treaty forms, and (vi) the representation of



- a Managed Fund or its investors by the partnership representatives or designated individual (previously referred to as tax matters partners) for such Managed Fund;
- appraisal and valuation costs, fees and expenses, including costs, fees and expenses of independent appraisal or valuation services or third-party vendor price quotations;
  - costs, fees and expenses related to tax structuring (including tax structuring during the organizational process) and of organizing persons, including any subsidiary or alternative investment vehicle, through or in which permitted investment may be made;
  - costs, fees and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles ("GAAP");
  - premiums and fees for insurance to benefit, directly or indirectly, such entities, the holders of interests therein, Oaktree or its affiliates or their respective shareholders, partners, members, officers, directors, employees, and agents, with respect to liabilities to any person in connection with the affairs of such entities and for directors' and officers' liability insurance or other similar insurance policies, including errors and omissions insurance, crime coverage, general partnership liability insurance and financial institution bond insurance (including an account's pro rata share of expenses with respect to policies whose costs and benefits are expected to be shared with other Oaktree Accounts);
  - taxes and/or tax-related interest or penalties (subject to certain exceptions set forth in the limited partnership agreement) and other governmental charges, fees and duties (including any penalties incurred where the Managed Fund or Oaktree lacks sufficient information from third parties to file a timely and complete tax return (except to the extent that the account is reimbursed therefor by a partner or such tax, charge or fee is treated as having been distributed to the partners pursuant to the limited partnership agreement, but the Managed Fund may advance such amounts pending such reimbursement) and all expenses incurred in connection with any tax audit, investigation, third-party examinations, litigation, settlement or review of the account and the amount of any judgments, fines, remediation or settlements paid in connection therewith;
  - damages and other costs, fees and expenses relating to litigation or other matters that are the subject of indemnification rights;
  - costs of compliance-related matters (such as developing and implementing specific policies and procedures in order to comply with certain regulatory requirements) and reporting, filings, notifications or other disclosures to regulatory and tax authorities in any jurisdiction in which an account, Oaktree, an Oaktree affiliate, any portfolio company, any issuer or other entity owned directly or indirectly by an account invests, is organized or is marketed or otherwise directly or indirectly conducts business related to an account or its investments, including without limitation the Securities and Exchange Commission ("SEC"), the U.S. Commodity Futures Trading Commission (the "CFTC"), the U.S. National Futures Association ("NFA"), the U.S. Treasury, the U.S. Internal Revenue Service (the "IRS") and other national, state, provincial or local regulatory and tax authorities in any country or territory (for example, Form PF, TIC Form SLT filings, FATCA-related filings, FBAR reporting, Form CPO-PQR and Form CTA-PR in the United States, notices, reports and/or filings in accordance with the AIFM Directive and/or the European Securities and Markets Authority, registrations and/or filings in accordance with the Private Funds Act (as amended) of the Cayman Islands, and filings related to the offering of Managed Fund interests in particular jurisdictions to the extent applicable), provided that the costs of Oaktree's general compliance with the U.S. Investment Advisers Act of 1940, as amended ("Investment Advisers Act"), such as preparation and updating of Form ADV, will be borne by Oaktree;
  - costs, fees and expenses of reporting to, or on behalf of, investors;
  - costs, fees and expenses of communications, conferences and meetings with one or more investors;
  - any costs and expenses incurred in connection with attending industry conferences;
  - costs and expenses incurred in connection with managing and facilitating stakeholder relationships, which may include attendance at or sponsorship of civic events in such communities, as well as contributions to charitable initiatives or other non-profit organizations, to the extent that Oaktree believes such activities could, directly or indirectly, enhance the value of the Managed Fund's



investments or otherwise serve a business purpose for, or be beneficial to, the Managed Fund or its portfolio companies;

- costs, fees, liabilities and expenses relating to the incurrence and repayment of indebtedness (together with any interest and other amounts payable thereon and fees and expenses related thereto including, but not limited to, the arranging thereof and any related expenses or professional fees incurred in connection with any procedure reports for lenders and any indemnification obligations) of a Managed Fund;
- any costs and expenses arising from any foreign exchange or other currency transactions;
- sales, leasing, underwriting, origination and brokerage commissions, development fees, prime brokerage fees, loan administration and servicing fees, commitment fees, custodial expenses, trustee expenses, record keeping expenses and other similar costs, fees and expenses incurred in connection with investments, including costs, fees and expenses attributable to investment origination services provided to a Managed Fund or Managed Account or any portfolio company by Originators, including fees or other compensation paid, directly or indirectly, by a Managed Fund or Managed Account or any portfolio company to such Originators (as such term is defined below in “Originators”);
- in the case of a Managed Fund that has an investors committee, the expenses of such committee (including indemnification obligations relating to members of the investors committee);
- investment expenses and broken deal expenses in connection with unconsummated investments;
- costs, fees and expenses of winding up and dissolution;
- expenses relating to risk management;
- costs, fees and expenses attributable to filing title, transfer, registration and other similar fees and expenses;
- costs, fees and expenses attributable to any activities with respect to protecting the confidentiality or non-public nature of any information or data;
- costs, fees and expenses attributable to amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the account, Oaktree and related entities, and any alternative investment vehicle of the account, including the preparation, distribution and implementation thereof;
- costs, fees and expenses attributable to any transfer or proposed transfer by an investor;
- costs, fees and expenses attributable to investor-related services and the administering of side letters entered into with the investor (including the process of preparing compendiums of side letter provisions and tracking and implementing applicability in accordance with any “most favored nations” clauses in side letters and expenses incurred in connection with account compliance checklists);
- the allocable portion, as reasonably determined by Oaktree, of the costs (including compensation, benefits, and attributable overhead) incurred by Oaktree or its affiliates with respect to internal resources that provide any of the services described above to an account (“Allocated Internal Expenses”), including compensation, benefits and attributable overhead of any Originator (provided that for this purpose Oaktree may, in its sole discretion, deem the allocable portion of such Originator to be 100%), provided that any such Allocated Internal Expenses shall not exceed market rates for comparable qualified service providers.

If more than one account holds any investment giving rise to the fees and expenses detailed above, then such fees and expenses will generally be allocated pro rata among such accounts based on capital commitments, invested capital or available capital, as applicable (even where certain of such fund expenses may pertain to, or be incurred on behalf of, less than all of the accounts) but Oaktree may in certain circumstances allocate such expenses in a different manner if Oaktree or its affiliates determines in good faith that such other basis is more equitable as further detailed below (however, Oaktree or its affiliates shall not be required to make any such adjustment or determination). In addition, in certain instances, an account may bear expenses in respect of an existing or prospective investment that will not be borne by other owners of or participants in such investments (including co-investors or co-investment funds), where Oaktree has determined such arrangement to be in the best interest of such account (e.g., an account engages or pays for a consultant for services in respect of a portfolio company without reimbursement by other



owners of the portfolio company). While Oaktree is permitted to make any determination or adjustment described above, it is not required to do so in any case. In addition to any expenses described herein, expenses borne by an account will include any costs, fees and expenses that are paid to the consultants and service providers described in such account's offering or governing documents. Certain expenses borne by a Managed Fund may have the effect of benefiting one or more investors or group of investors in such Managed Fund without benefiting all investors in such Managed Fund. Please also refer to an account's offering or governing documents for a more detailed description of the expenses to be borne by that particular account. Expenses of any feeder fund for a Managed Fund will generally be treated as fund expenses and borne by its associated master fund. Oaktree or its affiliates, as applicable, are entitled to reimbursement from an account to the extent Oaktree or an affiliate pays or incurs any fee, cost or expense on behalf of that account that would otherwise have been borne by such account if paid directly by such account.

Please also see Item 12 below for a discussion of our brokerage practices.

(2) Account Organizational Expenses

Each Managed Fund will also bear all offering and organizational expenses up to an amount specified in the relevant fund's governing documents, which generally include (a) all costs, expenses, fees and liabilities incurred in connection with the formation and organization of, or sale of interests in, the Managed Fund, Oaktree or its affiliates and the associated advisory arrangement with Oaktree, as determined by Oaktree in its discretion (excluding amounts related to tax structuring of the Managed Fund), (b) any placement fees, (c) any fees paid to locally licensed intermediaries or distributors that the Managed Fund, Oaktree or its affiliates are required to engage in order to offer interest in the Managed Fund in particular jurisdiction, (d) all out-of-pocket costs, expenses, fees and liabilities in relation to (i) legal, accounting, audit, third party consulting, printing, electronic database (including the development, implementation and ongoing maintenance of Oaktree's firm-wide electronic subscription agreement platform), (ii) travel, meals, accommodation expenses and entertainment (including business or first class airfare and private air travel (including reimbursement of Oaktree or its employees for use of aircraft owned or leased by them), in each case, consistent with Oaktree's travel policies), (iii) filings, including expenses associated with the initial notification, registrations, filings and compliance contemplated by the AIFM Directive, the CISA and FinSA or any national private placement regime in any jurisdiction, (iv) third party administrators (including administrators that perform anti-money laundering of "know your customer" diligence in connection with the investor subscription and admission process), and (v) the allocable portion, as reasonably determined by Oaktree, of the costs (including compensation, benefits and attributable overhead) incurred by Oaktree or its affiliates with respect to internal resources that provide any services in respect of the organization of the Managed Fund, other than internal costs relating to marketing personnel, provided that any such allocated amounts shall not exceed market rates for comparable qualified service providers). In general, organizational expenses in excess of the prescribed amount set forth in each fund's governing documents will be borne by Oaktree through an offset against the management fees.

(3) Service Provider Expenses

There is a range of services that Oaktree performs in-house that it will also utilize third parties to perform for various reasons, including the expertise of the third party or its ability to provide more cost-efficient services. The decision to perform a particular task or service is made at the discretion of Oaktree or its affiliates in connection with the operation of an account. Such services include, without limitation, accounting, tax, human resources, client services, investor relations, asset management, compliance, trade settlement, valuation, information technology, legal, corporate secretarial or director services. The use and costs of these services may not be uniform across Managed Funds or Managed Accounts and, accordingly, certain costs can be incurred by an account through the use of third-party service providers that are not incurred for comparable services used by other accounts. The decision by Oaktree to initially perform particular services in-house for an account will not preclude a later decision to utilize a third party for such

services, or any additional services, in whole or in part, and Oaktree has no obligation to inform accounts of such a change. In addition, certain internal service providers (such as internal accountants) may “shadow” or otherwise review the reports or other services provided by such third parties. The costs, fees or expenses of any such third-party service providers (and, to the extent permitted by the governing documents of the relevant Managed Fund or Managed Account, such internal service providers) will be treated as expenses borne by the relevant account.

Furthermore, Oaktree is permitted to hire employees of a third-party service provider for a Managed Fund or Managed Account and any such service provider may hire Oaktree employees. In the event that an Oaktree employee whose compensation was previously borne by the adviser becomes employed by a third-party service provider, that individual’s compensation will be paid by such service provider and generally can therefore be borne, in whole or in part, indirectly by the accounts using such service provider’s services through the fees charged by such service provider to the account, and any such fees will not offset any management fees.

#### (4) Investment Related Consultants Expenses

Oaktree, its accounts or its portfolio companies will from time to time retain consultants, advisors or operating partners to provide assistance with deal sourcing, industry insight or due diligence, offer financial and structuring advice and perform other services for accounts or their respective portfolio companies (collectively, “Investment Related Consultants”), including services that may be similar in nature to those provided by the portfolio management team. Such services may be provided to Oaktree or its accounts on an exclusive basis. Oaktree is permitted to make collective arrangements between Investment Related Consultants and one or more of Oaktree, its accounts and its portfolio companies whereby each such party (other than such Investment Related Consultants) compensates such Investment Related Consultants for his, her or its services to such party. An account’s share of any retainer fees, success fees, promotes, profit sharing or other fees paid to such Investment Related Consultants (“Investment Related Consultant Fees”) will be borne by the account (whether paid by the account directly, by a portfolio company or by Oaktree and subsequently reimbursed by the account). While Oaktree believes such Investment Related Consultant Fees are reasonable and generally at market rates for the relevant services (provided there is no obligation by Oaktree to seek market benchmarks), exclusive arrangements or other factors can result in such Investment Related Consultant Fees not always being comparable to costs, fees and expenses charged by other third parties. In addition to Investment Related Consultant Fees, an account will also generally bear its share of any travel costs or other out of pocket expenses incurred by such Investment Related Consultants in connection with the provision of their services. Accounting, network, communications, administration and other support benefits, including office space, may be provided by Oaktree or the account to such Investment Related Consultants without charge. To the extent that communications or other equipment or services are provided to an Investment Related Consultant, these costs can be borne by an account as an account expense. In addition, Oaktree may in its sole discretion elect to share a portion of the carried interest with one or more Investment Related Consultants. The decision to permit an Investment Related Consultant to share in the carried interest will not affect such individual’s status as an Investment Related Consultant or an account’s obligation to pay the other costs, fees and expenses described above. Fees or other payments or benefits received by Investment Related Consultants in connection with their services, including any amounts paid in connection with particular transactions or investments, will not be considered Deal Fees and consequently will not reduce the management fee or carried interest distributed by the Managed Fund to Oaktree paid by an account. The decision by Oaktree to initially perform particular services in-house for the account will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties, and Oaktree has no obligation to inform the account of such a change. In certain circumstances, Investment Related Consultants are granted the right to participate alongside an account in transactions that they source or for which they provide advice, and the account or relevant portfolio company can loan the Investment Related Consultants funds to make any such co-investments. Such co-investment rights may result in an account investing less capital than it otherwise



would have in such transactions. In addition, Investment Related Consultants are permitted to invest directly in a Managed Fund as a limited partner. Investment Related Consultants are also permitted to serve on the boards of portfolio companies or as employees or consultants in an operations capacity. Any directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives received by Investment Related Consultants in such capacities will be borne by the portfolio companies, will not be considered Deal Fees and consequently will not reduce the management fee or carried interest paid by an account. Services provided by Investment Related Consultants can include, without limitation, providing services directly to the account's portfolio companies or an individual issuer, whether as an employee or service provider of such issuer, and will otherwise conform to the description of the role of Investment Related Consultants above. In addition to the arrangements described more fully in "Former Employees and Seconded," below, Oaktree may also transition former Oaktree employees to become Investment Related Consultants, and the use of Investment Related Consultants is expected to fluctuate and/or expand over time.

(5) Former Employees and Seconded

Former Oaktree employees have and may in the future become employees, officers or directors of, or otherwise be engaged by, portfolio companies. Current Oaktree employees can also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. Those companies are permitted to pay such persons directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives and reimburse such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. Oaktree is also permitted to advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by Oaktree to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the management fee paid or carried interest distributed by the Managed Fund to Oaktree will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by Oaktree and reimbursed by a portfolio company) will not be treated as Deal Fees and will not be offset against the management fees or any carried interest distributions otherwise payable to Oaktree. All or a portion of any such compensation and incentives will be borne by the Managed Fund via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an Investment Related Consultant, an employee or former employee of Oaktree, or a seconded employee may be unclear. In such cases, Oaktree will make a determination in good faith based on its evaluation of the relevant facts and circumstances. In addition, former Oaktree employees can be granted the right to participate alongside the Managed Fund in transactions that they source or for which they provide advice, and the Managed Fund or relevant portfolio company can loan such persons funds to make any such co-investments. Such co-investment rights can result in the Managed Fund investing less capital than it otherwise would have in such transactions. In addition, former Oaktree employees are permitted to invest directly in the Managed Fund as limited partners.

Additionally, former Oaktree employees can also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to Oaktree Accounts. While employed by Oaktree, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by Oaktree unless an Oaktree Account's governing documents permit certain allocations of internal expenses to the Oaktree Account. If a former Oaktree employee becomes an employee or consultant of a third party that also provides services to an Oaktree Account, such former Oaktree employee can be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Oaktree employee working on the Oaktree Account will be borne entirely by the Oaktree Account and no such amounts will reduce the management fee paid or the carried interest distributed by such Oaktree Account on the basis that such person used to be a former Oaktree employee.



(6) Originators and Finders

Oaktree has hired and may in the future hire one or more individuals as a part-time or full-time employee, including former Investment Related Consultants, to source permitted investments for a Managed Fund or Managed Account (“Originators”). Originators can also include consultants, former employees of Oaktree and its affiliates and/or current employees of Oaktree and its affiliates that are dedicated to sourcing or finding investment opportunities. The cost of any benefits and attributable overhead provided to these individuals along with compensation paid to such individuals (including salary and any commissions or bonuses) is permitted to be paid by, or charged to, (a) an applicable portfolio company or Investment Platform, as defined below, (b) Oaktree and reimbursed by a portfolio company or Investment Platform or (c) the Managed Fund or Managed Account and treated as Allocated Internal Expenses (provided that for this purpose Oaktree may, in its sole discretion, deem the allocable portion of such Originator to be 100%). Such amounts will not be treated as Deal Fees and will not be offset against the management fees or any carried interest distributions otherwise payable to Oaktree or its affiliates.

(7) Investment Platforms

An account, alone or co-investing alongside other Oaktree Accounts or third parties, is permitted to create or acquire companies that serve as a platform for investment in a particular sector, geographic area or other niche (such arrangements, “Investment Platforms”). In the case where an account co-invests alongside another Oaktree Account, the potential for conflicts may exist. In the case of acquired Investment Platforms, an account can rely on the existing management, board of directors and other shareholders of such companies, which may include representation of other financial investors with whom the account is not affiliated and whose interests may conflict with the interests of the account. In other cases, the account may recruit a management team to pursue a new Investment Platform expected to lead to the formation of a future Investment Platform. An account may also form a new portfolio company and recruit a management team to build the Investment Platform through acquisitions and organic growth. An account or the Investment Platform, as applicable, will bear the expenses of such management team, including any overhead expenses, employee compensation, diligence expenses, or other related expenses in connection with backing the management team or building out the Investment Platform. Such expenses can be borne directly by the account as fund expenses (or broken-deal expenses, if applicable) or indirectly as the account bears the start-up and ongoing expenses of the newly formed Investment Platform. In certain cases, the services provided by such management team can overlap with the services provided by Oaktree to the account. The compensation of management of an Investment Platform may include interests in the profits of the Investment Platform, including profits realized in connection with the disposition of an asset, salary, bonus, expense reimbursements, co-investments alongside the account and/or other compensation. Where an Investment Platform used by one account provides services to another Oaktree account(s) and/or portfolio companies owned by such other Oaktree account(s), those other Oaktree account(s) and/or portfolio companies will not necessarily bear their allocable share of platform-related expenses, including the compensation of management, and it is possible that any services provided are not necessarily the best available or the most favorably priced. There can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm’s length transaction between unaffiliated third parties. Although an Investment Platform may be controlled by an account, members of the management team will not be treated as affiliates of Oaktree or Oaktree’s affiliates. Accordingly, none of the expenses, profit interests or other arrangements described above will offset any account management fees.

(8) Offices of Affiliates of Oaktree-Managed Funds

Oaktree and its affiliates have established, and in the future may establish, certain regional investment platforms and offices of Managed Funds in various non-U.S. jurisdictions (each, a “Fund Affiliate Office”) to provide, for the benefit of investors, an efficient holding structure for investments of the accounts. It is important that such Fund Affiliate Offices are able to avail themselves of a stable local legal and regulatory framework, flexible corporate laws, skilled and sophisticated local personnel and service providers, and



foreign tax treaties and tax benefits, if available. Such structures and/or offices may be formed or utilized to: (a) perform accounting, administrative, corporate secretarial support, legal, compliance and other functions for non-U.S. holding entities organized by the Managed Funds in the jurisdictions where the Fund Affiliate Offices are located, (b) conduct certain aspects of the Managed Funds' investment activities, (c) act as service providers to the Managed Funds in relation to the Fund Affiliate Office, and/or (d) otherwise facilitate the activities of platform investments affiliated with the Managed Funds.

To serve their intended purpose of providing accounting and administrative oversight on special purpose vehicles set up for specific fund investments, such Fund Affiliate Offices are not owned by Oaktree or its corporate subsidiaries. Rather, such Fund Affiliate Offices are owned by the Managed Funds that make investments using these structures or investment special purpose vehicles and are staffed by personnel that directly service the applicable Fund Affiliate Offices that are in place. Accordingly, such personnel perform work that would otherwise be completed by third-party service providers, and their costs and the costs and expenses relating to and incurred in connection with such Fund Affiliate Offices (including, without limitation, overhead such as travel and accommodation expenses, salary and benefits of any personnel responsible for the administration and maintenance of such Fund Affiliate Offices) are not considered Oaktree overhead and will be borne by the Managed Funds that make use of their services.

The foregoing shall not limit the ability of Managed Funds, the Fund Affiliate Offices and/or Oaktree to retain third party service providers. Further, Oaktree is permitted to engage personnel employed by, or a service provider entity established within, any Fund Affiliate Office to provide services directly to Oaktree or its affiliates in addition to the services provided by such personnel or service provider to any Managed Funds. In the event Oaktree or its affiliates engage such personnel or service provider, Oaktree or such affiliate will bear its allocable share of the costs and expenses for such services, rather than the Managed Funds.

Additionally, depending on the specific requirements within the jurisdiction where such Fund Affiliate Office is located and, if applicable, in addition to providing advisory and other services to Oaktree and its affiliates, Oaktree or one of its corporate subsidiaries may need to act as the investment manager of certain platform investment entities organized by the Managed Funds within such jurisdiction. This requirement may be due to tax, regulatory or other requirements and/or considerations within a specific jurisdiction. To the extent Oaktree or a corporate subsidiary receives a separate management fee from such holding entities attributable to a Managed Fund's use of a Fund Affiliate Office, such fee will reduce on a dollar-for-dollar basis the Managed Fund's management fee (but not below zero), provided, that (i) the Managed Fund's share of any value added, goods, services or other indirect taxes that Oaktree or its corporate subsidiary is required to charge on any such fees paid by the holding entities or the Managed Funds attributable to the services provided in connection with a Fund Affiliate Office will be borne by the relevant holding entity or the Managed Fund and not by Oaktree or such corporate subsidiary, and (ii) the reduction will not apply to the portion of such fees that are attributable to interests in the Managed Funds held by Oaktree, its affiliates or their employees, as applicable that are not otherwise subject to management fees. For the avoidance of doubt, the management fee will not be reduced by the amount of Fund Affiliate Office fees that are attributable to interests in the Managed Fund held by Oaktree and any Fund Affiliate Office fees attributable to Oaktree's interests in the Managed Fund may be retained by Oaktree, its affiliates or by any employees, officers or senior executives of Oaktree or its affiliates, as applicable.

(9) Third Party and Internal Expense Allocation Methodologies

Oaktree expects that several resources will be shared both between Oaktree and its accounts and among its accounts to, among other things, enhance efficiency and reduce the cost for each account. Oaktree takes into account a variety of considerations when determining how to allocate such expenses, including internal expenses that are permitted to be allocated to certain accounts by such accounts' governing documents. Such considerations include procedural complexity, the degree of resources deployed and other operational-related factors. Accordingly, Oaktree uses allocation methods that involve different degrees of estimation



and therefore inherently will not result in perfect attribution and allocation of expenses. These methods vary depending on, among other factors, the type of expense being allocated, and will include, without limitation, allocations based on assets under management, net asset value, holdings percentages, number of positions held by different accounts, number of accounts in a particular strategy, number of users of such resource within a strategy, relative trading volume and time spent. While Oaktree seeks to use allocation methods that it believes, at the time such determinations are made, are fair and reasonable, such allocation decisions are ultimately made by Oaktree in its discretion. Consequently, the use of any particular methodology may lead an account to bear relatively more expense in certain instances and relatively less in other instances compared to what that account would have borne if a different approach had been used. From time to time, Oaktree may revise or change allocation approaches from time to time without notifying its clients or investors. Any changes in expense allocation approaches may produce a more favorable or less favorable outcome to an account.

## ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Consistent with the provisions of Rule 205-3 under the Investment Advisers Act, and as discussed under Item 5 above, Oaktree and its affiliated general partners may be entitled to performance-based compensation in connection with its accounts, depending upon the nature and investment strategy of the account.

Oaktree manages accounts that pay a performance-based fee (and an asset-based fee) and accounts that are only charged an asset-based fee. These accounts may be in the same strategy and may consider similar investments. Performance-based fee arrangements may create an incentive for Oaktree to recommend investments to such accounts which may be riskier, more speculative, or potentially more profitable than those which would be recommended under a different fee arrangement. Each of our accounts' investment approach, strategy and focus are defined in its respective governing documents, and we have developed allocation guidelines, subject to certain investment considerations, to handle potential conflicts in relation to investment overlaps among all accounts, including those with different fee structures. Oaktree will seek to manage potential conflicts of interest in good faith, and subject to the provisions of the governing documents of the affected accounts, Oaktree will be guided by its fiduciary duties to its clients on any matter involving a conflict of interest. See Item 12 below for a discussion of our allocation guidelines.

## ITEM 7. TYPES OF CLIENTS

As previously mentioned, Oaktree provides advisory services to both Managed Accounts and Managed Funds. The types of clients which establish Managed Accounts include, but are not limited to, U.S. investment companies registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), business development companies regulated under the Investment Company Act, non-U.S. registered funds (e.g., Undertakings for Collective Investments in Transferable Securities known as UCITS), pension and profit sharing plans, trusts, estates, governmental plans, endowments, foundations, charitable organizations, corporations, insurance companies, limited partnerships, commingled investment trusts, sovereign wealth funds and other entities.

In connection with a Managed Fund, investors are required to commit or contribute certain minimum capital amounts which vary among, and are disclosed in the governing documents of, each Managed Fund. The minimum commitment or contribution amounts may be waived at the discretion of the general partner or investment adviser for such Managed Fund, including those for Oaktree employees. Investors whose commitments are below the respective Managed Fund's minimum commitment may be required to pay an administrative fee, which may be waived at the discretion of the general partner or investment adviser for such Managed Fund. All minimums are subject to change at the discretion of the general partner or investment adviser, as applicable. In addition, investors in our Managed Funds should generally be (i) "accredited investors" within the meaning of the rules and regulations promulgated under the U.S. Securities Act of 1933, as amended, or qualify as other types of investors under applicable

U.S. or non-U.S. securities laws, and (ii) “qualified purchasers” or “knowledgeable employees” of Oaktree within the meaning of the rules and regulations promulgated under the Investment Company Act.

Generally, Oaktree requires a minimum dollar value of \$100 million to establish a Managed Account in certain of its strategies set forth below; provided, however, Oaktree may, at any time, waive such minimums in its sole discretion and accept a lesser amount.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Oaktree generally uses fundamental analysis and may engage in long term or short term purchases, trading (securities purchased and sold within 30 days), short sales in certain strategies, margin transactions, and option writing, including covered options, uncovered options or spreading strategies.

As mentioned previously, Oaktree provides overall discretionary management for accounts within four asset classes. Below are descriptions of the strategies within those asset classes. In addition to those detailed, Oaktree also manages accounts that afford exposure to different combinations of the below strategies.

#### (i) Credit

Our Credit asset class includes our Opportunistic Credit, High Yield Bonds, Senior Loans, Private Credit, Multi-Asset Credit, Emerging Markets Debt, Convertible Securities, Structured Credit, and Investment Grade Solutions strategy groups.

Within the Opportunistic Credit strategy group:

- Our Opportunistic Credit platform, previously known as the Distressed Debt platform, was rebranded in 2021 to reflect the evolution of the associated strategies over the last three decades. Our Opportunistic Credit strategies have expanded their geographic footprints and range of targeted investments. Instead of focusing almost exclusively on single-name public credits, our strategies now also consider a wide variety of privately sourced investments. This strategy group seeks to protect against loss by buying claims on assets at bargain prices, and aim to achieve substantial gains by actively participating in restructurings to restore companies to financial viability. This strategy group strives to create value at every stage of the investment process.

Within the High Yield Bonds strategy group:

- Our High Yield Bonds strategies seek to achieve superior risk-adjusted returns by investing in performing bonds of creditworthy North American and European corporations. Globally, the team’s approach emphasizes fundamental credit analysis as the route to superior risk control.

Within the Senior Loans strategy group:

- Our Senior Loans strategies focus on the senior secured debt of issuers in North America and Europe. This strategy group seeks to achieve an attractive total return while preserving principal and avoiding defaults. The strategies benefit from our emphasis on fundamental, bottom-up credit analysis, and the deep experience and expertise of Oaktree’s U.S. and European senior loan teams.

Within the Private Credit strategy group:

- Our Private Credit strategies focus on investment opportunities in private debt issued by companies that have little or no access to traditional sources of financing. The strategies seek to achieve attractive, risk-adjusted absolute returns by originating or participating in the syndication of performing debt issued by North American and European companies. Benefiting from Oaktree’s global sourcing power in both the credit and private equity fields, our investment teams pursue a

fundamental, value-driven, opportunistic approach that leverages strong relationships with private equity sponsors, senior advisors and potential borrowers around the globe.

Within the Multi-Asset Credit strategy group:

- Our Multi-Asset credit platform provides clients with one-stop access to the entirety of Oaktree's credit offerings. Our flagship Global Credit strategy seeks to earn attractive total return and current income while limiting volatility through diversification. This strategy flexibly allocates portfolios based on its bottom-up assessment of relative value between regions, credit asset classes and issuers as the team believes that macro-forecasting is not critical to investment success. In line with Oaktree's core tenets, Global Credit seeks to control for risk while taking an opportunistic approach to investment.

Within the Emerging Markets Debt strategy group:

- The inefficient, complex and dynamic emerging markets credit universe presents a unique opportunity for skilled investors to identify attractively priced investments in both creditworthy and distressed debt instruments. The Emerging Markets Debt team has invested in these markets since infancy, employs a bottom-up, fundamental approach to credit analysis and leverages Oaktree's extensive credit platform and external network of local advisors to seek attractive returns with less-than-commensurate risk.

Within the Convertible Securities strategy group:

- The complex nature of convertible securities – part equity and part debt – can lead mainstream stock and bond investors to overlook these securities, creating an inefficient market and, thus, prices at which convertible securities can offer return without comparable risk. The Convertible Securities team's approach emphasizes identifying those securities that offer the greatest bargain – those likely to capture a high percentage of the appreciation of the stocks into which they are convertible while limiting exposure to declines.

Within the Structured Credit strategy group:

- Oaktree's Structured Credit strategy seeks to outperform traditional debt alternatives, while offering superior liquidity relative to private credit offerings. The strategy employs a bottom-up approach to construct diversified portfolios and evaluates opportunities across the structured credit universe based on our relative value assessment. These instruments may include collateralized loan obligations (CLOs), commercial mortgage-backed securities (CMBS) and other asset-backed securities. Securitizations offer a complexity premium and are typically characterized by strong structural protections and investor-friendly features, including covenants, asset-class and sub-sector diversity, and excess collateral coverage.

Within the Investment Grade Solutions strategy group:

- Oaktree's Investment Grade Solutions strategy seeks to generate optimal risk-adjusted returns across the fixed income spectrum – emphasizing quality, safety and liquidity. The team's access to Oaktree's extensive credit platform provides diverse avenues for extracting value, including bottom-up research, sector rotation, and analysis of global yield curves and cycles. In line with Oaktree's investment philosophy, Investment Grade Solutions prioritizes risk control as it seeks to generate income. The team creates tailored investment solutions, working alongside clients to understand and adhere to their objectives and parameters, including risk tolerance considerations, regulatory constraints and environmental, social and governance ("ESG") objectives.

(2) Private Equity

Our Private Equity asset class pursues investments in our Corporate Private Equity and Special Situations strategy groups.

Within the Corporate Private Equity strategy group:

- Our Corporate Private Equity strategies focus on making control investments in undervalued companies across a variety of industries and sectors. In certain cases, our Corporate Private Equity strategies also pursue platform investments in industries that are out of favor or undergoing structural change.

Within the Special Situations strategy group:

- Our Special Situations strategy utilizes a highly flexible approach to make control or significant-influence-oriented private equity and debt investments in middle-market companies experiencing a special situation. The all-weather strategy combines expertise in both credit and private equity investing and seeks to generate private equity returns while taking less than commensurate risk. The strategy targets investments with significant upside potential and meaningful downside protection and looks to partner with management to add-value by improving both operations and capital structure.

### (3) Real Assets

Our Real Assets asset class pursues investments in our Real Estate and Infrastructure strategy groups.

Within the Real Estate strategy group:

- Our Real Estate strategy believes that the relationship between risk and return is asymmetrical, and pursues opportunities where the team can leverage existing relationships and where a knowledge advantage results in a positive impact on the team's ability to successfully source, purchase, manage and exit investments.

Within the Infrastructure strategy group:

- Our Infrastructure strategy seeks to make investments primarily in North American real assets and infrastructure-related businesses in the energy and transportation sectors, where the team can achieve meaningful capital appreciation. By focusing on assets and businesses with both downside protection and substantial upside potential, the team seeks infrastructure investments in which they can pursue value-creation strategies geared toward sustainable growth.

### (4) Listed Equities

Our Listed Equities asset class pursues investments in our Emerging Markets Equities and Value Equities strategy groups.

Within the Emerging Markets Equities strategy group:

- Our Emerging Markets Equities strategy believes that inefficiencies in emerging markets result in companies that are often poorly analyzed and securities that are commonly mispriced. Our Emerging Markets Equities strategy seeks to earn attractive returns in equity positions by leveraging the team's global presence; utilizing a bottom-up, value-driven approach; and applying the team's in-depth country and industry knowledge that also takes into consideration macroeconomic and market conditions.

Within the Value Equities strategy group:

- Our Value Equities strategy seeks to identify sound but undervalued companies trading at sizeable discounts that have substantial asset values and strong business franchises. This strategy seeks to make investments in equity and equity-related securities in various regions, employing a bottom-up, value-oriented investment approach and collaborating with other Oaktree teams for additional industry and analytical insights.

In the future Oaktree may determine to manage other accounts with different investment strategies.

## B. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Oaktree has invested with a sensitivity to ESG considerations since the firm's inception. Our ESG journey accelerated in 2014, when we first formalized this commitment in our firmwide policy. Today, Oaktree's

approach to ESG is designed to promote integration, engagement and transparency. We seek to continuously improve and refine our processes by actively participating in the development and implementation of new industry standards and best practices.

Oaktree's ESG Policy applies to every investment strategy at the firm, and it describes our firm's approach to responsible investing; guides our strategy; and governs each investment strategy's ESG Integration Plan (EIP), which describes their tailored implementation of the firm-level policy. Each EIP describes:

- how ESG considerations are incorporated in the pre-investment diligence process;
- how ESG analysis is considered in the investment decision;
- how ESG risks are monitored and managed throughout the life of the investment;
- how the team engages with portfolio companies to improve their ESG practices;
- which third-party analytics or data are used by the team;
- how the team documents the above and periodically reports on its ESG efforts to clients.

Oaktree's ESG Governance Committee reviews the firm's ESG policy annually and approves each investment team's EIP. Each strategy has appointed an ESG lead, a senior investment professional or portfolio manager who works with the investment team to ensure that ESG considerations are integrated throughout the investment lifecycle.

Our investment professionals are directly responsible for integrating ESG analysis into their underwriting in line with both the firm's ESG policy and their strategy integration plan. Oaktree's investment teams analyze ESG considerations to determine financial materiality and integrate these assessments into the investment management process.

ESG is one of many considerations that Oaktree takes into account when making investment decisions. Other considerations may outweigh ESG considerations in certain circumstances. ESG practices and standards may not apply to investments held prior to effectuating such standards. Any ESG information provided is intended to demonstrate the ESG initiatives and standards that Oaktree applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns. Certain investments may exhibit characteristics that are inconsistent with the practices or standards described herein.

### C. MATERIAL RISKS

Each of the strategies we employ entails substantial inherent risks. Although we attempt to manage these risks through careful research, ongoing monitoring of investments, active participation in the bankruptcy process (where applicable) and appropriate hedging techniques (where permissible), there can be no assurance that the securities and other instruments purchased which are the focus of our strategies will increase in value or that our accounts will not incur significant losses. While the following discusses certain material risks for each significant investment strategy or method of analysis we use, it should be noted that the following discussion does not describe all of the risks that may be faced by existing and potential clients and investors. For a more complete description of the specific risk factors relevant to a decision to invest in one of our Managed Funds, investors should refer to the confidential private placement memorandum for the relevant Managed Fund.

#### (1) Investment Environment

The success of our strategies could be materially adversely affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the account's investments), trade barriers and current exchange controls, and national and international political, environmental and socio-economic circumstances (including wars, terrorist acts or security operations) in respect of the countries in which the account may invest, as well as by numerous other factors outside our control. These factors may affect the level and volatility of securities prices and the liquidity of the account's investments, which could impair the account's



profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect the account's investment opportunities and the value of the account's investments. These events could limit the account's investment opportunities, limit the account's ability to grow or negatively impact the account's operating results. Oaktree's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Oaktree's business and operations and thereby could impact the accounts. Moreover, a recession, slowdown and/or sustained downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets will adversely affect the account's profitability, impede the ability of the account's portfolio companies to perform under or refinancing their existing obligations, and impair the account's ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the account in respect of certain investments, which losses could be exacerbated by the presence of leverage in a particular portfolio company's capital structure. In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect the account's performance. The economics of particular individual emerging markets countries may differ favorably or unfavorably from one another in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Governments of many emerging markets countries have exercised and continue to exercise substantial influence over many aspects of the private sector, including owning or controlling such countries' large companies.

Even before COVID-19, world financial markets were continuing to experience extraordinary market conditions, including, among other things, bank failures, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators and monetary authorities in the United States and several other countries undertook unprecedented regulatory and monetary actions, and regulators in the United States and many other jurisdictions continue to consider and implement measures to stabilize U.S. and global financial markets. However, despite these efforts, U.S. and global financial markets remain volatile. The accounts may be adversely affected by the foregoing events, which may be exacerbated by COVID-19 or by similar or other events in the future. In the longer terms, there may be significant new regulations that could limit the account's activities and investment opportunities or change the functioning of the capital markets, and there is the possibility of continued severe worldwide economic downturn. Consequently, the account may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks.

The current state of global credit markets, coupled with the threat of a double-dip recession, may affect the value of the account's investments. Further disruption and deterioration of the global debt markets (particularly the U.S. debt markets) or a significant rise in market perception of counterparty default risk would be likely to significantly reduce investor demand for, and liquidity of, all securities. Oaktree itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry. Similarly, Oaktree's portfolio companies historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Ongoing disruptions in the global credit markets may affect issuers' ability to pay debts and obligations on a timely basis. If defaults occur, the account could lose both invested capital in, and anticipated profits from, any affected investments. Recent developments in global financial markets have illustrated that the current environment is one of uncertainty for financial services companies. The existence of such events has had, and the continuation or worsening of any such events, or other events, may have or continue to have, a material adverse effect on the availability of credit to businesses generally and may lead to further overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of an account's investments (in particular those investments that provide credit to third parties or that otherwise participate in the credit markets), which in turn may adversely affect or restrict the ability of the account to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on

the business and operations of the account, restrict the account's investment activities and/or impede the account's ability to effectively achieve its investment objective. In addition, new regulations may be issued in response to economic or political developments that could limit the account's activities and investment opportunities or change the functioning of the capital markets.

(2) Business and Regulatory Risks of Alternative Asset Managers

Legal, tax and regulatory changes could occur that may adversely affect our investment strategies. The legal, tax and regulatory environment for alternative investments is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, regulators and market commentators may adversely affect the ability of our accounts to pursue their investment strategy, our ability to obtain leverage and financing and the value of investments held by our accounts. In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self-regulatory scrutiny of the alternative investment fund industry in general, and certain legislation proposing greater regulation of the industry periodically is considered by the governing bodies of both U.S. and non-U.S. jurisdictions (including Europe). It is impossible to predict what, if any, changes may be instituted with respect to the regulations applicable to Oaktree, its affiliates, the accounts, the markets in which we trade and invest, the investors in the Managed Funds or the counterparties with whom we do business, or what effect such legislation or regulations might have. There can be no assurance that Oaktree, its affiliates and the accounts will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of the accounts to implement their investment strategy could have a material adverse impact on the account's portfolio. To the extent that the account or the account's investments are or may become subject to regulation by various agencies in the United States, Europe or other countries, the costs of compliance will be borne by the respective account.

In addition, the securities, swaps and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, the CFTC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies and retain the right to suspend or limit trading in securities, which could expose our accounts to losses. The regulation of derivatives transactions and accounts that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. The effect of any future regulatory change on Oaktree's business could be substantial and adverse. In particular, the regulatory and tax environment for derivative instrument is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments or securities held by the account and the ability of the account to pursue its trading strategies. Finally, the SEC and other various U.S. federal, state and local agencies may conduct examinations and inquiries into, and bring enforcement and other proceedings against Oaktree, its accounts and its affiliates. Oaktree, its accounts and its affiliates may receive requests for information or subpoenas from the SEC or other state, federal and non-U.S. regulators (as well as from self-regulatory organizations and exchanges) from time to time in connection with such inquiries and proceedings and otherwise in the ordinary course of business. These requests may relate to a broad range of matters, including specific practices of Oaktree and the securities in which Oaktree invests on behalf of its clients or industry wide practices. The costs of any such increased reporting, registration and compliance requirements may be borne by the accounts and may furthermore place the accounts at a competitive disadvantage to the extent that Oaktree or portfolio companies are required to disclose sensitive business information.

Moreover, in response to highly publicized losses resulting at least in part from improper accounting methods, a number of accounting pronouncements have been established by the accounting professional standards board. Certain of these pronouncements could render obsolete investment strategies which have been used routinely for many years. Changes affecting consolidation and valuation and other matters could



adversely affect the viability of certain aspects of our investment strategies. In addition, there have recently been certain well-publicized incidents of regulators unexpectedly taking positions which prohibit strategies which had been implemented in a variety of formats for many years. In the current unsettled regulatory environment, it is impossible to predict if future regulatory development might adversely affect our accounts.

(3) Institutional Risk

Oaktree is responsible for choosing the brokers, dealers and transaction agents and counterparties used for each of our accounts' securities transactions. Although various legal protections are intended to preserve the net claims that a customer, such as our accounts, may have in relation to such parties, a failure in the creditworthiness of a broker-dealer or other party, or the default, delay or inability or refusal of a broker-dealer or other party to perform could result in a loss of all or a portion of our accounts' investments with or through such broker-dealer or other party. An investment in an account is subject to the risk that one or more of the account's banks, brokers, hedging counterparties, lenders to or other custodians of some or all of the account's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by various factors, including eroding market sentiment, significant withdrawals (e.g., a bank run in which depositors collectively withdraw their balances within a short period of time), fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Oaktree, the accounts and/or their investments 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, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance (including Fund assets maintained with qualified custodians pursuant to Rule 206(4)-2 under the Investment Advisers Act) 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. Market turmoil or overall weakening of the financial services industry could adversely affect our accounts, their prime brokers and other financial institutions' financial conditions, and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the activities and operations of our accounts. Prime brokers engaged by our accounts may experience financial difficulties, and our accounts might therefore be exposed to similar or other financial problems resulting from the insolvency or financial difficulties of one or more of our accounts' prime brokers. The accounts may, from time to time, purchase, sell, or lend securities through either a U.S. prime broker or a non-U.S. affiliate of such prime brokers and have assets held at accounts of such prime broker or its non-U.S. affiliate. If the account's assets are held at a U.S. prime broker, in the event of the bankruptcy or insolvency of such prime broker, even if assets are segregated, the account is subject to the risk that it will not receive a complete return of those assets. Under SEC rules, the prime broker must segregate "fully paid" customer securities and "excess margin securities" for the benefit of customers. In addition, pursuant to the SEC reserve formula, the prime broker must place customer funds in a segregated account for the benefit of customers to assure that there will be sufficient assets to satisfy all customer claims. Nonetheless, except with respect to physical securities held in the account's name, the account will not have a right to the return of specific assets but rather will generally have a claim based on the net equity in its account. Not all activities or transactions conducted with the prime broker are subject to these customer protection rules. If the assets are custodied with a non-U.S. broker-dealer, the aforementioned U.S. regulations do not apply and the law in the local jurisdiction will govern the disposition of assets of the broker-dealer upon liquidation. Such proceedings may be time consuming and costly. In some cases, our accounts may become an unsecured creditor of the non-U.S. entity where the accounts' assets are held.



Any Distress Event has a potentially adverse effect on the ability of Oaktree to manage the accounts and their investments, and on the ability of Oaktree, any account and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Oaktree is under no obligation to use a minimum number of Financial Institutions with respect to any account or to maintain account balances at or below the relevant insured amounts. Furthermore, such balances maintained by Oaktree and the accounts are generally expected to fluctuate, including with respect to the accounts in connection with capital calls to limited partners and dispositions of investments, and certain balances from time to time will substantially exceed applicable deposit insurance.

(4) Counterparty, Settlement and Local Intermediary Risk

From time to time, certain securities markets have experienced operational clearance and settlement problems that have resulted in failed trades. These problems could cause our accounts to miss attractive investment opportunities or result in such accounts incurring liability to third parties by virtue of an inability to perform their contractual obligation to deliver securities, or the account may also not achieve the target position or may incur a loss in liquidating its positions. In addition, delays and inefficiencies of the local postal, transport and banking systems could result in the loss of investment opportunities, the loss of money (including dividends) and exposure to currency fluctuations. Because certain purchases, sales, securities lending, derivatives (including repurchase/reverse repurchase transactions) and other transactions in which the account will engage may involve instruments that are not traded on an exchange, but are instead traded between counterparties based on contractual relationship, our accounts may be subject to the risk that a counterparty will not perform its obligations under the related contracts, as well as risks of transfer, clearance or settlement default. Such risks may be exacerbated with respect to non-U.S. securities or transactions with non-U.S. counterparties. There can be no assurance that a counterparty will not default and that the accounts will not sustain a loss on a transaction as a result. Such risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement of positions and segregation and minimum capital requirements applicable to intermediaries. There can be no assurance that Oaktree's monitoring activities will be sufficient to adequately control counterparty risk. In situations where our accounts place assets in the care of a custodian or are required to post margin or other collateral with a counterparty, the custodian or counterparty may fail to segregate such assets or collateral, as applicable, or may commingle the assets or collateral with the relevant custodian's or counterparty's own assets or collateral, as applicable. As a result, in the event of a bankruptcy or insolvency of any custodian or counterparty, our accounts' excess assets and collateral may be subject to the conflicting claims of the creditors of the relevant custodian or counterparty, and the accounts may be exposed to the risk of a court treating the accounts as a general unsecured creditor of such custodian or counterparty, rather than as the owner of such assets or collateral, as the case may be. Certain of the accounts' transactions may be undertaken through local brokers, banks or other organizations in the countries in which the accounts make investments, and the account will be subject to the risk of default, insolvency or fraud of such organizations. The collection, transfer and deposit of bearer securities and cash expose the accounts to a variety of risks, including theft, loss and destruction. Finally, the accounts will be dependent upon the general soundness of the banking systems of countries in which investments will be made.

(5) Dependence on Oaktree Employees

The success of each of our accounts depends in substantial part on the management, skill and acumen of the portfolio managers and other professionals employed by us. With the interests in our Managed Funds being passive investments, investors will have no opportunity to control the day-to-day operations of such accounts, including investment and disposition decisions. Subjective decisions made by Oaktree may cause the Managed Funds to incur losses or to miss profit opportunities on which it would otherwise have capitalized. In order to safeguard their limited liability for the liabilities and obligations of the Managed Funds, investors must rely entirely on Oaktree to conduct and manage the affairs of such Managed Fund.



Investors will also not have direct rights against third parties engaged by Oaktree in respect to such Managed fund. There can be no assurance that our portfolio managers and such other professionals will continue to be employed by us throughout the life of a specific account. The loss of a portfolio manager and other professionals could have a material adverse effect on the account(s) that they cover.

(6) Nature of Bankruptcy Proceedings

The main focus of Oaktree's Opportunistic Credit and Value Opportunities strategies is to take advantage of opportunities arising from financial distress. Accordingly, these strategies (and potentially other Oaktree strategies) will make investments that could require substantial workout negotiations or restructuring in the event of a default or bankruptcy. There are several significant risks when investing in assets and/or companies involved in bankruptcy proceedings, including the following:

- Many events in a bankruptcy are the product of contested matters and adversary proceedings that are beyond the control of the creditors.
- A bankruptcy filing may have adverse and permanent effects on a property, asset or company. For instance, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. Further, if the proceeding is converted to a liquidation, the liquidation value of the property, asset or company may not equal the liquidation value that was believed to exist at the time of the investment.
- The duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investment can be impacted adversely by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court, and until it ultimately becomes effective.
- Certain claims, such as claims for taxes, wages, employee and worker pensions and certain trade claims, may have priority by law over the claims of certain creditors.
- The administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors.
- Creditors can lose their ranking and priority in a variety of circumstances, including if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions.
- Certain of our employees, representing our accounts, may seek representation on creditors' committees and as a member of a creditors' committee he or she may owe certain obligations generally to all creditors similarly situated that the committee represents and may be subject to various trading or confidentiality restrictions. Because our Managed Funds will indemnify us and our affiliates or any other person serving on a committee on behalf of one of our Managed Funds for claims arising from breaches of those obligations, indemnification payments could adversely affect the return on such vehicle's investment in an asset or company undergoing a reorganization.

(7) Illiquidity

Certain of our strategies will invest in relatively illiquid investments. A significant portion of these assets consist of investments that are thinly traded, investments for which no market exists or investments that are restricted as to their transferability under applicable securities laws or documents governing particular transactions. Some securities or instruments that were liquid at the time they were acquired may, for a variety of reasons which may not be in our control, later become illiquid. This may have the effect of limiting the availability of these securities or instruments for purchase by our accounts and limit the ability of these accounts to sell such investments at their fair market value prior to termination of these accounts or in response to changes in the economy or the financial markets. Due to securities regulations governing certain publicly traded equity securities, these accounts' ability to sell securities could also be diminished with respect to equity holdings that represent a significant portion of the issuer's securities (particularly if an account has designated one or more directors of the issuer).



The market value of investments of each Oaktree client will fluctuate with, among other things, changes in market rates of interest, general economic conditions and economic conditions in particular industries, the condition of financial markets and the financial condition of issuers of Oaktree Accounts' investments. In particular, major market upsets (including those caused by war, pandemics or other world events), general market cessations, changes in interest rates, availability of credit, inflation rates, political and economic uncertainty, changes in laws, trade barriers, currency exchange rates and controls, government debt burdens and monetary and deficit policies, the relative volatility between investments or equity derivative risk, the participation by other investors in the financial markets, macroeconomic dislocations and revaluations, extreme market conditions and the effectiveness of Oaktree's hedging and risk management strategies can affect the value of an Oaktree Account's investments. These factors may affect the level and volatility of investment prices and the liquidity of an Oaktree Account's investments. Volatility or illiquidity could impair an Oaktree Account's profitability or result in losses. The lack of an established, liquid secondary market for some of Oaktree Accounts' investments may sometimes have an adverse effect on the market value of such investments and on Oaktree Accounts' ability to dispose of them. Additionally, assets of Oaktree clients that are typically traded in a liquid market will likely become more illiquid if the applicable trading market tightens as a result of a significant macro-economic shock or for any other reason. Therefore, no assurance can be given that, if an Oaktree Account is determined to cause the disposal of a particular such investment held by an Oaktree Account, it would dispose of such investment at the prevailing market price. Illiquidity adversely affects the price and timing of liquidation of Oaktree Accounts' investments upon the redemption of an investor's interest, to pay expenses of Oaktree Accounts or to pay management fees.

(8) Investments Outside the United States

Many of our strategies invest in jurisdictions outside the United States. This involves risks and special considerations not typically associated with U.S. investments. Such risks include:

- the risk of nationalization or expropriation of assets or confiscatory taxation,
- social, economic and political uncertainty, including war and revolution,
- dependence on exports and the corresponding importance of international trade,
- differences between U.S. and non-U.S. markets, including price fluctuations, market volatility, less liquidity and smaller capitalization of securities markets,
- currency exchange rate fluctuations,
- rates of inflation,
- controls on, and changes in controls on, non-U.S. investments and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars,
- governmental involvement in and control over the economies,
- governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies,
- differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers,
- less extensive regulation of the securities markets,
- longer settlement periods for securities transactions,
- less developed corporate laws regarding fiduciary duties and the protection of investors,
- less reliable judicial systems to enforce contracts and applicable law,
- certain considerations regarding the maintenance of the account's portfolio securities and cash with non-U.S. sub-custodians and securities depositories,

- the possible imposition of non-U.S. taxes on income and gains recognized, or gross proceeds received, with respect to such non-U.S. investments,
- restrictions and prohibitions on ownership of property by non-U.S. entities and changes in laws relating thereto,
- additional administrative burdens as a result of local legal requirements, and
- crime, corruption, terrorism and political unrest.

Oaktree Accounts may be adversely affected by the foregoing events, or by future adverse developments in global or regional economic conditions or in the financial or credit markets.

(9) Alternative Investment Fund Managers Directive

The EU Alternative Investment Fund Managers Directive (the “AIFM Directive”) regulates the activities of certain private fund managers (each, an “AIFM”) undertaking fund management activities or marketing interests in alternative investment funds (each, an “AIF”) to investors within the European Economic Area (“EEA”). Because some of the Managed Funds are actively marketed to investors domiciled or having their registered office in certain jurisdictions in the EEA: (i) the Managed Funds and Oaktree and its affiliates are subject to certain reporting, disclosure and other compliance obligations under the AIFM Directive, which may result in the Managed Funds incurring additional costs and expenses; (ii) the Managed Funds and Oaktree and its affiliates are subject to additional regulatory and compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Managed Funds incurring additional costs and expenses or may otherwise affect the management and operation of the Managed Funds; (iii) Oaktree and its affiliates are required to make detailed information relating to the Managed Funds and their investments available to regulators and third parties, including information required under the EU Sustainable Finance Disclosure Regulation; (iv) the AIFM Directive will also restrict certain activities of the Managed Funds in relation to EEA portfolio companies including, in some circumstances, the Managed Funds’ ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of the Managed Funds generally; and (v) the Managed Funds may be restricted or prohibited from investing in securitization positions where none of the originator, sponsor or original lender retains a minimum material net economic interest in the securitization as prescribed under the EU Securitization Regulation, which may prevent the Managed Funds from investing in certain securitization positions which would otherwise be available to it. In addition, some EEA jurisdictions have elected to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions.

In the future, it may be possible for non-EEA AIFMs to market an AIF within the EEA pursuant to a pan-European marketing “passport” instead of under the existing national private placement regimes. The access to the passport may be subject to the non-EEA AIFM complying with various requirements under the AIFM Directive, which may include one or more of the following: rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on the use of leverage, additional disclosure and reporting requirements to both investors and EEA home state regulators, the independent valuation of an AIF’s assets, and the appointment of legal representatives and an independent depositary to hold assets. Certain EEA member states have indicated that they will cease to operate national private placement regimes when or shortly after the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFM Directive in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, Oaktree may not seek to market the interests in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Managed Funds. Alternatively, if Oaktree sought to comply with the requirements needed to use the passport, this could have other adverse effects including, among other things, increasing the regulatory burden and costs of operating and managing the Managed Funds and their investments, and



potentially requiring changes to compensation structures for key personnel, thereby affecting Oaktree's ability to recruit and retain these personnel.

References to European Union laws mean such laws as implemented in each EEA Member State, where applicable, and equivalent or similar laws in the United Kingdom.

(10) Eurozone Risks

There are significant and persistent concerns regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro to function as a single currency given the diverse economic and political circumstances in individual Eurozone countries. The risks and prevalent concerns about a credit crisis in Europe could have a detrimental impact on global economic recovery as well as on sovereign and non-sovereign debt in the Eurozone countries. There can be no assurance that the market disruptions in Europe will not spread to other countries, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilize affected countries and markets in Europe or elsewhere. These and other concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences with respect to our accounts, our investors and/or accounts' investments in Eurozone countries will be determined by law laws in effect at such time. These potential developments could negatively impact the ability of our accounts to make investments in Europe, the value of our accounts' investments in Europe and the general availability and cost of financing permitted investments.

(11) Economic and Trade Sanctions and Anti-Bribery Considerations

Economic and trade sanction laws in the United States, the Cayman Islands and other jurisdictions may prohibit Oaktree, its affiliates, its personnel, the accounts and their portfolio companies from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. In the Cayman Islands, the Governor or the Cayman Islands and the Financial Reporting Authority (subject to delegation from the Governor) administers and enforces anti-money laundering laws and sanctions extended to the Cayman Islands by statutory instrument or otherwise applicable in the Cayman Islands ("Cayman Sanction Orders"). Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs and the Cayman Sanctions Orders. In addition, certain sanctions programs prohibit dealing with individuals or entities in certain countries, certain securities, and certain industry sectors, regardless of whether such individuals or entities appear on the lists maintained by OFAC or in the Cayman Sanction orders, which may make it more difficult for Oaktree Accounts to comply with applicable sanctions. These types of sanctions may significantly restrict or limit Oaktree Accounts' investment activities in certain countries (in particular, certain emerging market countries). Oaktree, its affiliates, its personnel, and the accounts may from time to time be subject to trade sanctions laws and regulations of other jurisdictions, which may be inconsistent with or even preclude the effect of the sanctions administered by OFAC and the Financial Reporting Authority (FRA). The legal uncertainties arising from those conflicts may make it more difficult or costly for Oaktree's accounts to navigate investment activities that are subject to sanctions administered by OFAC and the FRA or the laws and regulations of other jurisdictions. Some jurisdictions where Oaktree or its portfolio companies do business from time to time have adopting measures prohibiting compliance with certain U.S. sanctions programs.

At the same time, Oaktree may be obligated to comply with certain anti-boycott laws and regulations that prevent Oaktree and the accounts from engaging in certain discriminatory practices that may be allowed or required in certain jurisdictions. Oaktree's refusal to discriminate in this manner could make it more difficult



for Oaktree Accounts to pursue certain investments and engage in certain business activities, and any compliance with such practices could subject Oaktree, its affiliates, its personnel, and the accounts to fines, penalties, and adverse legal and reputational consequences.

Certain countries, including the United States and the United Kingdom, have laws prohibiting governmental and private, or “commercial,” bribery. In some countries, there is a greater acceptance than in the United States and the United Kingdom of government involvement in commercial activities and of activities that constitute corruption in the United States and the United Kingdom. Oaktree, its affiliates, its personnel, the accounts and their portfolio companies are committed to complying with the U.S. Foreign Corrupt Practices Act (“FCPA”), the United Kingdom Bribery Act of 2010 (“UKBA”) and other anti-corruption laws, anti-bribery laws and regulations and anti-boycott regulations to which they are subject. As a result, the accounts may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the accounts to act successfully on investment opportunities and for investments to obtain or retain business. In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA and have devoted greater scrutiny to investments by private equity sponsors. In addition, the United Kingdom, with enactment of the U.K. Bribery Act, has expanded the reach of its anti-bribery laws significantly. While Oaktree has developed and implemented policies and procedures designed to ensure strict compliance by Oaktree and its personnel with the FCPA and the UKBA and the sanctions regimes that apply to Oaktree, such policies and procedures may not be effective in all instances to prevent violations or offenses. In addition, notwithstanding Oaktree’s policies and procedures, portfolio companies and their affiliates may engage in activities that could result in FCPA and UKBA violations, particularly in cases where an account does not control such portfolio company. Any determination that Oaktree has violated or committed an offense under the FCPA, UKBA or other applicable anti-corruption laws could subject Oaktree and/or its officers, employees and agents to, among other things, civil and criminal penalties, reputational damage, material fines, profit disgorgement, injunctions on future conduct, securities litigation, disclosure obligations and a general loss of investor confidence, any one of which could adversely affect Oaktree’s business prospects and/or financial position, as well as the account’s ability to achieve its investment objective and/or conduct its operations.

(12) Withdrawal of the United Kingdom from the European Union

On January 31, 2020, the United Kingdom (the “U.K.”) formally withdrew from the European Union (“Brexit”). After this, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period on December 31, 2020, EU rules ceased to apply in the UK.

Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement signed on December 30, 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to substantially many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshore EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third country access to EU markets. If the regulatory regimes for EU and UK financial services change or



diverge further, this could have an adverse impact on our accounts and their investments, including the ability of our accounts to achieve their investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions).

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU and UK-based businesses. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

(13) Risk of Loans and Other Debt Instruments

Certain of our strategies' investment programs include investments in significant amounts of loans or other debt instruments, including debt-like instruments like preferred equity, a significant amount of bank loans and participation, as well as other direct lending transactions. These obligations are subject to unique risks, including:

- the possible invalidation of an investment transaction as a "fraudulent" conveyance or preferential payments under relevant creditors' rights and bankruptcy laws, or the subordination of claims under so-called "equitable subordination" common law principles,
- so-called lender-liability claims by the issuer of the obligations,
- environmental liabilities that may arise with respect to collateral securing the obligations, and
- limitations on the ability of our accounts to directly enforce their rights with respect to any participations or other investments.

(14) Subordination

Mezzanine debt and equity investments will typically be subordinated. Subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer.

(15) Short Sales and Derivatives

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the account's portfolio. A short sale of a security involves the risk of a theoretically unlimited loss from a theoretically unlimited increase in the market price of the security that could result in an inability to cover the short position. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase. Short sales may be executed in many ways, including without limitation through derivative instruments, repurchase/reverse repurchase agreements and securities lending arrangements.

The successful use of options depends principally on the price movements of the underlying securities, and if the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the holder will lose part or all of its investment in the option. Certain of the strategies invest in derivative instruments from time to time. Investing in derivative instruments presents various risks, including lack of liquidity and risks of purchasing outside of an exchange. The prices of derivative instruments, including swaps, futures, forwards and options, are highly volatile. The value of such derivatives also depends upon the price of the underlying security or other asset or index. Certain over-the-counter derivatives are also typically not subject to the same type of investor protections or governmental regulation as exchange traded instruments.

(16) Investments in Real Estate

Certain of our strategies' investment programs involve investing directly in real estate that we believe is undervalued, non-recourse mortgages where the mortgagor is not a significant operating company and in

the securities or obligations of single purpose companies whose primary asset is real estate. Some of the risks associated with real estate investments include:

- lack of demand for commercial or housing space in a locale,
- changes in general economic or local conditions,
- changes in supply of, or demand for, similar or competing properties in an area,
- uncertainty of cash flow to meet loan and other fixed obligations,
- wars, natural disasters, pandemics, severe weather patterns, terrorist attacks and similar events,
- changes in interest rates,
- unavailability of mortgage financing which may render the sale or refinancing of property difficult, and
- changes in tax, real estate, environmental and zoning laws.

Additionally, in connection with the ownership (direct or indirect) of real properties, owners may face potential costs and liabilities related to environmental laws, such as those related to the removal of hazardous and toxic substances.

(17) Risks Relating to the Power Sector

For much of its history, the power sector, and particularly the utility industry within this broader sector, was characterized by institutional stability and predictability of financial performance. The advent of utility deregulation, privatization, technological change, environmental regulations, commodity price fluctuations, and market volatility has created a much less stable sector with substantially greater variability of company performance. There can be no assurance that the pace or direction of the change will be in accord with Oaktree expectations, nor that the industry changes will benefit investments made. Investing in power facilities and related assets and the companies that provide the equipment, services, and systems to such power facilities and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks. There is no assurance that such investments will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

(18) Risks Relating to the Infrastructure Sector

Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Infrastructure investments are exposed to numerous risks, usually without recourse to the general credit of a project sponsor, including: construction; environmental; regulatory; permitting; commissioning; start-up; operating; economic; commercial; contractual; political; innovation; and financial risks. Early developmental stage projects involve risks of failure to obtain or substantial delays in obtaining: regulatory, environmental or other approvals or permits; financing; and suitable equipment supply, operating and offtake contracts. Additional infrastructure sector risks include (i) the risk that technology employed will be not be effective or efficient; (ii) the risk of equipment failures, fuel interruptions, loss of sale and supply contracts; changes in power or fuel contract prices, bankruptcy of or defaults by key customers, suppliers or other counterparties, and tort liability; (iii) risk of changes of values of infrastructure sector companies; (iv) risks associated with employment of personnel and unionized labor; and (v) political and regulatory considerations and popular sentiments that could affect the ability of the strategy to buy or sell investments on favorable terms. The occurrence of events related to any of the foregoing could have a material adverse effect on investments in the infrastructure sector. There is no assurance that such investment projects will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.



(19) Investments in the Communications Industry

Certain of our strategies' investment programs include investing in communications and media-related industries. Certain companies in those industries are or may be subject to extensive U.S. federal, state and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of communications and media companies may prevent one or more of our accounts from making certain investments that it would otherwise make. Other regulations may cause substantial additional costs or lengthy delays in connection with the completion or disposition of an investment. The governing documents of our Managed Funds that invest in the communications industry contain provisions that are designed to conform to the requirements of the Federal Communications Commission for insulating investors of Managed Funds from having attributable interest in media company investments of Managed Funds. These provisions prohibit investors in Managed Funds from active involvement in such media companies, and may restrict such investors' ability to remove us or our affiliates from managing the Managed Fund in certain circumstances. In addition, the competition in the communications industry is intense, and the securities of communications companies may be subject to significant price volatility. Furthermore, the communications industry is subject to significant changes in technology, which may make the existing products and services of communications companies obsolete.

(20) Non-Payment of Mortgages Underlying CMBS

The collateral underlying commercial mortgage-backed securities ("CMBS") generally consists of commercial mortgages or real property that has a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels. The commercial mortgages underlying CMBS generally have shorter maturities than residential mortgages, allow a substantial portion of the loan balance to be paid at maturity, commonly known as a "balloon payment," and are usually non-recourse against the commercial borrower. The prospect of full repayment of the commercial mortgage loans underlying CMBS depends on the ability of the commercial borrower to generate current income from its commercial property, which is affected by a variety of factors, and to secure subsequent financing, which can be negatively impacted by a difficult credit environment. Given the non-recourse nature of the underlying commercial mortgage loan, the options for financial recovery are limited in nature if a commercial borrower defaults, and in certain instances, a negotiated settlement or an amendment to the terms of the commercial mortgage loan are the only options before an ultimate foreclosure on the commercial property. Foreclosure is costly and often protracted by litigation and bankruptcy restrictions. The ultimate disposition of a foreclosed property may also yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted commercial mortgage loan. There has been a rise in commercial mortgage loan defaults and a substantial decline in the market value of commercial real estate during the current economic downturn. It has also become increasingly difficult for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, and ultimately leading to a decline in the value of CMBS.

(21) Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment in a portfolio company, accounts may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of any business. Accounts may also be required to indemnify the purchasers of such investment with respect to certain matters, including the accuracy of such representations. These arrangements may result in contingent liabilities for which such accounts may establish reserves or escrows. Limited partners in Managed Funds may also be required to return amounts distributed to them to fund such Managed Funds' indemnity or repayment obligations.

(22) High Yield and Preferred Securities, Convertible Notes and Distressed Debt

Certain of our strategies involve investing in "high yield" bonds, preferred securities, convertible notes and distressed debt that are rated in the lower rating categories by the various credit rating agencies or comparable non-rated securities. Securities in the lower-rated categories and comparable non-rated securities are subject



to greater risk of loss of principal and interest than higher-rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Such issuers typically are highly leveraged, with significant burdens on cash flow and, therefore, involve a high degree of financial risk. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. Because investors generally perceive that there are greater risks associated with the lower-rated and comparable non-rated securities, the yields and prices of such securities may be more volatile than those for higher-rated and comparable non-rated securities. The market for lower-rated and comparable non-rated securities is thinner, often less liquid and less active than that for higher-rated or comparable non-rated securities and the market prices of such securities are subject to erratic and abrupt movements. The spread between bid and asked prices for such securities may be greater than normally expected. Such factors can adversely affect the prices at which these securities can be sold and may even make it difficult to sell such securities.

(23) Leverage

Certain of our strategies' investment programs include investing in, or obtaining indirect exposure to, companies (including CLOs) whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired may be the most junior in what will typically be a complex capital structure, and thus subject to the greatest risk of loss.

Furthermore, certain strategies involve the use of leverage, including through repurchase agreements, reverse repurchase agreements, credit default swaps, total return swaps, the provisions of collateral to secure outstanding letters of credit and other back leverage structures at the asset level. While leverage presents opportunities for increasing total return, it may potentially increase losses as well. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent leverage is used. The cumulative effect of the use of leverage in a market that moves adversely to investments held could result in a loss that would be greater than if leverage had not been used, including loss of the entire investment and also the possibility of loss exceeding the original amount of a particular investment. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Managed Fund. There are also financing costs associated with leverage, and each leveraged investment will involve interest rate risk to the extent that financing charges for such leveraged investment are based on a predetermined interest rate. Furthermore, to the extent that capital is drawn from a subscription line to fund investments, the amount and timing of contributions and distribution to the investors of the Managed Funds may be affected in a manner that may have potentially adverse consequences to such investors. Our strategies' use of borrowings to create leverage subjects the accounts to additional risks. For example, depending on the "back-leverage" structure or type of facility, a decrease in the market value of the investments which serve as the collateral would increase the effective amount of leverage and could result in the possibility of a "margin call," pursuant to which the accounts must either deposit additional funds or collateral with the lender, which could require the investors to make additional capital contributions to the accounts or suffer mandatory liquidation of the pledged collateral to compensate for the decline in value. Liquidation of their investments at an inopportune time in order to satisfy a "margin call" would adversely impact the performance of the accounts and could, if the value of their collateral has declined enough, cause the accounts to lose all or a substantial amount of their capital.

Even though it presents many of the same risks as fund-level borrowing, indebtedness of entities other than an Oaktree Account may not be treated as fund-level borrowing for purposes of the governing documents, even if the special purpose vehicles or other entities incurring such leverage engage in borrowings that are

cross-collateralized with or among multiple investments such that multiple investments and a substantial portion of an Oaktree Account's value are at risk. As a result, these borrowings will not be subject to any limitations on fund-level borrowing in the governing documents. Since Oaktree has more flexibility to engage in these structures, Oaktree has an incentive to incur significant leverage at the level of holding companies beneath an Oaktree Account. The negative performance of one asset may materially and adversely impact the performance of other investments or an Oaktree Account as a whole. Except where otherwise required by the relevant governing documents, an Oaktree Account will not be obligated to borrow on behalf of an investment, even in circumstances where such Oaktree Account's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

(24) High Portfolio Turnover

Our different strategies may require frequent trading and a high portfolio turnover. The more frequent the trading, the higher the commission and transaction costs and certain other expenses involved in the account's operations. These costs will be borne by the account regardless of the profitability of its investment and trading activities. In addition, a high portfolio turnover may increase the recognition of short-term, rather than long-term, capital gains.

(25) Market Risk Factors

Changes to risk factors in the financial markets may affect the investment objectives of certain strategies investing in fixed income assets. Prices of investments may be influenced by broad market perceptions of risk through moves wider in credit spreads, negatively impacting prices, or moves tighter in credit spreads, positively impacting prices. There may also be changing expectations of interest rates which may have a positive impact on pricing when interest rates fall for fixed rate assets or a negative impact on pricing when interest rates rise. The magnitude of these changes may be influenced by factors such as credit spread, rating spreads, credit ratings, industry and asset class. Expectations for interest rates can change over time through changes to foreign exchange rates, changes to inflation expectations and other macro economic variables. These factors may not necessarily change the fundamental value of an investment, but prices and expectations by other market participants can increase the volatility.

(26) Board Participation

The size of one or more account's equity holdings in a particular issuer, or contractual rights obtained by such account in connection with an investment, may enable the account to designate one or more directors to serve on the boards (or comparable governing bodies) of companies in which the account invests. While such representation may enhance the account's ability to manage its investments, it may also have the effect of impairing the ability of the account to sell the related securities when, and upon the terms, it might otherwise desire, as it may subject the account to required holding periods and legal claims it would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other board-related claims.

(27) Third Party Litigation

Our accounts' investment activities subject them to the risks of becoming involved in litigation by third parties. This risk is somewhat greater where we exercise control of, or significant influence in, a company's direction. The expense of defending third party claims and paying any amounts pursuant to settlements or judgments would, absent certain conduct by us or our affiliates, increase the costs of the account holding the investment.

(28) Lack of Diversification

Except as otherwise set forth in the governing documents of an account, Oaktree is not under any obligation to diversify the accounts' investments, whether by reference to the amount invested or the industries or geographical areas in which portfolio companies operate. Accordingly, returns may be subject to more rapid



changes than would be the case if we were required to maintain a wide diversification among companies, industries and types of securities.

(29) Tax Matters

The countries in which our accounts may invest may impose taxes on certain types of income such as dividends, interest and in some instances capital gains. Although such taxes may be subject to reduction to the extent that Managed Account clients or investors in our Managed Funds are entitled to the benefits of an income tax treaty between their home jurisdiction and the other jurisdictions in which our accounts invest, there can be no assurance that treaty benefits will be available in any particular case, as this will be dependent on the terms of the treaty and the timely provision of certifications and other documentation. Furthermore, even if certain Managed Account clients or investors in our Managed Funds are entitled to treaty benefits, withholding taxes may still be deducted by the payers of income, with a material time delay before refunds of such withholding taxes can be obtained from the relevant taxing authority. In addition, changes in the tax laws or tax treaties (or their interpretation) of the countries in which our accounts invest may severely and adversely affect their ability to efficiently realize income or capital gains and may subject our Managed Account clients and investors in our Managed Funds to tax and return filing obligations in such countries. There may be a series of complex tax issues related to an investment in our Managed Funds or commencement of a Managed Account.

(30) Potential Conflicts of Interest

We manage a number of different investment strategies which present the possibility of overlapping investments, and thus the potential for conflicts of interest. If any matter arises that we determine in its good faith judgment constitutes an actual conflict of interest between accounts, we may take such actions as may be necessary or appropriate to prevent or reduce the conflict. Please see Item 11 below for further discussion of possible conflicts of interest.

(31) Access to Material, Non-Public Information

In connection with the activities of various investment strategies, personnel of Oaktree will acquire confidential or material non-public information with respect to certain issuers of securities or otherwise be restricted from initiating transactions in certain securities. While in possession of such information, Oaktree will generally not be free to trade upon any such information in accordance with applicable securities laws. Due to these restrictions, Oaktree may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Notwithstanding the foregoing, Oaktree may determine, in its sole discretion at any time, that such information could impair its ability to effect certain transaction on behalf of accounts, whether for legal, contractual, or other reasons. Accordingly, Oaktree may elect not to receive such information or may restrict access to such information to certain personnel that are placed behind an “information wall.” Lack of access to any such information may adversely affect the account’s investments that in some cases may have been avoided had Oaktree had such information.

(32) Commodity Regulatory Matters

Oaktree has registered with the CFTC as a commodity pool operator and as a commodity trading advisor and will operate certain Managed Funds and Managed Accounts in accordance with section 4.7 of the regulations of the CFTC under the U.S. Commodity Exchange Act and as such, Managed Account clients and investors in Managed Funds are limited to “qualified eligible persons” as defined thereunder, or with section 4.13(a)(3).

(33) Portfolio Valuation

Valuations of an account’s portfolio, which will affect the account’s performance results, may involve uncertainties and judgmental determinations. There is no actively traded market for some of the securities or investment products owned by Oaktree’s Managed Funds and Managed Accounts. The process of valuing



securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had a ready market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Further, third-party pricing information may at times not be available regarding certain of the account's securities, derivatives, and other assets. If the valuation by Oaktree or its affiliate of the account's securities in accordance with Oaktree's valuation policy should prove to be incorrect, the net asset value of an account's investments could be adversely affected. In addition, due to the substantial volatility experienced by many valuation inputs in recent periods, the subjective decisions regarding which inputs to select, the measurement dates and the relative weights to assign to such inputs will have a disproportionate impact on valuations. Absent bad faith or manifest error, valuation determinations in accordance with Oaktree's valuation policy will be conclusive and binding. Moreover, because Oaktree or its affiliates will determine in their respective discretion the value of any such assets, there may be a conflict of interest in making that determination, given the potential impact of such valuations on an account's reported performance, particularly with respect to an account that pays management fees to Oaktree or its affiliates based on the value of the account's assets or performance fees to Oaktree or its affiliates based on changes in the value of the account's assets over a specified period.

(34) Management Fees and Performance-Based Compensation

As discussed under Item 5 above, Oaktree or its affiliates have the right to receive management fees, and have the potential to earn performance-based fees or profit/incentive allocations, from certain Managed Funds and Managed Accounts. The existence of this compensation can present conflicts of interest. For example, performance-based compensation can create an incentive for Oaktree or its affiliates to recommend investments which may be riskier than those which would be recommended under a different fee arrangement. Performance-based compensation can also create an incentive for Oaktree or its affiliates to dispose of investments at a time, and/or in a sequence, designed to generate the highest amount of compensation. In addition, the right to earn management fees can create an incentive for Oaktree or its affiliates to hold an investment longer than it would in the absence of the management fee. Where the management fee is calculated based on the valuation of an investment, or a determination of whether an investment has been written off or otherwise permanently impaired, Oaktree will have an incentive to make determinations that result in the continued payment of, or a higher, management fee. In situations where the management fee is calculated based on committed capital, contributed capital or the cost basis of investments, the management fee generally will not be reduced based on reductions in investment value. Moreover, for the avoidance of doubt, in accordance with the governing documents, the management fee will generally not in any event be reduced as a result of any reorganization or restructuring of, extraordinary dividend made with respect to, or similar transactions related to, an investment that does not result in the complete disposition of an account's interest therein (even in cases where the value of the account's investment or the account's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such reorganization, restructuring, extraordinary dividend or similar transaction) and in such cases, investors will continue paying management fees based on committed capital, contributed capital or the cost basis of investments, as applicable, regardless of any such transaction. The lack of a requirement to reduce the management fee in connection with any reorganization or restructuring of, extraordinary dividend made with respect to, or similar transaction related to, an investment presents certain conflicts between the interests of Oaktree and the interests of the investors, including by incentivizing Oaktree to pursue such transactions that would result in the continued payment of management fees.

(35) Secondary Transactions

Oaktree could propose to a Managed Fund's limited partner advisory board or investors one or more transactions that would enable such investors to monetize or restructure all or a portion of their interests in a Managed Fund, including through the use of a continuation vehicle (each such transaction, a "Secondary Transaction"). The sale of an investment to a continuation vehicle could result in certain investors and/or



Oaktree (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all investors of such Managed Fund and otherwise taking actions with respect to such investments that are different than the actions taken by other investors. Each of these Secondary Transactions has the potential for conflicts between the interests of a Managed Fund or investors and those of Oaktree or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Oaktree or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of investors who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Managed Fund, Oaktree and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, Oaktree is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as investors in the relevant Managed Fund, and in such circumstances Oaktree reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to investors and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that Oaktree will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Managed Fund or any individual investor or group of investors. However, Oaktree reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents.

(36) Borrowings and Guarantees

Certain accounts may obtain short-term bridge financings or borrowings to fund acquisitions prior to the receipt of capital contributions. In addition, certain accounts may incur other, longer-term, indebtedness and guarantee obligations with respect to portfolio investments and expenses. Obligations may also be incurred in connection with the granting of guarantees by certain Managed Funds for environmental liabilities or so-called “bad boy” guarantees for fraud, willful misconduct, gross negligence, misapplication, misappropriation, bankruptcy and similar matters. In connection therewith, the accounts or certain subsidiary entities may enter into one or more credit facilities or guarantees that are secured by unfunded capital commitments and/or the account’s portfolio investments and assets. While such activities may present opportunities for increasing the account’s total return, it may increase losses as well. The interest expense and other costs of any such borrowings will be borne by the relevant Managed Account or Managed Fund and, accordingly, decrease net returns of such Managed Account or Managed Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return (if applicable), which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant account. In light of the foregoing, the Oaktree and its affiliates have an incentive to cause an account to borrow in this manner in lieu of drawing down capital commitments. In other circumstances, the use of fund-level borrowing can increase the base of an account’s management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition that includes a borrowing component. As a general matter, use of leverage in lieu of drawing down capital commitments amplifies returns (either negative or positive) to clients and investors.

(37) Cyber Security Breaches

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency and severity in the future. The information and



technology systems of Oaktree, its affiliates, portfolio companies, issuers and service providers may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors or malfeasance by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they may be able to steal, publish, delete or modify private and sensitive information, including non-public personal information related to our investors (and their beneficial owners) and material non-public information. Although Oaktree has implemented, and portfolio companies, issuers and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Oaktree does not control the cybersecurity plans and systems put in place by third party service providers, and such third-party service providers may have limited indemnification obligations to Oaktree, its affiliates, its accounts, the investors and/or a portfolio company or issuer, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified in a timely manner or at all, even with sophisticated prevention and detection systems. This could potentially result in further harm and prevent such breaches from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Oaktree's, its affiliates', our accounts' and/or a portfolio company's or issuer's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information related to our investors (and their beneficial owners), material non-public information and the intellectual property and trade secrets and other sensitive information of Oaktree and/or portfolio companies or issuers. Oaktree, our accounts and/or a portfolio company or issuer could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws adverse publicity, and other events that may affect their business and financial performance.

(38) Coronavirus and Public Health Emergencies and Other Geopolitical Risks

An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. Additionally, a serious pandemic or a natural disaster could severely disrupt global, national and/or regional economies. No assurance can be given as to the effect of these events on the value of the Oaktree Account's investments.

Without limiting the foregoing, the 2020 outbreak of the form of coronavirus ("COVID-19"), resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. As COVID-19 continues to spread, the potential long-term impacts of the pandemic, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. Any public health emergency, including the COVID-19 pandemic and the emergence of additional variants of COVID-19, or any outbreak of other existing or new epidemic or pandemic diseases, or the threat thereof, could have a significant adverse impact on accounts and their investments, and could adversely affect an account's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on an account and its investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the scale and efficacy of government stimulus measures, the extent of any related travel advisories and restrictions implemented, the impact of the public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all



of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact (a) the value and performance of an account's investments, (b) the ability of the companies in which an account invests to continue to meet loan covenants, post margin or repay loans provided by account on a timely basis or at all, or (c) the ability to source, manage and divest investments and to achieve its investment objectives, all of which could result in significant losses to the account. With respect to any revolving or delayed draw loans made by an account to a portfolio company, a portfolio company may be incentivized for liquidity or other reasons to draw on most, if not all, of the unfunded portion of such loan and the account may not have the ability under the applicable credit agreement to refuse to fund such draw without the account being in default and suffering financial penalties. The foregoing market conditions may cause the account to write down assets materially as the fair market value of its investments may be reduced in light of a potential or actual economic decline or recession, decline in or lack of consumer confidence or uncertain and volatile market conditions that are difficult to assess or predict. In addition, the operations of an account, the companies in which it invests, the general partner of a Managed Fund or Oaktree may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of Oaktree personnel or the personnel of any company in which an account invests.

(39) Russian Invasion of Ukraine

On February 24, 2022, the Russian military commenced a full-scale invasion of Russia's forces into Ukraine. In response, the United States, United Kingdom, the European Union and other countries imposed sanctions designed to target the Russian financial system. Further sanctions may be forthcoming, and the United States and allied countries have recently announced they are committed to taking steps to prevent certain Russian banks from accessing international payment systems. Russia's invasion of Ukraine, the resulting displacement of persons both with Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally (including in the countries in which our account could invest), and therefore could adversely affect the performance of our accounts' investments. Furthermore, given the ongoing and evolving nature of the conflicts between the two nations and its ongoing escalation (such as Russia's recent decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to our accounts and the performance of their investments or operations, and the ability of our accounts to achieve their investment objectives.

(40) Business Continuity

Oaktree is dedicated to the safety of its employees and high availability of its operational functions when faced with an emergency or crisis event. The SEC has taken the position that an investment adviser's fiduciary obligation to its clients includes taking steps to protect its clients' interests from being placed at risk as a result of the investment adviser's inability to provide investment advisory services after a disaster, loss of key personnel or other interruption of the business. Accordingly, Oaktree has implemented a comprehensive Business Continuity Program that allows the company to prepare for, respond to, and recover from adverse circumstances in today's evolving global threat environment. Oaktree's Business Continuity Program is governed under the Business Continuity Policy and oversight provided by the Business Continuity Leadership Group. This Business Continuity Program consists of well-defined program elements, with each element being defined by process documentation, training materials and charters for groups that actively carry-out the elements within the organization. Oaktree is committed to building a more resilient organization and continuous improvement of the Business Continuity Program. The Program emphasizes regular testing and exercising of program elements, learning through exercise analysis, near-miss analysis and audit interactions.



(41) Privacy, Data Protection and Information Security Compliance Risk

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “Privacy laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Oaktree and our accounts and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and our accounts’ performance. As Privacy laws are implemented, interpreted and applied, compliance costs for Oaktree and our accounts and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

EU data protection law currently in effect is in the form of the General Data Protection Regulation (EU 2016/679) (the “EU GDPR”) which took direct effect across the EU member States on May 25, 2018, replacing data protection laws in the European Union previously in effect. The EU GDPR sought to harmonize national data protection laws across the European Union, while at the same time, modernizing the law to address new technological developments. The EU GDPR notably has a wide extra-territorial reach with a significant impact on data controllers and data processors (i) with an establishment in the EU, (ii) which offer goods or services to EU data subjects, or (iii) which monitor EU data subjects’ behavior within the EU. The EU GDPR imposes stringent operational requirements on both data controllers and data processors, and there are significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The EU GDPR, as it existed on December 31, 2020 (the date on which the U.K. formally left the EU) has been retained in U.K. law as the “UK GDPR,” which has applied in the U.K. from January 1, 2021. It’s noted that the UK GDPR is, for the time being, substantially similar to the EU GDPR (but with necessary national variations) and the European Commission has adopted two adequacy decisions in favor of the UK, which permit the continued free flow of personal data from the EEA to the UK.

The current ePrivacy Directive will also be repealed by the EU Commission’s Regulation on Privacy and Electronic Communications (the “ePrivacy Regulation”), which aims to reinforce trust and security in the digital single market by updating the legal framework regarding the “right to a private life” for users of electronic communications. The text of the ePrivacy Regulation has been finalized and will not become subject to trialogue negotiations (between the Council of the EU, the European Parliament and the European Commission); however, it is not expected to come into force before 2023. A compulsory grace period of a maximum of two years will then apply to allow EU Member States to implement the ePrivacy Regulation before it is brought into effect. Following its withdrawal from the EU, it is unclear whether the U.K. will adopt or implement the ePrivacy Regulation (or legislation which is substantially similar) into U.K. law, however, it is likely that the ePrivacy Regulation will be relevant to UK portfolio companies in light of the regulation’s broad territorial scope.

In addition to the EU GDPR and the UK GDPR, Oaktree is subject to the California Consumer Privacy Act of 2018 (the “CCPA”), which went into effect on January 1, 2020. The CCPA imposes sweeping data protection obligations on many companies doing business in California and provided for substantial fines for non-compliance and, in some cases, a private right of action for consumer who are victims of data breaches involving their unencrypted personal information. Further, in November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 (“CPRA”), which further expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing these requirements. The CPRA became fully operative on January



1, 2023. These and other data privacy laws and regulations and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction.

In addition, on July 16, 2020, the Court of Justice of the European Union (“CJEU”) issued its landmark judgment in *Data Protection Commissioner v Facebook Ireland Limited, Maximillian Schrems* (“Schrems II”) which invalidated the EU-US Privacy Shield with immediate effect, while upholding the European Commission’s standard contractual clauses (“EU SCCs”) for controller-to-processor transfers. While the use of such EU SCCs was upheld, the CJEU held that compliance with the EU SCCs must be closely monitored by parties and the data exporter relying on them must perform a case-by-case assessment as to whether the laws of the country of importation of personal data provide adequate protection, as under EU data protection laws and enable the relevant data importer to comply with the EU SCCs. Following the decision in *Schrems II*, a new set of EU SCCs was approved by the European Commission in June 2021. Data controllers and data processors that ‘export’ personal data outside the European Economic Area (the “EEA”) have an 18 month grace period (until December 27, 2022) to replace the old EU SCCs with the new form of EU SCCs approved by the European Commission. The adoption of the new EU SCCs will not negate the obligation of the data importer and data exporter to assess the laws of the country of importation (as mandated by the CJEU in *Schrems II*) and, indeed, the clauses require both the data importer and the data exporter to warrant that such a documented assessment has been conducted. For transfer of personal data subject to the UK GDPR, the UK Information Commissioner released an International Data Transfer Addendum to the EU Standard Contractual Clauses (“UK SCCs”) which came into force on March 21, 2022. There is a grace period until March 21, 2024 to replace the old UK SCCs with the new form of UK SCCs. We have been working to repaper any relevant existing contracts with the new EU SCCs and UK SCCs (as applicable) by the relevant deadlines.

(42) Investing in Different Parts of the Capital Structure of the Same Issuer

Various accounts invest in a broad range of asset classes throughout the corporate capital structure, including loans and debt securities, preferred equity securities and common equity securities. In some cases accounts will hold an interest in one part of a company’s capital structure while one or more other accounts holds an interest in another part of that company’s capital structure. In such cases the interests of each account may conflict with one another. Please reference Item 12 below for further discussion of this potential conflict.

(43) No or Limited availability of Insurance against Certain Catastrophic Losses

Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total cost of casualty insurance for a property. As a result, all investments may not be insured against terrorism. If a major uninsured loss occurred, our accounts could lose both invested capital in and anticipated profits from the affected investments.

(44) Inflation

Certain countries have experienced substantial, and in some period extremely high, rates of inflation for many years. In addition, the United States has also experienced a recent increase in inflation rate. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets (both public and private) in which our accounts many invest. There can be no assurance that high rates of inflation will not have a material adverse effect on the investment of our accounts.

(45) LIBOR and Other Reference Rates

To the extent that (i) an account’s investments (whether made, acquired or otherwise) and/or (ii) the account’s and/or its affiliates’ credit arrangements or facilities, hedging activities, derivative- or other



structures, in each case, are subject to, utilize or otherwise reference, whether directly or indirectly, a variable interest rate that is based on (or calculated with reference to) the London Interbank Offered Rate (“LIBOR,” and together with the Euro Interbank Offered Rate, the Canadian Dollar Offered Rate, the Secured Overnight Financing Rate (“SOFR”), the Sterling Overnight Index Average (“SONIA”), or any other reference rate, benchmark or index, including in each case, any permutations thereof and any credit spread adjustments thereto, collectively, the “Benchmark Rates”; each interbank offered rate, an “IBOR”), our accounts may be subject to certain material risks, some of which are described below.

LIBOR has historically been and presently is, and other Benchmark Rates may presently be, and/or may in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other changes) which may have resulted and/or may result in, among others (i) such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation and/or valuation methodology; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate.

In July 2017, the U.K. Financial Conduct Authority (“FCA”) announced its intention to cease compelling panel banks to submit quotes for LIBOR and to phase-out the LIBOR Benchmark Rate by December 31, 2021. In March 2021, the ICE Benchmark Administration (“IBA”), the FCA-regulatory LIBOR administrator, confirmed its intention to cease the publication of (i) the one-week and two-month United States Dollar (“USD”)-LIBOR tenors and (ii) British pound- and Japanese yen-LIBOR tenors on a “synthetic” basis through the end of 2022, and cease publication of the remaining USD-LIBOR tenors immediately following the LIBOR publication on June 30, 2023. It is possible that the IBA and the panel banks could continue to produce certain LIBOR tenors nor that the FCA could deem LIBOR to be no longer representative of its underlying market prior to June 30, 2023, but no assurance can be given that any LIBOR tenors will survive through June 30, 2023. The transition away from LIBOR could cause a disruption in the credit markets generally, the full extent of which cannot be foreseen, and which could negatively impact our accounts’ investments and/or our accounts’ business, financial condition and results of operations.

## ITEM 9. DISCIPLINARY INFORMATION

On July 10, 2018, the SEC accepted Oaktree’s offer to resolve an investigation into violations of Rule 206(4)-5 of the Investment Advisers Act, which prohibits a registered investment adviser from receiving compensation for advisory services from a governmental entity for two years after a prohibited political contribution exceeding certain limits is made by the adviser or a “covered associate” of the adviser to an official of or candidate for office of that governmental entity. Oaktree cooperated immediately and fully with the SEC’s inquiry into this matter and, without admitting or denying the SEC’s findings in an administrative cease and desist order, agreed to a censure, to cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Investment Advisers Act and Rule 206(4)-5 thereunder, and to pay a civil monetary penalty of \$100,000.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. OTHER FINANCIAL INDUSTRY ACTIVITIES

Oaktree is currently registered with the CFTC as a commodity pool operator and commodity trading advisor and is a member of the NFA. Certain of its management persons and employees that are involved in marketing activities are registered with the CFTC as principals or associated persons.

In addition, Oaktree serves as co-investment manager of a Managed Fund that is co-advised by an investment adviser unaffiliated with Oaktree.

Certain Oaktree employees are also associated with one or more unaffiliated investment-related businesses or registered investment adviser firms, which in some cases are clients or client affiliates. These employees may face conflicts of interest in dedicating time and resources to the Managed Funds and Managed Accounts, which may



have a detrimental effect on performance of these accounts. Oaktree addresses this conflict of interest by providing in its Code of Ethics, as described in Item 11 below, that all supervised persons have a duty to act in the best interests of each account and by providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Oaktree's policies and procedures.

#### B. AFFILIATE FINANCIAL INDUSTRY ACTIVITIES

OCM Investments, LLC, an affiliate of Oaktree, is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc ("FINRA"). Certain Oaktree employees that are involved in marketing activities are registered representatives of OCM Investments, LLC. Oaktree or its affiliates serve as the general partner or investment manager of certain Managed Funds for which clients may be solicited to invest. Interests in them may be offered through OCM Investments, LLC. OCM Investments, LLC does not receive a commission on such sales but is paid for services performed by Oaktree. Oaktree utilizes Brookfield Oaktree Wealth Solutions LLC, a Brookfield subsidiary and a broker-dealer registered with the SEC and FINRA, to distribute and market certain Managed Funds.

Oaktree Fund Advisors, LLC, an affiliate of Oaktree, is an investment adviser registered with the SEC. Oaktree Fund Advisors, LLC offers investment advisory services to companies that have elected (or will elect) to be regulated as business development companies ("BDCs") as well as open-end/closed-end investment companies ("40 Act Funds") registered under the Investment Company Act. Oaktree Fund Advisors, LLC is also a sub-adviser for Brookfield Real Estate Income Trust Inc., formerly Oaktree Real Estate Income Trust, Inc.

In addition, directly or indirectly, Oaktree seeks the investment management, advisory or marketing services of its affiliates, including affiliates located outside the United States, with respect to certain Managed Funds and Managed Accounts. Oaktree pays fees directly or indirectly to such affiliates for services performed. Six of these affiliates, Oaktree Capital Management (UK) LLP, Oaktree Capital Management (Europe) LLP, Oaktree Capital Management (International) Limited, Oaktree Capital (Hong Kong) Limited, Oaktree Japan, Inc. and Oaktree CLO Management Company, LLC are deemed to be relying advisers pursuant to Oaktree's registration. These entities provide investment sub-management and advisory services to Oaktree and certain Managed Accounts and Managed Funds as well as performing marketing activities. Oaktree Capital Management (UK) LLP, Oaktree Capital Management (International) Limited and Oaktree Capital Management (Europe) LLP are registered with the Financial Conduct Authority in the United Kingdom. Oaktree Capital (Hong Kong) Limited is registered with the Securities and Futures Commission in Hong Kong, and Oaktree Japan, Inc. is registered with the Kanto Local Finance Bureau in Japan.

Oaktree CLO Management Company, LLC is the manager of certain Oaktree-Managed CLOs and is structured as a limited liability company with multiple series, generally to satisfy regulatory risk retention requirements. Oaktree Capital Management, L.P. holds interests in the management series of Oaktree CLO Management Company, LLC. A Managed CLO Equity Fund holds passive interests in other series of Oaktree CLO Management Company, LLC that do not confer control over the investment advisory activities of Oaktree Capital Management, L.P. or Oaktree CLO Management Company, LLC.

Oaktree Capital Management (UK) LLP is also a "Participating Affiliate" of Oaktree with respect to its sub-advisory relationship with respect to certain registered funds as that term is used in relief granted by the staff of the SEC allowing U.S. registered investment advisers to use investment advisory resources of non-U.S. investment adviser affiliates subject to the regulatory supervision of the U.S. registered investment adviser. Oaktree Capital Management (UK) LLP and any of its employees who assist Oaktree are considered to be "associated persons" of Oaktree as that term is defined in the Investment Advisers Act for purposes of Oaktree's required supervision. Oaktree Capital Management (UK) LLP has agreed to submit to the jurisdiction of the SEC and to the jurisdiction of the U.S. courts for actions arising under the U.S. securities laws in connection with the sub-advisory services it provides for certain registered funds. The names and biographical information of the portfolio managers from Oaktree Capital Management (UK) LLP are disclosed within our Form ADV Part 2B – Brochure Supplement.

## ITEM 11. CODE OF ETHICS, PERSONAL TRADING, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND OTHER CONFLICTS OF INTEREST

### A. CODE OF ETHICS AND PERSONAL TRADING

All principals, partners, officers, and employees of Oaktree and its affiliates, as well as certain consultants and other external service providers (collectively, “Oaktree Representatives”) are subject to Oaktree’s Code of Ethics or Code of Conduct (collectively referred to herein as the “Code”). The Code outlines Oaktree’s policies and procedures regarding standards of conduct, personal investment transactions, handling of material, non-public information and other areas. In addition, the Code provides for sanctions in the event of violations of the stated policies and procedures.

The Code contains several restrictions and procedures designed to eliminate conflicts of interest surrounding personal investment transactions of Oaktree Representatives including: (1) pre-clearance of certain personal investment transactions; (2) quarterly reporting of non-exempt personal securities transactions which were transacted during the quarter; (3) annual holdings reports; (4) a prohibition against personally acquiring securities in an initial public offering or a new issue offering; (5) a prohibition against purchasing securities of a private placement without prior approval; (6) a prohibition against portfolio managers, traders or investment analysts purchasing or selling any securities for his or her own account or any account in which he or she may have beneficial interest for a period of fifteen business days prior or subsequent to an Oaktree transaction of the same security on behalf of an account for which they are involved in the decision-making process; (7) a prohibition, with respect to certain investment personnel that provide investment advice to open-end investment companies registered under the Investment Company Act, from profiting from the purchase and sale, or sale and purchase, of the same securities (including underlying equity securities), within 60 calendar days; (8) a prohibition against acquiring any security which is subject to a firm-wide or, if applicable, a department restriction without prior approval; (9) a prohibition on entering into a short sale transaction or any transaction that has the same economic effect (e.g., short common stock, purchase a put option or sell a naked call option) on any security of an issuer for which a position is held long in an account; and (10) a prohibition, when holding period requirements apply, on buying and selling, or selling short and buying to cover, the same security within 60 calendar days.

Monitoring of employee personal securities transactions, including those of their related persons, as defined under Oaktree’s Code, is handled by Compliance department personnel and any required and related records are maintained by the Compliance department.

Oaktree’s Code contains an Insider Trading Policy. Specifically, the Code prohibits Oaktree Representatives from buying or selling securities either for themselves or on behalf of others while in possession of material, non-public information about the company that violate applicable securities laws. The Code also prohibits the communication of material, non-public information about a company to others who have no official need to know. Depending on the circumstances surrounding the information received, Oaktree may conclude to either (i) place the issuer on the firm-wide “Restricted Securities List,” which would prohibit any purchases or sales of the issuer’s securities by any Oaktree investment group or Oaktree personnel (including any related person) without prior approval, or (ii) in certain cases, erect and maintain an information wall with regard to the issuer, which would (a) place the issuer on a “Watch List” for monitoring of trading activity, (b) prohibit any purchases or sales of the issuer’s securities by any Oaktree investment group or Oaktree personnel (including any related person of such Oaktree personnel) that receives the information, but allowing other investment groups not in possession of the information to trade in the issuer’s securities, and (c) bar the dissemination of the information beyond certain identified persons responsible for managing the proposed investment in the issuer and impose appropriate safeguards against such dissemination.

Additional provisions of the Code outline Oaktree’s policies governing (1) gifts, meals, and entertainment; (2) political activity; (3) employee business activities outside their employment with Oaktree, including serving as



a director and certain fiduciary appointments; (4) compliance with anti-corruption and anti-bribery laws; (5) use of expert networks; and (6) the maintenance of confidentiality of certain information.

If you would like a copy of Oaktree's Code please forward your written request to the attention of Rodney Vencatachellum, Managing Director/Chief Compliance Officer, at Oaktree Capital Management, L.P., 333 South Grand Avenue, 28th Floor, Los Angeles, California, 90071.

## B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

OCM Investments, LLC and certain other affiliates of Oaktree make recommendations to clients to invest in limited partnerships or other pooled investment vehicles for which Oaktree or an affiliate either acts as the general partner with an ownership interest (and receives its applicable share of any profits or losses associated with that ownership interest) and/or receives a management fee and/or performance-based fee, or as the manager, investment adviser or sub-adviser who receives a management fee and/or performance-based fee. In each case, at the time of such recommendation, disclosure will be made regarding Oaktree's relationship with the pooled vehicle and any potential conflict of interest that might arise out of such relationship.

Oaktree or any of its affiliates may purchase or sell securities of entities for itself that Oaktree also recommends for purchase or sale by its accounts. Oaktree, or any of its affiliates, may also cause accounts to purchase or sell securities in entities that in turn advise or are advised by entities whose securities are owned by Oaktree or its affiliates. In addition, Oaktree, or any of its affiliates, may sell all or a portion of an investment in an account to one or more clients or investors.

In addition, Oaktree Representatives may buy or sell securities or other instruments that Oaktree has recommended to accounts. Such transactions in securities by Oaktree Representatives are subject to policies and procedures as outlined in Oaktree's Code and as described above. Oaktree and eligible Oaktree Representatives may also invest in the various pooled vehicles for which Oaktree or certain of its affiliates act as investment manager (see Item 5.A above for a discussion of fees paid by Oaktree Representatives for such investments).

## C. OTHER CONFLICTS OF INTEREST

### (1) Conflicts Relating to Brookfield Asset Management

Brookfield holds a majority economic interest in Oaktree's business, but Brookfield and Oaktree operate their respective investment businesses largely independently. The firms operate under their own brands and are led by separate management and investment teams. Brookfield's and Oaktree's investment activities are conducted independently of each other pursuant to an information barrier. So long as the information barrier remains in place, Brookfield, the funds and accounts managed by Brookfield (collectively, "Brookfield Accounts"), and their respective portfolio companies will not be treated as "affiliates" of Oaktree or the Managed Funds for purposes of the Managed Funds' limited partnership agreements, nor for purposes of Oaktree's identification and management of conflicts of interest (e.g., allocation of investment opportunities, transactions or service with Oaktree Accounts).

There is and will continue to be overlap in the investment strategies and investments pursued by Oaktree and Brookfield. Nevertheless, Oaktree generally does not expect to coordinate or consult with Brookfield with respect to investment activities and/or decisions. While this absence of coordination and consultation in general, and the information barrier described above, will in some respects serve to mitigate conflicts of interests between Oaktree and Brookfield, these same factors also give rise to certain conflicts and risks in connection with Brookfield's and Oaktree's investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because Brookfield and Oaktree are generally not expected to coordinate or consult with the other about investment activities and/or decisions made by the other, and neither Brookfield nor Oaktree is expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other, it is expected that Brookfield will pursue investment opportunities for Brookfield Accounts which would also be suitable for Oaktree Accounts, but which are not made available to such Oaktree Accounts. Brookfield Accounts and Oaktree Accounts may also compete for the same



investment opportunities. Such competition may adversely impact the purchase price of investments. Brookfield will have no obligation to, and generally will not, share investment opportunities that may be suitable for the Oaktree Accounts, and Oaktree and Oaktree Accounts will have no rights with respect to any such opportunities.

In addition, Brookfield will not be restricted from forming or establishing new Brookfield Accounts, such as additional funds or successor funds, some of which may directly compete with Oaktree Accounts for investment opportunities. Any such Brookfield Accounts will be permitted to make investments of the type that are suitable for Oaktree Accounts without the consent of Oaktree. Oaktree Accounts and Brookfield Accounts may purchase investments from or sell investments to each other, as well as jointly pursue investments. In addition, from time to time Brookfield Accounts may hold interests in investments (or potential investments), or subsequently purchase (or sell) interests in investments held by Oaktree Accounts. In such situations, Brookfield Accounts could benefit from the Oaktree Account's activities. Conversely, Oaktree Accounts could be adversely impacted by Brookfield's activities or refrain from taking certain actions as a result of such activities, which may have an adverse impact on Oaktree Accounts. In addition, as a result of different investment objectives, views and/or interests in investments, it is expected that Brookfield will manage certain investments of Brookfield Accounts in a way that is different from an Oaktree Account's investments in the same issuer (including, for example, by investing in different portions of the issuer's capital structure, short selling securities, voting securities or exercising rights it holds in a different manner, and/or buying or selling its interests at different times or prices or under different terms than Oaktree Accounts), which could adversely impact the Oaktree Account's interests. Brookfield and its affiliates are also expected to take positions, give advice and provide recommendations that are different from, and potentially contrary to, those which are taken by, given or provided to Oaktree Accounts, and are expected to hold positions that potentially are adverse to those held by Oaktree Accounts. Oaktree Accounts and any such Brookfield Accounts will have divergent interests, including the possibility that the position of Oaktree Accounts is subordinated to or otherwise adversely affected by virtue of such Brookfield Accounts' involvement and actions related to the applicable issuer, which could adversely impact the Oaktree Accounts' position. Brookfield will not have an obligation or other duty to make available for the benefit of Oaktree Accounts any information regarding its activities, strategies and/or views.

Brookfield may provide similar information, support and/or knowledge to Oaktree, and the conflicts (and potential conflicts) of interest described above will apply equally in those circumstances.

Although Oaktree generally does not expect to coordinate or consult with Brookfield with respect to investment activities and/or decisions, Oaktree and Brookfield have consolidated certain personnel working in their separate sales teams to implement Brookfield Oaktree Wealth Solutions LLC, which serves as a limited purpose broker-dealer for Oaktree- and Brookfield-related products and/or funds advised or managed by Oaktree, Brookfield or their affiliates. Brookfield Oaktree Wealth Solutions LLC aims to simplify client engagement, remove the duplication of roles, improve resource efficiency, cost effectiveness and scale and eliminate confusion that can arise from having both firms conduct separate sales efforts to the same or overlapping clients. Further, Brookfield Investment Management (Canada) ULC, a subsidiary of Brookfield, may act as placement agent for Oaktree Managed Funds for certain investors in Canada.

Brookfield and Oaktree will be deemed to be affiliates of each other for purposes of certain laws and regulations, notwithstanding their operational independence and the existence of an information barrier between them, and it is anticipated that from time to time Brookfield Accounts and Oaktree Accounts will have positions (which in some cases will be significant) in the same issuers. In those instances Brookfield and Oaktree will likely need to aggregate their investment holdings, including holdings of Brookfield Accounts and Oaktree Accounts, for certain securities law purposes (including time or volume restrictions under Rule 144 under the Securities Act, reporting obligations under Section 13 of the Exchange Act and reporting and short-swing profit disgorgement obligations under Section 16 of the Exchange Act) and other regulatory purposes (including, for example, public utility companies and public utility holding companies; bank holding companies; owners of broadcast licenses, airlines, railroads, water carriers and trucking



concerns; casinos and gaming businesses; and public service companies such as those providing gas, electric or telephone services). Consequently, Brookfield's activities could result in earlier public disclosure of investments held by Oaktree Accounts and/or restrictions on transactions by such Oaktree Accounts (including the ability to make or dispose of investments at times that Oaktree may otherwise have recommended), adverse effects on the prices of such Oaktree Accounts' investments, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for such Oaktree Accounts. In managing its investment activities, Brookfield will act for its own account or on behalf of Brookfield Accounts and act in its or their own interest, without regard to the interests of Oaktree Accounts.

The potential conflicts of interest described herein may be magnified as a result of the general lack of information sharing and coordination between Brookfield and Oaktree with respect to investment activities. For example, Oaktree's investment teams are in most cases not expected to be aware of, and as a result will not have the ability to manage, such conflicts. Even if Oaktree investment teams become aware of Brookfield's investment activities through public information, neither Oaktree nor Brookfield will be required to engage in information-sharing or coordinate with each other with respect to such investments.

Brookfield and Oaktree may decide at any time, and without notice to investors and clients, to remove or modify the existing information barrier between Brookfield and Oaktree. In the event that the information barrier is removed or modified, it is expected that Brookfield and Oaktree will jointly evaluate, in their sole discretion, whether to adopt new or different protocols designed to address potential conflicts and other considerations relating to the management of their investment activities as a result of such removal or modification of the information barrier.

Breaches (including inadvertent breaches) of the information barrier and related internal controls by Brookfield and/or Oaktree could result in significant consequences to Oaktree (and Brookfield) as well as have a significant adverse impact on Oaktree Accounts, including potential regulatory investigations and claims for securities laws violations in connection with Oaktree Accounts' investment activities. These events could have adverse effects on Oaktree's reputation, result in the imposition of regulatory or financial sanctions, negatively impact Oaktree's ability to provide investment management services to Oaktree Accounts and result in negative financial impact to an Oaktree Account's investments.

Brookfield will not have any obligation or other duty to make available for the benefit of Oaktree Accounts any information regarding the activities, strategies or views of Brookfield or any Brookfield Accounts. Furthermore, to the extent that the information barrier is removed or otherwise ineffective and Oaktree has the ability to access analysis, models and/or information developed by Brookfield and its personnel, Oaktree will not be under any obligation or other duty to access such information or effect transactions on behalf of Oaktree Accounts in accordance with such analysis and models, and in fact may be restricted by securities laws from doing so. Oaktree Accounts may make investment decisions that differ from those they would have made if Oaktree had pursued such information, which may be disadvantageous to such Oaktree Accounts.

Brookfield has from time to time engaged and may in the future engage Oaktree, Oaktree Accounts and/or their respective portfolio companies to provide certain services to Brookfield Accounts and their portfolio companies, including non-investment management related services and other services that would otherwise be provided by third-party service providers or Brookfield affiliates, as the case may be. Such persons may provide such services at different rates than those charged to the Oaktree Accounts or its affiliates than it will charge to the Brookfield Accounts. While Oaktree will determine in good faith what rates and expenses it believes are acceptable for the services being provided to Oaktree Accounts, there can be no assurances that the rates and expenses charged to Oaktree Accounts will not be greater than those that would be charged in alternative circumstances. In addition, Oaktree may from time to time engage Brookfield, Brookfield Accounts or their portfolio companies to provide services to Oaktree Accounts and/or their portfolio companies, and the conflicts (and potential conflicts) of interest described above will apply equally



for each such engagement. The rates charged by Oaktree for such services to Brookfield are expected to be different than those charged to Oaktree Accounts, and the rates charged to Brookfield may be less than the rates charged to the Oaktree Accounts.

Brookfield has tax considerations that require the use of certain investment structures. It is possible that Oaktree may cause its Managed Funds to make investments through non-U.S. or U.S. corporations subject to corporate income tax or otherwise utilize structures that are less efficient than structures that would have been used in the absence of the need to structure investments in light of such tax considerations. This may adversely affect Oaktree's ability to operate solely to maximize the Managed Fund's cash flow.

This does not purport to be a complete list or explanation of all actual or potential conflicts that may arise as a result of Brookfield's majority ownership interest in Oaktree, and additional conflicts not yet known by Brookfield or Oaktree may arise in the future, and such conflicts will not necessarily be resolved in favor of the Oaktree Accounts' interests. Because of the extensive scope of both Brookfield's and Oaktree's activities and the complexities involved in combining certain aspects of their businesses, the policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time.

(2) Conflicts Relating to 17Capital

Oaktree is the majority owner of 17Capital Newco Limited (together with its subsidiaries and controlled affiliates (including investment funds managed by it or its affiliates), "17Capital"). 17Capital is a London-based investment management firm that specializes in providing financing to private equity management companies, funds, and institutional investors through various transaction structures such as preferred equity investments and NAV-based financing. 17Capital operates as an independent business from Oaktree, with its own product offerings and investment, marketing, and support teams, with Oaktree playing an oversight role as majority owner and through its representatives on the 17Capital's board of directors. While Oaktree is a majority owner of 17Capital and may increase its ownership of the company in the future, each of 17Capital's and Oaktree's investment activities are currently conducted independently of each other pursuant to an information barrier that exists between 17Capital and Oaktree, and accordingly, 17Capital will not operate or be treated as an affiliate of Oaktree. The relationship with 17Capital is expected to be a mutually beneficial partnership and create various opportunities for collaboration including potential co-investment deal flow opportunities for Oaktree, our accounts and for Brookfield. However, Oaktree's interest in 17Capital also presents certain potential conflicts of interest. 17Capital and Oaktree are expected to have access to each other's marketing and investment sourcing resources, and Oaktree Managed Funds, as well as portfolio companies thereof, may utilize, and pay for, 17Capital's services and/or receive financing and other forms of investment from, or arranged by, 17Capital. 17Capital may also sub-advise certain Oaktree Managed Funds. Any fees paid to or received by 17Capital and any amounts paid or distributed in respect of an investment from, or arranged by, 17Capital will not be considered Deal Fees, and consequently such fees will not reduce the management fee or carried interest paid by such Managed Funds. Furthermore, Oaktree, as a majority owner of 17Capital, will share in any profit generated by such fees or other revenue of 17Capital, but no such revenue will be shared with our accounts. Oaktree also may benefit from a sale of its equity interest in 17Capital, if and when that were to occur. Any such sale proceeds received by Oaktree would belong exclusively to Oaktree and would not be shared with our accounts. At present Oaktree does not see there being significant overlaps between the investment activities of Oaktree accounts and those of 17Capital, but such overlaps could arise in the future, in which case Oaktree would seek to manage any resulting conflicts in good faith and in a manner consistent with its fiduciary duties.

(3) Trading Restrictions

Oaktree provides a variety of services for, and advice to, various clients, including issuers of securities that Oaktree recommends for purchase or sale by accounts. In the course of providing these services, Oaktree and Oaktree Representatives frequently come into possession of material, non-public information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Oaktree



and Oaktree Representatives are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, including Oaktree's accounts.

In connection with investment in distressed debt instruments, Oaktree may often seek representation on creditors' committees. As a member of a creditors' committee, Oaktree may owe certain obligations generally to all creditors similarly situated that the committee represents and may be subject to various trading or confidentiality restrictions. In addition, the size of an equity holding in a particular issuer, or contractual rights or arrangements obtained by an Oaktree Account in connection with an investment, may enable the account to designate one or more directors to serve on the boards of entities in which the account invests. As a member of a board, Oaktree Representatives often come into possession of non-public information and may be subject to various trading or confidentiality restrictions, either contractually or pursuant to applicable securities laws. While such board and committee representations may enhance Oaktree's ability to influence the outcome of the investments for its accounts, it may also have the effect of impairing the ability of all Oaktree Accounts from engaging in any transactions with respect to securities of such issuer. Oaktree's policies and procedures regarding the receipt and handling of material non-public information is outlined in the Code and is more fully described above.

(4) Corporate Investments

Oaktree and its corporate affiliates have acquired and may continue to acquire interests in companies that provide services to one or more accounts. Oaktree's interest in such a company presents a conflict of interest as the accounts will be paying such company for its services and Oaktree through its ownership interest will share in any profit. To avoid benefitting at the expense of such accounts, Oaktree may agree, but is not required, to take steps to avoid benefitting at the expense of an accounts, such as agreeing to rebates or offsets against net income received by Oaktree from such company that is attributable to the fees paid by an account. Oaktree is nevertheless expected to benefit from its ownership of such a company if the company's business is successful. For example, Oaktree may benefit from the sale of its equity interest in the company, or the company may provide services to third parties unaffiliated with Oaktree and, if that business is profitable, Oaktree would benefit as an owner of the company.

(5) Portfolio Company Services to Accounts and Portfolio Company Transactions

Certain accounts have acquired, and may in the future acquire, interests in companies that provide services to one or more other accounts. The payment of fees by accounts to a service provider owned in whole or in part by other accounts may give rise to potential conflicts of interest to the extent Oaktree directed or initiated such transaction. If Oaktree believes such instances may give rise to a conflict of interest, Oaktree will address such conflicts based on the facts and circumstances presented by each situation and attempt to employ measures to ensure that the accounts using the company's services are charged arm's-length prices for the services they receive.

(6) Side Letters and Preferential Rights

Oaktree and/or its affiliates have from time to time, and in the future is expected to, enter into side letters or other similar agreements ("Side Letters") with certain investors that provide such investors with additional or different rights than such investors have pursuant to the governing documents of a Managed Fund or Managed Account. Examples of such rights may include, without limitation, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics, rebates in connection with the performance of investments), more favorable liquidity terms, rights to co-investment opportunities and any rights granted to strategic investors, rights to serve on the advisory board, the right to receive certain additional information, certifications, reporting and/or notifications from an Oaktree Account or Oaktree or any of its affiliates and/or the manner in which information and/or notice shall be provided, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms. As a result of such Side Letters, certain investors will receive additional benefits that other investors will not receive, including investors that are affiliates of Brookfield. Any rights or terms so established in a Side Letter with an investor will govern solely with respect to such



investor and will generally not require the approval of any other investor. In addition, Oaktree and its affiliates are expected to enter into arrangements with investors involving an investor's overall relationship with Oaktree and its affiliates, including one or more strategies in addition to the Oaktree Account's strategy, with terms and conditions applicable solely to such investor and its investment in any Oaktree Account. Such an agreement may involve an investor agreeing to make a capital commitment to multiple Oaktree Accounts. Side Letters subject Oaktree to potential conflicts of interest. Other Side Letter rights are likely to confer benefits on the relevant investor at the expense of the relevant Oaktree Account or of investors as a whole, including in the event that a Side Letter confers additional reporting, additional rights and/or transfer rights, the costs and expenses of which can be borne by the relevant Oaktree Account.

(7) Corporate and Employee Benefits

Oaktree and its personnel (including Investment Related Consultants) can be expected to receive certain intangible and/or other benefits, rebates and/or discounts and/or perquisites arising or resulting from their activities on behalf of Oaktree Accounts that will not be subject to the management fee offset or otherwise shared with the accounts, investors and/or portfolio companies. For example, airline travel or hotel stays incurred as an account expense, or use of a corporate credit or debit card, typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Oaktree and/or such personnel (including Investment Related Consultants) (and not to the accounts and/or portfolio companies) even though the cost of the underlying service is borne by the accounts and/or portfolio companies. Oaktree, its personnel and other related persons also receive discounts on products and services provided by portfolio companies and/or customers or suppliers of such portfolio companies. In addition, in the course of Oaktree's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Oaktree and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to our accounts or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Oaktree Information"). In many cases, Oaktree Information will include tools, procedures and resources developed by Oaktree to organize or systematize Oaktree Information for ongoing or future use. Although Oaktree expects Oaktree Accounts and their portfolio companies generally to benefit from Oaktree's possession of Oaktree Information, it is possible that any benefit will be experienced solely by other accounts or portfolio companies (or by Oaktree and its personnel) and not by the account or portfolio company from which Oaktree Information was originally received. Oaktree Information will be the sole intellectual property of Oaktree and solely for the use of Oaktree. Oaktree reserves the right to use, share, license, sell or monetize Oaktree Information, without offset to management fees payable by accounts, and the account or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Such other benefits or fees have the potential to give rise to conflicts of interest in connection with the account's investment activities, and while Oaktree will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of our accounts.

(8) Service Provider Conflicts

Certain advisors and other service providers (including, without limitation, Investment Related Consultants, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms, developers or property managers and certain other advisors and agents) to accounts, Oaktree and/or certain entities in which the accounts have an investment, or affiliates of such advisors or service providers, may also provide goods or services to or have business, personal, political, financial or other relationships with Oaktree, its affiliates, or their respective portfolio companies. Such advisors or service providers (or their employees) may be investors in Managed Funds, Oaktree and/or their respective affiliates, sources of investment opportunities, co-investors or commercial counterparties or entities in which Oaktree and/or the accounts have an investment, and payments by an account and/or such portfolio companies may indirectly benefit Oaktree and/or such account. Additionally, certain Oaktree employees may have family members or relatives employed by advisors and service providers. These service providers and their affiliates



may contract or enter into any custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with an account, Oaktree, its affiliates, any investor in a Managed Fund or any portfolio company in which an account has made an investment. These relationships may influence Oaktree and its affiliates in deciding whether to select or recommend such a service provider to perform services for an account or a portfolio company (the cost of which will generally be borne directly or indirectly by the particular account).

Advisors, service providers and vendors often charge different rates, including discounted or below-market rates or no fee or otherwise have different arrangements for specific types of services. For example, the fee for a particular type of service may vary based on the complexity of the matter, the expertise required, demands placed on the service provider and the volume of matters and services. Where the types of services used by an account are different from those used by Oaktree, other accounts, their portfolio companies or their respective affiliates, any of the foregoing may pay different or preferential amounts or rates than those paid by a particular account or its portfolio companies with respect to any particular advisor or service provider. Similarly, Oaktree, our accounts and their respective portfolio companies and affiliates can be expected to enter into agreements or other arrangements with vendors, service providers and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Oaktree) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts, rebates and/or other benefits for such service provider's products or services depending on certain factors, including without limitation as a result of the volume of transactions entered into with such counterparty by Oaktree, our accounts, and/or their respective portfolio companies in the aggregate or other factors. While Oaktree or our accounts or their respective portfolio companies can be expected to receive reduced rates, rebates and/or other benefits for such services as a result of the foregoing, it should not be expected that an account will receive the same discount or any discount, rebates or benefits as Oaktree, another account or a portfolio company. In addition, Oaktree investment strategies and business units typically negotiate rates on their own behalf, which is also expected to lead to other Oaktree investments strategies and business units receiving different, and potentially more favorable, rates, rebates, terms and/or other benefits from service providers that multiple strategies or service providers have in common. Whenever Oaktree investment strategies and business units engage in a group purchasing arrangements, that will also involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties, and there can be no assurance that an account and its portfolio companies will receive benefits commensurate with their allocated costs.

In certain circumstances where Oaktree commits or has committed to seek "market" or "arms-length" rates or terms, Oaktree will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Oaktree reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Oaktree undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Oaktree reserves the right to rely on approximations or estimates of time for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Oaktree has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to Oaktree, an account or their portfolio companies, including at cost or without charge. While accounts and their portfolio companies are often the beneficiaries of these types of arrangements, Oaktree may from time to time be a beneficiary of these arrangements as well, including in circumstances where the

advisor or service provider also provides services to accounts in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Oaktree, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in Oaktree's discretion taking into consideration the usage of such personnel.

(9) Investors Committee

For Managed Funds whose governing agreements provide for the establishment of an investors committee, Oaktree will appoint one or more representatives of investors in such Managed Fund to the investors committees of such Managed Funds. Although the Investors Committee is intended to act as the representative of the investors in respect of certain matters as further described in the governing agreements, including addressing potential conflicts of interest (including being authorized to provide consent on behalf of the Managed Fund in connection with certain affiliate transactions, Advisers Act "assignments" or as otherwise requested by Oaktree), the Investors Committee may not have the same interests as all investors. Furthermore, the Investors Committee cannot be expected to be expert in such matters, and certain of its determination may, in fact, adversely affect the performance of the Managed Fund. In addition, members of the Investors Committee may have conflicts of interest that do not disqualify them from voting on or consenting to matters submitted for consideration or review. In addition, the Investors Committee generally does not owe a fiduciary obligation to the Managed Fund or the investors.

(10) SPACs

Oaktree and its affiliates and/or personnel have sponsored, and may in the future sponsor and/or provide services to Special Purpose Acquisitions Companies ("SPACs"). Conflicts of interest may arise when such SPACs pursue an acquisition target that also aligns with the investment mandate of Oaktree Accounts. In such instances, Oaktree will make investment allocation decisions consistent with its Investment Allocation Considerations. Moreover, from time to time, certain Oaktree employees may serve as founders, officers or directors of SPACs, and which will require such individuals to balance their fiduciary and contractual duties to the SPACs with their duties in connection with managing Oaktree Accounts. Although these Oaktree employees will continue to devote their time and attention to the investment activities of the Oaktree accounts, they will have other obligations with respect to the SPACs as board members. To the extent that any conflict of interest arises, Oaktree and its personnel will resolve such conflicts in accordance with their fiduciary, contractual and other duties. From time to time, Oaktree may cause Oaktree Accounts to make an investment in, or invest alongside, affiliated SPACs sponsored by Oaktree and its affiliates and/or personnel. In addition, in connection with the completion of an affiliated SPAC's business combination, Oaktree Accounts may acquire securities issued by the subsequently publicly traded company, to the extent Oaktree allocates a portion of such investment opportunity to its clients in accordance with its allocation policies. An affiliated SPAC may also seek to acquire an issuer in which Oaktree Accounts already hold an interest, subject to Oaktree's allocation policies. Such investments raise potential conflicts of interest since the value of the sponsor equity held by personnel and affiliates of Oaktree is directly tied to the completion of a successful business combination of an affiliated SPAC. Therefore, Oaktree's incentives to facilitate a successful business combination through an investment by the Oaktree Accounts in PIPEs or other securities issued in connection with an affiliated SPAC's proposed business combination may present a conflict on the part of Oaktree in determining whether Oaktree Accounts should participate in any PIPE opportunity pertaining to the affiliated SPAC.



## ITEM 12. BROKERAGE PRACTICES

### A. SELECTION OF BROKER-DEALERS

Oaktree is responsible for the placement of securities and investment transactions and the negotiation of prices and commissions, if any, with respect to such transactions. Oaktree has complete discretion in deciding which securities and investments are bought and sold, the amount and prices of those securities and investments, and the brokers and dealers to be used for a particular transaction. Fixed income, debt products and unlisted equity securities are generally purchased from a primary market maker acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread. Listed equity securities are normally purchased through brokers in transactions executed on securities exchanges involving negotiated commissions. Both fixed income and equity securities are also purchased in underwritten offerings at fixed prices which include discounts to underwriters or concessions to dealers. Oaktree's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution on transactions effected for accounts. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors will be considered as they are deemed relevant. These factors include, but are not limited to, Oaktree's knowledge of negotiated commission rates and spreads then available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived soundness of the broker or dealer selected and other brokers or dealers considered; Oaktree's knowledge of actual or apparent operational problems of any broker or dealer; the broker's or dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of spreads or commissions; and the research services and products furnished by the broker or dealer, if any.

In seeking to obtain best execution, Oaktree generally will not seek in advance competitive bidding for the most favorable commission rate or spread applicable to any particular security and investment transaction or to select any broker or dealer on the basis of its purported or "posted" commission rate. Oaktree will endeavor to be aware of the then current level of the charges of eligible brokers or dealers and to minimize the expense incurred for effecting security and investment transactions to the extent consistent with the interests and policies of its accounts. Although Oaktree generally seeks competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and would thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services. When appropriate, Oaktree may, but is not required to, aggregate account orders to achieve more efficient execution or to provide for equitable treatment among accounts. All Oaktree Accounts in aggregated trades will be allocated securities or investments based on the average price achieved for such trades.

#### (1) Research and Other Soft-Dollar Benefits

During its last fiscal year, Oaktree did not direct any account transactions to a particular broker-dealer in return for soft-dollar benefits. However, if Oaktree elected to do so, the procedures described below would be followed.

Consistent with obtaining best execution, brokerage commissions (including dealer spreads paid on certain principal transactions in accordance with SEC interpretations) on accounts' portfolio transactions may be directed by Oaktree to a broker or dealer in recognition of research services furnished by the broker or dealer or a designated third party, as well as for services rendered in such execution of orders by such broker or dealer. In considering such research, Oaktree first determines that the product or service will provide lawful and appropriate assistance in the performance of its investment decision-making responsibilities. A determination is then made that the amount of commissions paid is reasonable in light of the value of the brokerage and research services provided. Oaktree does not attempt to put a specific

monetary value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research received is, in the aggregate, of assistance to Oaktree in fulfilling its overall duty to its clients. Oaktree notes that each and every research service may not be used to service each, and every account managed by Oaktree and Oaktree may use research services to service accounts that did not pay commissions to the broker-dealers providing such research services. Moreover, Oaktree may benefit from these services as it may not have to pay for such research services and products out of its own resources. In Europe, however, because of certain regulatory requirements some of Oaktree's affiliates pay for research that they receive from third parties such as broker-dealers or investment banks.

The receipt of investment research and information and related services permits Oaktree to supplement its own research and analysis and makes available to Oaktree the views and information of individuals and research staffs of other firms. The views and information include written materials on certain companies, industries, areas of the economy or market factors and other areas that might affect the economy or securities prices. Research services may also include statistical information; accounting and tax law interpretations that relate to an investment; political developments that may affect investments in the markets in which Oaktree invests; legal developments affecting portfolio securities; technical market actions; pricing and appraisal services; credit, risk measurement and performance analysis; analysis of corporate responsibility issues; portfolio strategy; and analytic computer software. They may also include advice from broker-dealers as to the value of securities, availability of securities, availability of buyers, and availability of sellers. In addition, they may include recommendations as to the purchase and sale of individual securities and timing of transactions.

These research services may be received through on-line information services provided by the broker or dealer or a designated third party. Due to the receipt of various research materials through on-line services, products may include software used in connection with gaining access to the information and may be considered a mixed-use item, having both research and non-research functions. When products or services, including on-line services, are used for both research and other purposes, Oaktree will make a good faith allocation of the cost of the product or service between the research and non-research functions. The non-research portion will be paid in cash by Oaktree, while the portion attributable to research will be paid through brokerage commissions. Brokers or dealers selected by Oaktree may be paid commissions for effecting transactions for Oaktree's clients in excess of the amounts other brokers or dealers would have charged for effecting these transactions if Oaktree determines in good faith that such amounts are reasonable in relation to the value of the brokerage or research services provided by such brokers or dealers, viewed either in terms of a particular transaction or Oaktree's overall duty to its discretionary accounts.

(2) Directed Brokerage

Oaktree may in certain circumstances permit clients of Managed Accounts to direct Oaktree to use a particular broker or dealer to execute securities and investment transactions for its account. Where a client directs the use of a particular broker or dealer, Oaktree will not be in a position to freely negotiate commission rates or spreads, or select brokers or dealers on the basis of best price and execution. Additionally, transactions for a client of a Managed Account that directs brokerage will not be batched for execution purposes with orders for the same securities or instruments for other accounts managed by Oaktree. As a result, directed brokerage transactions may result in higher commissions, greater spreads or less favorable net prices than would be the case if Oaktree were empowered to select brokers and dealers to execute transactions for the particular Managed Account.

**B. AGGREGATION OF PURCHASES AND SALES OF SECURITIES**

Wherever possible, trade orders are combined or "batched" to facilitate best execution, as well as for the purpose of negotiating more favorable brokerage commissions or spreads. These batched orders are then allocated in a prudent and equitable manner between each account and fund within the same investment strategy. In instances where aggregation is not practical or possible, our investment professionals seek to follow our best execution

policies, whereby we believe the costs of not aggregating account orders are either immaterial or marginal. See below for a discussion of our allocation guidelines.

### C. INVESTMENT ALLOCATIONS

One Oaktree Account may share in investment opportunities presented to one or more other Oaktree Account(s) to the extent that Oaktree in good faith deems such allocation to be prudent or equitable based on the Investment Allocation Considerations (as defined below). The decision by Oaktree to allocate an opportunity to one account could cause another account to forego an investment opportunity it otherwise would have made.

#### (1) Intra-Strategy Allocation

As mentioned above under “B. Aggregation of Purchases and Sales of Securities,” trade orders are combined or “batched” when possible. These batched orders are then allocated in a prudent and equitable manner between each account and fund within the same investment strategy. Various factors may impact the allocation decision and may include, but are not limited to: (1) the size, nature and type of investment or sale opportunity, (2) principles of diversification of assets, (3) the investment guidelines and limitations governing the accounts, including client instructions with respect to a specific investment and compressed ramp-up periods that are characteristic of certain investment vehicles, (4) liquidity considerations of the Managed Funds or Managed Accounts, including redemption/withdrawal requests received by a Managed Fund or Managed Account, proximity of a Managed Fund or Managed Account to the end of its specified term and cash availability (including cash that becomes available through leverage), (5) the magnitude of the investment, (6) the risk profile or the need to resize risk in a Managed Fund’s or Managed Account’s portfolio (including the potential for the proposed investment to create an industry, sector, issuer, geographic or currency imbalance in the relevant portfolio), (7) a determination by Oaktree that the investment or sale opportunity is inappropriate, in whole or in part, for one or more accounts, (8) applicable transfer or assignment provisions, (9) the management of any actual or potential conflicts of interest, (10) the investment focus of the accounts (including the target return profile or targeted hold period of the accounts), (11) applicable contractual or legal obligations (including any priority rights granted to another Oaktree Account under its governing documents), (12) tax considerations, (13) applicable regulatory obligations, including any requirements to offer investment opportunities to another Oaktree Account pursuant to an SEC exemptive relief order, (14) the Oaktree investment team responsible for sourcing of the transaction, (15) avoiding a *de minimis* allocation, and/or (16) such other factors as Oaktree may reasonably deem relevant (all of the foregoing factors being hereinafter referred to as the “Investment Allocation Considerations”). In addition, and notwithstanding the foregoing, follow-on investment opportunities may be allocated entire to the Oaktree Accounts in which the original investment(s) were made, pro rata on the basis of each Oaktree Account’s respective total available capital (i.e., available assets plus remaining capital commitments), provided that (1) the decision as to whether any of the other Oaktree Accounts should participate in a particular follow-on investment opportunity, or whether the follow-on investment opportunity will be shared in the same proportion as the original investment, may differ from the allocation of the original investment if Oaktree determines, in its discretion and in good faith, that a different allocation is prudent or equitable in light of the Investment Allocation Considerations, and (2) original investment(s) made by another Oaktree Account towards the end of its investment period may be structured so that one or more of other Oaktree Accounts can participate in an anticipated follow-on investment opportunity on certain prearranged terms and conditions, including price (which may be based on cost of the original investment). In some cases, Oaktree’s observation and application of the Investment Allocation Considerations may affect adversely the price paid or received by an account or the size of the position purchased or sold by an account.

Oaktree manages accounts which have pre-determined investment and liquidation periods as detailed in each account’s governing documents (“closed-end accounts”). In general, Oaktree will not draw down capital commitments for a new closed-end account within the same investment strategy until the earlier of (1) such time as the prior closed-end account in such strategy is at least 80% invested or committed for investment



(other than closed-end accounts organized as parallel accounts with different inception dates) and (2) the end of the investment period of such prior closed-end account.

As a general matter, if two or more closed-end accounts with the same investment focus are still in their investment periods, an available investment opportunity will be allocated either pro rata among them on the basis of available capital or pursuant to governing fund documentation, Investment Allocation Considerations, or other equitable rationale. Similarly, sales of an investment held by two or more such accounts generally will be allocated pro rata among them on the basis of their respective investments held, except that if opportunities to sell are limited, first priority may go to any account in its liquidation period (and among accounts in their liquidation periods, to the oldest of such accounts) and provided, further, that such allocation may be changed in the event that Oaktree determines a different allocation to be prudent or equitable based on the Investment Allocation Considerations. In addition, as a general matter, investment opportunities between a closed-end account that is in its investment period and an open-end account (which typically does not have a limit on total size) with the same overall investment focus, and between two or more open-end accounts with the same investment focus, investment opportunities will generally be allocated between them based on Oaktree's reasonable assessment of the amounts available for investment by each account, and sales of an investment will generally be allocated pro rata between them on the basis of their respective investments held (disregarding for this purpose the age of the accounts or which of them is in a liquidation period). Each of the foregoing allocations for both investments and sales may be overridden if Oaktree in good faith deems a different allocation to be prudent or equitable in light of the Investment Allocation Considerations.

(2) Inter-Strategy Allocation

Oaktree and its affiliates currently manage, and may in the future manage, a number of accounts that are eligible to invest in the same types of partnerships/ventures, securities, obligations or other investments requiring Oaktree to address potential conflicts of interest involving potentially overlapping investments. While Oaktree will seek to manage such potential conflicts of interest in good faith, there may be situations in which the interests of one account with respect to a particular investment or other matter conflict with the interests of one or more other accounts, Oaktree or one or more of their respective affiliates. For example, such conflicts may arise in situations where an Oaktree Account has invested in the securities of an issuer, but due to changed circumstances, the investment opportunities with respect to such issuer subsequently fall within the investment focus of another account or accounts or where an account makes an investment in the same issuer in which another Oaktree Account has an investment, including at a different level of such issuer's capital structure (or vice versa). Such changed circumstances might include, among others: a fall in the prices of the securities of the issuer to distressed levels; workouts or other restructurings relating to an issuer's capital structure; a decline in the issuer's business or financial condition; or consideration by the issuer of strategic alternatives or other fundamental changes. Subject to the provisions of the governing documents of the affected accounts, on any matter involving a conflict of interest, Oaktree will be guided by its fiduciary duties to its clients (as set forth in such governing documents) and will manage such conflict in good faith and seek to ensure that the interests of all affected accounts are represented. However, if necessary to resolve such conflict, Oaktree reserves the right to cause one affected account to take such steps as may be necessary to minimize or eliminate the conflict, even if (subject to applicable law) that would require such account to (1) forego an investment opportunity or divest investments that, in the absence of such conflict, it would have made or continued to hold or (2) otherwise take action that may have the effect of benefitting Oaktree, any of its affiliates, or another Oaktree Account and therefore may not have been in the best interests of the affected accounts. Additionally, to the extent an affected account structured as a Managed Fund has an investors committee, Oaktree may also in its discretion consult with such account's investors committee regarding any potential conflict of interest, and if Oaktree and its affiliates act in a manner, or pursuant to standards or procedures, approved by such investors committee with respect to such conflict of interest, then to the fullest extent permitted by applicable law, Oaktree and its affiliates will not have any liability for such actions taken in good faith by them.



The classification of an investment opportunity as appropriate or inappropriate for an account is made by Oaktree, in good faith, at the time of purchase and will govern in this regard. This determination frequently will be subjective in nature. Consequently, an investment that Oaktree determined was appropriate (or more appropriate) for one account may ultimately prove to have been more appropriate for another Oaktree Account. Furthermore, the decision as to whether an account should make a particular follow-on investment, or whether the follow-on investment will be shared in the same proportion as the original investment, may differ from the decision regarding the initial purchase due to a changed determination on this issue by Oaktree, and investments made by an account towards the end of its investment period, if applicable, may be structured so that one or more other Oaktree Accounts can make an anticipated follow-on investment on certain prearranged terms and conditions, including price (which may be based on cost of the original investment). Where potential overlaps between or among accounts exist, such opportunities will be allocated by Oaktree, in good faith, after taking into consideration the investment focus of each affected account and the Investment Allocation Considerations. Generally, Oaktree Accounts do not purchase any investments from, or sell any investments to, any other Oaktree Accounts (other than in certain limited circumstances, such as in connection with seed investments, tax structuring, syndications to co-investors or in order to facilitate the allocation of an investment among related alternative investment vehicles, parallel funds or other related entities or otherwise approved by the investors committee, if any, of the affected account).

(3) Investing in Different Parts of the Capital Structure of an Issuer

Oaktree anticipates that accounts may make investments in companies in which one or more other Oaktree Accounts hold an investment in a different class of such company's debt or equity securities or obligations, which presents the potential for conflicts of interest. In such circumstances, Oaktree may have conflicting duties among the accounts. Generally speaking, Oaktree expects that accounts will make investments that potentially conflict with the interests of other accounts that already have an existing investment in the same company only when, at the time of the account's investment, Oaktree determines in its discretion and in good faith that (a) such investment is in the best interests of the account and (b)(i) the possibility of actual adversity between the account and another Oaktree Account is remote, (ii) either the potential investment by the account or the investment of such other Oaktree Account is not large enough to control any actions taken by the collective holders of securities of such company or asset, or (iii) in light of the particular circumstances, Oaktree determines in its discretion and in good faith that such investment is appropriate for the account, notwithstanding the potential for conflict. Oaktree may also in its discretion consult with the investors committee regarding potential conflicts. In such cases, to the fullest extent permitted by applicable law, the consent of the investors committee would have the effect of waiving any claims that the Managed Funds otherwise might have against Oaktree or its affiliates with respect to the subject matter of the consent. In those circumstances where Oaktree Accounts hold investments in different classes of a company's debt or equity, Oaktree may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between each of them, including causing one or more accounts to take certain actions that, in the absence of such conflict, it would not take, such as (A) remaining passive in a restructuring, foreclosure, refinancing or similar situations (including electing not to vote or voting pro rata with other security holders), (B) investing in the same or similar classes of securities as other accounts that have existing investments in order to align their interests, (C) divesting investments or (D) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting other Oaktree Accounts or Oaktree or its affiliates, and therefore may not have been in the best interests of, and may have been adverse to, the affected account.

(4) Oaktree-Related Securitizations and Other Oaktree Activities

An account may invest (directly or indirectly) in securitizations or asset-backed securities, including (a) an Oaktree-Managed CLO, (b) securitizations originated or sponsored by other Managed Accounts, Managed Funds or Oaktree accounts (collectively, including Oaktree, "Other Oaktree Accounts"), and (c) any other securitizations in which Oaktree or Other Oaktree Accounts may be involved or hold interests (including



any refinancings thereof and purchases on the secondary market) ((a)-(c) collectively, “Oaktree-Related Securitizations”). An account may also invest (directly or indirectly) in other securitizations and asset-backed securities of any kind (collectively with “Oaktree-Related Securitizations,” “Securitizations”). An account may invest (directly or indirectly) in Securitizations alongside other Oaktree Accounts and on different terms than other Oaktree Accounts who may be sponsoring such Securitizations and retaining an interest in the equity and/or debt tranches thereof or participating separately as purchasers in such Securitizations. As such, an account may invest (directly or indirectly) in the same or different tranches of the same Securitizations as other Oaktree Accounts or otherwise at different levels of the capital structure, and the account may own (directly or indirectly) a substantial portion of any tranches in which it participates or otherwise holds interest in. In such circumstances, such Oaktree Accounts may have conflicting interests and may potentially be adverse to each other. Oaktree will be guided by its fiduciary duties to Oaktree Accounts, as applicable, which may include conflicting fiduciary duties in its capacity as collateral manager or sponsor of an Oaktree-Related Securitization. In each case, Oaktree will seek to act for the best interest of the account while acting for the Other Oaktree Accounts in such Other Oaktree Accounts’ best interest, even where these respective best interests conflict. An investment by the account may be a minority investment and/or may be in a non-controlling tranches of interests. An Other Oaktree Account may control the tranches in which the account invests or may hold interest in a different tranche that controls decisions for the entire securitization; in such case, decisions made for such Other Oaktree Account in such Other Oaktree Account’s best interest may be directly adverse to the account’s best interest (including decisions that result in forced redemptions or refinancing, amendments to securitization terms, rights to direct remedies and other actions or determinations). Accordingly, Oaktree may take action, give direction or vote on behalf of the account in a manner that is consistent, different or opposite from the action, direction or vote it may take in connection with the investments in the same or different tranches of the same Securitization by such Other Oaktree Account.

If, during any period in which any assets of an account (except a Managed CLO Equity Fund) are held in an Oaktree-Managed CLO, an account pays or bears any fee payable to Oaktree in respect of any such Oaktree-Managed CLO (an “Oaktree-Managed CLO Fee”), then, during such period either (A) the account’s share of such fee will reduce on a dollar-for-dollar basis the management fee (but not below zero) or (B) the basis against which the management fee is charged will be deemed to exclude the portion attributable to such Oaktree-Managed CLO; provided that the choice between (A) or (B) will be made in Oaktree’s sole discretion. Oaktree will determine in its reasonable discretion whether any tranche(s) of any Oaktree-Managed CLO held as part of the assets of an account, and therefore the account (through such investment) bears any such Oaktree-Managed CLO Fee. Oaktree does not charge management fees directly to a Managed CLO Equity Fund or its investors, and accordingly, a Managed CLO Equity Fund is not subject to any related fee offsets. However, any such Managed CLO Equity Fund will bear Oaktree-Managed CLO Fees indirectly through the investment of its assets in Oaktree-Managed CLOs.

In addition, while investments made by the account in Oaktree-Managed CLOs will provide for a reduction in management fees otherwise payable by the account to the extent the account pays or bears any fee payable to Oaktree in respect of any Oaktree-Managed CLO (an “Oaktree-Managed CLO Fee”), there will not be any offset for any fees or other compensation associated with Securitizations originated or sponsored by Oaktree-managed or Oaktree-advised funds and accounts, including any fees or other benefits Other Oaktree Accounts may directly or indirectly receive from any affiliates acting as a servicer in such Securitization. Accordingly, Oaktree may receive greater total fees, carried interest and other compensation as a result of the account investing in such Securitizations than Oaktree would receive if the account invested in other investment products not affiliated with Other Oaktree Accounts (including, where Oaktree does not receive fees or compensation from any such Securitization itself, by receiving greater fees, carry or other compensation from an Other Oaktree Account that has originated or is otherwise involved with such Securitization).



Oaktree may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities by virtue of Oaktree's activities for Other Oaktree Accounts, and such restrictions may result in an account being unable to take certain actions in its best interest (which may include not being able to initiate a transaction that it otherwise might have initiated and not being able to sell an investment that it otherwise might have sold). Additionally, Oaktree may in some instances seek to avoid the receipt of material non-public information about the issuers of loans and other investments (including from the issuer itself), and Oaktree's decision not to receive such material non-public information may disadvantage a Securitization vehicle in which an account invests. An account will be subject to these risks without receiving any benefit from the activities of Oaktree or Other Oaktree Accounts giving rise to these restrictions.

An account will generally be excluded from voting to remove and replace Oaktree entities as collateral manager, servicer or other parties in certain Oaktree-Related Securitizations.

(5) Allocation of Co-Investment Opportunities

Oaktree will seek to develop a diversified portfolio of assets for an account and is permitted to utilize co-investment in certain circumstances to achieve this or other objectives. There may be circumstances where an amount that could have otherwise been invested by a particular account is instead allocated to one or more co-investors, including in certain circumstances, third parties that are not clients of a Managed Account or investors in a Managed Fund (including Investment Related Consultants as discussed in Item 5 above and/or other strategic investors), and there is no guarantee that investors or clients will be offered any co-investment opportunities, including in circumstances where other investors or clients (including other investors in the same Managed Fund) are offered a co-investment opportunity. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that particular situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). As a general matter, Oaktree, in determining the allocation of discretionary co-investment opportunities, expects to take into account various facts and circumstances deemed relevant by Oaktree. Such factors may include, among others, whether a co-investor adds strategic value, industry expertise or other similar synergies, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in investment opportunities with Oaktree, and such other factors that Oaktree deems relevant under the circumstances. The factors listed in the foregoing sentence are neither presented in order of importance nor weighted. In addition, an investor may be offered fewer co-investment opportunities than investors with the same, larger or smaller capital commitments in an Oaktree Account, and some investors may receive no such offers while other investors with capital commitments of the same, higher or lower amount may receive substantial offers for such opportunities.

While co-investment opportunities will generally be allocated by Oaktree in its discretion using the criteria described above, Oaktree and/or its affiliated general partners may agree to give particular investors or clients priority access to co-investment opportunities. The existence of such priority co-investment rights could affect Oaktree's decision to offer certain opportunities for co-investment and could limit the ability of Oaktree Accounts or their investors or clients to be offered certain co-investment opportunities. In addition, Oaktree and/or its affiliated general partners may be incentivized to offer certain current or prospective investors or clients or Oaktree Accounts the opportunities to co-invest because the amount of carried interest and/or management fee to which Oaktree and/or its affiliated general partners are entitled under arrangements made with such investors or clients or Oaktree Accounts may depend on, among other things, the extent to which such investors or clients or Oaktree Accounts participate, or are offered the opportunity to participate, in co-investments. Such priority co-investment rights or incentives will from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities will be made available to Oaktree Accounts or any of their investors or clients. Oaktree may or may not charge an administrative fee, a management fee or similar fees and/or carried interest to co-investors in respect of co-



investments (which fees and/or carried interest may differ from that charged to an Oaktree Account), as it determines in its sole discretion.

With respect to each investment in which co-investors co-invest with an Oaktree Account, any investment expenses related to such investments will, except as otherwise determined to be equitable by Oaktree in its discretion (such as when such investment involved material structuring or other expenses that were incurred exclusively for the benefit of the account or such potential co-investors), be borne by the Managed Fund and/or Managed Account and such co-investors in proportion to the capital committed by each to such investment. Typically, these expenses include: (i) legal, accounting, advisory, consulting or other third-party expenses and any related travel expenses; (ii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing resources in connection with arranging financing for a proposed investment (whether or not consummated); (iii) any amounts paid to an individual or group pursuing a business plan (whether or not successfully implemented); and (iv) any break-up fees, deposits or down payments of cash or other property which are forfeited in connection with proposed investment that is not ultimately made. However, Oaktree will generally structure any co-investment opportunity such that the co-investors do not bear any expenses in connection with unconsummated investments (including where Oaktree determines in its sole discretion that such allocation would (a) be in the interest of the Managed Fund and/or Managed Account, (b) not result in the Managed Fund and/or Managed Account incurring material additional costs compared to the costs that the Managed Fund and/or Managed Account would have incurred had there been no co-investors, or (c) be impracticable to determine, e.g., because the transaction terminated before co-investors' commitment amounts could be determined or before co-investors were bound to participate in the transaction), it being understood that, if so structured, such co-investors shall not be entitled to receive any break-up fees or similar fees that may be earned with respect to such transaction (and in such case, the account shall bear all such broken-deal expenses and shall be entitled to any such break-up fees or other similar fees). As a result, expenses relating to unconsummated investments or co-investment funds that fail to close, including any broken-deal expenses, may be borne exclusively by the Managed Fund and/or Managed Account, without regard to whether some portion of such prospective investment has been, or may be, offered to one or more co-investors.

Oaktree and/or its affiliated general partners, in their sole discretion, may cause certain Managed Funds that are closed-end funds (to the extent permitted by their governing documents) to acquire a permitted investment with the intention of selling down a portion of such investment to one or more co-investors. Any such permitted investment may be sold down to co-investors at a price set forth in the fund's governing documents, including the determination of any interest charges in connection with such sale; Oaktree reserves the right to take into account such factors as it deems relevant in making such determination, including whether additional compensation or other interest has been accrued with respect to such permitted investment. There can be no assurance that the Managed Fund will be successful in syndicating such co-investment (in whole or in part), in closing on any applicable co-investment fund entity, that the closing of such co-investment will be consummated in a timely manner, that the syndication will take place on terms and conditions that will be preferable for the Managed Fund or that expenses incurred by the Managed Fund with respect to such syndication will not be substantial. In the event that the Managed Fund is not successful in closing on any applicable co-investment fund entity or otherwise syndicating such co-investment (in whole or in part), the Managed Fund will not be required to dispose of any portion of, or otherwise reduce, its ownership interest in such portfolio company, and the Managed Fund will consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make the Managed Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Managed Fund that is not syndicated to co-investors as originally anticipated could significantly reduce the Managed Fund's overall investment returns. In addition, actual or potential co-investors may be in a position to obtain additional information regarding investment opportunities that may not be generally available to all investors.

## ITEM 13. REVIEW OF ACCOUNTS

Responsibility for managing Oaktree's accounts is spread among Oaktree professionals who are best suited and skilled to manage the asset class in which the account is invested. These professionals review and monitor the accounts on a daily basis. On an ongoing basis, these professionals review current market prices of securities and investments held for accounts, review relevant financial markets and are involved in all major portfolio decisions. Oaktree professionals also monitor performance as appropriate. All accounts are reviewed by the applicable strategy group, and other necessary departments.

Depending on the investment strategy, each of Oaktree's Managed Account clients generally receives a monthly report describing each investment in the account, summarizing the month's account activities and comparing the market value of the account for that month against the prior month's market value, unless otherwise agreed that a different type of monthly statement will be provided. Investors in closed-end and evergreen Managed Funds generally receive unaudited financial statements on a quarterly basis as well as audited financial statements annually. Investors in our open-end Managed Funds receive reports as often as called for in the governing documents of the relevant Managed Fund, in addition to audited financial statements annually. In addition to the information generally provided to all investors in a particular Managed Fund or client of a Managed Account, Oaktree may provide certain investors or clients with additional information or more frequent reports that other investors or clients will not receive (e.g., in connection with certain side letter provisions, diligence requests, or certain co-investments).

In performing investment management activities, Oaktree and its affiliates allocate their respective personnel and their personnel's time among the Managed Accounts and Managed Funds. Although personnel will devote such time as Oaktree deems appropriate to conduct such investment management activities in an appropriate manner, conflicts may arise in the allocation of personnel and their time among such Managed Accounts and Managed Funds, particularly in connection with accounts that may involve substantially more time and resources than other accounts.

## ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Oaktree may enter into arrangements and compensate unaffiliated solicitors for client referral activities in connection with Managed Accounts. These solicitation arrangements will be fully disclosed to affected clients and will comply with the requirements of Rule 206(4)-1 under the Investment Advisers Act, where applicable. Any compensation associated with such solicitation arrangement will generally be borne directly by Oaktree.

In addition, Oaktree or its affiliates may enter into arrangements with unaffiliated placement agents for investor referral activities in connection with its Managed Funds. Such unaffiliated placement agents may receive a placement fee, maintenance fee and expense reimbursement as compensation for its services. Prospective investors in a Managed Fund should understand that a potential conflict exists for such placement agents in light of the fact that certain of the fees earned are based on the amount of commitments raised under such agreements. All fees in connection with such placement agent arrangements will be ultimately borne by Oaktree, either paid directly by Oaktree or if paid by the Managed Fund through a dollar for dollar reduction in the management fee or other compensation earned by Oaktree for services to such Managed Fund.

Representatives of Oaktree from time to time speak at conferences and programs sponsored by brokers or dealers that are directed at investors interested in investing in alternative investment funds. These conferences and programs may be a means by which funds managed by Oaktree can be introduced to prospective investors. In addition, brokers or dealers may refer such Managed Funds to, or arrange for meetings with, potential investors who are also often clients of such brokers or dealers. While these conferences, programs, references and meetings (collectively, a "Capital Introduction Program") may be arranged by brokers or dealers, there is no guarantee that any potential investor participating in a Capital Introduction Program will invest. Generally, other than the standard commission rates and customary brokerage fees paid by an account (which Oaktree believes are paid solely for trade execution and brokerage services), the brokers or dealers do not receive any compensation, directly or indirectly, for such

participation in a Capital Introduction Program or any subsequent investments which may result from such participation. Furthermore, the participation in a Capital Introduction Program is not a consideration when selecting or retaining brokers or executing trades.

## ITEM 15. CUSTODY

It is Oaktree's general policy not to have physical custody of any client assets. However, Oaktree will generally be deemed to have custody of assets of Managed Funds due to it or an affiliated entity being the general partner of such Managed Funds. In such cases, Oaktree will cause such Managed Funds to be audited annually and the audited annual financial statements to be distributed to all investors no later than 120 days after the end of the fiscal year for such Managed Funds. In addition, upon the final liquidation of such a Managed Fund, Oaktree will obtain a final audit and distribute the audited financial statements with respect to such liquidated Managed Fund to all investors promptly after completion of the final audit.

In addition, in certain instances Oaktree may be deemed to have custody of the assets of a Managed Account due to its ability to withdraw funds to pay its advisory fees. In such instances, Oaktree may comply with the Custody Rule under the Investment Advisers Act by obtaining a surprise security account performed by a public accounting firm.

Further, clients with Managed Accounts will receive account statements from the qualified custodian for their Managed Accounts and they should carefully review those statements. Clients of Managed Accounts that receive account statements from Oaktree are urged to compare the account statements they receive from the qualified custodian with those that they receive from Oaktree.

## ITEM 16. INVESTMENT DISCRETION

Oaktree buys and sells securities and other instruments for its accounts on a discretionary basis in a manner consistent with each client's investment objectives and restrictions. These investment objectives and restrictions, if any, will be determined at the commencement of the account. The investment objectives and restrictions for Managed Funds will be set forth in the governing documents of those funds. The investment objectives and restrictions for Managed Accounts are generally set forth in an investment management agreement negotiated between Oaktree and the client. The authority for Oaktree to exercise discretion is generally contained within such governing documents or investment management agreements.

Generally, Oaktree will be authorized to make all discretionary determinations in accordance with the account's investment objectives and restrictions without consultation or consent before a transaction is effected.

These include, but are not limited to the following:

- which securities or instruments to buy or sell;
- the total amount of securities or instruments to buy or sell;
- the broker or dealer through whom securities or instruments are bought or sold;
- the commission rates or dealer spreads at which transactions in securities or instruments are effected;
- the timing of when to execute the trade to buy or sell the security;
- proxy voting;
- allocations;
- determinations relating to potential conflicts; and
- soft dollars and other research-related issues.



## ITEM 17. VOTING CLIENT SECURITIES

Rule 206(4)-6, "Proxy Voting by Investment Advisers" requires all investment advisers who exercise voting authority over client proxies to: (1) adopt policies and procedures for voting proxies in the best interest of the client; (2) describe the procedures to clients; and (3) inform clients how they may obtain information about how the adviser has actually voted their proxies.

Oaktree has always taken seriously its responsibility to exercise voting authority with respect to the securities that form part of its accounts' portfolios. We believe the right to vote such proxies is a valuable asset, and we have always sought to vote such proxies in a manner that would maximize the value of our accounts' holdings.

We have policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interests of our accounts and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. Proxies will be voted in accordance with our proxy voting guidelines by our investment staff unless an exception is warranted. Oaktree's Compliance Department reviews all proxies prior to submission. The receipt of each proxy, the communication of the votes to third parties, and the maintenance of all supporting documentation will be coordinated by our Accounting and Operations staff.

Clients in Managed Accounts may retain the right to vote on proxies. However, where clients delegate the responsibility to Oaktree, they may not direct us to vote in a particular manner. In these instances, proxies will be voted in accordance with our internal policies.

If you would like additional information regarding how we have voted on specific proxies, or a copy of our proxy voting policies and procedures, please forward your written request to the attention of Rodney Vencatachellum, Managing Director/Chief Compliance Officer, at Oaktree Capital Management, L.P., 333 South Grand Avenue, 28th Floor, Los Angeles, California, 90071.

## ITEM 18. FINANCIAL INFORMATION

Oaktree has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage accounts.