UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

COMMISSION FILE NUMBER: 1-35999

Oaktree Strategic Income Corporation

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE *(State or jurisdiction of incorporation or organization)*	**61-1713295** *(I.R.S. Employer Identification No.)*
333 South Grand Avenue, 28th Floor **Los Angeles, CA** *(Address of principal executive office)*	**90071** *(Zip Code)*

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(213) 830-6300

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	OCSI	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☐ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑	Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES ☐ NO ☑

The registrant had 29,466,768 shares of common stock outstanding as of February 2, 2021.

OAKTREE STRATEGIC INCOME CORPORATION
FORM 10-Q FOR THE QUARTER ENDED DECEMBER 31, 2020

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PART I — FINANCIAL INFORMATION

Item 1. ***Consolidated Financial Statements.***

Oaktree Strategic Income Corporation
Consolidated Statements of Assets and Liabilities

	December 31, 2020 (unaudited)	September 30, 2020
ASSETS		
Investments at fair value:		
Control investments (cost December 31, 2020: $71,157,302; cost September 30, 2020: $72,157,302)	$ 53,365,955	$ 49,409,901
Non-control/Non-affiliate investments (cost December 31, 2020: $476,033,813; cost September 30, 2020: $466,907,805)	467,630,331	452,883,464
Total investments at fair value (cost December 31, 2020: $547,191,115; cost September 30, 2020: $539,065,107)	**520,996,286**	**502,293,365**
Cash and cash equivalents	13,604,901	25,072,749
Restricted cash	4,318,964	4,427,678
Interest, dividends and fees receivable	1,849,179	1,273,014
Due from portfolio companies	650,241	527,064
Receivables from unsettled transactions	1,660,674	7,966,668
Deferred financing costs	1,877,404	2,130,020
Deferred offering costs	140,761	121,310
Other assets	7,424,294	557,776
Total assets	**$ 552,522,704**	**$ 544,369,644**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	$ 1,705,696	$ 1,401,709
Base management fee and incentive fee payable	1,336,019	1,663,660
Due to affiliate	1,362,685	1,165,838
Interest payable	1,478,926	1,486,077
Payables from unsettled transactions	17,267,238	4,254,635
Derivative liability at fair value	174,231	129,936
Credit facilities payable	252,756,800	256,656,800
Secured borrowings	—	10,929,578
Total liabilities	**276,081,595**	**277,688,233**
Commitments and contingencies (Note 14)		
Net assets:		
Common stock, $0.01 par value per share, 150,000,000 shares authorized; 29,466,768 shares issued and outstanding as of December 31, 2020 and September 30, 2020	294,668	294,668
Additional paid-in-capital	369,199,332	369,199,332
Accumulated overdistributed earnings	(93,052,891)	(102,812,589)
Total net assets (equivalent to $9.38 and $9.05 per common share as of December 31, 2020 and September 30, 2020, respectively) (Note 12)	**276,441,109**	**266,681,411**
Total liabilities and net assets	**$ 552,522,704**	**$ 544,369,644**

See notes to Consolidated Financial Statements.

Oaktree Strategic Income Corporation
Consolidated Statements of Operations
(unaudited)

	Three months ended December 31, 2020	Three months ended December 31, 2019
Interest income:		
Control investments	$ —	$ 1,436,726
Non-control/Non-affiliate investments	7,686,948	9,744,449
Interest on cash and cash equivalents	765	30,710
Total interest income	**7,687,713**	**11,211,885**
PIK interest income:		
Non-control/Non-affiliate investments	1,083,572	3,563
Total PIK interest income	**1,083,572**	**3,563**
Fee income:		
Non-control/Non-affiliate investments	215,460	387,665
Total fee income	**215,460**	**387,665**
Total investment income	**8,986,745**	**11,603,113**
Expenses:		
Base management fee	1,303,342	1,505,526
Part I incentive fee	32,655	992,138
Professional fees	1,069,398	373,186
Directors fees	105,000	105,000
Interest expense	2,095,449	3,426,891
Administrator expense	216,730	249,914
General and administrative expenses	163,945	273,479
Total expenses	**4,986,519**	**6,926,134**
Fees waived	—	(50,601)
Net expenses	**4,986,519**	**6,875,533**
Net investment income	**4,000,226**	**4,727,580**
Unrealized appreciation (depreciation):		
Control investments	4,956,054	(135,068)
Non-control/Non-affiliate investments	5,620,859	2,251,040
Foreign currency forward contract	(44,295)	(189,588)
Net unrealized appreciation (depreciation)	**10,532,618**	**1,926,384**
Realized gains (losses):		
Non-control/Non-affiliate investments	(291,665)	(277,225)
Foreign currency forward contract	(208,800)	(242,485)
Net realized gains (losses)	**(500,465)**	**(519,710)**
Net realized and unrealized gains (losses)	**10,032,153**	**1,406,674**
Net increase (decrease) in net assets resulting from operations	**$ 14,032,379**	**$ 6,134,254**
Net investment income per common share — basic and diluted	**$ 0.14**	**$ 0.16**
Earnings (loss) per common share — basic and diluted (Note 5)	**$ 0.48**	**$ 0.21**
Weighted average common shares outstanding — basic and diluted	29,466,768	29,466,768

See notes to Consolidated Financial Statements.

Oaktree Strategic Income Corporation
Consolidated Statements of Changes in Net Assets
(unaudited)

	Three months ended December 31, 2020	Three months ended December 31, 2019
Operations:		
Net investment income	$ 4,000,226	$ 4,727,580
Net unrealized appreciation (depreciation)	10,532,618	1,926,384
Net realized gains (losses)	(500,465)	(519,710)
Net increase (decrease) in net assets resulting from operations	**14,032,379**	**6,134,254**
Stockholder transactions:		
Distributions to stockholders	(4,272,681)	(4,567,350)
Net increase (decrease) in net assets from stockholder transactions	**(4,272,681)**	**(4,567,350)**
Capital share transactions:		
Issuance of common stock under dividend reinvestment plan	106,708	64,334
Repurchases of common stock under dividend reinvestment plan	(106,708)	(64,334)
Net change in net assets from capital share transactions	—	—
Total increase (decrease) in net assets	**9,759,698**	**1,566,904**
Net assets at beginning of period	266,681,411	284,450,006
Net assets at end of period	**$ 276,441,109**	**$ 286,016,910**
Net asset value per common share	**$ 9.38**	**$ 9.71**
Common shares outstanding at end of period	29,466,768	29,466,768

See notes to Consolidated Financial Statements.

Oaktree Strategic Income Corporation
Consolidated Statements of Cash Flows
(unaudited)

	Three months ended December 31, 2020	Three months ended December 31, 2019
Operating activities:		
Net increase (decrease) in net assets resulting from operations	$ 14,032,379	$ 6,134,254
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net unrealized (appreciation) depreciation	(10,532,618)	(1,926,384)
Net realized (gains) losses	500,465	519,710
PIK interest income	(1,083,572)	(3,563)
Accretion of original issue discount on investments	(393,612)	(305,960)
Amortization of deferred financing costs	252,616	215,926
Purchases of investments	(41,456,188)	(34,025,019)
Proceeds from the sales and repayments of investments	34,272,909	48,581,768
Changes in operating assets and liabilities:		
(Increase) decrease in interest, dividends and fees receivable	(496,037)	781,889
(Increase) decrease in due from portfolio companies	(123,177)	(456,317)
(Increase) decrease in receivables from unsettled transactions	6,305,994	986,629
(Increase) decrease in other assets	(6,866,518)	(56,454)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	303,987	30,905
Increase (decrease) in base management fee and incentive fee payable	(327,641)	(113,087)
Increase (decrease) in due to affiliate	196,847	(52,596)
Increase (decrease) in interest payable	(7,151)	(204,843)
Increase (decrease) in payables from unsettled transactions	13,012,603	(23,070,802)
Increase (decrease) in director fees payable	—	(25,000)
Net cash provided by (used in) operating activities	**7,591,286**	**(2,988,944)**
Financing activities:		
Distributions paid in cash	(4,165,973)	(4,503,016)
Borrowings under credit facilities	5,500,000	23,000,000
Repayments of borrowings under credit facilities	(9,400,000)	(11,500,000)
Repayments of secured borrowings	(10,929,578)	—
Repurchases of common stock under dividend reinvestment plan	(106,708)	(64,334)
Offering costs paid	(19,451)	—
Net cash provided by (used in) financing activities	**(19,121,710)**	**6,932,650**
Effect of exchange rate changes on foreign currency	(46,138)	(264)
Net increase (decrease) in cash and cash equivalents and restricted cash	**(11,576,562)**	**3,943,442**
Cash and cash equivalents and restricted cash, beginning of period	29,500,427	14,051,632
Cash and cash equivalents and restricted cash, end of period	**$ 17,923,865**	**$ 17,995,074**
Supplemental information:		
Cash paid for interest	$ 1,849,984	$ 3,415,808
Non-cash financing activities:		
Issuance of shares of common stock under dividend reinvestment plan	$ 106,708	$ 64,334

Reconciliation to the Consolidated Statements of Assets and Liabilities	**December 31, 2020**	**September 30, 2020**
Cash and cash equivalents	$ 13,604,901	$ 25,072,749
Restricted cash	4,318,964	4,427,678
Total cash and cash equivalents and restricted cash	$ 17,923,865	$ 29,500,427

See notes to Consolidated Financial Statements.

Oaktree Strategic Income Corporation
Consolidated Schedule of Investments
December 31, 2020
(unaudited)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Control Investments						(8)
OCSI Glick JV LLC		Multi-Sector Holdings				(10)(11)
Subordinated Note, LIBOR+4.50% cash due 10/20/2028			$ 64,045,551	$ 64,045,551	$ 53,365,955	(6)(9)(14)(15)(16)
87.5% equity interest				7,111,751	—	(9)(12)(14)
				71,157,302	**53,365,955**	
Total Control Investments (19.3% of net assets)				**$ 71,157,302**	**$ 53,365,955**	
Non-Control/Non-Affiliate Investments						(13)
4 Over International, LLC		Commercial Printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.00%		$ 5,463,091	$ 5,403,613	$ 5,067,017	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 6/7/2021	7.00%		68,452	67,950	63,489	(6)(15)
				5,471,563	**5,130,506**	
Access CIG, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.98%		5,393,093	5,358,817	5,349,274	(6)
				5,358,817	**5,349,274**	
Accupac, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.00% cash due 1/17/2026	7.00%		3,807,096	3,751,201	3,807,096	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 1/17/2026			—	(10,527)	—	(6)(14)(15)
First Lien Revolver, LIBOR+6.00% cash due 1/17/2026	7.00%		477,989	470,972	477,989	(6)(15)
				4,211,646	**4,285,085**	
ADB Companies, LLC		Construction & Engineering				
First Lien Term Loan, LIBOR+6.25% cash due 12/18/2025	7.25%		5,000,000	4,875,000	4,900,000	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.25% cash due 12/18/2025			—	(25,000)	(20,000)	(6)(14)(15)
				4,850,000	**4,880,000**	
AI Ladder (Luxembourg) Subco S.a.r.l.		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65%		6,383,752	6,259,522	6,343,854	(6)(9)
				6,259,522	**6,343,854**	
Airbnb, Inc.		Hotels, Resorts & Cruise Lines				
First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50%		4,743,165	4,639,674	5,152,263	(6)
				4,639,674	**5,152,263**	
Aldevron, L.L.C.		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 10/12/2026	5.25%		5,479,396	5,435,923	5,506,793	(6)
				5,435,923	**5,506,793**	
All Web Leads, Inc.		Advertising				
First Lien Term Loan, LIBOR+5.00% cash 2.00% PIK due 12/29/2023	6.00%		24,297,106	24,297,080	22,439,228	(6)(15)
				24,297,080	**22,439,228**	
Amplify Finco Pty Ltd.		Movies & Entertainment				
First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	5.00%		8,164,435	7,856,797	7,592,924	(6)(9)(15)
				7,856,797	**7,592,924**	
Ancile Solutions, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%		7,647,676	7,578,187	7,640,028	(6)(15)
				7,578,187	**7,640,028**	
Apptio, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25%		10,693,944	10,548,610	10,493,272	(6)(15)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(9,286)	(12,991)	(6)(14)(15)
				10,539,324	**10,480,281**	
Ardonagh Midco 3 PLC		Insurance Brokers				
First Lien Term Loan, EURIBOR+7.50% cash due 7/14/2026	8.50%		€ 480,000	532,090	582,018	(6)(9)(15)
First Lien Term Loan, UK LIBOR+5.4375% cash 2.0625% PIK due 7/14/2026	6.19%		£ 3,767,573	4,591,050	5,103,733	(6)(9)(15)
First Lien Delayed Draw Term Loan, UK LIBOR+5.4375% cash 2.0625% PIK due 7/14/2026	6.19%		£ 133,333	144,517	172,418	(6)(9)(14)(15)
				5,267,657	**5,858,169**	

Oaktree Strategic Income Corporation
Consolidated Schedule of Investments
December 31, 2020
(unaudited)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Athenex, Inc.		Pharmaceuticals				
First Lien Term Loan, 11.00% cash due 6/19/2026			$ 5,316,814	$ 5,104,661	$ 5,307,243	(9)(15)
First Lien Delayed Draw Term Loan, 11.00% cash due 6/19/2026			2,658,408	2,513,063	2,646,444	(9)(14)(15)
62,097 Common Stock Warrants (exercise price $12.63) expiration date 6/19/2027				213,614	200,573	(9)(15)
				7,831,338	**8,154,260**	
Blackhawk Network Holdings, Inc.		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	7.19%		4,375,000	4,342,999	4,003,125	(6)
				4,342,999	**4,003,125**	
Boxer Parent Company Inc.		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.40%		4,520,477	4,465,655	4,510,917	(6)
				4,465,655	**4,510,917**	
Cadence Aerospace, LLC		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.25% cash 5.25% PIK due 11/14/2023	4.25%		13,771,324	13,683,563	12,647,584	(6)(15)
				13,683,563	**12,647,584**	
Carrols Restaurant Group, Inc.		Restaurants				
First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%		3,568,070	3,397,568	3,554,690	(6)
				3,397,568	**3,554,690**	
Chief Power Finance II, LLC		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	7.50%		3,281,250	3,229,732	3,125,391	(6)(15)
				3,229,732	**3,125,391**	
CircusTrix Holdings LLC		Leisure Facilities				
First Lien Term Loan, LIBOR+6.75% PIK due 12/16/2021			9,622,286	9,597,730	7,037,740	(6)(15)
				9,597,730	**7,037,740**	
CITGO Petroleum Corp.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+6.25% cash due 3/28/2024	7.25%		5,373,977	5,320,238	5,355,168	(6)
				5,320,238	**5,355,168**	
Connect U.S. Finco LLC		Alternative Carriers				
First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%		1,336,670	1,277,537	1,344,429	(6)(9)
				1,277,537	**1,344,429**	
Continental Intermodal Group LP		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+9.50% PIK due 1/28/2025			10,501,728	10,501,728	8,558,908	(6)(15)
Common Stock Warrants expiration date 7/28/2025				—	690,993	(15)
				10,501,728	**9,249,901**	
Coyote Buyer, LLC		Specialty Chemicals				
First Lien Term Loan, LIBOR+6.00% cash due 2/6/2026	7.00%		5,436,650	5,382,284	5,382,284	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 2/6/2025			—	(3,913)	(3,913)	(6)(14)(15)
				5,378,371	**5,378,371**	
CTOS, LLC		Trading Companies & Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 4/18/2025	4.40%		8,709,145	8,800,015	8,731,832	(6)
				8,800,015	**8,731,832**	
Dealer Tire, LLC		Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.40%		8,829,108	8,742,199	8,792,290	(6)
				8,742,199	**8,792,290**	
FFI Holdings I Corp		Industrial Machinery				
First Lien Term Loan, LIBOR+6.25% cash due 1/24/2025	7.25%		917,800	826,758	826,020	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.25% cash due 1/24/2025			—	—	—	(6)(14)(15)
				826,758	**826,020**	

Oaktree Strategic Income Corporation
Consolidated Schedule of Investments
December 31, 2020
(unaudited)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Firstlight Holdco, Inc.		Alternative Carriers				
First Lien Term Loan, LIBOR+3.50% cash due 7/23/2025	3.65%		$ 7,066,265	$ 7,042,968	$ 6,896,251	(6)
				7,042,968	**6,896,251**	
Fortress Biotech, Inc.		Biotechnology				
First Lien Term Loan, 11.00% cash due 8/27/2025			3,013,000	2,842,552	2,907,545	(9)(15)
87,852 Common Stock Warrants (exercise price $3.20) expiration date 8/27/2030				93,123	94,002	(9)(15)
				2,935,675	**3,001,547**	
GI Chill Acquisition LLC		Managed Health Care				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	4.25%		2,962,121	2,939,905	2,936,203	(6)(15)
				2,939,905	**2,936,203**	
GKD Index Partners, LLC		Specialized Finance				
First Lien Term Loan, LIBOR+7.00% cash due 6/29/2023	8.00%		7,579,014	7,541,409	7,457,749	(6)(15)
First Lien Revolver, LIBOR+7.00% cash due 6/29/2023	8.00%		355,556	352,400	348,444	(6)(14)(15)
				7,893,809	**7,806,193**	
Global Medical Response		Health Care Services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25%		2,457,008	2,418,438	2,438,580	(6)
				2,418,438	**2,438,580**	
Guidehouse LLP		Research & Consulting Services				
First Lien Term Loan, LIBOR+4.50% cash due 5/1/2025	4.65%		2,468,354	2,448,297	2,472,464	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15%		5,000,000	4,983,262	5,000,000	(6)(15)
				7,431,559	**7,472,464**	
Gulf Operating, LLC		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+5.25% cash due 8/25/2023	6.25%		818,173	503,909	624,442	(6)
				503,909	**624,442**	
Helios Software Holdings, Inc.		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52%		3,959,535	3,919,939	3,946,330	(6)
				3,919,939	**3,946,330**	
iCIMs, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	7.50%		6,464,060	6,376,820	6,416,225	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024	7.50%		294,118	289,503	291,941	(6)(15)
				6,666,323	**6,708,166**	
Immucor, Inc.		Health Care Supplies				
First Lien Term Loan, LIBOR+5.75% cash due 7/2/2025	6.75%		2,261,883	2,221,254	2,216,646	(6)(15)
First Lien Revolver, LIBOR+5.75% cash due 7/2/2025			—	(3,403)	(3,789)	(6)(14)(15)
Second Lien Term Loan, LIBOR+8.00% cash 3.50% PIK due 10/2/2025	9.00%		5,514,202	5,416,352	5,403,918	(6)(15)
				7,634,203	**7,616,775**	
Jazz Acquisition, Inc.		Aerospace & Defense				
First Lien Term Loan, LIBOR+7.50% cash due 1/29/2027	8.50%		6,114,675	5,879,633	5,863,973	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+7.50% cash due 1/29/2027			—	—	—	(6)(14)(15)
				5,879,633	**5,863,973**	
Lannett Company, Inc.		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.38% cash due 11/25/2022	6.38%		6,675,788	6,682,750	6,586,499	(6)(9)
				6,682,750	**6,586,499**	
Latam Airlines Group S.A.		Airlines				
First Lien Delayed Draw Term Loan, LIBOR+11.00% PIK due 3/29/2022			2,951,000	2,852,304	3,049,357	(6)(9)(14)(15)
				2,852,304	**3,049,357**	
Lightbox Intermediate, L.P.		Real Estate Services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.15%		9,850,000	9,736,627	9,554,500	(6)(15)
				9,736,627	**9,554,500**	
LogMeIn, Inc.		Application Software				
First Lien Term Loan, LIBOR+4.75% cash due 8/31/2027	4.90%		4,000,000	3,904,331	3,995,020	(6)
				3,904,331	**3,995,020**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Maravai Intermediate Holdings, LLC		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 10/19/2027	5.25%		$ 2,750,000	$ 2,722,500	$ 2,780,938	(6)
				2,722,500	**2,780,938**	
MHE Intermediate Holdings, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%		11,390,168	11,284,829	11,091,210	(6)(15)
First Lien Revolver, LIBOR+5.00% cash due 3/10/2023			—	(228,947)	(137,915)	(6)(14)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%		2,319,489	2,345,919	2,258,610	(6)(15)
				13,401,801	**13,211,905**	
Mindbody, Inc.		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00%		9,127,375	9,003,326	8,362,501	(6)(15)
First Lien Revolver, LIBOR+8.00% cash due 2/14/2025			—	(13,058)	(79,810)	(6)(14)(15)
				8,990,268	**8,282,691**	
Ministry Brands, LLC		Application Software				
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022			—	(861)	(850)	(6)(14)(15)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25%		2,000,000	1,986,735	1,982,994	(6)(15)
				1,985,874	**1,982,144**	
MRI Software LLC		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%		6,239,101	6,188,672	6,223,503	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026			—	(21,875)	(4,767)	(6)(14)(15)
First Lien Revolver, LIBOR+5.50% cash due 2/10/2026			—	(5,283)	(1,321)	(6)(14)(15)
				6,161,514	**6,217,415**	
NeuAG, LLC		Fertilizers & Agricultural Chemicals				
First Lien Term Loan, LIBOR+5.50% cash 7.00% PIK due 9/11/2024	7.00%		8,682,275	8,369,100	8,387,077	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash 7.00% PIK due 9/11/2024			—	(42,360)	(36,006)	(6)(14)(15)
				8,326,740	**8,351,071**	
Northwest Fiber, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.65%		4,189,945	4,045,357	4,210,895	(6)
				4,045,357	**4,210,895**	
OEConnection LLC		Application Software				
First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15%		8,372,006	8,333,662	8,309,216	(6)
First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026			—	(129)	(228)	(6)(14)
				8,333,533	**8,308,988**	
Olaplex, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%		11,198,170	11,027,044	11,198,170	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 1/8/2025			—	(15,588)	—	(6)(14)(15)
				11,011,456	**11,198,170**	
Onvoy, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+4.50% cash due 2/10/2024	5.50%		3,811,111	3,802,651	3,728,944	(6)
				3,802,651	**3,728,944**	
Park Place Technologies, LLC		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+5.00% cash due 11/10/2027	6.00%		5,000,000	4,803,843	4,816,650	(6)
				4,803,843	**4,816,650**	
PaySimple, Inc.		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	5.65%		9,881,964	9,726,235	9,684,326	(6)(15)
				9,726,235	**9,684,326**	

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Peraton Corp.		Aerospace & Defense				
First Lien Term Loan, LIBOR+5.25% cash due 4/29/2024	6.25%		$ 6,272,500	$ 6,257,739	$ 6,288,181	(6)(15)
				6,257,739	**6,288,181**	
PG&E Corporation		Electric Utilities				
First Lien Term Loan, LIBOR+4.50% cash due 6/23/2025	5.50%		1,990,000	1,963,132	2,016,865	(6)
				1,963,132	**2,016,865**	
ProFrac Services, LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+7.50% cash due 9/15/2023	8.75%		8,200,295	8,155,984	6,457,732	(6)(15)
				8,155,984	**6,457,732**	
Project Boost Purchaser, LLC		Application Software				
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	8.15%		1,500,000	1,500,000	1,470,000	(6)(15)
				1,500,000	**1,470,000**	
Pug LLC		Internet & Direct Marketing Retail				
First Lien Term Loan, LIBOR+8.00% cash due 2/12/2027	8.75%		5,689,740	5,364,404	5,803,535	(6)
				5,364,404	**5,803,535**	
Recorded Books Inc.		Publishing				
First Lien Term Loan, LIBOR+4.25% cash due 8/29/2025	4.40%		9,731,499	9,634,184	9,707,170	(6)
				9,634,184	**9,707,170**	
RevSpring, Inc.		Commercial Printing				
First Lien Term Loan, LIBOR+4.25% cash due 10/11/2025	4.40%		9,800,000	9,783,141	9,604,000	(6)(15)
				9,783,141	**9,604,000**	
RS Ivy Holdco, Inc.		Oil & Gas Exploration & Production				
First Lien Term Loan, LIBOR+5.50% cash due 12/23/2027	6.50%		2,500,000	2,462,500	2,487,500	(6)(15)
				2,462,500	**2,487,500**	
Sabert Corporation		Metal & Glass Containers				
First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%		1,827,941	1,809,662	1,828,700	(6)
				1,809,662	**1,828,700**	
Salient CRGT, Inc.		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.50%		5,406,994	5,382,554	5,204,232	(6)(15)
				5,382,554	**5,204,232**	
Signify Health, LLC		Health Care Services				
First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%		10,697,500	10,635,477	10,376,575	(6)
				10,635,477	**10,376,575**	
Sirva Worldwide, Inc.		Diversified Support Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.65%		7,600,000	7,486,000	6,963,500	(6)
				7,486,000	**6,963,500**	
Star US Bidco LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25%		5,812,307	5,525,593	5,717,857	(6)
				5,525,593	**5,717,857**	
Supermoose Borrower, LLC		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	4.00%		1,479,313	1,402,661	1,387,596	(6)
				1,402,661	**1,387,596**	
Telestream Holdings Corporation		Application Software				
First Lien Term Loan, LIBOR+8.75% cash due 10/15/2025	9.75%		3,629,000	3,564,486	3,556,420	(6)(15)
First Lien Revolver, LIBOR+8.75% cash due 10/15/2025			—	(6,611)	(6,840)	(6)(14)(15)
				3,557,875	**3,549,580**	
Thrasio, LLC		Specialized Finance				
First Lien Term Loan, LIBOR+7.00% cash due 12/18/2026	8.00%		5,732,737	5,589,419	5,589,419	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+7.00% cash due 12/18/2026			—	(94,613)	(94,613)	(6)(14)(15)
				5,494,806	**5,494,806**	
Trident Topco LLC		Health Care Services				
58.99 Class A Warrants (exercise price $156.164) expiration date 3/20/2021				—	—	(15)
				—	—	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Truck Hero, Inc.		Auto Parts & Equipment				
First Lien Term Loan, LIBOR+3.75% cash due 4/22/2024	3.90%		$ 5,666,480	$ 5,673,579	$ 5,667,642	(6)
				5,673,579	**5,667,642**	
Veritas US Inc.		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 9/1/2025	6.50%		5,985,000	5,872,571	5,976,771	(6)
				5,872,571	**5,976,771**	
Verscend Holding Corp.		Health Care Technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65%		11,800,646	11,703,560	11,818,347	(6)
				11,703,560	**11,818,347**	
William Morris Endeavor Entertainment, LLC		Movies & Entertainment				
First Lien Term Loan, LIBOR+8.50% cash due 5/18/2025	9.50%		8,350,065	7,946,881	8,595,348	(6)(15)
				7,946,881	**8,595,348**	
Windstream Services II, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%		5,969,958	5,740,611	5,856,171	(6)
11,903 Shares of Common Stock in Windstream Holdings II, LLC				102,837	174,736	(15)
72,205 Warrants in Windstream Holdings II, LLC				1,656,479	1,059,969	(15)
				7,499,927	**7,090,876**	
WP CPP Holdings, LLC		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.75% cash due 4/30/2025	4.75%		4,401,206	4,394,103	4,136,341	(6)
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%		1,000,000	993,084	847,500	(6)(15)
				5,387,187	**4,983,841**	
Zep Inc.		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.00%		4,595,625	4,618,630	4,499,117	(6)
				4,618,630	**4,499,117**	
Total Non-Control/Non-Affiliate Investments (169.2% of net assets)				**$ 476,033,813**	**$467,630,331**	
Total Portfolio Investments (188.5% of net assets)				**$ 547,191,115**	**$520,996,286**	
Cash and Cash Equivalents and Restricted Cash						
JP Morgan Prime Money Market Fund, Institutional Shares				$ 1,773,458	$ 1,773,458	
Other cash accounts				16,150,407	16,150,407	
Cash and Cash Equivalents and Restricted Cash (6.5% of net assets)				**$ 17,923,865**	**$ 17,923,865**	
Total Portfolio Investments, Cash and Cash Equivalents and Restricted Cash (194.9% of net assets)				**$ 565,114,980**	**$538,920,151**	

Derivatives Instrument	Notional Amount Purchased / (Sold) in U.S. Dollars	Notional Amount Purchased / (Sold) in Local Currency	Maturity Date	Counterparty	Cumulative Unrealized Appreciation (Depreciation)
Foreign currency forward contract	$ 550,921	€ (465,600)	2/11/2021	JPMorgan Chase Bank, N.A.	$ (19,315)
Foreign currency forward contract	$ 5,024,432	£ (3,787,879)	2/11/2021	JPMorgan Chase Bank, N.A.	$ (154,916)
					$ (174,231)

(1) All debt investments are income producing unless otherwise noted. All equity investments are non-income producing unless otherwise noted.

(2) See Note 3 to the Consolidated Financial Statements for portfolio composition by geographic region.

(3) Interest rates may be adjusted from period to period on certain term loans and revolvers. These rate adjustments may be either temporary in nature due to tier pricing arrangements or financial or payment covenant violations in the original credit agreements or permanent in nature per loan amendment or waiver documents.

(4) Each of the Company's investments is pledged as collateral under one or more of its credit facilities. A single investment may be divided into parts that are individually pledged as collateral to separate credit facilities.

(5) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to the London Interbank Offered Rate ("LIBOR") and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may

also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of December 31, 2020, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.25%, the 180-day LIBOR at 0.26%, the 360-day LIBOR at 0.34%, the 180-day UK LIBOR at 0.22% and the 180-day EURIBOR at (0.36)%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(7) Principal includes accumulated payment in kind ("PIK") interest and is net of repayments, if any. “£” signifies the investment is denominated in British Pounds. "€" signifies the investment is denominated in Euros. All other investments are denominated in U.S. dollars.

(8) Control Investments generally are defined by the Investment Company Act of 1940, as amended (the "Investment Company Act"), as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.

(9) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of December 31, 2020, qualifying assets represented 82.7% of the Company's total assets and non-qualifying assets represented 17.3% of the Company's total assets.

(10) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the accompanying notes to the Consolidated Financial Statements for transactions during the three months ended December 31, 2020 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.

(11) See Note 3 to the Consolidated Financial Statements for portfolio composition.

(12) This investment was valued using net asset value as a practical expedient for fair value. Consistent with Financial Accounting Standards Board ("FASB") guidance under Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosure* ("ASC 820"), these investments are excluded from the hierarchical levels.

(13) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments. Affiliate Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns between 5% and 25% of the voting securities.

(14) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

(15) As of December 31, 2020, these investments are categorized as Level 3 within the fair value hierarchy established by ASC 820.

(16) This investment was on cash non-accrual status as of December 31, 2020. Cash non-accrual is inclusive of PIK and other non-cash income, where applicable.

See notes to Consolidated Financial Statements.

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Control Investments						(8)
OCSI Glick JV LLC		Multi-Sector Holdings				(10)(11)
Subordinated Note, LIBOR+4.50% cash due 10/20/2028			$ 65,045,551	$ 65,045,551	$ 49,409,901	(6)(9)(14)(15)(16)
87.5% equity interest				7,111,751	—	(9)(12)(14)
				72,157,302	**49,409,901**	
Total Control Investments (18.5% of net assets)				**$ 72,157,302**	**$ 49,409,901**	
Non-Control/Non-Affiliate Investments						(13)
4 Over International, LLC		Commercial Printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.00%		$ 5,492,885	$ 5,432,331	$ 5,094,651	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 6/7/2021	7.00%		68,452	67,950	63,489	(6)(15)
				5,500,281	**5,158,140**	
99 Cents Only Stores LLC		General Merchandise Stores				
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	6.00%		1,635,810	1,593,419	1,504,945	(6)
				1,593,419	**1,504,945**	
Access CIG, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.91%		5,406,946	5,370,428	5,303,052	(6)
				5,370,428	**5,303,052**	
Accupac, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.00% cash due 1/17/2026	7.00%		3,816,685	3,757,755	3,816,685	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 1/17/2026			—	(11,070)	—	(6)(14)(15)
First Lien Revolver, LIBOR+6.00% cash due 1/17/2026	7.00%		477,989	470,609	477,989	(6)(15)
				4,217,294	**4,294,674**	
AI Ladder (Luxembourg) Subco S.a.r.l.		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65%		6,412,119	6,280,139	6,139,604	(6)(9)
				6,280,139	**6,139,604**	
Airbnb, Inc.		Hotels, Resorts & Cruise Lines				
First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50%		4,755,083	4,645,028	5,159,265	(6)
				4,645,028	**5,159,265**	
Aldevron, L.L.C.		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 10/12/2026	5.25%		5,493,198	5,449,615	5,504,624	(6)
				5,449,615	**5,504,624**	
All Web Leads, Inc.		Advertising				
First Lien Term Loan, LIBOR+5.50% cash 2.0% PIK due 12/29/2023	6.50%		24,174,889	24,174,863	22,317,000	(6)(15)(18)
				24,174,863	**22,317,000**	
Amplify Finco Pty Ltd.		Movies & Entertainment				
First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75%		5,970,000	5,910,300	5,134,200	(6)(9)(15)
				5,910,300	**5,134,200**	
Ancile Solutions, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%		7,825,529	7,747,218	7,770,750	(6)(15)
				7,747,218	**7,770,750**	
Apptio, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25%		10,693,944	10,539,199	10,483,861	(6)(15)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(9,867)	(13,600)	(6)(14)(15)
				10,529,332	**10,470,261**	
Ardonagh Midco 3 PLC		Insurance Brokers				
First Lien Term Loan, EURIBOR+7.50% cash due 7/14/2026	8.50%		€ 480,000	531,300	546,549	(6)(9)(15)
First Lien Term Loan, UK LIBOR+7.50% cash due 7/14/2026	8.25%		£ 3,767,573	4,584,049	4,729,468	(6)(9)(15)(18)
First Lien Delayed Draw Term Loan, UK LIBOR+7.50% cash due 7/14/2026			£ —	—	—	(6)(9)(14)(15)
				5,115,349	**5,276,017**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Athenex, Inc.		Pharmaceuticals				
First Lien Term Loan, 11.00% cash due 6/19/2026			$ 5,316,814	$ 5,094,543	$ 5,276,938	(9)(15)
First Lien Delayed Draw Term Loan, 11.00% cash due 6/19/2026			1,329,204	1,198,792	1,279,359	(9)(14)(15)
62,097 Common Stock Warrants (exercise price $12.63) expiration date 6/19/2027				213,614	183,186	(9)(15)
				6,506,949	**6,739,483**	
Ball Metalpack Finco, LLC		Metal & Glass Containers				
First Lien Term Loan, LIBOR+4.50% cash due 7/31/2025	4.76%		3,424,981	3,413,060	3,308,532	(6)(15)
				3,413,060	**3,308,532**	
Blackhawk Network Holdings, Inc.		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	7.19%		4,375,000	4,341,470	4,025,000	(6)
				4,341,470	**4,025,000**	
Boxer Parent Company Inc.		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.40%		6,057,113	5,992,780	5,895,357	(6)
				5,992,780	**5,895,357**	
Cadence Aerospace, LLC		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.25% cash 5.25% PIK due 11/14/2023	4.25%		13,590,961	13,499,354	12,481,939	(6)(15)
				13,499,354	**12,481,939**	
Carrols Restaurant Group, Inc.		Restaurants				
First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%		3,577,035	3,398,183	3,550,207	(6)
				3,398,183	**3,550,207**	
Chief Power Finance II, LLC		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	7.50%		3,325,000	3,265,964	3,167,063	(6)(15)
				3,265,964	**3,167,063**	
CircusTrix Holdings LLC		Leisure Facilities				
First Lien Term Loan, LIBOR+6.75% PIK due 12/16/2021			9,434,200	9,402,902	7,260,560	(6)(15)
				9,402,902	**7,260,560**	
CITGO Petroleum Corp.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00%		5,387,652	5,333,776	5,131,738	(6)
				5,333,776	**5,131,738**	
Connect U.S. Finco LLC		Alternative Carriers				
First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%		1,340,037	1,278,156	1,302,355	(6)(9)
				1,278,156	**1,302,355**	
Continental Intermodal Group LP		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+9.50% PIK due 1/28/2025			10,224,899	10,224,899	8,989,731	(6)(15)
Common Stock Warrants expiration date 7/28/2025				—	690,993	
				10,224,899	**9,680,724**	
Coyote Buyer, LLC		Specialty Chemicals				
First Lien Term Loan, LIBOR+6.00% cash due 2/6/2026	7.00%		5,450,344	5,395,841	5,395,841	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 2/6/2025			—	(3,913)	(3,913)	(6)(14)(15)
				5,391,928	**5,391,928**	
CPI Holdco, LLC		Health Care Supplies				
First Lien Term Loan, LIBOR+4.25% cash due 11/4/2026	4.40%		5,894,380	5,869,505	5,875,960	(6)
				5,869,505	**5,875,960**	
CTOS, LLC		Trading Companies & Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 4/18/2025	4.40%		8,731,138	8,827,767	8,671,111	(6)
				8,827,767	**8,671,111**	

Oaktree Strategic Income Corporation
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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Curium Bidco S.à.r.l.		Biotechnology				
First Lien Term Loan, LIBOR+3.75% cash due 7/9/2026	3.97%		$ 3,960,000	$ 3,930,300	$ 3,930,300	(6)(9)
				3,930,300	**3,930,300**	
Dealer Tire, LLC		Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.40%		8,851,404	8,760,175	8,674,375	(6)
				8,760,175	**8,674,375**	
EnergySolutions LLC		Environmental & Facilities Services				
First Lien Term Loan, LIBOR+3.75% cash due 5/9/2025	4.75%		3,910,000	3,897,041	3,753,600	(6)
				3,897,041	**3,753,600**	
eResearch Technology, Inc.		Application Software				
First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%		3,990,000	3,950,100	3,979,187	(6)
				3,950,100	**3,979,187**	
Firstlight Holdco, Inc.		Alternative Carriers				
First Lien Term Loan, LIBOR+3.50% cash due 7/23/2025	3.65%		7,084,337	7,059,645	6,827,530	(6)
				7,059,645	**6,827,530**	
Fortress Biotech, Inc.		Biotechnology				
First Lien Term Loan, 11.00% cash due 8/27/2025			3,013,000	2,831,219	2,854,818	(9)(15)(18)
87,852 Common Stock Warrants (exercise price $3.20) expiration date 8/27/2030				93,123	151,105	(9)(15)
				2,924,342	**3,005,923**	
GI Chill Acquisition LLC		Managed Health Care				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	4.22%		2,969,697	2,947,424	2,917,727	(6)(15)
				2,947,424	**2,917,727**	
GKD Index Partners, LLC		Specialized Finance				
First Lien Term Loan, LIBOR+7.00% cash due 6/29/2023	8.00%		8,051,177	8,007,041	7,914,307	(6)(15)
First Lien Revolver, LIBOR+7.00% cash due 6/29/2023	8.00%		355,556	352,069	347,556	(6)(14)(15)
				8,359,110	**8,261,863**	
Global Medical Response		Health Care Services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25%		2,463,340	2,422,270	2,395,598	(6)
				2,422,270	**2,395,598**	
Guidehouse LLP		Research & Consulting Services				
First Lien Term Loan, LIBOR+4.50% cash due 5/1/2025	4.65%		2,474,683	2,453,364	2,456,135	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15%		5,000,000	4,982,443	4,825,000	(6)(15)
				7,435,807	**7,281,135**	
Gulf Operating, LLC		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+5.25% cash due 8/25/2023	6.25%		1,316,869	751,248	934,430	(6)
				751,248	**934,430**	
Helios Software Holdings, Inc.		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52%		3,969,690	3,929,993	3,922,570	(6)
				3,929,993	**3,922,570**	
iCIMs, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	7.50%		5,572,549	5,497,575	5,527,968	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(4,940)	(2,353)	(6)(14)(15)
				5,492,635	**5,525,615**	
Immucor, Inc.		Health Care Supplies				
First Lien Term Loan, LIBOR+5.75% cash due 7/2/2025	6.75%		2,267,567	2,224,475	2,222,215	(6)(15)
First Lien Revolver, LIBOR+5.75% cash due 7/2/2025			—	(3,600)	(3,789)	(6)(14)(15)
Second Lien Term Loan, LIBOR+8.00% cash 3.50% PIK due 10/2/2025	9.00%		5,465,318	5,362,101	5,356,011	(6)(15)
				7,582,976	**7,574,437**	
KIK Custom Products Inc.		Household Products				
First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.00%		3,326,063	3,338,452	3,313,557	(6)(9)
				3,338,452	**3,313,557**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Lannett Company, Inc.		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.38% cash due 11/25/2022	6.38%		$ 6,794,491	$ 6,802,553	$ 6,692,574	(6)(9)
				6,802,553	**6,692,574**	
Lightbox Intermediate, L.P.		Real Estate Services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.15%		9,875,000	9,755,743	9,430,625	(6)(15)
				9,755,743	**9,430,625**	
LogMeIn, Inc.		Application Software				
First Lien Term Loan, LIBOR+4.75% cash due 8/31/2027	4.91%		4,000,000	3,900,591	3,873,760	(6)
				3,900,591	**3,873,760**	
MHE Intermediate Holdings, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%		11,419,753	11,305,654	11,114,846	(6)(15)
First Lien Revolver, LIBOR+5.00% cash due 3/10/2023			—	(228,947)	(140,296)	(6)(14)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%		2,325,487	2,351,985	2,263,397	(6)(15)
				13,428,692	**13,237,947**	
Mindbody, Inc.		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00%		9,092,898	8,961,003	8,383,652	(6)(15)
First Lien Revolver, LIBOR+8.00% cash due 2/14/2025			—	(13,884)	(75,238)	(6)(14)(15)
				8,947,119	**8,308,414**	
Ministry Brands, LLC		Application Software				
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	6.00%		57,500	56,639	56,650	(6)(14)(15)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25%		2,000,000	1,985,308	1,982,994	(6)(15)
				2,041,947	**2,039,644**	
MRI Software LLC		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%		5,968,744	5,918,189	5,824,509	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026			—	(22,352)	(52,991)	(6)(14)(15)
First Lien Revolver, LIBOR+5.50% cash due 2/10/2026			—	(5,283)	(12,765)	(6)(14)(15)
				5,890,554	**5,758,753**	
NeuAG, LLC		Fertilizers & Agricultural Chemicals				
First Lien Term Loan, LIBOR+5.50% cash 7.0% PIK due 9/11/2024	7.00%		8,529,688	8,194,410	8,188,501	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash 7.0% PIK due 9/11/2024				(42,360)	(42,360)	(6)(14)(15)
				8,152,050	**8,146,141**	
Northwest Fiber, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.66%		4,200,473	4,049,552	4,205,723	(6)
				4,049,552	**4,205,723**	
OEConnection LLC		Application Software				
First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15%		7,920,420	7,881,988	7,831,315	(6)
First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026			—	(2,227)	(5,640)	(6)(14)
				7,879,761	**7,825,675**	
Olaplex, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%		8,887,500	8,731,401	8,887,500	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50%		486,000	469,401	486,000	(6)(14)(15)
				9,200,802	**9,373,500**	
Onvoy, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+4.50% cash due 2/10/2024	5.50%		3,821,010	3,811,810	3,668,571	(6)
				3,811,810	**3,668,571**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
PaySimple, Inc.		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	5.65%		$ 9,906,964	$ 9,742,150	$ 9,560,221	(6)(15)
				9,742,150	**9,560,221**	
Peraton Corp.		Aerospace & Defense				
First Lien Term Loan, LIBOR+5.25% cash due 4/29/2024	6.25%		6,288,750	6,272,774	6,241,584	(6)(15)
				6,272,774	**6,241,584**	
PG&E Corporation		Electric Utilities				
First Lien Term Loan, LIBOR+4.50% cash due 6/23/2025	5.50%		1,995,000	1,966,495	1,958,422	(6)
				1,966,495	**1,958,422**	
ProFrac Services, LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+7.50% cash due 9/15/2023	8.75%		8,289,847	8,240,727	6,362,458	(6)(15)
				8,240,727	**6,362,458**	
Project Boost Purchaser, LLC		Application Software				
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	8.15%		1,500,000	1,500,000	1,350,000	(6)(15)
				1,500,000	**1,350,000**	
Pug LLC		Internet & Direct Marketing Retail				
First Lien Term Loan, LIBOR+8.00% cash due 2/12/2027	8.75%		5,704,000	5,363,954	5,547,140	(6)
				5,363,954	**5,547,140**	
Recorded Books Inc.		Publishing				
First Lien Term Loan, LIBOR+4.00% cash due 8/29/2025	4.16%		9,757,714	9,660,137	9,708,926	(6)
				9,660,137	**9,708,926**	
RevSpring, Inc.		Commercial Printing				
First Lien Term Loan, LIBOR+4.25% cash due 10/11/2025	4.47%		9,825,000	9,807,175	9,628,500	(6)(15)
				9,807,175	**9,628,500**	
Sabert Corporation		Metal & Glass Containers				
First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%		1,885,500	1,866,645	1,860,366	(6)
				1,866,645	**1,860,366**	
Salient CRGT, Inc.		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.50%		5,488,244	5,457,684	5,104,067	(6)(15)
				5,457,684	**5,104,067**	
Signify Health, LLC		Health Care Services				
First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%		10,725,000	10,658,741	10,349,625	(6)
				10,658,741	**10,349,625**	
Sirva Worldwide, Inc.		Diversified Support Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.65%		7,650,000	7,535,250	6,387,750	(6)
				7,535,250	**6,387,750**	
Star US Bidco LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25%		5,826,911	5,529,350	5,564,700	(6)
				5,529,350	**5,564,700**	
Supermoose Borrower, LLC		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.90%		1,483,087	1,401,939	1,337,099	(6)
				1,401,939	**1,337,099**	
Trident Topco LLC		Health Care Services				
58.99 Class A Warrants (exercise price $156.164) expiration date 3/20/2021				—	—	(15)
				—	**—**	
Truck Hero, Inc.		Auto Parts & Equipment				
First Lien Term Loan, LIBOR+3.75% cash due 4/22/2024	3.90%		5,681,160	5,688,828	5,520,667	(6)
				5,688,828	**5,520,667**	
UFC Holdings, LLC		Movies & Entertainment				
First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25%		2,887,362	2,819,945	2,844,961	(6)
				2,819,945	**2,844,961**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Uniti Group Inc.		Specialized REITs				
40,052 Shares of Common Stock				$ 253,529	$ 421,948	(9)(17)
				253,529	**421,948**	
Veritas US Inc.		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 9/1/2025	6.50%		$ 6,000,000	5,880,994	5,885,010	(6)
				5,880,994	**5,885,010**	
Verscend Holding Corp.		Health Care Technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65%		11,830,827	11,732,318	11,752,447	(6)
				11,732,318	**11,752,447**	
William Morris Endeavor Entertainment, LLC		Movies & Entertainment				
First Lien Term Loan, LIBOR+8.50% cash due 5/18/2025	9.50%		8,371,098	7,942,825	8,371,098	(6)(15)
				7,942,825	**8,371,098**	
Windstream Services II, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%		5,985,000	5,746,163	5,807,964	(6)
11,903 Shares of Common Stock in Windstream Holdings II, LLC				102,837	134,504	(15)
72,205 Warrants in Windstream Holdings II, LLC				1,785,324	793,624	(15)
				7,634,324	**6,736,092**	
WP CPP Holdings, LLC		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.50% cash due 4/30/2025	4.50%		4,411,964	4,404,415	3,886,941	(6)
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%		1,000,000	992,746	780,000	(6)(15)
				5,397,161	**4,666,941**	
Zep Inc.		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.00%		4,607,500	4,632,209	4,349,779	(6)
				4,632,209	**4,349,779**	
Total Non-Control/Non-Affiliate Investments (169.8% of net assets)				**$ 466,907,805**	**$ 452,883,464**	
Total Portfolio Investments (188.3% of net assets)				**$ 539,065,107**	**$ 502,293,365**	
Cash and Cash Equivalents and Restricted Cash						
JP Morgan Prime Money Market Fund, Institutional Shares				$ 7,052,674	$ 7,052,674	
Other cash accounts				22,447,753	22,447,753	
Cash and Cash Equivalents and Restricted Cash (11.1% of net assets)				**$ 29,500,427**	**$ 29,500,427**	
Total Portfolio Investments, Cash and Cash Equivalents and Restricted Cash (199.4% of net assets)				**$ 568,565,534**	**$ 531,793,792**	

Derivatives Instrument	Notional Amount Purchased / (Sold) in U.S. Dollars	Notional Amount Purchased / (Sold) in Local Currency	Maturity Date	Counterparty	Cumulative Unrealized Appreciation (Depreciation)
Foreign currency forward contract	$ 529,015	€ (465,600)	11/12/2020	JPMorgan Chase Bank, N.A.	$ (17,450)
Foreign currency forward contract	$ 4,613,133	£ (3,654,546)	11/12/2020	JPMorgan Chase Bank, N.A.	$ (112,486)
					$ (129,936)

(1) All debt investments are income producing unless otherwise noted. All equity investments are non-income producing unless otherwise noted.

(2) See Note 3 to the Consolidated Financial Statements for portfolio composition by geographic region.

(3) Interest rates may be adjusted from period to period on certain term loans and revolvers. These rate adjustments may be either temporary in nature due to tier pricing arrangements or financial or payment covenant violations in the original credit agreements or permanent in nature per loan amendment or waiver documents.

(4) Each of the Company's investments is pledged as collateral under one or more of its credit facilities. A single investment may be divided into parts that are individually pledged as collateral to separate credit facilities.

(5) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset

periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of September 30, 2020, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.22%, the 180-day LIBOR at 0.27%, the 360-day LIBOR at 0.37%, the PRIME at 3.25%, the 180-day UK LIBOR at 0.22% and the 180-day EURIBOR at (0.36)%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(7) Principal includes PIK interest and is net of repayments, if any. "£" signifies the investment is denominated in British Pounds. "€" signifies the investment is denominated in Euros. All other investments are denominated in U.S. dollars.

(8) Control Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.

(9) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of September 30, 2020, qualifying assets represented 83.1% of the Company's total assets and non-qualifying assets represented 16.9% of the Company's total assets.

(10) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the Company's annual report on Form 10-K for the year ended September 30, 2020 for transactions during the year ended September 30, 2020 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.

(11) See Note 3 to the Consolidated Financial Statements for portfolio composition.

(12) This investment was valued using net asset value as a practical expedient for fair value. Consistent with FASB guidance under ASC 820, these investments are excluded from the hierarchical levels.

(13) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments. Affiliate Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns between 5% and 25% of the voting securities.

(14) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

(15) As of September 30, 2020, these investments are categorized as Level 3 within the fair value hierarchy established by ASC 820.

(16) This investment was on cash non-accrual status as of September 30, 2020. Cash non-accrual is inclusive of PIK and other non-cash income, where applicable.

(17) Income producing through payment of dividends or distributions.

(18) The sale of all or a portion of this investment did not qualify for sale accounting under ASC 860, and therefore the investment remains on the Company's Consolidated Schedule of Investments as of September 30, 2020. See Note 6 in the Consolidated Financial Statements for further details.

See notes to Consolidated Financial Statements.

Note 1. Organization

Oaktree Strategic Income Corporation (together with its consolidated subsidiaries, the "Company") is a specialty finance company that looks to provide customized capital solutions for middle-market companies in both the syndicated and private placement markets. The Company was formed in May 2013 and operates as a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a Business Development Company under the Investment Company Act. The Company has qualified and elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"), for tax purposes.

The Company's investment objective is to generate a stable source of current income while minimizing the risk of principal loss and, to a lesser extent, capital appreciation by providing innovative first-lien financing solutions to companies across a wide variety of industries. To a lesser extent, the Company may also invest in unsecured loans, including subordinated loans and bonds, issued by private middle-market companies, senior and subordinated loans and bonds issued by public companies and equity investments.

The Company is externally managed by Oaktree Fund Advisors, LLC ("Oaktree"), a subsidiary of Oaktree Capital Group, LLC ("OCG"), pursuant to an investment advisory agreement between the Company and Oaktree (the "Investment Advisory Agreement"). Oaktree is an affiliate of Oaktree Capital Management, L.P. ("OCM"), the Company's external investment adviser from October 17, 2017 through May 3, 2020 and also a subsidiary of OCG. Oaktree Fund Administration, LLC ("Oaktree Administrator"), a subsidiary of OCM, provides certain administrative and other services necessary for the Company to operate pursuant to an administration agreement between the Company and Oaktree Administrator (the "Administration Agreement"). See Note 11. In 2019, Brookfield Asset Management Inc. ("Brookfield") acquired a majority economic interest in OCG. OCG operates as an independent business within Brookfield, with its own product offerings and investment, marketing and support teams.

The Mergers

On October 28, 2020, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Oaktree Specialty Lending Corporation, a Delaware corporation ("OCSL"), Lion Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of OCSL ("Merger Sub"), and, solely for the limited purposes set forth therein, Oaktree, the investment adviser to each of the Company and OCSL. The Merger Agreement provides that, subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the "Effective Time"), Merger Sub will merge with and into the Company, with the Company continuing as the surviving company and as a wholly-owned subsidiary of OCSL (the "Merger") and, immediately thereafter, the Company will merge with and into OCSL, with OCSL continuing as the surviving company (together with the Merger, the "Mergers"). Both the Company’s Board of Directors and the Board of Directors of OCSL, including all of the respective independent directors, in each case, on the recommendation of a special committee comprised solely of certain independent directors of the Company or OCSL, as applicable, have approved the Merger Agreement and the transactions contemplated thereby. For more information about the Mergers, see "Note 15. Pending Merger with OCSL".

Note 2. Significant Accounting Policies

Basis of Presentation:

The Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. In the opinion of management, all adjustments of a normal recurring nature considered necessary for the fair presentation of the Consolidated Financial Statements have been made. All intercompany balances and transactions have been eliminated. The Company is an investment company following the accounting and reporting guidance in FASB ASC Topic 946, *Financial Services - Investment Companies* ("ASC 946").

Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make certain estimates and assumptions affecting amounts reported in the financial statements and accompanying notes. These estimates are based on the information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Changes in the economic and political environments, financial markets and any other parameters used in determining these estimates could cause actual results to differ and such differences could be material. Significant estimates include the valuation of investments and revenue recognition.

Consolidation:

The accompanying Consolidated Financial Statements include the accounts of Oaktree Strategic Income Corporation and its consolidated subsidiaries. Each consolidated subsidiary is wholly-owned and, as such, consolidated into the Consolidated Financial Statements. Certain subsidiaries that hold investments are treated as pass through entities for tax purposes. The assets of certain of the consolidated subsidiaries are not directly available to satisfy the claims of the creditors of Oaktree Strategic Income Corporation or any of its other subsidiaries.

As an investment company, portfolio investments held by the Company are not consolidated into the Consolidated Financial Statements but rather are included on the Statements of Assets and Liabilities as investments at fair value.

Fair Value Measurements:

The Company values its investments in accordance with ASC 820, which defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. ASC 820 prioritizes the use of observable market prices over entity-specific inputs. Where observable prices or inputs are not available or reliable, valuation techniques are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the investments or market and the investments' complexity.

Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

- Level 1 — Unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date.
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

If inputs used to measure fair value fall into different levels of the fair value hierarchy, an investment's level is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. This includes investment securities that are valued using "bid" and "ask" prices obtained from independent third party pricing services or directly from brokers. These investments may be classified as Level 3 because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities or may require adjustments for investment-specific factors or restrictions.

Financial instruments with readily available quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment inherent in measuring fair value. As such, Oaktree obtains and analyzes readily available market quotations provided by pricing vendors and brokers for all of the Company's investments for which quotations are available. In determining the fair value of a particular investment, pricing vendors and brokers use observable market information, including both binding and non-binding indicative quotations.

The Company seeks to obtain at least two quotations for the subject or similar securities, typically from pricing vendors. If the Company is unable to obtain two quotes from pricing vendors, or if the prices obtained from pricing vendors are not within the Company's set threshold, the Company seeks to obtain a quote directly from a broker making a market for the asset. Oaktree evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Oaktree also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, Oaktree performs due diligence procedures over pricing vendors to understand their methodology and controls to support their use in the valuation process. Generally, the Company does not adjust any of the prices received from these sources.

If the quotations obtained from pricing vendors or brokers are determined to not be reliable or are not readily available, the Company values such investments using any of three different valuation techniques. The first valuation technique is the transaction precedent technique, which utilizes recent or expected future transactions of the investment to determine fair value, to the extent applicable. The second valuation technique is an analysis of the enterprise value ("EV") of the portfolio company. EV means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The EV analysis is typically performed to determine (i) the value of equity investments, (ii) whether there is credit impairment for debt investments and (iii) the value for debt investments that the Company is deemed to control under the Investment Company Act. To estimate the EV of a portfolio company, Oaktree analyzes various factors, including the portfolio company's historical and projected financial results, macroeconomic impacts on the company and competitive dynamics in the company's industry. Oaktree also utilizes some or all of the following information based on the individual circumstances of the portfolio company:

(i) valuations of comparable public companies, (ii) recent sales of private and public comparable companies in similar industries or having similar business or earnings characteristics, (iii) purchase prices as a multiple of their earnings or cash flow, (iv) the portfolio company's ability to meet its forecasts and its business prospects, (v) a discounted cash flow analysis, (vi) estimated liquidation or collateral value of the portfolio company's assets and (vii) offers from third parties to buy the portfolio company. The Company may probability weight potential sale outcomes with respect to a portfolio company when uncertainty exists as of the valuation date. The third valuation technique is a market yield technique, which is typically performed for non-credit impaired debt investments. In the market yield technique, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk, and the Company considers the current contractual interest rate, the capital structure and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the EV of the portfolio company. As debt investments held by the Company are substantially illiquid with no active transaction market, the Company depends on primary market data, including newly funded transactions and industry specific market movements, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

In accordance with ASC 820-10, certain investments that qualify as investment companies in accordance with ASC 946 may be valued using net asset value as a practical expedient for fair value. Consistent with FASB guidance under ASC 820, these investments are excluded from the hierarchical levels. These investments are generally not redeemable.

The Company estimates the fair value of privately held warrants using a Black Scholes pricing model, which includes an analysis of various factors and subjective assumptions, including the current stock price (by using an EV analysis as described above), the expected period until exercise, expected volatility of the underlying stock price, expected dividends and the risk free rate. Changes in the subjective input assumptions can materially affect the fair value estimates.

The Company's Board of Directors undertakes a multi-step valuation process each quarter in connection with determining the fair value of the Company's investments:

- The quarterly valuation process begins with each portfolio company or investment being initially valued by Oaktree's valuation team in conjunction with Oaktree's portfolio management team and investment professionals responsible for each portfolio investment;
- Preliminary valuations are then reviewed and discussed with management of Oaktree;
- Separately, independent valuation firms engaged by the Board of Directors prepare valuations of the Company's investments, on a selected basis, for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment, and submit the reports to the Company and provide such reports to Oaktree and the Audit Committee of the Board of Directors;
- Oaktree compares and contrasts its preliminary valuations to the valuations of the independent valuation firms and prepares a valuation report for the Audit Committee;
- The Audit Committee reviews the preliminary valuations with Oaktree, and Oaktree responds and supplements the preliminary valuations to reflect any discussions between Oaktree and the Audit Committee;
- The Audit Committee makes a recommendation to the full Board of Directors regarding the fair value of the investments in the Company's portfolio; and
- The Board of Directors discusses valuations and determines the fair value of each investment in the Company's portfolio.

The fair value of the Company's investments as of December 31, 2020 and September 30, 2020 was determined in good faith by the Board of Directors. The Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of the Company's portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. However, the Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to the Company's valuation policy and a consistently applied valuation process.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

With the exception of the line items entitled "deferred financing costs," "deferred offering costs," "other assets," "credit facilities payable" and "secured borrowings" which are reported at amortized cost, all assets and liabilities approximate fair value on the Consolidated Statements of Assets and Liabilities. The carrying value of the line items titled "interest, dividends and fees receivable," "due from portfolio companies," "receivables from unsettled transactions," "accounts payable, accrued expenses and other liabilities," "base management fee and incentive fee payable," "due to affiliate," "interest payable" and "payables from unsettled transactions" approximate fair value due to their short maturities.

Foreign Currency Translation:

The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the prevailing foreign exchange rate on the reporting date. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. The Company's investments in foreign securities may involve certain risks, including foreign exchange restrictions, expropriation, taxation or other political, social or economic risks, all of which could affect the market and/or credit risk of the investment. In addition, changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments and therefore the earnings of the Company.

Derivative Instruments:

The Company does not utilize hedge accounting and as such values its derivative instruments at fair value with the unrealized gains or losses recorded in "net unrealized appreciation (depreciation)" in the Company's Consolidated Statements of Operations.

Secured Borrowings:

Securities sold and simultaneously repurchased at a premium are reported as financing transactions in accordance with ASC 860. Amounts payable to the counterparty are due on the repurchase settlement date and, excluding accrued interest, such amounts are presented in the accompanying Statements of Assets and Liabilities as secured borrowings. Premiums payable are separately reported as accrued interest.

Investment Income:

Interest Income

Interest income, adjusted for accretion of original issue discount ("OID"), is recorded on an accrual basis to the extent that such amounts are expected to be collected. The Company stops accruing interest on investments when it is determined that interest is no longer collectible. Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when there is reasonable doubt that principal or interest cash payments will be collected. Cash interest payments received on investments may be recognized as income or a return of capital depending upon management's judgment. A non-accrual investment is restored to accrual status if past due principal and interest are paid in cash and the portfolio company, in management's judgment, is likely to continue timely payment of its remaining obligations.

In connection with its investment in a portfolio company, the Company sometimes receives nominal cost equity that is valued as part of the negotiation process with the portfolio company. When the Company receives nominal cost equity, the Company allocates its cost basis in the investment between debt securities and the nominal cost equity at the time of origination. Any resulting discount from recording the loan, or otherwise purchasing a security at a discount, is accreted into interest income over the life of the loan.

For the Company's secured borrowings, the interest earned on the entire loan balance is recorded within interest income and the interest earned by the counterparty is recorded within interest expense in the Consolidated Statements of Operations.

PIK Interest Income

The Company's investments in debt securities may contain PIK interest provisions. PIK interest, which generally represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on the accrual basis to the extent such amounts are expected to be collected. The Company generally ceases accruing PIK interest if there is insufficient value to support the accrual or if the Company does not expect the portfolio company to be able to pay all principal and interest due. The Company's decision to cease accruing PIK interest on a loan or debt security involves subjective judgments and determinations based on available information about a particular portfolio company, including whether the portfolio company is current with respect to its payment of principal and interest on its loans and debt securities; financial statements and financial projections for the portfolio company; the Company's assessment of the portfolio company's business development success; information obtained by the Company in connection with periodic formal update interviews with the portfolio company's management and, if appropriate, the private equity sponsor; and information about the general economic and market conditions in which the portfolio company operates. The Company's determination to cease accruing PIK interest is generally made well before the Company's full write-down of a loan or debt security. In addition, if it is subsequently determined that the Company will not be able to collect any previously accrued PIK interest, the fair value of the loans or debt securities would be reduced by the amount of such previously accrued, but uncollectible, PIK interest. The accrual of PIK interest on the Company’s debt investments increases the recorded cost bases of these investments in the Consolidated Financial Statements including for purposes of computing the capital gains incentive fee payable by the Company to Oaktree. To maintain its status as a RIC, certain income from PIK interest may be required to be distributed to the Company’s stockholders, even though the Company has not yet collected the cash and may never do so.

Fee Income

Oaktree or its affiliates may provide financial advisory services to portfolio companies, and in return, the Company may receive fees for capital structuring services. These fees are generally nonrecurring and are recognized by the Company upon the investment closing date. The Company may also receive additional fees in the ordinary course of business, including servicing, amendment and prepayment fees, which are classified as fee income and recognized as they are earned or the services are rendered.

The Company has also structured exit fees across certain of its portfolio investments to be received upon the future exit of those investments. These fees are typically paid to the Company upon the earliest to occur of (i) a sale of the borrower or substantially all of the assets of the borrower, (ii) the maturity date of the loan or (iii) the date when full prepayment of the loan occurs. The receipt of such fees is contingent upon the occurrence of one of the events listed above for each of the investments. These fees are included in net investment income over the life of the loan.

Dividend Income

The Company generally recognizes dividend income on the ex-dividend date for public securities and the record date for private equity investments. Distributions received from private equity investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from private equity investments as dividend income unless there are sufficient earnings at the portfolio company prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Cash and Cash Equivalents and Restricted Cash:

Cash and cash equivalents and restricted cash consist of demand deposits and highly liquid investments with maturities of three months or less when acquired. The Company places its cash and cash equivalents and restricted cash with financial institutions and, at times, cash held in bank accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit. Cash and cash equivalents and restricted cash are included on the Company's Consolidated Schedule of Investments and cash equivalents are classified as Level 1 assets.

As of December 31, 2020, included in restricted cash was $4.0 million that was held at Wells Fargo Bank, N.A. in connection with the Company's Citibank Facility and Deutsche Bank Facility (each as defined in Note 6 – Borrowings), and $0.3 million that was held at U.S. Bank National Association as collateral in connection with the ISDA Master Agreement (as defined in Note 13 – Derivative Instruments) with JPMorgan Chase Bank N.A. Of the $4.0 million of restricted cash held at Wells Fargo Bank, N.A., pursuant to the terms of the Citibank Facility, the Company was restricted in terms of access to $2.1 million of that amount until the occurrence of the periodic distribution dates and, in connection therewith, the Company’s submission of its required periodic reporting schedules and verifications of the Company’s compliance with the terms of the credit agreement. As of December 31, 2020, the remaining $1.9 million of cash held at Wells Fargo Bank, N.A. was restricted due to the obligation to pay interest under the terms of the Deutsche Bank Facility.

As of September 30, 2020, included in restricted cash was $4.1 million that was held at Wells Fargo Bank, N.A. in connection with the Company's Citibank Facility and Deutsche Bank Facility, and $0.3 million that was held at U.S. Bank National Association as collateral in connection with the ISDA Master Agreement with JPMorgan Chase Bank N.A. Of the $4.1 million of restricted cash held at Wells Fargo Bank, N.A., pursuant to the terms of the Citibank Facility, the Company was restricted in terms of access to $2.0 million of that amount until the occurrence of the periodic distribution dates and, in connection therewith, the Company’s submission of its required periodic reporting schedules and verifications of the Company’s compliance with the terms of the credit agreement. As of September 30, 2020, the remaining $2.1 million of cash held at Wells Fargo Bank, N.A. was restricted due to the obligation to pay interest under the terms of the Deutsche Bank Facility.

Due from Portfolio Companies:

Due from portfolio companies consists of amounts payable to the Company from its portfolio companies, including proceeds from the sale of portfolio companies not yet received or being held in escrow and excluding those amounts attributable to interest, dividends or fees receivable. These amounts are recognized as they become payable to the Company (*e.g.*, principal payments on the scheduled amortization payment date).

Receivables/Payables from Unsettled Transactions:

Receivables/payables from unsettled transactions consist of amounts receivable to or payable by the Company for transactions that have not settled at the reporting date.

Deferred Financing Costs:

Deferred financing costs consist of fees and expenses paid in connection with the closing or amending of credit facilities and debt offerings. Deferred financing costs in connection with credit facilities are capitalized as an asset when incurred. Deferred financing costs in connection with all other debt arrangements are a direct deduction from the related debt liability when incurred. Deferred financing costs are amortized using the effective interest method over the term of the respective debt arrangement. This amortization expense is included in interest expense in the Company's Consolidated Statements of Operations. Upon early termination or modification of a credit facility, all or a portion of unamortized fees related to such facility may be accelerated into interest expense.

Deferred Offering Costs:

Legal fees and other costs incurred in connection with the Company’s shelf registration statement are capitalized as deferred offering costs in the Consolidated Statements of Assets and Liabilities. To the extent any such costs relate to equity offerings, these costs are charged as a reduction of capital upon utilization. To the extent any such costs relate to debt offerings, these costs are treated as deferred financing costs and are amortized over the term of the respective debt arrangement. Any deferred offering costs that remain at the expiration of the shelf registration statement or when it becomes probable that an offering will not be completed are expensed.

Income Taxes:

The Company has elected to be subject to tax as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute dividends to its stockholders of an amount generally at least equal to 90% of investment company taxable income, as defined by the Code and determined without regard to any deduction for dividends paid, for each taxable year. As a RIC, the Company is not subject to federal income tax on the portion of its taxable income and gains distributed currently to stockholders as a dividend. Depending on the level of taxable income earned during a taxable year, the Company may choose to retain taxable income in excess of current year dividend distributions and would distribute such taxable income in the next taxable year. The Company would then incur a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income, determined on a calendar year basis, could exceed estimated current calendar year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. The Company anticipates timely distribution of its taxable income within the tax rules under Subchapter M of the Code. The Company did not incur a U.S. federal excise tax for calendar year 2019 and 2020 and does not expect to incur a U.S. federal excise tax for calendar year 2021.

The Company may hold certain portfolio investments through taxable subsidiaries. The purpose of a taxable subsidiary is to permit the Company to hold equity investments in portfolio companies which are "pass through" entities for U.S. federal income tax purposes in order to comply with the RIC tax requirements. The taxable subsidiaries are consolidated for financial reporting purposes, and portfolio investments held by them are included in the Company’s Consolidated Financial Statements as portfolio investments and recorded at fair value. The taxable subsidiaries are not consolidated with the Company for U.S. federal income tax purposes and may generate income tax expense, or benefit, and the related tax assets and liabilities, as a result of their ownership of certain portfolio investments. This income tax expense, if any, would be reflected in the Company's Consolidated Statements of Operations. The Company uses the liability method to account for its taxable subsidiaries' income taxes. Using this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between financial reporting and tax bases of assets and liabilities. In addition, the Company recognizes deferred tax benefits associated with net operating loss carry forwards that it may use to offset future tax obligations. The Company measures deferred tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which it expects to recover or settle those temporary differences.

FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes* ("ASC 740"), provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the Company's Consolidated Financial Statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including an ongoing analysis of tax laws, regulations and interpretations thereof. The Company recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Company's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2018, 2019 and 2020. The Company identifies its major tax jurisdictions as U.S. Federal and California, and the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

Note 3. Portfolio Investments

As of December 31, 2020, 188.5% of net assets at fair value, or $521.0 million, was invested in 78 portfolio companies, including 19.3% of net assets, or $53.4 million at fair value, in subordinated notes and limited liability company ("LLC") equity interests of OCSI Glick JV LLC (together with its consolidated subsidiaries, the "OCSI Glick JV"), a joint venture through which the Company and GF Equity Funding 2014 LLC ("GF Equity Funding") co-invest primarily in senior secured loans of middle-market companies, and 6.5% of net assets, or $17.9 million, was invested in cash and cash equivalents (including $4.3 million of restricted cash). In comparison, as of September 30, 2020, 188.3% of net assets at fair value, or $502.3 million, was invested in 78 portfolio companies, including 18.5% of net assets, or $49.4 million at fair value, in subordinated notes and LLC equity interests of the OCSI Glick JV, and 11.1% of net assets, or $29.5 million, was invested in cash and cash equivalents (including $4.4 million of restricted cash). As of December 31, 2020, 89.3% of the Company's portfolio at fair value consisted of senior secured debt investments, 10.2% consisted of investments in the subordinated notes of the OCSI Glick JV ("the Subordinated Notes") and 0.5% consisted of equity investments. As of September 30, 2020, 89.7% of the Company's portfolio at fair value consisted of senior secured debt investments, 9.8% consisted of investments in the Subordinated Notes of the OCSI Glick JV and 0.5% consisted of equity investments.

As of December 31, 2020 and September 30, 2020, the Company's equity investments consisted of LLC equity interests, common stock and warrants in portfolio companies. These instruments generally do not produce a current return but are held for potential investment appreciation and capital gain.

During each of the three months ended December 31, 2020 and 2019, the Company recorded net realized losses of $0.5 million. During the three months ended December 31, 2020 and 2019, the Company recorded net unrealized appreciation of $10.5 million and $1.9 million, respectively.

The composition of the Company's investments as of December 31, 2020 and September 30, 2020 at cost and fair value was as follows:

	December 31, 2020		September 30, 2020	
	Cost	Fair Value	Cost	Fair Value
Senior secured loans	$ 473,967,760	$ 465,410,058	$ 464,459,378	$ 450,508,104
OCSI Glick JV Subordinated Notes	64,045,551	53,365,955	65,045,551	49,409,901
OCSI Glick JV equity interests	7,111,751	—	7,111,751	—
Equity securities, excluding the OCSI Glick JV	2,066,053	2,220,273	2,448,427	2,375,360
Total	**$ 547,191,115**	**$ 520,996,286**	**$ 539,065,107**	**$ 502,293,365**

The following table presents the composition of the Company's debt investments as of December 31, 2020 and September 30, 2020 at floating rates and fixed rates:

	December 31, 2020		September 30, 2020	
	Fair Value	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Floating rate debt securities, including debt investments in the OCSI Glick JV	$ 507,914,781	97.91 %	$ 490,506,890	98.12 %
Fixed rate debt securities	10,861,232	2.09 %	9,411,115	1.88 %
Total	**$ 518,776,013**	**100.00 %**	**$ 499,918,005**	**100.00 %**

The following table presents the financial instruments carried at fair value as of December 31, 2020 on the Company's Consolidated Statement of Assets and Liabilities for each of the three levels of hierarchy established by ASC 820:

	Level 1	Level 2	Level 3	Total
Senior secured loans	$ —	$ 191,206,823	$ 274,203,235	$ 465,410,058
OCSI Glick JV Subordinated Notes	—	—	53,365,955	53,365,955
Equity securities	—	—	2,220,273	2,220,273
Total investments at fair value	**—**	**191,206,823**	**329,789,463**	**520,996,286**
Cash equivalents	1,773,458	—	—	1,773,458
Total assets at fair value	**$ 1,773,458**	**$ 191,206,823**	**$ 329,789,463**	**$ 522,769,744**
Derivative liability	$ —	$ 174,231	$ —	$ 174,231
Total liabilities at fair value	**$ —**	**$ 174,231**	**$ —**	**$ 174,231**

The following table presents the financial instruments carried at fair value as of September 30, 2020 on the Company's Consolidated Statement of Assets and Liabilities for each of the three levels of hierarchy established by ASC 820:

	Level 1	Level 2	Level 3	Total
Senior secured loans	$ —	$ 207,278,600	$ 243,229,504	$ 450,508,104
OCSI Glick JV Subordinated Notes	—	—	49,409,901	49,409,901
Equity securities	421,948	—	1,953,412	2,375,360
Total investments at fair value	**421,948**	**207,278,600**	**294,592,817**	**502,293,365**
Cash equivalents	7,052,674	—	—	7,052,674
Total assets at fair value	**$ 7,474,622**	**$ 207,278,600**	**$ 294,592,817**	**$ 509,346,039**
Derivative liability	$ —	$ 129,936	$ —	$ 129,936
Total liabilities at fair value	**$ —**	**$ 129,936**	**$ —**	**$ 129,936**

When a determination is made to classify a financial instrument within Level 3 of the valuation hierarchy, the determination is based upon the fact that the unobservable factors are significant to the overall fair value measurement. However, Level 3 financial instruments typically have both unobservable or Level 3 components and observable components (i.e. components that are actively quoted and can be validated by external sources). Accordingly, the appreciation (depreciation) in the tables below includes changes in fair value due in part to observable factors that are part of the valuation methodology. Transfers between levels are recognized at the beginning of the reporting period.

The following table provides a roll-forward in the changes in fair value from September 30, 2020 to December 31, 2020 for all investments for which the Company determined fair value using unobservable (Level 3) factors:

	Investments			
	Senior Secured Loans	OCSI Glick JV Subordinated Notes	Equity Securities	Total Investments
Fair value as of September 30, 2020	$ 243,229,504	$ 49,409,901	$ 1,953,412	$ 294,592,817
Purchases	33,215,192	—	—	33,215,192
Sales and repayments	(6,615,503)	(1,000,000)	(128,968)	(7,744,471)
Transfers in (a)	1,504,945	—	—	1,504,945
PIK interest income	1,003,444	—	—	1,003,444
Accretion of OID	247,476	—	—	247,476
Net unrealized appreciation (depreciation)	1,842,152	4,956,054	395,829	7,194,035
Net realized gains (losses)	(223,975)	—	—	(223,975)
Fair value as of December 31, 2020	**$ 274,203,235**	**$ 53,365,955**	**$ 2,220,273**	**$ 329,789,463**
Net unrealized appreciation (depreciation) relating to Level 3 assets still held as of December 31, 2020 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended December 31, 2020	$ 1,649,151	$ 4,956,054	$ (564,327)	$ 6,040,878

(a) There were transfers into Level 3 from Level 2 for certain investments during the three months ended December 31, 2020 as a result of a change in the number of market quotes available and/or a change in market liquidity.

The following table provides a roll-forward in the changes in fair value from September 30, 2019 to December 31, 2019 for all investments for which the Company determined fair value using unobservable (Level 3) factors:

	Investments			
	Senior Secured Debt	OCSI Glick JV Subordinated Notes	Equity Securities	Total Investments
Fair value as of September 30, 2019	$ 181,884,463	$ 54,326,418	$ 293,339	$ 236,504,220
Purchases	15,315,401	—	—	15,315,401
Sales and repayments	(11,579,014)	(21,640)	—	(11,600,654)
Transfers in (a)	6,661,922	—	—	6,661,922
Accretion of OID	160,497	—	—	160,497
Net unrealized appreciation (depreciation)	57,006	(135,068)	—	(78,062)
Net realized gains (losses)	(289,521)	—	—	(289,521)
Fair value as of December 31, 2019	**$ 192,210,754**	**$ 54,169,710**	**$ 293,339**	**$ 246,673,803**
Net unrealized appreciation (depreciation) relating to Level 3 assets still held as of December 31, 2019 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended December 31, 2019	$ (41,958)	$ (135,068)	$ —	$ (177,026)

(a) There were transfers into Level 3 from Level 2 for certain investments during the three months ended December 31, 2019 as a result of a change in the number of market quotes available and/or a change in market liquidity.

Significant Unobservable Inputs for Level 3 Investments

The following table provides quantitative information related to the significant unobservable inputs for Level 3 investments, which are carried at fair value as of December 31, 2020:

Asset	Fair Value	Valuation Technique	Unobservable Input		Range			Weighted Average (a)
Senior Secured Loans	$ 170,975,451	Market Yield	Market Yield	(b)	6.9%	-	18.0%	10.8%
	89,869,218	Broker Quotations	Broker Quoted Price	(c)	N/A	-	N/A	N/A
	6,320,826	Transactions Precedent	Transaction Price	(d)	N/A	-	N/A	N/A
	7,037,740	Enterprise Value	EBITDA Multiple	(e)	7.0x	-	9.0x	8.0x
OCSI Glick JV Subordinated Notes	53,365,955	Enterprise Value	N/A	(f)	N/A	-	N/A	N/A
Equity Securities	1,328,707	Enterprise Value	EBITDA Multiple	(e)	3.0x	-	5.0x	4.0x
	891,566	Enterprise Value	Revenue Multiple	(e)	1.7x	-	6.4x	2.7x
Total	**$ 329,789,463**							

(a) Weighted averages are calculated based on fair value of investments.
(b) Used when market participants would take into account market yield when pricing the investment.
(c) The Company generally uses prices provided by an independent pricing service which are non-binding indicative prices on or near the valuation date as the primary basis for the fair value determinations for quoted senior secured debt investments. Since these prices are non-binding, they may not be indicative of fair value. The Company evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably

estimated. Each quoted price is evaluated by the Audit Committee of the Company's Board of Directors in conjunction with additional information compiled by Oaktree.
(d) Used when there is an observable transaction or pending event for the investment.
(e) Used when market participants would use such multiples when pricing the investment.
(f) The Company determined the value of the Subordinated Notes based on the total assets less the total liabilities senior to the subordinated notes held at the OCSI Glick JV in an amount not exceeding par under the EV technique.

The following table provides quantitative information related to the significant unobservable inputs for Level 3 investments, which are carried at fair value as of September 30, 2020:

Asset	Fair Value	Valuation Technique	Unobservable Input		Range			Weighted Average (a)
Senior Secured Loans	$ 157,196,179	Market Yield	Market Yield	**(b)**	6.6%	-	16.0%	11.0%
	78,772,765	Broker Quotations	Broker Quoted Price	**(c)**	N/A	-	N/A	N/A
	7,260,560	Enterprise Value	EBITDA Multiple	**(d)**	7.0x	-	9.0x	8.0x
OCSI Glick JV Subordinated Notes	49,409,901	Enterprise Value	N/A	**(e)**	N/A	-	N/A	N/A
Equity Securities	1,953,412	Transactions Precedent	Transaction Price	**(f)**	N/A	-	N/A	N/A
Total	**$ 294,592,817**							

(a) Weighted averages are calculated based on fair value of investments.
(b) Used when market participants would take into account market yield when pricing the investment.
(c) The Company generally uses prices provided by an independent pricing service which are non-binding indicative prices on or near the valuation date as the primary basis for the fair value determinations for quoted senior secured debt investments. Since these prices are non-binding, they may not be indicative of fair value. The Company evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Each quoted price is evaluated by the Audit Committee of the Company's Board of Directors in conjunction with additional information compiled by Oaktree.
(d) Used when market participants would use such multiples when pricing the investment.
(e) The Company determined the value of the Subordinated Notes based on the total assets less the total liabilities senior to the subordinated notes held at the OCSI Glick JV in an amount not exceeding par under the EV technique.
(f) Used when there is an observable transaction or pending event for the investment.

Under the market yield technique, the significant unobservable input used in the fair value measurement of the Company's investments in debt securities is the market yield. Increases or decreases in the market yield may result in a lower or higher fair value measurement, respectively.

Under the EV technique, the significant unobservable input used in the fair value measurement of the Company's investments in debt or equity securities is the earnings before interest, taxes, depreciation and amortization ("EBITDA"), revenue or asset multiple, as applicable. Increases or decreases in the valuation multiples in isolation may result in a higher or lower fair value measurement, respectively.

Financial Instruments Disclosed, But Not Carried, At Fair Value

The following table presents the carrying value and fair value of the Company’s financial liabilities disclosed, but not carried, at fair value as of December 31, 2020 and the level of each financial liability within the fair value hierarchy:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Citibank Facility payable	$ 121,056,800	$ 121,056,800	$ —	$ —	$ 121,056,800
Deutsche Bank Facility payable	131,700,000	131,700,000	—	—	131,700,000
Total	**$ 252,756,800**	**$ 252,756,800**	**$ —**	**$ —**	**$ 252,756,800**

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of September 30, 2020 and the level of each financial liability within the fair value hierarchy:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Citibank Facility payable	$ 119,056,800	$ 119,056,800	$ —	$ —	$ 119,056,800
Deutsche Bank Facility payable	137,600,000	137,600,000	—	—	137,600,000
Secured borrowings payable	10,929,578	10,929,578	—	—	10,929,578
Total	**$ 267,586,378**	**$ 267,586,378**	**$ —**	**$ —**	**$ 267,586,378**

The principal values of the credit facilities payable approximate their fair values due to their variable interest rates and are included in Level 3 of the hierarchy. The principal value of the secured borrowings payable approximates fair value due to its short-term nature and is included in Level 3 of the hierarchy.

Portfolio Composition

Summaries of the composition of the Company's portfolio at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets are shown in the following tables:

	December 31, 2020		September 30, 2020	
Cost:		% of Total Investments		% of Total Investments
Senior secured loans	$ 473,967,760	86.62 %	$ 464,459,378	86.16 %
OCSI Glick JV Subordinated Notes	64,045,551	11.70 %	65,045,551	12.07 %
OCSI Glick JV equity interests	7,111,751	1.30 %	7,111,751	1.32 %
Equity securities, excluding the OCSI Glick JV	2,066,053	0.38 %	2,448,427	0.45 %
Total	**$ 547,191,115**	**100.00 %**	**$ 539,065,107**	**100.00 %**

	December 31, 2020			September 30, 2020		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Senior secured loans	$ 465,410,058	89.33%	168.37%	$ 450,508,104	89.69%	168.89%
OCSI Glick JV Subordinated Notes	53,365,955	10.24%	19.30%	49,409,901	9.84%	18.53%
Equity securities, excluding the OCSI Glick JV	2,220,273	0.43%	0.79%	2,375,360	0.47%	0.90%
OCSI Glick JV equity interests	—	—	—	—	—	—
Total	**$ 520,996,286**	**100.00 %**	**188.46%**	**$ 502,293,365**	**100.00 %**	**188.32%**

The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company's business. The following tables show the composition of the Company's portfolio by geographic region at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets:

	December 31, 2020		September 30, 2020	
Cost:		% of Total Investments		% of Total Investments
Northeast	$ 179,307,316	32.77%	$ 175,000,822	32.46%
West	101,781,073	18.60%	107,100,584	19.87%
Midwest	92,661,386	16.93%	88,346,293	16.39%
Southwest	60,162,772	10.99%	60,351,662	11.20%
Southeast	51,885,947	9.48%	43,464,437	8.06%
International	23,513,817	4.30%	25,852,696	4.80%
South	23,294,123	4.26%	24,369,729	4.52%
Northwest	14,584,681	2.67%	14,578,884	2.70%
Total	**$ 547,191,115**	**100.00%**	**$ 539,065,107**	**100.00%**

	December 31, 2020			September 30, 2020		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Northeast	$ 160,700,350	30.86%	58.13%	$ 150,734,661	30.00%	56.52%
West	101,093,534	19.40%	36.58%	104,906,992	20.89%	39.33%
Midwest	91,413,800	17.55%	33.07%	85,420,874	17.01%	32.04%
Southwest	55,453,484	10.64%	20.06%	55,716,384	11.09%	20.89%
Southeast	51,343,320	9.85%	18.55%	42,020,215	8.37%	15.75%
International	24,188,733	4.64%	8.75%	25,096,033	5.00%	9.40%
South	22,111,889	4.24%	8.00%	23,722,222	4.72%	8.89%
Northwest	14,691,176	2.82%	5.32%	14,675,984	2.92%	5.50%
Total	**$ 520,996,286**	**100.00%**	**188.46%**	**$ 502,293,365**	**100.00%**	**188.32%**

The following tables show the composition of the Company's portfolio by industry at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets as of December 31, 2020 and September 30, 2020:

	December 31, 2020		September 30, 2020	
Cost:		% of Total Investments		% of Total Investments
Multi-Sector Holdings (1)	$ 71,157,302	12.99 %	$ 72,157,302	13.36 %
Application Software	57,502,193	10.51	56,215,071	10.43
Aerospace & Defense	36,590,676	6.69	30,626,973	5.68
Diversified Support Services	26,246,618	4.80	26,334,370	4.89
Advertising	24,297,080	4.44	24,174,863	4.48
Movies & Entertainment	15,803,678	2.89	16,673,070	3.09
Integrated Telecommunication Services	15,347,935	2.80	15,495,686	2.87
Commercial Printing	15,254,704	2.79	15,307,456	2.84
Personal Products	15,223,102	2.78	13,418,096	2.49
Pharmaceuticals	14,514,088	2.65	13,309,502	2.47
Industrial Machinery	14,508,335	2.65	13,770,077	2.55
Data Processing & Outsourced Services	14,069,234	2.57	14,083,620	2.61
Internet Services & Infrastructure	13,794,111	2.52	8,947,119	1.66
Specialized Finance	13,388,615	2.45	8,359,110	1.55
Health Care Services	13,053,915	2.39	13,081,011	2.43
Health Care Technology	11,703,560	2.14	11,732,318	2.18
Biotechnology	11,094,098	2.03	12,304,257	2.28
Oil & Gas Storage & Transportation	11,005,637	2.01	10,976,147	2.04
Specialty Chemicals	9,997,001	1.83	10,024,137	1.86
Real Estate Services	9,736,627	1.78	9,755,743	1.81
Publishing	9,634,184	1.76	9,660,137	1.79
Leisure Facilities	9,597,730	1.75	9,402,902	1.74
Trading Companies & Distributors	8,800,015	1.61	8,827,767	1.64
Distributors	8,742,199	1.60	8,760,175	1.63
Systems Software	8,385,594	1.53	9,922,773	1.84
Fertilizers & Agricultural Chemicals	8,326,740	1.52	8,152,050	1.51
Alternative Carriers	8,320,505	1.52	8,337,801	1.55
Health Care Supplies	7,634,203	1.40	13,452,481	2.50
Research & Consulting Services	7,431,559	1.36	7,435,807	1.38
Electrical Components & Equipment	6,259,522	1.14	6,280,139	1.17
Auto Parts & Equipment	5,673,579	1.04	5,688,828	1.06
Internet & Direct Marketing Retail	5,364,404	0.98	5,363,954	1.00
Oil & Gas Refining & Marketing	5,320,238	0.97	5,333,776	0.99
Insurance Brokers	5,267,657	0.96	5,115,349	0.95
Construction & Engineering	4,850,000	0.89	—	—
Hotels, Resorts & Cruise Lines	4,639,674	0.85	4,645,028	0.86
Restaurants	3,397,568	0.62	3,398,183	0.63
Independent Power Producers & Energy Traders	3,229,732	0.59	3,265,964	0.61
Managed Health Care	2,939,905	0.54	2,947,424	0.55
Airlines	2,852,304	0.52	—	—
Oil & Gas Exploration & Production	2,462,500	0.45	—	—
Electric Utilities	1,963,132	0.36	1,966,495	0.36
Metal & Glass Containers	1,809,662	0.33	5,279,705	0.98
Environmental & Facilities Services	—	—	3,897,041	0.72
Household Products	—	—	3,338,452	0.62
General Merchandise Stores	—	—	1,593,419	0.30
Specialized REITs	—	—	253,529	0.05
Total	**$ 547,191,115**	**100.00 %**	**$ 539,065,107**	**100.00 %**

	December 31, 2020			September 30, 2020		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Application Software	$ 57,715,989	11.07 %	20.89 %	$ 55,815,754	11.13 %	20.92 %
Multi-Sector Holdings (1)	53,365,955	10.24	19.30	49,409,901	9.84	18.53
Aerospace & Defense	34,987,811	6.72	12.65	28,494,531	5.67	10.68
Diversified Support Services	25,524,679	4.90	9.24	24,928,749	4.96	9.36
Advertising	22,439,228	4.31	8.12	22,317,000	4.44	8.37
Movies & Entertainment	16,188,272	3.11	5.86	16,350,259	3.26	6.14
Personal Products	15,483,255	2.97	5.60	13,668,174	2.72	5.12
Integrated Telecommunication Services	15,030,715	2.88	5.43	14,610,386	2.91	5.49
Pharmaceuticals	14,740,759	2.83	5.33	13,432,057	2.67	5.04
Commercial Printing	14,734,506	2.83	5.32	14,786,640	2.94	5.54
Data Processing & Outsourced Services	13,687,451	2.63	4.95	13,585,221	2.70	5.09
Specialized Finance	13,300,999	2.55	4.82	8,261,863	1.64	3.10
Internet Services & Infrastructure	13,099,341	2.51	4.74	8,308,414	1.65	3.11
Industrial Machinery	13,001,609	2.50	4.71	11,927,158	2.37	4.48
Health Care Services	12,815,155	2.46	4.63	12,745,223	2.54	4.78
Health Care Technology	11,818,347	2.27	4.28	11,752,447	2.34	4.41
Biotechnology	11,289,278	2.17	4.08	12,440,847	2.48	4.66
Specialty Chemicals	9,877,488	1.90	3.58	9,741,707	1.94	3.65
Oil & Gas Storage & Transportation	9,874,343	1.90	3.58	10,615,154	2.11	3.98
Publishing	9,707,170	1.86	3.51	9,708,926	1.93	3.64
Real Estate Services	9,554,500	1.83	3.46	9,430,625	1.88	3.54
Distributors	8,792,290	1.69	3.18	8,674,375	1.73	3.25
Trading Companies & Distributors	8,731,832	1.68	3.16	8,671,111	1.73	3.25
Systems Software	8,457,247	1.62	3.06	9,817,927	1.95	3.68
Fertilizers & Agricultural Chemicals	8,351,071	1.60	3.02	8,146,141	1.62	3.05
Alternative Carriers	8,240,680	1.58	2.98	8,129,885	1.62	3.05
Health Care Supplies	7,616,775	1.46	2.75	13,450,397	2.68	5.04
Research & Consulting Services	7,472,464	1.43	2.70	7,281,135	1.45	2.73
Leisure Facilities	7,037,740	1.35	2.54	7,260,560	1.45	2.72
Electrical Components & Equipment	6,343,854	1.22	2.29	6,139,604	1.22	2.30
Insurance Brokers	5,858,169	1.12	2.12	5,276,017	1.05	1.97
Internet & Direct Marketing Retail	5,803,535	1.11	2.10	5,547,140	1.10	2.08
Auto Parts & Equipment	5,667,642	1.09	2.05	5,520,667	1.10	2.07
Oil & Gas Refining & Marketing	5,355,168	1.03	1.94	5,131,738	1.02	1.92
Hotels, Resorts & Cruise Lines	5,152,263	0.99	1.86	5,159,265	1.03	1.93
Construction & Engineering	4,880,000	0.94	1.76	—	—	—
Restaurants	3,554,690	0.68	1.29	3,550,207	0.71	1.33
Independent Power Producers & Energy Traders	3,125,391	0.60	1.13	3,167,063	0.63	1.19
Airlines	3,049,357	0.59	1.10	—	—	—
Managed Health Care	2,936,203	0.56	1.06	2,917,727	0.58	1.09
Oil & Gas Exploration & Production	2,487,500	0.48	0.90	—	—	—
Electric Utilities	2,016,865	0.39	0.73	1,958,422	0.39	0.73
Metal & Glass Containers	1,828,700	0.35	0.66	5,168,898	1.03	1.94
Environmental & Facilities Services	—	—	—	3,753,600	0.75	1.41
Household Products	—	—	—	3,313,557	0.66	1.24
General Merchandise Stores	—	—	—	1,504,945	0.30	0.56
Specialized REITs	—	—	—	421,948	0.08	0.16
Total	**$ 520,996,286**	**100.00 %**	**188.46 %**	**$ 502,293,365**	**100.00 %**	**188.32 %**

(1) This industry includes the Company's investment in the OCSI Glick JV.

As of December 31, 2020, except for the Company's investment in the OCSI Glick JV, no single investment represented greater than 10% of the Company's total investment portfolio at fair value. As of September 30, 2020, no single investment represented greater than 10% of the Company’s total investment portfolio at fair value. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses, may fluctuate and in any given period can be highly concentrated among several investments.

OCSI Glick JV

In October 2014, the Company entered into an LLC agreement with GF Equity Funding to form the OCSI Glick JV. On April 21, 2015, the OCSI Glick JV began investing primarily in senior secured loans of middle-market companies. The Company co-invests in these securities with GF Equity Funding through the OCSI Glick JV. The OCSI Glick JV is managed by a four person Board of Directors, two of whom are selected by the Company and two of whom are selected by GF Equity Funding. The OCSI Glick JV is capitalized as transactions are completed, and portfolio decisions and investment decisions in respect of the OCSI Glick JV must be approved by the OCSI Glick JV investment committee, which consists of one representative selected by the Company and one representative selected by GF Equity Funding (with approval from a representative of each required). Since the Company does not have a controlling financial interest in the OCSI Glick JV, the Company does not consolidate the OCSI Glick JV. The members provide capital to the OCSI Glick JV in exchange for LLC equity interests, and the Company and GF Debt Funding 2014 LLC ("GF Debt Funding"), an entity advised by affiliates of GF Equity Funding, provide capital to the OCSI Glick JV in exchange for Subordinated Notes. As of December 31, 2020 and September 30, 2020, the Company and GF Equity Funding owned 87.5% and 12.5%, respectively, of the outstanding LLC equity interests, and the Company and GF Debt Funding owned 87.5% and 12.5%, respectively, of the Subordinated Notes. The OCSI Glick JV is not an "eligible portfolio company" as defined in section 2(a)(46) of the Investment Company Act.

The OCSI Glick JV's portfolio consisted of middle-market and other corporate debt securities of 42 and 40 portfolio companies as of December 31, 2020 and September 30, 2020, respectively. The portfolio companies in the OCSI Glick JV are in industries similar to those in which the Company may invest directly.

The OCSI Glick JV entered into a senior revolving credit facility with Deutsche Bank AG, New York Branch (the "JV Deutsche Bank Facility"), which, as of December 31, 2020, had a reinvestment period end date and maturity date of September 30, 2021 and March 31, 2025, respectively, and permitted borrowings of up to $90.0 million (subject to borrowing base and other limitations). Borrowings under the JV Deutsche Bank Facility are secured by all of the assets of the OCSI Glick JV and all of the equity interests in the OCSI Glick JV and, as of December 31, 2020, bore interest at a rate equal to 3-month LIBOR plus 2.65% per annum with a 0.25% LIBOR floor. Under the JV Deutsche Bank Facility, $78.7 million and $80.7 million of borrowings were outstanding as of December 31, 2020 and September 30, 2020, respectively.

As of December 31, 2020, the JV Deutsche Bank Facility included a waiver period (which extended through January 3, 2021) during which the facility agent was restricted from revaluing certain collateral obligations where the change in valuation was caused by or resulted from a business disruption due primarily to the COVID-19 pandemic.

As of December 31, 2020 and September 30, 2020, the OCSI Glick JV had total assets of $154.1 million and $137.9 million, respectively. The Company's investment in the OCSI Glick JV consisted of LLC equity interests and Subordinated Notes of $53.4 million and $49.4 million in the aggregate at fair value as of December 31, 2020 and September 30, 2020, respectively. The Subordinated Notes are junior in right of payment to the repayment of temporary contributions made by the Company to fund investments of the OCSI Glick JV that are repaid when GF Equity Funding and GF Debt Funding make their capital contributions and fund their Subordinated Notes, respectively.

As of December 31, 2020 and September 30, 2020, the OCSI Glick JV had total capital commitments of $100.0 million, $87.5 million of which was from the Company and the remaining $12.5 million of which was from GF Equity Funding and GF Debt Funding. Approximately $84.0 million in aggregate commitments were funded as of each of December 31, 2020 and September 30, 2020, of which $73.5 million was from the Company. As of each of December 31, 2020 and September 30, 2020, the Company had commitments to fund Subordinated Notes to the OCSI Glick JV of $78.8 million, of which $12.4 million were unfunded as of each such date. As of each of December 31, 2020 and September 30, 2020, the Company had commitments to fund LLC equity interests in the OCSI Glick JV of $8.7 million, of which $1.6 million were unfunded.

Below is a summary of the OCSI Glick JV's portfolio, followed by a listing of the individual loans in the OCSI Glick JV's portfolio as of December 31, 2020 and September 30, 2020:

	December 31, 2020	September 30, 2020
Senior secured loans (1)	$146,884,184	$143,138,964
Weighted average current interest rate on senior secured loans (2)	5.80%	5.56%
Number of borrowers in the OCSI Glick JV	42	40
Largest loan exposure to a single borrower (1)	$6,994,829	$6,994,829
Total of five largest loan exposures to borrowers (1)	$31,360,969	$31,371,046

(1) At principal amount.
(2) Computed using the weighted average annual interest rate on accruing senior secured loans at fair value.

OCSI Glick JV Portfolio as of December 31, 2020

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
ADB Companies, LLC	First Lien Term Loan, LIBOR+6.25% cash due 12/18/2025	7.25%	Construction & Engineering	$ 3,333,333	$ 3,250,000	$ 3,266,667	(4)
ADB Companies, LLC	First Lien Delayed Draw Term Loan, LIBOR+6.25% cash due 12/18/2025		Construction & Engineering	—	(16,667)	(13,333)	(4)(5)
Total ADB Companies, LLC				**3,333,333**	**3,233,333**	**3,253,334**	
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65%	Electrical Components & Equipment	2,659,897	2,608,134	2,643,273	(4)
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25%	Pharmaceuticals	6,994,829	6,823,867	6,726,682	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	5.00%	Movies & Entertainment	2,977,500	2,947,725	2,769,075	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	1,680,216	1,331,881	1,126,047	(6)
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%	Application Software	3,128,595	3,124,546	3,125,466	(4)
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+5.75% cash due 12/24/2026	6.75%	Airport Services	3,721,875	3,642,547	3,468,788	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.15%	Oil & Gas Equipment & Services	4,874,132	4,858,878	4,270,081	
California Pizza Kitchen, Inc.	Second Lien Term Loan, 1.00% cash / LIBOR+12.50% PIK due 5/23/2025		Restaurants	913,125	901,843	730,500	(6)
California Pizza Kitchen, Inc.	Shares of Common Stock in CPK Parent, Inc.		Restaurants	—	678,882	618,354	
Total California Pizza Kitchen, Inc.				**913,125**	**1,580,725**	**1,348,854**	
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%	Restaurants	1,115,395	1,062,641	1,111,212	(4)
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+6.25% cash due 3/28/2024	7.25%	Oil & Gas Refining & Marketing	3,582,652	3,546,825	3,570,112	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%	Alternative Carriers	4,570,594	4,475,633	4,597,127	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+3.75% cash due 7/9/2026	4.00%	Biotechnology	4,937,500	4,900,469	4,908,690	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,487,500	2,462,625	2,470,398	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25%	Systems Software	5,821,200	5,787,939	5,781,179	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15%	Research & Consulting Services	5,000,000	4,983,262	5,000,000	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52%	Systems Software	989,884	979,985	986,582	(4)
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	2,850,000	2,760,193	2,755,010	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	$ 3,265,271	$ 3,242,084	$ 2,999,295	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+5.50% cash due 7/13/2022	6.50%	Alternative Carriers	796,501	722,217	814,821	
Lightstone Holdco LLC	First Lien Term Loan, LIBOR+3.75% cash due 1/30/2024	4.75%	Electric Utilities	3,300,000	2,928,750	3,075,650	
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.65%	Electronic Components	1,382,805	1,112,966	1,346,879	
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	4,090,625	4,050,380	3,983,258	(4)
MHE Intermediate Holdings, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	826,442	816,269	804,750	(4)
Total MHE Intermediate Holdings, LLC				**4,917,067**	**4,866,649**	**4,788,008**	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%	Application Software	1,629,094	1,615,449	1,625,021	(4)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,429)	(357)	(4)(5)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(687)	(117)	(4)(5)
Total MRI Software LLC				**1,629,094**	**1,613,333**	**1,624,547**	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.15%	Health Care Technology	3,970,000	3,950,150	3,970,020	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.75% cash due 3/31/2025	5.75%	Electrical Components & Equipment	5,348,750	5,332,532	5,241,775	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.65%	Integrated Telecommunication Services	983,060	949,136	987,975	(4)
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00%	Application Software	5,792,407	5,757,292	5,780,330	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15%	Application Software	3,939,767	3,921,723	3,910,219	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(61)	(107)	(4)(5)
Total OEConnection LLC				**3,939,767**	**3,921,662**	**3,910,112**	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%	Personal Products	3,569,761	3,514,349	3,569,761	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025		Personal Products	—	(5,196)	—	(4)(5)
Total Olaplex, Inc.				**3,569,761**	**3,509,153**	**3,569,761**	
Planview Parent, Inc.	Second Lien Term Loan, LIBOR+7.25% cash due 12/18/2028	8.00%	Application Software	2,842,000	2,799,370	2,842,000	
RS Ivy Holdco, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 12/23/2027	6.50%	Oil & Gas Exploration & Production	4,000,000	3,940,000	3,980,000	(4)
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%	Metal & Glass Containers	1,827,941	1,809,662	1,828,700	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.25% cash due 4/27/2024	6.25%	Footwear	6,274,940	6,250,097	5,459,198	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%	Health Care Services	5,835,000	5,801,221	5,659,950	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.00% cash due 10/1/2026	5.00%	Personal Products	6,435,000	6,402,824	6,474,735	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	4.00%	Application Software	2,871,538	2,695,389	2,693,503	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25%	Health Care Facilities	4,948,849	4,931,101	4,876,002	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%	Human Resource & Employment Services	1,611,940	1,609,855	1,437,359	
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65%	Health Care Technology	1,729,301	1,716,293	1,731,895	(4)
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%	Integrated Telecommunication Services	4,974,965	4,783,842	4,880,142	(4)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%	Aerospace & Defense	$ 3,000,000	$ 2,979,258	$ 2,542,500	(4)
Total Portfolio Investments				**$146,884,184**	**$144,736,044**	**$142,427,067**	

(1) Represents the interest rate as of December 31, 2020. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars. As of December 31, 2020, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.25% and the 180-day LIBOR at 0.26%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of December 31, 2020 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and the OCSI Glick JV as of December 31, 2020.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.
(6) This investment was on cash non-accrual status as of December 31, 2020. Cash non-accrual is inclusive of PIK and other non-cash income where applicable.

OCSI Glick JV Portfolio as of September 30, 2020

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65%	Electrical Components & Equipment	$ 2,671,716	$ 2,616,725	$ 2,558,168	(4)
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25%	Pharmaceuticals	6,994,829	6,808,979	6,773,337	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75%	Movies & Entertainment	2,985,000	2,955,150	2,567,100	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	1,684,513	1,352,429	743,814	(6)
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%	Application Software	3,201,353	3,194,577	3,178,943	(4)
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00%	Airport Services	3,731,250	3,648,256	3,470,063	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.16%	Oil & Gas Equipment & Services	4,887,066	4,870,862	3,733,376	
California Pizza Kitchen, Inc.	First Lien Term Loan, LIBOR+8.00% cash due 8/23/2022		Restaurants	5,004,489	4,813,378	1,526,369	(6)
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%	Restaurants	1,118,198	1,062,723	1,109,811	(4)
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00%	Oil & Gas Refining & Marketing	3,591,768	3,555,850	3,421,159	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%	Alternative Carriers	4,582,107	4,482,733	4,453,258	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+3.75% cash due 7/9/2026	3.97%	Biotechnology	4,950,000	4,912,875	4,912,875	(4)
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,493,750	2,468,813	2,486,992	(4)
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25%	Systems Software	5,835,900	5,800,375	5,762,951	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15%	Research & Consulting Services	5,000,000	4,982,443	4,825,000	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52%	Systems Software	992,422	982,498	980,642	(4)
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	2,887,500	2,790,416	2,699,813	
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	3,277,221	3,249,274	3,011,753	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 7/13/2022	6.50%	Alternative Carriers	398,251	328,422	414,511	(5)
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.65%	Electronic Components	1,386,341	1,100,748	1,294,496	
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	4,101,250	4,058,056	3,991,747	(4)
MHE Intermediate Holdings, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	828,579	818,379	806,456	(4)
Total MHE Intermediate Holdings, LLC				**4,929,829**	**4,876,435**	**4,798,203**	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%	Application Software	1,614,980	1,601,301	1,575,954	(4)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,429)	(3,454)	(4)(5)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(763)	(1,568)	(4)(5)
Total MRI Software LLC				**1,614,980**	**1,599,109**	**1,570,932**	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.15%	Health Care Technology	3,980,000	3,960,100	3,899,584	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.75% cash due 3/31/2025	5.75%	Electrical Components & Equipment	5,362,500	5,345,242	5,121,188	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.66%	Integrated Telecommunication Services	985,530	950,121	986,762	(4)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00%	Application Software	$ 5,807,651	$ 5,770,724	$ 5,706,017	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15%	Application Software	3,727,256	3,709,171	3,685,325	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(1,048)	(2,654)	(4)(5)
Total OEConnection LLC				**3,727,256**	**3,708,123**	**3,682,671**	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%	Personal Products	2,962,500	2,910,467	2,962,500	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50%	Personal Products	162,000	156,467	162,000	(4)(5)
Total Olaplex, Inc.				**3,124,500**	**3,066,934**	**3,124,500**	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%	Metal & Glass Containers	1,885,500	1,866,645	1,860,366	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+3.00% cash PIK 2.25% due 4/27/2024	4.00%	Footwear	6,239,067	6,212,276	4,382,944	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%	Health Care Services	5,850,000	5,813,914	5,645,250	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.25%	Personal Products	6,451,250	6,418,993	6,427,573	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.90%	Application Software	2,878,863	2,692,385	2,595,483	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25%	Health Care Facilities	4,961,637	4,942,580	4,690,806	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%	Human Resource & Employment Services	1,616,127	1,613,862	1,224,798	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25%	Movies & Entertainment	1,557,649	1,540,707	1,534,775	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65%	Health Care Technology	1,733,723	1,720,364	1,722,238	(4)
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.40%	Data Processing & Outsourced Services	4,771,728	4,756,892	4,682,258	
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%	Integrated Telecommunication Services	4,987,500	4,788,469	4,839,970	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%	Aerospace & Defense	3,000,000	2,978,243	2,340,000	(4)
Total Portfolio Investments				**$ 143,138,964**	**$ 140,599,644**	**$ 130,760,749**	

(1) Represents the interest rate as of September 30, 2020. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars. As of September 30, 2020, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.22% and the 180-day LIBOR at 0.27%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of September 30, 2020 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and the OCSI Glick JV as of September 30, 2020.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.
(6) This investment was on cash non-accrual status as of September 30, 2020. Cash non-accrual is inclusive of PIK and other non-cash income where applicable.

The cost and fair value of the Company's aggregate investment in the OCSI Glick JV was $71.2 million and $53.4 million, respectively, as of December 31, 2020 and $72.2 million and $49.4 million, respectively, as of September 30, 2020. The Company and GF Debt Funding amended the Subordinated Notes during the year ended September 30, 2020 to (1) decrease the interest rate to 1-month LIBOR plus 4.5% per annum, (2) extend the maturity date from October 20, 2021 to October 20, 2028 and (3) provide that the Subordinated Notes would not pay interest on its previously scheduled April 15, 2020, July 15, 2020, October 15, 2020 or January 15, 2021 coupon dates. For the three months ended December 31, 2020, the Company's investment in the Subordinated Notes was on cash non-accrual status and no interest income was earned on its investment in the Subordinated Notes. For the three months ended December 31, 2019, the Company earned interest income of $1.4 million on its investment in the Subordinated Notes. The Company did not earn any dividend income for the three months ended December 31, 2020 and 2019 with respect to its investment in the LLC equity interests of the OCSI Glick JV. The LLC equity interests of the OCSI Glick JV are income producing to the extent there is residual cash to be distributed on a quarterly basis.

Below is certain summarized financial information for the OCSI Glick JV as of December 31, 2020 and September 30, 2020 and for the three months ended December 31, 2020 and 2019:

	December 31, 2020	September 30, 2020
Selected Balance Sheet Information:		
Investments at fair value (cost December 31, 2020: $144,736,044; cost September 30, 2020: $140,599,644)	$ 142,427,067	$ 130,760,749
Cash and cash equivalents	8,848,707	3,574,960
Restricted cash	1,295,940	1,106,829
Other assets	1,516,143	2,475,078
Total assets	**$ 154,087,857**	**$ 137,917,616**
Senior credit facility payable	$ 78,681,939	$ 80,681,939
Subordinated Notes payable at fair value (proceeds December 31, 2020: $73,194,913; proceeds September 30, 2020: $74,337,772)	60,967,686	56,469,250
Other liabilities	14,438,232	766,427
Total liabilities	**$ 154,087,857**	**$ 137,917,616**
Members' equity	—	—
Total liabilities and members' equity	**$ 154,087,857**	**$ 137,917,616**

	Three months ended December 31, 2020	Three months ended December 31, 2019
Selected Statements of Operations Information:		
Interest income	$ 2,050,929	$ 2,857,253
Fee income	55,472	27,710
Total investment income	**2,106,401**	**2,884,963**
Interest expense	663,949	2,702,956
Other expenses	27,205	67,268
Total expenses (1)	**691,154**	**2,770,224**
Net unrealized appreciation (depreciation)	1,888,623	529,458
Realized gain (loss)	(3,303,870)	(644,197)
Net income (loss)	**$ —**	**$ —**

(1) There are no management fees or incentive fees charged at the OCSI Glick JV.

The OCSI Glick JV has elected to fair value the Subordinated Notes issued to the Company and GF Debt Funding under FASB ASC Topic 825, *Financial Instruments - Fair Value Option*. The Subordinated Notes are valued based on the total assets less the liabilities senior to the Subordinated Notes in an amount not exceeding par under the EV technique.

During the three months ended December 31, 2020 and 2019, the Company did not sell any debt investments to the OCSI Glick JV.

Note 4. Fee Income

For the three months ended December 31, 2020 and 2019, the Company recorded total fee income of $0.2 million and $0.4 million, respectively, of which $0.1 million and $0.1 million, respectively, was recurring in nature. Recurring fee income primarily consists of servicing fees and exit fees.

Note 5. Share Data and Net Assets

Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share, pursuant to FASB ASC Topic 260-10, *Earnings per Share*, for the three months ended December 31, 2020 and 2019:

	Three months ended December 31, 2020	Three months ended December 31, 2019
Earnings (loss) per common share — basic and diluted:		
Net increase (decrease) in net assets resulting from operations	$ 14,032,379	$ 6,134,254
Weighted average common shares outstanding	29,466,768	29,466,768
Earnings (loss) per common share — basic and diluted	**$ 0.48**	**$ 0.21**

Changes in Net Assets

The following table presents the changes in net assets for the three months ended December 31, 2020:

	Common Stock				
	Shares	Par Value	Additional Paid-in-Capital	Accumulated Overdistributed Earnings	Total Net Assets
Balance as of September 30, 2020	29,466,768	$ 294,668	$ 369,199,332	$ (102,812,589)	$ 266,681,411
Net investment income	—	—	—	4,000,226	4,000,226
Net unrealized appreciation (depreciation)	—	—	—	10,532,618	10,532,618
Net realized gains (losses)	—	—	—	(500,465)	(500,465)
Distributions to stockholders	—	—	—	(4,272,681)	(4,272,681)
Issuance of common stock under dividend reinvestment plan	13,754	138	106,570	—	106,708
Repurchases of common stock under dividend reinvestment plan	(13,754)	(138)	(106,570)	—	(106,708)
Balance as of December 31, 2020	29,466,768	$ 294,668	$ 369,199,332	$ (93,052,891)	$ 276,441,109

The following table presents the changes in net assets for the three months ended December 31, 2019:

	Common Stock				
	Shares	Par Value	Additional Paid-in-Capital	Accumulated Overdistributed Earnings	Total Net Assets
Balance as of September 30, 2019	29,466,768	$ 294,668	$ 369,199,332	$ (85,043,994)	$ 284,450,006
Net investment income	—	—	—	4,727,580	4,727,580
Net unrealized appreciation (depreciation)	—	—	—	1,926,384	1,926,384
Net realized gains (losses)	—	—	—	(519,710)	(519,710)
Distributions to stockholders	—	—	—	(4,567,350)	(4,567,350)
Issuance of common stock under dividend reinvestment plan	7,793	78	64,256	—	64,334
Repurchases of common stock under dividend reinvestment plan	(7,793)	(78)	(64,256)	—	(64,334)
Balance as of December 31, 2019	29,466,768	$ 294,668	$ 369,199,332	$ (83,477,090)	$ 286,016,910

Distributions

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend is determined by the Board of Directors and is based on management's estimate of the Company's annual taxable income. Net realized capital gains, if any, may be distributed to stockholders or retained for reinvestment.

The Company has adopted a dividend reinvestment plan ("DRIP") that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Company's Board of Directors declares a cash distribution, then the Company's stockholders who have not "opted out" of the Company's DRIP will have their cash distribution automatically reinvested in additional shares of the Company's common stock, rather than receiving the cash distribution. If the Company's shares are trading at a premium to net asset value, the Company typically issues new shares to implement the DRIP with such shares issued at the greater of the most recently computed net asset value per share of common stock or 95% of the current market price per share of common stock on the payment date for such distribution. If the Company's shares are trading at a discount to net asset value, the Company typically purchases shares in the open market in connection with the Company's obligations under the DRIP.

For income tax purposes, the Company has reported its distributions for the 2020 calendar year as ordinary income. The character of such distributions was appropriately reported to the Internal Revenue Service and stockholders for the 2020 calendar year. To the extent the Company's taxable earnings for a fiscal and taxable year fall below the amount of distributions paid for the fiscal and taxable year, a portion of the total amount of the Company's distributions for the fiscal and taxable year is deemed a return of capital for tax purposes to the Company's stockholders.

The following table reflects the distributions per share that the Company has paid, including shares issued under the DRIP, on its common stock during the three months ended December 31, 2020 and 2019:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 13, 2020	December 15, 2020	December 31, 2020	$ 0.145	$ 4,165,973	13,754	$ 106,708
Total for the three months ended December 31, 2020			**$ 0.145**	**$ 4,165,973**	**13,754**	**$ 106,708**

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 12, 2019	December 13, 2019	December 31, 2019	$ 0.155	$ 4,503,016	7,793	$ 64,334
Total for the three months ended December 31, 2019			**$ 0.155**	**$ 4,503,016**	**7,793**	**$ 64,334**

(1) Shares were purchased on the open market and distributed.

Common Stock Offering

There were no common stock offerings during the three months ended December 31, 2020 and 2019.

Note 6. Borrowings

Citibank Facility

On January 15, 2015, OCSI Senior Funding II LLC (formerly FS Senior Funding II LLC), the Company's wholly-owned, special purpose financing subsidiary, entered into a revolving credit facility (as amended, the "Citibank Facility") with the lenders referred to therein, Citibank, N.A., as administrative agent, and Wells Fargo Bank, N.A., as collateral agent and custodian.

As of December 31, 2020 and September 30, 2020, the Company was able to borrow up to $180 million under the Citibank Facility (subject to borrowing base and other limitations). As of December 31, 2020, the reinvestment period under the Citibank Facility is scheduled to expire on July 19, 2021 and the maturity date for the Citibank Facility is July 18, 2023.

As of December 31, 2020, borrowings under the Citibank Facility are subject to certain customary advance rates and accrue interest at a rate equal to LIBOR plus 1.70% per annum on broadly syndicated loans and LIBOR plus 2.25% per annum on all other eligible loans during the reinvestment period. Following termination of the reinvestment period, borrowings under the Citibank Facility will accrue interest at rates equal to LIBOR plus 3.50% per annum during the first year after the reinvestment period and LIBOR plus 4.00% per annum during the subsequent two years, respectively. In addition, as of December 31, 2020, for the duration of the reinvestment period there is a non-usage fee payable of 0.50% per annum on the undrawn amount under the Citibank Facility. As of December 31, 2020, the minimum asset coverage ratio applicable to the Company under the Citibank Facility is 150% as determined in accordance with the requirements of the Investment Company Act.

As of December 31, 2020 and September 30, 2020, the Company had $121.1 million and $119.1 million outstanding under the Citibank Facility, respectively. Borrowings under the Citibank Facility are secured by all of the assets of OCSI Senior Funding II LLC and all of the Company's equity interests in OCSI Senior Funding II LLC. The Company may use the Citibank Facility to fund a portion of its loan origination activities and for general corporate purposes. Each loan origination under the Citibank Facility is subject to the satisfaction of certain conditions. The Company's borrowings under the Citibank Facility bore interest at a weighted average interest rate of 2.223% and 3.878% for the three months ended December 31, 2020 and 2019, respectively. For the three months ended December 31, 2020 and 2019, the Company recorded interest expense (inclusive of fees) of $0.9 million and $1.4 million, respectively, related to the Citibank Facility.

Deutsche Bank Facility

On September 24, 2018, OCSI Senior Funding Ltd., a wholly-owned subsidiary of the Company, entered into a loan financing and servicing agreement (as amended, the “Deutsche Bank Facility”) with the Company as equityholder and as servicer, the lenders from time to time parties thereto, Deutsche Bank AG, New York Branch, as facility agent, the other agents parties thereto and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian.

As of December 31, 2020, (a) OCSI Senior Funding Ltd. may request drawdowns under the Deutsche Bank Facility until September 30, 2021 (the "revolving period") unless there is an earlier termination or event of default, (b) the maturity date of the Deutsche Bank Facility is the earliest of March 30, 2022, the occurrence of an event of default or completion of a securitization transaction, (c) the size of the Deutsche Bank Facility is $160 million (subject to borrowing base and other limitations) and (d) the interest rate is three-month LIBOR plus 2.65% through September 30, 2021, following which the interest rate will reset to three-month LIBOR plus 2.80% for the remaining term of the Deutsche Bank Facility, in each case with a 0.25% LIBOR floor. There is a non-usage fee of 0.50% per annum payable on the undrawn amount under the Deutsche Bank Facility, and, as of December 31, 2020, a minimum utilization fee should the drawn amount under the Deutsche Bank Facility fall below 80%.

As of December 31, 2020, the Deutsche Bank Facility included a waiver period (which extended through January 3, 2021) during which the facility agent was restricted from revaluing certain collateral obligations where the change in valuation was caused by or resulted from a business disruption due primarily to the COVID-19 pandemic.

The Deutsche Bank Facility is secured by all of the assets held by OCSI Senior Funding Ltd. OCSI Senior Funding Ltd. has made customary representations and warranties and is required to comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar credit facilities. The borrowings of the Company, including indirectly under the Deutsche Bank Facility, are subject to the leverage restrictions contained in the Investment Company Act.

As of December 31, 2020 and September 30, 2020, the Company had $131.7 million and $137.6 million outstanding under the Deutsche Bank Facility, respectively. For the three months ended December 31, 2020 and 2019, the Company’s borrowings under the Deutsche Bank Facility bore interest at a weighted average interest rate of 2.967% and 4.127%, respectively, and the Company recorded interest expense (inclusive of fees) of $1.2 million and $1.8 million, respectively.

East West Bank Facility

On January 6, 2016, the Company entered into a five-year $25 million senior secured revolving credit facility (subject to borrowing base and other limitations) with the lenders referenced therein, U.S. Bank National Association, as Custodian, and East West Bank as Secured Lender (as amended, the "East West Bank Facility"). As of September 30, 2020, the commitments under the East West Bank Facility were terminated. Prior to its termination on September 30, 2020, the East West Bank Facility bore an interest rate of either LIBOR plus 2.85% per annum or East West Bank’s prime rate, in each case with a 3.5% floor. Prior to its termination on September 30, 2020, the minimum asset coverage ratio applicable to the Company under the East West Bank Facility was 150% as determined in accordance with the requirements of the Investment Company Act. The East West Bank Facility would have otherwise matured on January 6, 2021. The East West Bank Facility required the Company to comply with certain affirmative and negative covenants and other customary requirements for similar credit facilities.

As of each of December 31, 2020 and September 30, 2020, there were no borrowings outstanding under the East West Bank Facility. Borrowings under the East West Bank Facility were secured by the loans pledged as collateral thereunder from time to time as well as certain other assets of the Company. The Company used the East West Bank Facility to fund a portion of its loan origination activities and for general corporate purposes. The Company’s borrowings under the East West Bank Facility bore interest at a weighted average interest rate of 4.799% for the three months ended December 31, 2019. For the three months ended December 31, 2019, the Company recorded interest expense (inclusive of fees) of $0.2 million related to the East West Bank Facility.

Secured Borrowings

As of December 31, 2020, the Company did not have any secured borrowings outstanding. As of September 30, 2020, the Company had $10.9 million of secured borrowings outstanding, which were recorded as a result of certain securities that were sold and simultaneously repurchased at a premium, with amounts payable to the counterparty due on the repurchase settlement date, which is generally within 60 days of the trade date. For the three months ended December 31, 2020, the Company recorded less than $0.1 million of interest expense in connection with secured borrowings. For the three months ended December 31, 2019, the Company did not incur interest expense in connection with secured borrowings. The Company's secured borrowings bore interest at a weighted average rate of 3.34% for the three months ended December 31, 2020.

Note 7. Interest and Dividend Income

As of December 31, 2020 and September 30, 2020, there was one investment on which the Company had stopped accruing cash and/or PIK interest or OID income. The Company restructured its investment in the Subordinated Notes to realign the vehicle for current market conditions. The Company and GF Debt Funding amended the Subordinated Notes to (1) decrease the interest rate to 1-month LIBOR plus 4.5% per annum, (2) extend the maturity date from October 20, 2021 to October 20, 2028 and (3) provide that the Subordinated Notes will not pay interest on its previously scheduled April 15, 2020, July 15, 2020, October 15, 2020 or January 15, 2021 coupon dates. Given that the Subordinated Notes will not pay interest for four consecutive quarters, the Company placed its investment in the Subordinated Notes on cash non-accrual status and did not recognize any interest income from the OCSI Glick JV during the three months ended December 31, 2020. The percentages of the Company's debt investments at cost and fair value by accrual status as of December 31, 2020 and September 30, 2020 were as follows:

	December 31, 2020				September 30, 2020			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	$ 473,967,760	88.10 %	$ 465,410,058	89.71 %	$ 464,459,378	87.72 %	$ 450,508,104	90.12 %
Cash non-accrual (1)	64,045,551	11.90	53,365,955	10.29	65,045,551	12.28	49,409,901	9.88
Total	**$ 538,013,311**	**100.00 %**	**$ 518,776,013**	**100.00 %**	**$ 529,504,929**	**100.00 %**	**$ 499,918,005**	**100.00 %**

(1) Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

Note 8. Taxable/Distributable Income and Dividend Distributions

Taxable income differs from net increase (decrease) in net assets resulting from operations primarily due to: (1) unrealized appreciation (depreciation) on investments and foreign currency, as gains and losses are not included in taxable income until they are realized; (2) exit fees received in connection with investments in portfolio companies; (3) origination fees received in connection with investments in portfolio companies; (4) recognition of interest income on certain loans; and (5) income or loss recognition on exited investments.

Listed below is a reconciliation of net increase (decrease) in net assets resulting from operations to taxable income for the three months ended December 31, 2020 and 2019:

	Three months ended December 31, 2020	Three months ended December 31, 2019
Net increase (decrease) in net assets resulting from operations	$ 14,032,379	$ 6,134,254
Net unrealized (appreciation) depreciation	(10,532,618)	(1,926,384)
Book/tax difference due to capital losses not recognized (recognized)	3,103,857	735,505
Other book/tax differences	(1,711,796)	(463,275)
Taxable/Distributable Income (1)	**$ 4,891,822**	**$ 4,480,100**

(1) The Company's taxable income for the three months ended December 31, 2020 is an estimate and will not be finally determined until the Company files its tax return for the fiscal year ending September 30, 2021. Therefore, the final taxable income may be different than the estimate.

As of September 30, 2020, the Company had a net capital loss carryforward of $72,740,041, which can be used to offset future capital gains and is not subject to expiration. Of the net capital loss carryforward, $6,452,866 is available to offset future short-term capital gains and $66,287,175 is available to offset future long-term capital gains.

As of September 30, 2020, the Company's last tax year end, the components of accumulated overdistributed earnings on a tax basis were as follows:

Undistributed ordinary income, net	$	3,138,670
Net realized capital losses		(72,740,041)
Unrealized losses, net		(33,211,216)

The aggregate cost of investments for income tax purposes was $531,725,323 as of September 30, 2020. As of September 30, 2020, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over cost for income tax purposes was $41,676,913. As of September 30, 2020, the aggregate gross unrealized depreciation for all investments in which there was an excess of cost for income tax purposes over value was $74,888,129. Net unrealized depreciation based on the aggregate cost of investments for income tax purposes was $33,211,216.

Note 9. Realized Gains or Losses and Net Unrealized Appreciation or Depreciation

Realized Gains or Losses

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption and the cost basis of the investment without regard to unrealized appreciation or depreciation previously recognized, and include investments written-off during the period, net of recoveries. Realized losses may also be recorded in connection with the Company's determination that certain investments are considered worthless securities and/or meet the conditions for loss recognition per the applicable tax rules.

During each of the three months ended December 31, 2020 and 2019, the Company recorded an aggregate net realized loss of $0.5 million in connection with the exit of various investments.

Net Unrealized Appreciation or Depreciation

Net unrealized appreciation or depreciation reflects the net change in the valuation of the portfolio pursuant to the Company's valuation guidelines and the reclassification of any prior period unrealized appreciation or depreciation.

For the three months ended December 31, 2020 and 2019, the Company recorded net unrealized appreciation of $10.5 million and $1.9 million, respectively. For the three months ended December 31, 2020, this consisted of $10.0 million of unrealized appreciation on debt investments and $1.1 million of net unrealized appreciation from exited investments (a portion of which resulted in a reclassification to realized losses), offset by $0.6 million of net unrealized depreciation on equity investments. For the three months ended December 31, 2019, this consisted of $1.9 million of unrealized appreciation of debt investments and $0.2 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses), offset by $0.2 million of unrealized depreciation on foreign currency forward contracts.

Note 10. Concentration of Credit Risks

The Company deposits its cash with financial institutions and at times such balances may be in excess of the FDIC insurance limit. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions and monitoring their financial stability.

Note 11. Related Party Transactions

As of December 31, 2020 and September 30, 2020, the Company had a liability on its Consolidated Statements of Assets and Liabilities in the amount of $1.3 million and $1.7 million, respectively, reflecting the unpaid portion of the base management fees and incentive fees payable to Oaktree.

Investment Advisory Agreement

The Company is party to the Investment Advisory Agreement. Under the Investment Advisory Agreement, the Company pays Oaktree a fee for its services under the Investment Advisory Agreement consisting of two components: a base management fee and an incentive fee. The cost of both the base management fee payable to Oaktree and any incentive fees earned by Oaktree is ultimately borne by common stockholders of the Company.

From October 17, 2017 through May 3, 2020, the Company was externally managed by OCM pursuant to an investment advisory agreement. On May 4, 2020, OCM effected the novation of such investment advisory agreement to Oaktree. Immediately following such novation, the Company and Oaktree entered into a new investment advisory agreement with the same terms, including fee structure, as the investment advisory agreement with OCM. The term "Investment Advisory Agreement" refers collectively to the agreements with Oaktree and, prior to its novation, with OCM. Prior to October 17, 2017, the Company was externally managed by Fifth Street Management LLC (the "Former Adviser"), an indirect, partially-owned subsidiary of Fifth Street Asset Management Inc., pursuant to an investment advisory agreement between the Company and the Former Adviser, which was terminated on October 17, 2017.

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect until September 30, 2021 and thereafter from year-to-year if approved annually by the Company's Board of Directors or by the affirmative vote of the holders of a majority of the outstanding voting securities of the Company, including, in either case, approval by a majority of the directors of the Company who are not interested persons. The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. The Investment Advisory Agreement may also be terminated, without penalty, upon the vote of a majority of the outstanding voting securities of the Company.

Base Management Fee

Under the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 1.00% of total gross assets, including any investment made with borrowings, but excluding cash and cash equivalents. The base management fee is payable quarterly in arrears and the fee for any partial month or quarter is appropriately prorated.

For the three months ended December 31, 2020 and 2019 the base management fee incurred under the Investment Advisory Agreement was $1.3 million and $1.5 million, respectively.

Incentive Fee

The incentive fee consists of two parts. Under the Investment Advisory Agreement, the first part of the incentive fee (the "incentive fee on income" or "Part I incentive fee") is calculated and payable quarterly in arrears based upon the "pre-incentive fee net investment income" of the Company for the immediately preceding quarter. The payment of the incentive fee on income is subject to payment of a preferred return to investors each quarter (i.e., a "hurdle rate"), expressed as a rate of return on the value of the Company's net assets at the end of the most recently completed quarter, of 1.50%, subject to a "catch up" feature.

For this purpose, "pre-incentive fee net investment income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies, other than fees for providing managerial assistance) accrued during the fiscal quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero coupon securities), accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Under the Investment Advisory Agreement, the calculation of the incentive fee on income for each quarter is as follows:

- No incentive fee is payable to Oaktree in any quarter in which the Company's pre-incentive fee net investment income does not exceed the preferred return rate of 1.50% (the "preferred return") on net assets;
- 100% of the Company's pre-incentive fee net investment income, if any, that exceeds the preferred return but is less than or equal to 1.8182% in any fiscal quarter is payable to Oaktree. This portion of the incentive fee on income is referred to as the "catch-up" provision, and it is intended to provide Oaktree with an incentive fee of 17.5% on all of the Company's pre-incentive fee net investment income when the Company's pre-incentive fee net investment income exceeds 1.8182% on net assets in any fiscal quarter; and
- For any quarter in which the Company's pre-incentive fee net investment income exceeds 1.8182% on net assets, the incentive fee on income is equal to 17.5% of the amount of the Company's pre-incentive fee net investment income, as the preferred return and catch-up will have been achieved.

There is no accumulation of amounts on the hurdle rate from quarter to quarter and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle.

For the three months ended December 31, 2020 and 2019, the Part I incentive fee (net of waivers) incurred under the Investment Advisory Agreement was less than $0.1 million and $0.9 million, respectively.

Under the Investment Advisory Agreement, the second part of the incentive fee (the "capital gains incentive fee") is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date) commencing with the fiscal year ended September 30, 2019 and equals 17.5% of the Company’s realized capital gains, if any, on a cumulative basis from the beginning of the fiscal year ended September 30, 2019 through the end of each subsequent fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fees under the Investment Advisory Agreement. Any realized capital gains, realized capital losses, unrealized capital appreciation and unrealized capital depreciation with respect to the Company’s portfolio as of the end of the fiscal year ended September 30, 2018 are excluded from the calculations of the second part of the incentive fee. As of December 31, 2020, the Company has not paid any capital gains incentive fees, and no amount is currently payable under the terms of the Investment Advisory Agreement.

GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized on a theoretical "liquidation basis." A fee so calculated and accrued would not be payable under applicable law and may never be paid based upon the computation of capital gains incentive fees in subsequent periods. Amounts ultimately paid under the Investment Advisory Agreement will be consistent with the formula reflected in the Investment Advisory Agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee plus the aggregate cumulative unrealized capital appreciation. Any realized capital gains and losses and cumulative unrealized capital appreciation and depreciation with respect to the Company’s portfolio as of the end of the fiscal year ended September 30, 2018 are excluded from the GAAP accrual. If such amount is positive at the end of a period, then GAAP requires the Company to record a capital gains incentive fee equal to 17.5% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees paid or capital gains incentive fees accrued under GAAP in all prior periods. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future or any accrued capital gains incentive fee will become payable under the Investment Advisory Agreement. As of December 31, 2020, the Company did not accrue, and cumulatively has not accrued, any capital gains incentive fees.

Indemnification

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, Oaktree and its officers, managers, partners, members (and their members, including the owners of their members), agents, employees, controlling persons and any other person or entity affiliated with it, are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Oaktree's services under the Investment Advisory Agreement or otherwise as investment adviser.

Administrative Services

The Company is party to the Administration Agreement with Oaktree Administrator. Pursuant to the Administration Agreement, Oaktree Administrator provides administrative services to the Company necessary for the operations of the Company, which include providing office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as Oaktree Administrator, subject to review by the Company’s Board of Directors, shall from time to time deem to be necessary or useful to perform its obligations under the Administration Agreement. Oaktree Administrator may, on behalf of the Company, conduct relations and negotiate agreements with custodians, trustees, depositories, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. Oaktree Administrator makes reports to the Company’s Board of Directors of its performance of obligations under the Administration Agreement and furnishes advice and recommendations with respect to such other aspects of the Company’s business and affairs, in each case, as it shall determine to be desirable or as reasonably required by the Company’s Board of Directors; provided that Oaktree Administrator shall not provide any investment advice or recommendation.

Oaktree Administrator also provides portfolio collection functions for interest income, fees and warrants and is responsible for the financial and other records that the Company is required to maintain and prepares, prints and disseminates reports to the Company’s stockholders and all other materials filed with the U.S. Securities and Exchange Commission, or the SEC. In addition, Oaktree Administrator assists the Company in determining and publishing the Company’s net asset value, overseeing the preparation and filing of the Company’s tax returns, and generally overseeing the payment of the Company’s expenses and the performance of administrative and professional services rendered to the Company by others. Oaktree Administrator may also offer to provide, on the Company’s behalf, managerial assistance to the Company’s portfolio companies.

For providing these services, facilities and personnel, the Company reimburses Oaktree Administrator the allocable portion of overhead and other expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement, including the Company's allocable portion of the rent of the Company's principal executive offices (which are located in a building owned by a Brookfield affiliate) at market rates and the Company's allocable portion of the costs of compensation and related expenses of its Chief Financial Officer, Chief Compliance Officer, their staffs and other non-investment professionals at Oaktree that perform duties for the Company. Such reimbursement is at cost, with no profit to, or markup by, Oaktree Administrator. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. The Administration Agreement may also be terminated, without penalty, upon the vote of a majority of the Company's outstanding voting securities.

For the three months ended December 31, 2020, the Company accrued administrative expenses of $0.3 million, including less than $0.1 million of general and administrative expenses. For the three months ended December 31, 2019, the Company accrued administrative expenses of $0.3 million, including $0.1 million of general and administrative expenses.

As of December 31, 2020 and September 30, 2020, $1.4 million and $1.2 million, respectively, was included in "Due to affiliate" in the Consolidated Statements of Assets and Liabilities, reflecting the unpaid portion of administrative expenses and other reimbursable expenses payable to Oaktree Administrator.

Note 12. Financial Highlights

	Three months ended December 31, 2020	Three months ended December 31, 2019
Net asset value per share at beginning of period	$ 9.05	$ 9.65
Net investment income (1)	0.14	0.16
Net unrealized appreciation (depreciation) (1)	0.36	0.08
Net realized gains (losses) (1)	(0.02)	(0.02)
Distributions of net investment income to stockholders	(0.15)	(0.16)
Net asset value per share at end of period	**$ 9.38**	**$ 9.71**
Per share market value at beginning of period	$ 6.51	$ 8.25
Per share market value at end of period	$ 7.75	$ 8.19
Total return (2)	21.27 %	1.14 %
Common shares outstanding at beginning of period	29,466,768	29,466,768
Common shares outstanding at end of period	29,466,768	29,466,768
Net assets at beginning of period	$ 266,681,411	$ 284,450,006
Net assets at end of period	$ 276,441,109	$ 286,016,910
Average net assets (3)	$ 272,954,526	$ 286,623,521
Ratio of net investment income to average net assets (4)	5.81%	6.54%
Ratio of total expenses to average net assets (4)	7.25%	9.59%
Ratio of net expenses to average net assets (4)	7.25%	9.52%
Ratio of portfolio turnover to average investments at fair value	6.70%	5.76%
Weighted average outstanding debt (5)	$ 259,010,675	$ 296,135,061
Average debt per share (1)	$ 8.79	$ 10.05
Asset coverage ratio at end of period (6)	209.37%	193.37%

(1) Calculated based upon weighted average shares outstanding for the period.

(2) Total return equals the increase or decrease of ending market value over beginning market value, plus distributions, divided by the beginning market value, assuming dividend reinvestment prices obtained under the Company's DRIP. Total return does not include sales load.

(3) Calculated based upon the weighted average net assets for the period.

(4) Interim periods are annualized.

(5) Calculated based upon the weighted average outstanding debt for the period.

(6) Based on outstanding senior securities of $252.8 million and $306.3 million as of December 31, 2020 and 2019, respectively.

Note 13. Derivative Instruments

The Company enters into forward currency contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies.

In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company entered into an International Swaps and Derivatives Association, Inc. Master Agreement (the "ISDA Master Agreement") with its derivative counterparty, JPMorgan Chase Bank, N.A. The ISDA Master Agreement permits a single net payment in the event of a default or similar event. As of December 31, 2020, $0.3 million has been pledged to cover obligations and no cash collateral has been received from the counterparty with respect to the Company's forward currency contracts.

Net unrealized gains or losses on foreign currency contracts are included in "net unrealized appreciation (depreciation)" and net realized gains or losses on forward currency contracts are included in "net realized gains (losses)" in the accompanying Consolidated Statements of Operations. Forward currency contracts are considered undesignated derivative instruments.

Certain information related to the Company's foreign currency forward contracts is presented below as of December 31, 2020.

Description	Notional Amount Purchased / (Sold) in U.S. Dollars	Notional Amount Purchased / (Sold) in Local Currency	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	$ 550,921	€ (465,600)	2/11/2021	$ —	$ 19,315	Derivative liability
Foreign currency forward contract	$ 5,024,432	£ (3,787,879)	2/11/2021	$ —	$ 154,916	Derivative liability
				$ —	$ 174,231	

Certain information related to the Company's foreign currency forward contracts is presented below as of September 30, 2020.

Description	Notional Amount Purchased / (Sold) in U.S. Dollars	Notional Amount Purchased / (Sold) in Local Currency	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	$ 529,015	€ (465,600)	11/12/2020	$ —	$ 17,450	Derivative liability
Foreign currency forward contract	$ 4,613,133	£ (3,654,546)	11/12/2020	$ —	$ 112,486	Derivative liability
				$ —	$ 129,936	

Note 14. Commitments and Contingencies

Off-Balance Sheet Arrangements

The Company may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of its portfolio companies. As of December 31, 2020 and September 30, 2020, off-balance sheet arrangements consisted of $47.1 million and $33.7 million, respectively, of unfunded commitments to provide debt and equity financing to certain of the Company's portfolio companies. Such commitments are subject to the portfolio companies' satisfaction of certain financial and nonfinancial covenants and may involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Consolidated Statements of Assets and Liabilities.

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components and Subordinated Notes and LLC equity interests of the OCSI Glick JV) as of December 31, 2020 and September 30, 2020 is shown in the table below:

	December 31, 2020	September 30, 2020
OCSI Glick JV LLC (1)	$ 13,998,029	$ 13,998,029
MHE Intermediate Holdings, LLC	5,254,516	5,254,516
Athenex, Inc.	3,987,611	5,316,815
Thrasio, LLC	3,784,502	—
Jazz Acquisition, Inc.	3,678,000	—
FFI Holdings I Corp	3,671,200	—
Latam Airlines Group S.A.	2,951,000	—
MRI Software LLC	2,435,062	2,721,132
NeuAG, LLC	1,059,000	1,059,000
ADB Companies, LLC	1,000,000	—
Olaplex, Inc.	972,004	486,000
Mindbody, Inc.	952,381	952,381
Ardonagh Midco 3 PLC	835,267	1,002,320
Accupac, Inc.	716,984	716,984
Apptio, Inc.	692,308	692,308
Coyote Buyer, LLC	391,267	391,267
Telestream Holdings Corporation	342,000	—
Immucor, Inc.	189,438	189,438
Ministry Brands, LLC	100,000	42,500
GKD Index Partners, LLC	88,889	88,889
OEConnection LLC	30,357	501,353
iCIMs, Inc.	—	294,118
Total	**$ 47,129,815**	**$ 33,707,050**

(1) This investment was on cash non-accrual status as of December 31, 2020 and September 30, 2020.

Note 15. Pending Merger with OCSL

On October 28, 2020, the Company entered into the Merger Agreement, which provides that, subject to the conditions set forth in the Merger Agreement, at the Effective Time, Merger Sub will merge with and into the Company, with the Company continuing as the surviving company and as a wholly-owned subsidiary of OCSL and, immediately thereafter, the Company will merge with and into OCSL, with OCSL continuing as the surviving company. At the Effective Time, each share of the Company’s common stock issued and outstanding immediately prior to the Effective Time (other than shares owned by OCSL or any of its consolidated subsidiaries (the "Cancelled Shares")) will be converted into the right to receive a number of shares of common stock, par value $0.01 per share, of OCSL ("OCSL Common Stock") equal to the Exchange Ratio (as defined below), plus any cash (without interest) in lieu of fractional shares.

As of a mutually agreed date no earlier than 48 hours (excluding Sundays and holidays) prior to the Effective Time (such date, the "Determination Date"), each of the Company and OCSL will deliver to the other a calculation of its net asset value as of such date (such calculation with respect to OCSL, the "Closing OCSL Net Asset Value" and such calculation with respect to the Company, the "Closing OCSI Net Asset Value"), in each case using a pre-agreed set of assumptions, methodologies and adjustments. Based on such calculations, the parties will calculate the "OCSI Per Share NAV", which will be equal to (i) the Closing OCSI Net Asset Value divided by (ii) the number of shares of the Company’s common stock issued and outstanding as of the Determination Date (excluding any Cancelled Shares), and the "OCSL Per Share NAV", which will be equal to (A) the Closing OCSL Net Asset Value divided by (B) the number of shares of OCSL Common Stock issued and outstanding as of the Determination Date. The "Exchange Ratio" will be equal to the quotient (rounded to four decimal places) of (i) the OCSI Per Share NAV divided by (ii) the OCSL Per Share NAV.

The Company and OCSL will update and redeliver the Closing OCSI Net Asset Value or the Closing OCSL Net Asset Value, respectively, in the event of a material change to such calculation between the Determination Date and the closing of the Mergers and if needed to ensure that the calculation is determined within 48 hours (excluding Sundays and holidays) prior to the Effective Time.

The Merger Agreement contains customary representations and warranties by each of the Company, OCSL and Oaktree. The Merger Agreement also contains customary covenants, including, among others, covenants relating to the operation of each of the Company’s and OCSL’s businesses during the period prior to the closing of the Mergers.

Consummation of the Mergers, which is currently anticipated to occur during the first half of calendar year 2021, is subject to certain closing conditions, including requisite approvals of the Company's and OCSL's stockholders and certain other closing conditions.

The Merger Agreement also contains certain termination rights in favor of the Company and OCSL, including if the Mergers are not completed on or before July 28, 2021 or if the requisite approvals of the Company's or OCSL's stockholders are not obtained. The Merger Agreement provides that, upon the termination of the Merger Agreement under certain circumstances, a third party acquiring the Company may be required to pay OCSL a termination fee of approximately $5.7 million. The Merger Agreement provides that, upon the termination of the Merger Agreement under certain circumstances, a third party acquiring OCSL may be required to pay the Company a termination fee of approximately $20.0 million.

Note 16. Subsequent Events

The Company's management evaluated subsequent events through the date of issuance of the Consolidated Financial Statements. There have been no subsequent events that occurred during such period that would require disclosure in, or would be required to be recognized in, the Consolidated Financial Statements as of and for the three months ended December 31, 2020, except as discussed below.

Distribution Declaration

On January 29, 2021, the Company's Board of Directors declared a quarterly distribution of $0.155 per share, payable in cash on February 26, 2021 to stockholders of record on February 12, 2021.

Oaktree Strategic Income Corporation

Schedule of Investments in and Advances to Affiliates
Three months ended December 31, 2020

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value as of October 1, 2020	Gross Additions (3)	Gross Reductions (4)	Fair Value as of December 31, 2020	% of Total Net Assets
Control Investments										
OCSI Glick JV LLC		Multi-sector holdings								
Subordinated Note, LIBOR+4.50% cash due 10/20/2028 (5)			$64,045,551	$ —	$ —	$ 49,409,901	$ 4,956,054	$ (1,000,000)	$ 53,365,955	19.3%
87.5% LLC equity interest (6)				—	—	—	—	—	—	—%
Total Control Investments			**$64,045,551**	**$ —**	**$ —**	**$ 49,409,901**	**$ 4,956,054**	**$ (1,000,000)**	**$ 53,365,955**	**19.3%**

This schedule should be read in connection with the Company's Consolidated Financial Statements, including the Consolidated Schedules of Investments and Notes to the Consolidated Financial Statements.

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(1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments.
(2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.
(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest (net of non-accrual amounts), and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation as well as the movement of an existing portfolio company into this category or out of a different category.
(4) Gross reductions include decreases in the cost basis of investments resulting from principal payments or sales and exchanges of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
(5) This investment was on cash non-accrual status as of December 31, 2020. Cash non-accrual is inclusive of PIK and other non-cash income, where applicable.
(6) Together with GF Equity Funding, the Company co-invests through the OCSI Glick JV. The OCSI Glick JV is capitalized as transactions are completed and all portfolio and investment decisions in respect to the OCSI Glick JV must be approved by the OCSI Glick JV investment committee consisting of representatives of the Company and GF Equity Funding (with approval from a representative of each required).

Oaktree Strategic Income Corporation

Schedule of Investments in and Advances to Affiliates
Three months ended December 31, 2019

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value as of October 1, 2019	Gross Additions (3)	Gross Reductions (4)	Fair Value as of December 31, 2019	% of Total Net Assets
Control Investments										
OCSI Glick JV LLC		Multi-sector holdings								
Subordinated Note, LIBOR+6.50% cash due 10/20/2021	8.51%		$66,056,272	$ —	$ 1,436,726	$ 54,326,418	$ —	$ (156,708)	$ 54,169,710	18.9%
87.5% LLC equity interest (5)				—	—	—	—	—	—	—%
Total Control Investments			**$66,056,272**	**$ —**	**$ 1,436,726**	**$ 54,326,418**	**$ —**	**$ (156,708)**	**$ 54,169,710**	**18.9%**

This schedule should be read in connection with the Company's Consolidated Financial Statements, including the Consolidated Schedules of Investments and Notes to the Consolidated Financial Statements.

(1) The principal amount and ownership detail are shown in the Consolidated Schedules of Investments as of December 31, 2019 included in the Company's quarterly report on Form 10-Q for the quarter ended December 31, 2019.
(2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.
(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest (net of non-accrual amounts), and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation as well as the movement of an existing portfolio company into this category or out of a different category.
(4) Gross reductions include decreases in the cost basis of investment resulting from principal payments or sales and exchanges of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
(5) Together with GF Equity Funding, the Company co-invests through the OCSI Glick JV. The OCSI Glick JV is capitalized as transactions are completed and all portfolio and investment decisions in respect to the OCSI Glick JV must be approved by the OCSI Glick JV investment committee consisting of representatives of the Company and GF Equity Funding (with approval from a representative of each required).

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in connection with our Consolidated Financial Statements and the notes thereto included elsewhere in this quarterly report on Form 10-Q.

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this quarterly report on Form 10-Q may include statements as to:

- our future operating results and distribution projections;
- the ability of Oaktree Fund Advisors, LLC, or Oaktree, to reposition our portfolio and to implement Oaktree’s future plans with respect to our business;
- the ability of Oaktree and its affiliates to attract and retain highly talented professionals;
- our business prospects and the prospects of our portfolio companies;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments and additional leverage we may seek to incur in the future;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the cost or potential outcome of any litigation to which we may be a party.

In addition, words such as “anticipate,” “believe,” “expect,” “seek,” “plan,” “should,” “estimate,” “project” and “intend” indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “*Item 1A. Risk Factors*” in our annual report on Form 10-K for the year ended September 30, 2020 and elsewhere in this quarterly report on Form 10-Q.

Other factors that could cause actual results to differ materially include:

- changes or potential disruptions in our operations, the economy, financial markets or political environment;
- risks associated with possible disruptions in our operations or the economy generally due to terrorism, natural disasters or the COVID-19 pandemic;
- future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to Business Development Companies or regulated investment companies, or RICs;
- general considerations associated with the COVID-19 pandemic;
- the ability of the parties to consummate the Mergers (as defined below) on the expected timeline, or at all;
- the ability to realize the anticipated benefits of the Mergers;
- the effects of disruption on our business from the proposed Mergers;
- the combined company’s plans, expectations, objectives and intentions, as a result of the Mergers;
- any potential termination of the Merger Agreement;
- the actions of our stockholders or the stockholders of Oaktree Specialty Lending Corporation, or OCSL, with respect to the proposals submitted for their approval in connection with the Mergers; and
- other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the Securities and Exchange Commission, or the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Business Overview

We are a specialty finance company that looks to provide customized capital solutions for middle-market companies in both the syndicated and private placement markets. We are a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a Business Development Company under the Investment Company Act of 1940, as amended, or the Investment Company Act. In addition, we have qualified and elected to be treated as a RIC under the Internal Revenue Code of 1986, as amended, or the Code, for tax purposes.

We are externally managed by Oaktree pursuant to an investment advisory agreement, as amended from time to time, or the Investment Advisory Agreement, between the Company and Oaktree. Oaktree Fund Administration, LLC, or the Oaktree Administrator, an affiliate of Oaktree, provides certain administrative and other services necessary for us to operate pursuant to an administration agreement, as amended from time to time, or the Administration Agreement.

Our investment objective is to generate a stable source of current income while minimizing the risk of principal loss and, to a lesser extent, capital appreciation by providing innovative first-lien financing solutions to companies across a wide variety of industries. We invest in companies across a variety of industries that typically possess resilient business models with strong underlying fundamentals. We intend to deploy capital across credit and economic cycles with a focus on long-term results, which we believe will enable us to build lasting partnerships with financial sponsors and management teams. We invest in unsecured loans, including subordinated loans and bonds, issued by private middle-market companies and, to a lesser extent, senior and subordinated loans and bonds issued by public companies and equity investments.

Oaktree intends to (1) rotate out of a small number of investments where the underlying business fundamentals may expose us to significant risk of loss of principal, (2) focus on increasing the size of private first lien investments originated on Oaktree's platform (which we call "core investments") and (3) supplement the portfolio with broadly syndicated and select privately placed loans. Oaktree is generally focused on middle-market companies, which we define as companies with enterprise values of between $100 million and $750 million. We generally invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “high yield” and “junk,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal.

Oaktree has performed a comprehensive review of our portfolio and categorized our portfolio into core investments, non-core performing investments and non-accrual investments. Certain additional information on such categorization and our portfolio composition is included in investor presentations that we file with the SEC. Since an Oaktree affiliate became our investment adviser in October 2017, Oaktree and its affiliates have reduced the investments identified as non-core by over $250 million, at fair value. Over time, Oaktree intends to rotate us out of the remaining non-core investments, which were approximately $38 million at fair value as of December 31, 2020.

On October 28, 2020, we entered into an Agreement and Plan of Merger, or the Merger Agreement, with OCSL, Lion Merger Sub, Inc., a Delaware corporation and OCSL's wholly-owned subsidiary, or the Merger Sub, and, solely for the limited purposes set forth therein, Oaktree. The Merger Agreement provides that, subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into us, with us continuing as the surviving company and as OCSL's wholly-owned subsidiary, or the Merger, and, immediately thereafter, we will merge with and into OCSL, with OCSL continuing as the surviving company, or together with the Merger, the Mergers. Consummation of the Mergers, which is currently anticipated to occur during the first half of calendar year 2021, is subject to certain closing conditions, including requisite approvals of our and OCSL’s stockholders and certain other closing conditions. For more information about the Mergers, see Note 15 to our consolidated financial statements included in this quarterly report on Form 10-Q and our definitive proxy statement filed with the SEC on January 21, 2021.

Business Environment and Developments

We believe that the COVID-19 pandemic may have lasting effects on the U.S. and global financial markets and may cause further economic uncertainties or deterioration in the performance of the middle market in the United States and worldwide. While the initial market disruptions have somewhat eased, the global economy continues to experience economic uncertainty, particularly due to difficulties in the reopening of certain economies, or portions thereof, and delays in vaccine rollout. This uncertainty can impact the overall supply and demand of the market through changing spreads, deal terms and structures, and equity purchase price multiples.

Despite this economic uncertainty, we believe attractive risk-adjusted returns can be achieved by making loans to companies in the middle market. Given the breadth of the investment platform of Oaktree and its affiliates, we believe that we have the resources and experience to source, diligence and structure investments in these companies and are well placed to generate attractive returns for investors.

We have proactively taken a number of actions to evaluate and support our portfolio companies in light of the COVID-19 pandemic, including outreach to a variety of management teams and sponsors. We have been in close contact with many of our portfolio companies to understand their liquidity and solvency positions. We believe that these efforts to closely monitor and identify vulnerable investments will allow us to address potential problems early and provide constructive solutions to our portfolio companies.

As of December 31, 2020, 97.9% of our debt investment portfolio (at fair value) and 98.1% of our debt portfolio (at cost) bore interest at floating rates indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly or monthly at the borrower’s option. As a result of the COVID-19 pandemic and the related decision of the U.S. Federal Reserve to reduce certain interest rates, LIBOR decreased beginning in March 2020. A prolonged reduction in interest rates will result in a decrease in our total investment income and could result in a decrease in our net investment income to the extent the decreases are not offset by an increase in the spread on our floating rate investments, a decrease in our interest expense or a reduction or waiver of our incentive fee on income. In July 2017, the head of the United Kingdom Financial Conduct Authority, or the FCA, announced the desire to phase out the use of LIBOR by the end of 2021. However, the FCA recently announced that most US Dollar LIBOR would continue to be published through June 30, 2023. In anticipation of the cessation of LIBOR, we may need to renegotiate any credit agreements extending beyond the applicable phase out date with our prospective portfolio companies that utilize LIBOR as a factor in determining the interest rate. The reinvestment period of each of our borrowing facilities in place as of December 31, 2020 ends prior to the expected phase out of LIBOR; however, we expect that any refinancings or future borrowing facilities that bear interest at floating rates indexed to LIBOR (or certain amendments to current borrowing facilities) would include procedures for the selection of a replacement reference rate following any phase out of LIBOR. Certain of the loan agreements with our portfolio companies have included fallback language in the event that LIBOR becomes unavailable. This language generally provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. Alternatively, certain of the loan agreements with our portfolio companies do not include any fallback language providing a mechanism for the parties to negotiate a new reference interest rate and will instead revert to the base rate in the event LIBOR ceases to exist.

Critical Accounting Policies

Basis of Presentation

Our Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. In the opinion of management, all adjustments of a normal recurring nature considered necessary for the fair presentation of our Consolidated Financial Statements have been made. All intercompany balances and transactions have been eliminated. We are an investment company following the accounting and reporting guidance in Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 946, *Financial Services-Investment Companies*, or ASC 946.

Investment Valuation

We value our investments in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, or ASC 820, which defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. ASC 820 prioritizes the use of observable market prices over entity-specific inputs. Where observable prices or inputs are not available or reliable, valuation techniques are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the investments or market and the investments' complexity.

Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

- Level 1 - Unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date.
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

If inputs used to measure fair value fall into different levels of the fair value hierarchy, an investment's level is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. This includes investment securities that are valued using "bid" and "ask" prices obtained from independent third party pricing services or directly from brokers. These investments may be classified as Level 3 because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities or may require adjustments for investment-specific factors or restrictions.

Financial instruments with readily available quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment inherent in measuring fair value. As such, Oaktree obtains and analyzes readily available market quotations provided by pricing vendors and brokers for all of our investments for which quotations are available. In determining the fair value of a particular investment, pricing vendors and brokers use observable market information, including both binding and non-binding indicative quotations.

We seek to obtain at least two quotations for the subject or similar securities, typically from pricing vendors. If we are unable to obtain two quotes from pricing vendors, or if the prices obtained from pricing vendors are not within our set threshold, we seek to obtain a quote directly from a broker making a market for the asset. Oaktree evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Oaktree also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, Oaktree performs due diligence procedures over pricing vendors to understand their methodology and controls to support their use in the valuation process. Generally, we do not adjust any of the prices received from these sources.

If the quotations obtained from pricing vendors or brokers are determined to not be reliable or are not readily available, we value such investments using any of three different valuation techniques. The first valuation technique is the transaction precedent technique, which utilizes recent or expected future transactions of the investment to determine fair value, to the extent applicable. The second valuation technique is an analysis of the enterprise value, or EV, of the portfolio company. EV means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The EV analysis is typically performed to determine (i) the value of equity investments, (ii) whether there is credit impairment for debt investments and (iii) the value for debt investments that we are deemed to control under the Investment Company Act. To estimate the EV of a portfolio company, Oaktree analyzes various factors, including the portfolio company's historical and projected financial results, macroeconomic impacts on the company, and competitive dynamics in the company's industry. Oaktree also utilizes some or all of the following information based on the individual circumstances of the portfolio company: (i) valuations of comparable public companies, (ii) recent sales of private and public comparable companies in similar industries or having similar business or earnings characteristics, (iii) purchase prices as a multiple of their earnings or cash flow, (iv) the portfolio company's ability to meet its forecasts and its business prospects, (v) a discounted cash flow analysis, (vi) estimated liquidation or collateral value of the portfolio company's assets and (vii) offers from third parties to buy the portfolio company. We may probability weight potential sale outcomes with respect to a portfolio company when uncertainty exists as of the valuation date. The third valuation technique is a market yield technique, which is typically performed for non-credit impaired debt investments. In the market yield technique, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk, and we consider the current contractual interest rate, the capital structure and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the EV of the portfolio company. As debt investments held by us are substantially illiquid with no active transaction market, we depend on primary market data, including newly funded transactions and industry specific market movements, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

In accordance with ASC 820-10, certain investments that qualify as investment companies in accordance with ASC 946 may be valued using net asset value as a practical expedient for fair value. Consistent with FASB guidance under ASC 820, these investments are excluded from the hierarchical levels. These investments are generally not redeemable.

We estimate the fair value of privately held warrants using a Black Scholes pricing model, which includes an analysis of various factors and subjective assumptions, including the current stock price (by using an EV analysis as described above), the expected period until exercise, expected volatility of the underlying stock price, expected dividends and the risk-free rate. Changes in the subjective input assumptions can materially affect the fair value estimates.

Our Board of Directors undertakes a multi-step valuation process each quarter in connection with determining the fair value of our investments:

- The quarterly valuation process begins with each portfolio company or investment being initially valued by Oaktree's valuation team in conjunction with Oaktree's portfolio management team and investment professionals responsible for each portfolio investment;
- Preliminary valuations are then reviewed and discussed with management of Oaktree;
- Separately, independent valuation firms engaged by our Board of Directors prepare valuations of our investments, on a selected basis, for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment, and submit the reports to us and provide such reports to Oaktree and the Audit Committee of our Board of Directors;
- Oaktree compares and contrasts its preliminary valuations to the valuations of the independent valuation firms and prepares a valuation report for the Audit Committee;
- The Audit Committee reviews the preliminary valuations with Oaktree, and Oaktree responds and supplements the preliminary valuations to reflect any discussions between Oaktree and the Audit Committee;

- The Audit Committee makes a recommendation to our full Board of Directors regarding the fair value of the investments in our portfolio; and
- Our Board of Directors discusses valuations and determines the fair value of each investment in our portfolio.

The fair value of our investments as of December 31, 2020 and September 30, 2020 was determined in good faith by our Board of Directors. Our Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of our portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. As of December 31, 2020, 93.7% of our portfolio at fair value was valued either based on market quotations, the transactions precedent approach or corroborated by independent valuation firms. However, our Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to our valuation policy and a consistently applied valuation process.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

As of December 31, 2020 and September 30, 2020, approximately 94.3% and 92.3%, respectively, of our total assets represented investments at fair value.

Revenue Recognition

Interest Income

Interest income, adjusted for accretion of original issue discount, or OID, is recorded on an accrual basis to the extent that such amounts are expected to be collected. We stop accruing interest on investments when it is determined that interest is no longer collectible. Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when there is reasonable doubt that principal or interest cash payments will be collected. Cash interest payments received on investments may be recognized as income or a return of capital depending upon management's judgment. A non-accrual investment is restored to accrual status if past due principal and interest are paid in cash, and the portfolio company, in management's judgment, is likely to continue timely payment of its remaining obligations.

As of December 31, 2020, there was one investment on which we had stopped accruing cash and/or payment in kind, or PIK, interest or OID income. During the three months ended March 31, 2020, we restructured our investment in the subordinated notes in OCSI Glick JV LLC, or the OCSI Glick JV, a joint venture through which we and GF Equity Funding 2014 LLC, or GF Equity Funding, co-invest primarily in senior secured loans of middle-market companies, to provide, among other things, that the subordinated notes, or the Subordinated Notes, did not pay interest beginning on the April 15, 2020 scheduled coupon date through the January 15, 2021 scheduled coupon date. Given that the Subordinated Notes did not pay interest for four consecutive quarters, our investment in the Subordinated Notes was on cash non-accrual status and we did not recognize any interest income from the OCSI Glick JV during the three months ended December 31, 2020.

In connection with our investment in a portfolio company, we sometimes receive nominal cost equity that is valued as part of the negotiation process with the portfolio company. When we receive nominal cost equity, we allocate our cost basis in the investment between debt securities and the nominal cost equity at the time of origination. Any resulting discount from recording the loan, or otherwise purchasing a security at a discount, is accreted into interest income over the life of the loan.

PIK Interest Income

Our investments in debt securities may contain PIK interest provisions. PIK interest, which typically represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on the accrual basis to the extent such amounts are expected to be collected. We generally cease accruing PIK interest if there is insufficient value to support the accrual or if we do not expect the portfolio company to be able to pay all principal and interest due. Our decision to cease accruing PIK interest on a loan or debt security involves subjective judgments and determinations based on available information about a particular portfolio company, including whether the portfolio company is current with respect to its payment of principal and interest on its loans and debt securities; financial statements and financial projections for the portfolio company; our assessment of the portfolio company's business development success; information obtained by us in connection with periodic formal update interviews with the portfolio company's management and, if appropriate, the private equity sponsor; and information about the general economic and market conditions in which the portfolio company operates. Our determination to cease accruing PIK interest is generally made well before our full write-down of a loan or debt security. In addition, if it is subsequently determined that we will not be able to collect any previously accrued PIK interest, the fair value of the loans or debt securities would be reduced by the amount of such previously accrued, but uncollectible, PIK interest.

The accrual of PIK interest on our debt investments increases the recorded cost bases of these investments in our Consolidated Financial Statements including for purposes of computing the capital gains incentive fee payable by us to Oaktree. To maintain our status as a RIC, certain income from PIK interest may be required to be distributed to our stockholders, even though we have not yet collected the cash and may never do so.

Fee Income

Oaktree or its affiliates may provide financial advisory services to portfolio companies and, in return, we may receive fees for capital structuring services. These fees are generally nonrecurring and are recognized by us upon the investment closing date. We may also receive additional fees in the ordinary course of business, including servicing, amendment and prepayment fees, which are classified as fee income and recognized as they are earned or the services are rendered.

We have also structured exit fees across certain of our portfolio investments to be received upon the future exit of those investments. These fees are typically paid to us upon the earliest to occur of (i) a sale of the borrower or substantially all of the assets of the borrower, (ii) the maturity date of the loan or (iii) the date when full prepayment of the loan occurs. The receipt of such fees is contingent upon the occurrence of one of the events listed above for each of the investments. These fees are included in net investment income over the life of the loan.

Dividend Income

We generally recognize dividend income on the ex-dividend date for public securities and the record date for private equity investments. Distributions received from private equity investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from private equity investments as dividend income unless there are sufficient earnings at the portfolio company prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Portfolio Composition

Our investments principally consist of senior loans in private middle-market companies and investments in the OCSI Glick JV. As of December 31, 2020, our senior loans were typically secured by a first or second lien on the assets of the portfolio company and generally had terms of up to ten years (but an expected average life of between three and four years).

During the three months ended December 31, 2020, we originated $55.8 million of investment commitments in nine new and three existing portfolio companies and funded $43.0 million of investments.

During the three months ended December 31, 2020, we received $34.3 million of proceeds from prepayments, exits, other paydowns and sales and exited nine portfolio companies.

A summary of the composition of our investment portfolio at cost and fair value as a percentage of total investments is shown in the following tables:

	December 31, 2020	September 30, 2020
Cost:		
Senior secured loans	86.62 %	86.16 %
OCSI Glick JV Subordinated Notes	11.70	12.07
OCSI Glick JV equity interests	1.30	1.32
Equity securities, excluding the OCSI Glick JV	0.38	0.45
Total	**100.00 %**	**100.00 %**

	December 31, 2020	September 30, 2020
Fair value:		
Senior secured loans	89.33 %	89.69 %
OCSI Glick JV Subordinated Notes	10.24	9.84
Equity securities, excluding the OCSI Glick JV	0.43	0.47
OCSI Glick JV equity interests	—	—
Total	**100.00 %**	**100.00 %**

The industry composition of our portfolio at cost and fair value as a percentage of total investments was as follows:

	December 31, 2020	September 30, 2020
Cost:		
Multi-Sector Holdings (1)	12.99 %	13.36 %
Application Software	10.51	10.43
Aerospace & Defense	6.69	5.68
Diversified Support Services	4.80	4.89
Advertising	4.44	4.48
Movies & Entertainment	2.89	3.09
Integrated Telecommunication Services	2.80	2.87
Commercial Printing	2.79	2.84
Personal Products	2.78	2.49
Pharmaceuticals	2.65	2.47
Industrial Machinery	2.65	2.55
Data Processing & Outsourced Services	2.57	2.61
Internet Services & Infrastructure	2.52	1.66
Specialized Finance	2.45	1.55
Health Care Services	2.39	2.43
Health Care Technology	2.14	2.18
Biotechnology	2.03	2.28
Oil & Gas Storage & Transportation	2.01	2.04
Specialty Chemicals	1.83	1.86
Real Estate Services	1.78	1.81
Publishing	1.76	1.79
Leisure Facilities	1.75	1.74
Trading Companies & Distributors	1.61	1.64
Distributors	1.60	1.63
Systems Software	1.53	1.84
Fertilizers & Agricultural Chemicals	1.52	1.51
Alternative Carriers	1.52	1.55
Health Care Supplies	1.40	2.50
Research & Consulting Services	1.36	1.38
Electrical Components & Equipment	1.14	1.17
Auto Parts & Equipment	1.04	1.06
Internet & Direct Marketing Retail	0.98	1.00
Oil & Gas Refining & Marketing	0.97	0.99
Insurance Brokers	0.96	0.95
Construction & Engineering	0.89	—
Hotels, Resorts & Cruise Lines	0.85	0.86
Restaurants	0.62	0.63
Independent Power Producers & Energy Traders	0.59	0.61
Managed Health Care	0.54	0.55
Airlines	0.52	—
Oil & Gas Exploration & Production	0.45	—
Electric Utilities	0.36	0.36
Metal & Glass Containers	0.33	0.98
Environmental & Facilities Services	—	0.72
Household Products	—	0.62
General Merchandise Stores	—	0.30
Specialized REITs	—	0.05
	100.00 %	**100.00 %**

	December 31, 2020	September 30, 2020
Fair value:		
Application Software	11.07 %	11.13 %
Multi-Sector Holdings (1)	10.24	9.84
Aerospace & Defense	6.72	5.67
Diversified Support Services	4.90	4.96
Advertising	4.31	4.44
Movies & Entertainment	3.11	3.26
Personal Products	2.97	2.72
Integrated Telecommunication Services	2.88	2.91
Pharmaceuticals	2.83	2.67
Commercial Printing	2.83	2.94
Data Processing & Outsourced Services	2.63	2.70
Specialized Finance	2.55	1.64
Internet Services & Infrastructure	2.51	1.65
Industrial Machinery	2.50	2.37
Health Care Services	2.46	2.54
Health Care Technology	2.27	2.34
Biotechnology	2.17	2.48
Specialty Chemicals	1.90	1.94
Oil & Gas Storage & Transportation	1.90	2.11
Publishing	1.86	1.93
Real Estate Services	1.83	1.88
Distributors	1.69	1.73
Trading Companies & Distributors	1.68	1.73
Systems Software	1.62	1.95
Fertilizers & Agricultural Chemicals	1.60	1.62
Alternative Carriers	1.58	1.62
Health Care Supplies	1.46	2.68
Research & Consulting Services	1.43	1.45
Leisure Facilities	1.35	1.45
Electrical Components & Equipment	1.22	1.22
Insurance Brokers	1.12	1.05
Internet & Direct Marketing Retail	1.11	1.10
Auto Parts & Equipment	1.09	1.10
Oil & Gas Refining & Marketing	1.03	1.02
Hotels, Resorts & Cruise Lines	0.99	1.03
Construction & Engineering	0.94	—
Restaurants	0.68	0.71
Independent Power Producers & Energy Traders	0.60	0.63
Airlines	0.59	—
Managed Health Care	0.56	0.58
Oil & Gas Exploration & Production	0.48	—
Electric Utilities	0.39	0.39
Metal & Glass Containers	0.35	1.03
Environmental & Facilities Services	—	0.75
Household Products	—	0.66
General Merchandise Stores	—	0.30
Specialized REITs	—	0.08
	100.00 %	**100.00 %**

(1) This industry includes our investment in the OCSI Glick JV.

OCSI Glick JV

In October 2014, we entered into a limited liability company, or LLC, agreement with GF Equity Funding to form the OCSI Glick JV. On April 21, 2015, the OCSI Glick JV began investing in senior secured loans of middle-market companies. We co-invest in these securities with GF Equity Funding through the OCSI Glick JV. The OCSI Glick JV is managed by a four person Board of Directors, two of whom are selected by us and two of whom are selected by GF Equity Funding. The OCSI Glick JV is capitalized as transactions are completed, and portfolio decisions and investment decisions in respect of the OCSI Glick JV must be approved by the OCSI Glick JV investment committee, consisting of one representative selected by us and one representative selected by GF Equity Funding (with approval from a representative of each required). The members provide capital to the OCSI Glick JV in exchange for LLC equity interests, and we and GF Debt Funding 2014 LLC, or GF Debt Funding, an entity advised by affiliates of GF Equity Funding, provide capital to the OCSI Glick JV in exchange for the Subordinated Notes. As of December 31, 2020 and September 30, 2019, we and GF Equity Funding owned 87.5% and 12.5%, respectively, of the outstanding LLC equity interests, and we and GF Debt Funding owned 87.5% and 12.5%, respectively, of the Subordinated Notes. The OCSI Glick JV is not an "eligible portfolio company" as defined in section 2(a)(46) of the Investment Company Act.

The OCSI Glick JV's portfolio consisted of middle-market and other corporate debt securities of 42 and 40 portfolio companies as of December 31, 2020 and September 30, 2020, respectively. The portfolio companies in the OCSI Glick JV are in industries similar to those in which we may invest directly.

The OCSI Glick JV has a senior revolving credit facility with Deutsche Bank AG, New York Branch, or the JV Deutsche Bank Facility, which, as of December 31, 2020, had a reinvestment period end date and maturity date of September 30, 2021 and March 31, 2025, respectively, and permitted borrowings of up to $90.0 million (subject to borrowing base and other limitations). Borrowings under the JV Deutsche Bank Facility are secured by all of the assets of the OCSI Glick JV and all of the equity interests in the OCSI Glick JV and bore interest at a rate equal to the 3-month LIBOR plus 2.65% per annum with a 0.25% LIBOR floor as of December 31, 2020. Under the JV Deutsche Bank Facility, $78.7 million and $80.7 million of borrowings were outstanding as of December 31, 2020 and September 30, 2020, respectively.

As of December 31, 2020, the JV Deutsche Bank Facility included a waiver period (which extended through January 3, 2021) during which the facility agent was restricted from revaluing certain collateral obligations where the change in valuation was caused by or resulted from a business disruption due primarily to the COVID-19 pandemic.

As of December 31, 2020 and September 30, 2020, the OCSI Glick JV had total assets of $154.1 million and $137.9 million, respectively. Our investment in the OCSI Glick JV consisted of LLC equity interests and Subordinated Notes of $53.4 million and $49.4 million in the aggregate at fair value as of December 31, 2020 and September 30, 2020, respectively. The Subordinated Notes are junior in right of payment to the repayment of temporary contributions made by us to fund investments of the OCSI Glick JV that are repaid when GF Equity Funding and GF Debt Funding make their capital contributions and fund their Subordinated Notes, respectively.

As of December 31, 2020 and September 30, 2020, the OCSI Glick JV had total capital commitments of $100.0 million, $87.5 million of which was from us and the remaining $12.5 million from GF Equity Funding and GF Debt Funding. Approximately $84.0 million in aggregate commitments was funded as of each of December 31, 2020 and September 30, 2020, of which $73.5 million was from us. As of each of December 31, 2020 and September 30, 2020, we had commitments to fund Subordinated Notes to the OCSI Glick JV of $78.8 million, of which $12.4 million was unfunded. As of each of December 31, 2020 and September 30, 2020, we had commitments to fund LLC equity interests in the OCSI Glick JV of $8.7 million, of which $1.6 million was unfunded as of each such date.

Below is a summary of the OCSI Glick JV's portfolio, followed by a listing of the individual loans in the OCSI Glick JV's portfolio as of December 31, 2020 and September 30, 2020:

	December 31, 2020	**September 30, 2020**
Senior secured loans (1)	$146,884,184	$143,138,964
Weighted average current interest rate on senior secured loans (2)	5.80%	5.56%
Number of borrowers in the OCSI Glick JV	42	40
Largest loan exposure to a single borrower (1)	$6,994,829	$6,994,829
Total of five largest loan exposures to borrowers (1)	$31,360,969	$31,371,046

(1) At principal amount.
(2) Computed using the weighted average annual interest rate on accruing senior secured loans at fair value.

OCSI Glick JV Portfolio as of December 31, 2020

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
ADB Companies, LLC	First Lien Term Loan, LIBOR+6.25% cash due 12/18/2025	7.25%	Construction & Engineering	$ 3,333,333	$ 3,250,000	$ 3,266,667	(4)
ADB Companies, LLC	First Lien Delayed Draw Term Loan, LIBOR+6.25% cash due 12/18/2025		Construction & Engineering	—	(16,667)	(13,333)	(4)(5)
Total ADB Companies, LLC				**3,333,333**	**3,233,333**	**3,253,334**	
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65%	Electrical Components & Equipment	2,659,897	2,608,134	2,643,273	(4)
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25%	Pharmaceuticals	6,994,829	6,823,867	6,726,682	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	5.00%	Movies & Entertainment	2,977,500	2,947,725	2,769,075	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	1,680,216	1,331,881	1,126,047	(6)
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%	Application Software	3,128,595	3,124,546	3,125,466	(4)
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+5.75% cash due 12/24/2026	6.75%	Airport Services	3,721,875	3,642,547	3,468,788	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.15%	Oil & Gas Equipment & Services	4,874,132	4,858,878	4,270,081	
California Pizza Kitchen, Inc.	Second Lien Term Loan, 1.00% cash / LIBOR+12.50% PIK due 5/23/2025		Restaurants	913,125	901,843	730,500	(6)
California Pizza Kitchen, Inc.	Shares of Common Stock in CPK Parent, Inc.		Restaurants	—	678,882	618,354	
Total California Pizza Kitchen, Inc.				**913,125**	**1,580,725**	**1,348,854**	
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%	Restaurants	1,115,395	1,062,641	1,111,212	(4)
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+6.25% cash due 3/28/2024	7.25%	Oil & Gas Refining & Marketing	3,582,652	3,546,825	3,570,112	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%	Alternative Carriers	4,570,594	4,475,633	4,597,127	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+3.75% cash due 7/9/2026	4.00%	Biotechnology	4,937,500	4,900,469	4,908,690	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,487,500	2,462,625	2,470,398	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25%	Systems Software	5,821,200	5,787,939	5,781,179	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15%	Research & Consulting Services	5,000,000	4,983,262	5,000,000	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52%	Systems Software	989,884	979,985	986,582	(4)
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	2,850,000	2,760,193	2,755,010	
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	3,265,271	3,242,084	2,999,295	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+5.50% cash due 7/13/2022	6.50%	Alternative Carriers	796,501	722,217	814,821	
Lightstone Holdco LLC	First Lien Term Loan, LIBOR+3.75% cash due 1/30/2024	4.75%	Electric Utilities	3,300,000	2,928,750	3,075,650	
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.65%	Electronic Components	1,382,805	1,112,966	1,346,879	
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	4,090,625	4,050,380	3,983,258	(4)
MHE Intermediate Holdings, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	826,442	816,269	804,750	(4)
Total MHE Intermediate Holdings, LLC				**4,917,067**	**4,866,649**	**4,788,008**	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%	Application Software	1,629,094	1,615,449	1,625,021	(4)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,429)	(357)	(4)(5)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(687)	(117)	(4)(5)
Total MRI Software LLC				**1,629,094**	**1,613,333**	**1,624,547**	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.15%	Health Care Technology	$ 3,970,000	$ 3,950,150	$ 3,970,020	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.75% cash due 3/31/2025	5.75%	Electrical Components & Equipment	5,348,750	5,332,532	5,241,775	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.65%	Integrated Telecommunication Services	983,060	949,136	987,975	(4)
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00%	Application Software	5,792,407	5,757,292	5,780,330	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15%	Application Software	3,939,767	3,921,723	3,910,219	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(61)	(107)	(4)(5)
Total OEConnection LLC				**3,939,767**	**3,921,662**	**3,910,112**	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%	Personal Products	3,569,761	3,514,349	3,569,761	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025		Personal Products	—	(5,196)	—	(4)(5)
Total Olaplex, Inc.				**3,569,761**	**3,509,153**	**3,569,761**	
Planview Parent, Inc.	Second Lien Term Loan, LIBOR+7.25% cash due 12/18/2028	8.00%	Application Software	2,842,000	2,799,370	2,842,000	
RS Ivy Holdco, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 12/23/2027	6.50%	Oil & Gas Exploration & Production	4,000,000	3,940,000	3,980,000	(4)
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%	Metal & Glass Containers	1,827,941	1,809,662	1,828,700	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.25% cash due 4/27/2024	6.25%	Footwear	6,274,940	6,250,097	5,459,198	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%	Health Care Services	5,835,000	5,801,221	5,659,950	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.00% cash due 10/1/2026	5.00%	Personal Products	6,435,000	6,402,824	6,474,735	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	4.00%	Application Software	2,871,538	2,695,389	2,693,503	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25%	Health Care Facilities	4,948,849	4,931,101	4,876,002	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%	Human Resource & Employment Services	1,611,940	1,609,855	1,437,359	
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65%	Health Care Technology	1,729,301	1,716,293	1,731,895	(4)
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%	Integrated Telecommunication Services	4,974,965	4,783,842	4,880,142	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%	Aerospace & Defense	3,000,000	2,979,258	2,542,500	(4)
Total Portfolio Investments				**$146,884,184**	**$144,736,044**	**$142,427,067**	

(1) Represents the interest rate as of December 31, 2020. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, we have provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars. As of December 31, 2020, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.25% and the 180-day LIBOR at 0.26%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of December 31, 2020 utilizing a similar technique as us in accordance with ASC 820. However, the determination of such fair value is not included in our Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both us and the OCSI Glick JV as of December 31, 2020.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.
(6) This investment was on cash non-accrual status as of December 31, 2020. Cash non-accrual is inclusive of PIK and other non-cash income where applicable.

OCSI Glick JV Portfolio as of September 30, 2020

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65%	Electrical Components & Equipment	$ 2,671,716	$ 2,616,725	$ 2,558,168	(4)
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25%	Pharmaceuticals	6,994,829	6,808,979	6,773,337	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75%	Movies & Entertainment	2,985,000	2,955,150	2,567,100	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	1,684,513	1,352,429	743,814	(6)
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%	Application Software	3,201,353	3,194,577	3,178,943	(4)
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00%	Airport Services	3,731,250	3,648,256	3,470,063	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.16%	Oil & Gas Equipment & Services	4,887,066	4,870,862	3,733,376	
California Pizza Kitchen, Inc.	First Lien Term Loan, LIBOR+8.00% cash due 8/23/2022		Restaurants	5,004,489	4,813,378	1,526,369	(6)
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%	Restaurants	1,118,198	1,062,723	1,109,811	(4)
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00%	Oil & Gas Refining & Marketing	3,591,768	3,555,850	3,421,159	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%	Alternative Carriers	4,582,107	4,482,733	4,453,258	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+3.75% cash due 7/9/2026	3.97%	Biotechnology	4,950,000	4,912,875	4,912,875	(4)
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,493,750	2,468,813	2,486,992	(4)
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25%	Systems Software	5,835,900	5,800,375	5,762,951	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15%	Research & Consulting Services	5,000,000	4,982,443	4,825,000	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52%	Systems Software	992,422	982,498	980,642	(4)
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	2,887,500	2,790,416	2,699,813	
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	3,277,221	3,249,274	3,011,753	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 7/13/2022	6.50%	Alternative Carriers	398,251	328,422	414,511	(5)
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.65%	Electronic Components	1,386,341	1,100,748	1,294,496	
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	4,101,250	4,058,056	3,991,747	(4)
MHE Intermediate Holdings, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00%	Diversified Support Services	828,579	818,379	806,456	(4)
Total MHE Intermediate Holdings, LLC				**4,929,829**	**4,876,435**	**4,798,203**	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%	Application Software	1,614,980	1,601,301	1,575,954	(4)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,429)	(3,454)	(4)(5)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(763)	(1,568)	(4)(5)
Total MRI Software LLC				**1,614,980**	**1,599,109**	**1,570,932**	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.15%	Health Care Technology	3,980,000	3,960,100	3,899,584	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.75% cash due 3/31/2025	5.75%	Electrical Components & Equipment	5,362,500	5,345,242	5,121,188	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.66%	Integrated Telecommunication Services	985,530	950,121	986,762	(4)
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00%	Application Software	5,807,651	5,770,724	5,706,017	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15%	Application Software	$ 3,727,256	$ 3,709,171	$ 3,685,325	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(1,048)	(2,654)	(4)(5)
Total OEConnection LLC				**3,727,256**	**3,708,123**	**3,682,671**	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%	Personal Products	2,962,500	2,910,467	2,962,500	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50%	Personal Products	162,000	156,467	162,000	(4)(5)
Total Olaplex, Inc.				**3,124,500**	**3,066,934**	**3,124,500**	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%	Metal & Glass Containers	1,885,500	1,866,645	1,860,366	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+3.00% cash PIK 2.25% due 4/27/2024	4.00%	Footwear	6,239,067	6,212,276	4,382,944	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%	Health Care Services	5,850,000	5,813,914	5,645,250	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.25%	Personal Products	6,451,250	6,418,993	6,427,573	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.90%	Application Software	2,878,863	2,692,385	2,595,483	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25%	Health Care Facilities	4,961,637	4,942,580	4,690,806	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%	Human Resource & Employment Services	1,616,127	1,613,862	1,224,798	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25%	Movies & Entertainment	1,557,649	1,540,707	1,534,775	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65%	Health Care Technology	1,733,723	1,720,364	1,722,238	(4)
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.40%	Data Processing & Outsourced Services	4,771,728	4,756,892	4,682,258	
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%	Integrated Telecommunication Services	4,987,500	4,788,469	4,839,970	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%	Aerospace & Defense	3,000,000	2,978,243	2,340,000	(4)
Total Portfolio Investments				**$ 143,138,964**	**$ 140,599,644**	**$ 130,760,749**	

(1) Represents the interest rate as of September 30, 2020. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, we have provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars. As of September 30, 2020, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.22% and the 180-day LIBOR at 0.27%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of September 30, 2020 utilizing a similar technique as us in accordance with ASC 820. However, the determination of such fair value is not included in our Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both us and the OCSI Glick JV as of September 30, 2020.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.
(6) This investment was on cash non-accrual status as of September 30, 2020. Cash non-accrual is inclusive of PIK and other non-cash income where applicable.

The cost and fair value of our aggregate investment in the OCSI Glick JV was $71.2 million and $53.4 million, respectively, as of December 31, 2020 and $72.2 million and $49.4 million, respectively, as of September 30, 2020. We and GF Debt Funding amended the Subordinated Notes during the year ended September 30, 2020 to (1) decrease the interest rate to 1-month LIBOR plus 4.5% per annum, (2) extend the maturity date from October 20, 2021 to October 20, 2028 and (3) provide that the Subordinated Notes would not pay interest on its previously scheduled April 15, 2020, July 15, 2020, October 15, 2020 or January 15, 2021 coupon dates. For the three months ended December 31, 2020, our investment in the Subordinated Notes was on cash non-accrual status and no interest income was earned on our investment in the Subordinated Notes. For the three months ended December 31, 2019, we earned interest income of $1.4 million on our investment in the Subordinated Notes. We did not earn any dividend income for the three months ended December 31, 2020 and 2019 with respect to our investment in the LLC equity interests of the OCSI Glick JV. The LLC equity interests of the OCSI Glick JV are income producing to the extent there is residual cash to be distributed on a quarterly basis.

Below is certain summarized financial information for the OCSI Glick JV as of December 31, 2020 and September 30, 2020 and for the three months ended December 31, 2020 and 2019:

	December 31, 2020	September 30, 2020
Selected Balance Sheet Information:		
Investments at fair value (cost December 31, 2020: $144,736,044; cost September 30, 2020: $140,599,644)	$ 142,427,067	$ 130,760,749
Cash and cash equivalents	8,848,707	3,574,960
Restricted cash	1,295,940	1,106,829
Other assets	1,516,143	2,475,078
Total assets	**$ 154,087,857**	**$ 137,917,616**
Senior credit facility payable	$ 78,681,939	$ 80,681,939
Subordinated Notes payable at fair value (proceeds December 31, 2020: $73,194,913; proceeds September 30, 2020: $74,337,772)	60,967,686	56,469,250
Other liabilities	14,438,232	766,427
Total liabilities	**$ 154,087,857**	**$ 137,917,616**
Members' equity	—	—
Total liabilities and members' equity	**$ 154,087,857**	**$ 137,917,616**

	Three months ended December 31, 2020	Three months ended December 31, 2019
Selected Statements of Operations Information:		
Interest income	$ 2,050,929	$ 2,857,253
Fee income	55,472	27,710
Total investment income	**2,106,401**	**2,884,963**
Interest expense	663,949	2,702,956
Other expenses	27,205	67,268
Total expenses (1)	**691,154**	**2,770,224**
Net unrealized appreciation (depreciation)	1,888,623	529,458
Realized gain (loss)	(3,303,870)	(644,197)
Net income (loss)	**$ —**	**$ —**

(1) There are no management fees or incentive fees charged at the OCSI Glick JV.

The OCSI Glick JV has elected to fair value the Subordinated Notes issued to us and GF Debt Funding under FASB ASC Topic 825, *Financial Instruments - Fair Value Option*. The Subordinated Notes are valued based on the total assets less the liabilities senior to the Subordinated Notes of the OCSI Glick JV in an amount not exceeding par under the enterprise value technique.

During the three months ended December 31, 2020 and 2019, we did not sell any debt investments to the OCSI Glick JV.

Discussion and Analysis of Results and Operations

Results of Operations

Net increase (decrease) in net assets resulting from operations includes net investment income, net realized gains (losses) and net unrealized appreciation (depreciation). Net investment income is the difference between our income from interest, dividends and fees and total expenses. Net realized gains (losses) is the difference between the proceeds received from dispositions of investment related assets and liabilities and their stated costs. Net unrealized appreciation (depreciation) is the net change in the fair value of our investment related assets and liabilities carried at fair value during the reporting period, including the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

Comparison of Three Months Ended December 31, 2020 and December 31, 2019

Total Investment Income

Total investment income includes interest on our investments, fee income and dividend income.

Total investment income for the three months ended December 31, 2020 and 2019 was \$9.0 million and \$11.6 million, respectively. For the three months ended December 31, 2020, this amount primarily consisted of \$8.8 million of interest income from portfolio investments (which included \$1.1 million of PIK interest) and \$0.2 million of fee income. For the three months ended December 31, 2019, this amount consisted of \$11.2 million of interest income from portfolio investments and \$0.4 million of fee income. The decrease of \$2.6 million in our total investment income for the three months ended December 31, 2020, as compared to the three months ended December 31, 2019, was primarily due to a \$2.4 million decrease in interest income, which was the result of our investment in the OCSI Glick JV being on cash non-accrual status and a smaller overall portfolio size, and a \$0.2 million decrease in fee income, which was attributable to lower amendment fees earned.

Expenses

Net expenses (expenses net of fee waivers) for the three months ended December 31, 2020 and 2019 were \$5.0 million and \$6.9 million, respectively. The decrease of \$1.9 million in our net expenses for the three months ended December 31, 2020, as compared to the three months ended December 31, 2019, was primarily due to a \$1.3 million decrease in interest expense resulting from decreases in LIBOR and lower outstanding borrowings, a \$0.9 million decrease in Part I incentives fees (net of waivers), which was attributable to lower pre-incentive fee net investment income, and a \$0.2 million decrease in management fees due to a smaller overall portfolio size, partially offset by a \$0.6 million increase in professional fees, general and administrative expenses and administrator expenses resulting from our proposed merger with OCSL.

Net Investment Income

As a result of the \$2.6 million decrease in total investment income and the \$1.9 million decrease in net expenses, net investment income for the three months ended December 31, 2020 decreased by approximately \$0.7 million, as compared to the three months ended December 31, 2019.

Realized Gain (Loss)

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption of investments and foreign currency and the cost basis without regard to unrealized appreciation or depreciation previously recognized and includes investments written-off during the period, net of recoveries. Realized losses may also be recorded in connection with our determination that certain investments are considered worthless securities and/or meet the conditions for loss recognition per the applicable tax rules.

During each of the three months ended December 31, 2020 and 2019, we recorded net realized losses of \$0.5 million in connection with the exit of various investments. See "*Note 9. Realized Gains or Losses and Net Unrealized Appreciation or Depreciation*" in the notes to the accompanying Consolidated Financial Statements for more details regarding investment realization events for the three months ended December 31, 2020 and 2019.

Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation or depreciation is the net change in fair value of our investments and foreign currency during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

For the three months ended December 31, 2020 and 2019, we recorded net unrealized appreciation of \$10.5 million and \$1.9 million, respectively. For the three months ended December 31, 2020, this consisted of \$10.0 million of unrealized appreciation on debt investments and \$1.1 million of net unrealized appreciation from exited investments (a portion of which resulted in a reclassification to realized losses), offset by $0.6 million of net unrealized depreciation on equity investments. For the three months ended December 31, 2019, this consisted of $1.9 million of unrealized appreciation of debt investments and $0.2 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses), offset by $0.2 million of unrealized depreciation on foreign currency forward contracts.

Financial Condition, Liquidity and Capital Resources

We have a number of alternatives available to fund our investment portfolio and our operations, including raising equity, increasing or refinancing debt and funding from operational cash flow. We generally expect to fund the growth of our investment portfolio through additional debt and equity capital, which may include securitizing a portion of our investments. We cannot assure you, however, that our efforts to grow our portfolio will be successful. For example, our common stock has generally traded at prices below net asset value for the past several years, and we are currently limited in our ability to raise additional equity at prices below the then-current net asset value per share. We intend to continue to generate cash primarily from cash flows from operations, including interest earned, and future borrowings. We intend to fund our future distribution obligations through operating cash flow or with funds obtained through future equity and debt offerings or credit facilities, as we deem appropriate.

Our primary uses of funds are investments in our targeted asset classes and cash distributions to holders of our common stock. At a special meeting of our stockholders held on July 10, 2018, our stockholders approved the application of the reduced asset coverage requirements in Section 61(a)(2) of the Investment Company Act to us effective as of July 11, 2018. As a result of the effectiveness of the 150% reduced asset coverage requirements, we can incur $2 of debt for each $1 of equity as compared to $1 of debt for each $1 of equity. As of December 31, 2020, our debt to equity ratio was 0.91x. Under current market conditions, we generally expect to target a debt to equity ratio of 1.00x to 1.40x (i.e., one dollar of equity for each $1.00 to $1.40 of debt outstanding). As of December 31, 2020, we had $252.8 million in senior securities outstanding and our asset coverage ratio was 209.4%.

For the three months ended December 31, 2020, we experienced a net decrease in cash and cash equivalents and restricted cash of $11.6 million. During that period, $7.6 million of cash was provided by operating activities, primarily consisting of $34.3 million of principal payments and proceeds from the sale of investments, the cash activities related to $4.0 million of net investment income and an increase in net payables from unsettled transactions of $19.3 million, partially offset by cash used to fund $41.5 million of investments and a $6.9 million increase in other assets. During the same period, cash used in financing activities was $19.1 million, primarily consisting of $10.9 million of secured borrowings repayments, $3.9 million of net repayments under our credit facilities and $4.2 million of cash distributions paid to our stockholders.

For the three months ended December 31, 2019, we experienced a net increase in cash and cash equivalents and restricted cash of $3.9 million. During that period, $3.0 million of cash was used in operating activities, primarily consisting of cash used to fund $34.0 million of investments and a decrease in net payables from unsettled transactions of $22.1 million, partially offset by $48.6 million of principal payments and proceeds from the sale of investments and the cash activities related to $4.7 million of net investment income. During the same period, cash provided by financing activities was $6.9 million, primarily consisting of $11.5 million of net borrowings under our credit facilities, partially offset by $4.5 million of cash distributions paid to our stockholders.

As of December 31, 2020, we had $17.9 million of cash and cash equivalents (including $4.3 million of restricted cash), portfolio investments (at fair value) of $521.0 million, $1.8 million of interest, dividends and fees receivable, $87.2 million of undrawn capacity under our credit facilities (subject to borrowing base and other limitations), $15.6 million of net payables from unsettled transactions, $252.8 million of borrowings outstanding under our revolving credit facilities and unfunded commitments of $47.1 million. Pursuant to the terms of the Citibank Facility (as defined below), we were restricted in terms of access to $2.1 million of cash until the occurrence of the periodic distribution dates and, in connection therewith, our submission of our required periodic reporting schedules and verifications of our compliance with the terms of the credit agreement. As of December 31, 2020, $1.9 million of cash was restricted due to the obligation to pay interest under the terms of the Deutsche Bank Facility (as defined below), and $0.3 million was held at U.S. Bank National Association as collateral in connection with the ISDA Master Agreement with JPMorgan Chase Bank N.A. As of December 31, 2020, we have analyzed cash and cash equivalents, availability under our credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

As of September 30, 2020, we had $29.5 million of cash and cash equivalents (including $4.4 million of restricted cash), portfolio investments (at fair value) of $502.3 million, $1.3 million of interest, dividends and fees receivable, $83.3 million of undrawn capacity under our credit facilities (subject to borrowing base and other limitations), $3.7 million of net receivables from unsettled transactions, $256.7 million of borrowings outstanding under our revolving credit facilities, $10.9 million of secured borrowings and unfunded commitments of $33.7 million. Pursuant to the terms of the Citibank Facility, we were restricted in terms of access to $2.0 million of cash until the occurrence of the periodic distribution dates and, in connection therewith, our submission of our required periodic reporting schedules and verifications of our compliance with the terms of the credit agreement. As of September 30, 2020, $2.1 million of cash was restricted due to the obligation to pay interest under the terms of the Deutsche Bank Facility, and $0.3 million was held at U.S. Bank National Association as collateral in connection with the ISDA Master Agreement with JPMorgan Chase Bank N.A.

Significant Capital Transactions

The following table reflects the quarterly distributions per share that we have paid, including shares issued under our dividend reinvestment plan, or DRIP, on our common stock since October 1, 2018:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 19, 2018	December 17, 2018	December 28, 2018	$ 0.155	$ 4,513,238	6,888	$ 54,111
February 1, 2019	March 15, 2019	March 29, 2019	0.155	4,516,806	6,187	50,543
May 3, 2019	June 14, 2019	June 28, 2019	0.155	4,514,262	6,314	53,088
August 2, 2019	September 13, 2019	September 30, 2019	0.155	4,510,023	6,961	57,325
November 12, 2019	December 13, 2019	December 31, 2019	0.155	4,503,016	7,793	64,334
January 31, 2020	March 13, 2020	March 31, 2020	0.155	4,489,700	14,852	77,648
April 30, 2020	June 15, 2020	June 30, 2020	0.125	3,589,622	14,977	93,725
July 31, 2020	September 15, 2020	September 30, 2020	0.125	3,627,206	8,490	56,141
November 13, 2020	December 15, 2020	December 31, 2020	0.145	4,165,973	13,754	106,708

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(1) Shares were purchased on the open market and distributed.

Indebtedness

See "*Note 6. Borrowings*" in the Consolidated Financial Statements for more details regarding our indebtedness.

Citibank Facility

As of December 31, 2020 and September 30, 2020, we were able to borrow $180 million (subject to borrowing base and other limitations) under a revolving credit facility with us, as collateral manager, OCSI Senior Funding II LLC, our wholly-owned, special purpose financing subsidiary, as borrower, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and Wells Fargo Bank, N.A., as collateral agent, or the Citibank Facility. As of December 31, 2020, the reinvestment period under the Citibank Facility is scheduled to expire on July 19, 2021 and the maturity date for the Citibank Facility is July 18, 2023.

As of December 31, 2020, borrowings under the Citibank Facility are subject to certain customary advance rates and accrue interest at a rate equal to LIBOR plus 1.70% per annum on broadly syndicated loans and LIBOR plus 2.25% per annum on all other eligible loans during the reinvestment period. Following termination of the reinvestment period, borrowings under the Citibank Facility will accrue interest at rates equal to LIBOR plus 3.50% per annum during the first year after the reinvestment period and LIBOR plus 4.00% per annum during the subsequent two years, respectively. In addition, as of December 31, 2020, for the duration of the reinvestment period there is a non-usage fee payable of 0.50% per annum on the undrawn amount under the Citibank Facility. As of December 31, 2020, the minimum asset coverage ratio applicable to us under the Citibank Facility is 150% as determined in accordance with the requirements of the Investment Company Act.

As of December 31, 2020 and September 30, 2020, we had $121.1 million and $119.1 million outstanding under the Citibank Facility, respectively. Our borrowings under the Citibank Facility bore interest at a weighted average interest rate of 2.223% and 3.878% for the three months ended December 31, 2020 and 2019, respectively. For the three months ended December 31, 2020 and 2019, we recorded interest expense (inclusive of fees) of $0.9 million and $1.4 million, respectively, related to the Citibank Facility.

Deutsche Bank Facility

On September 24, 2018, OCSI Senior Funding Ltd., our wholly-owned subsidiary, entered into a loan financing and servicing agreement, or, as amended, the Deutsche Bank Facility, with us as equityholder and as servicer, the lenders from time to time parties thereto, Deutsche Bank AG, New York Branch, as facility agent, the other agents parties thereto and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian.

As of December 31, 2020, (a) OCSI Senior Funding Ltd. may request drawdowns under the under the Deutsche Bank Facility until September 30, 2021 (the "revolving period") unless there is an earlier termination or event of default, (b) the maturity date of the Deutsche Bank Facility is the earliest of March 30, 2022, the occurrence of an event of default or completion of a securitization transaction, (c) the size of the Deutsche Bank Facility is $160 million (subject to borrowing base and other limitations) and (d) the interest rate is three-month LIBOR plus 2.65% through September 30, 2021, following which the interest rate will reset to three-month LIBOR plus 2.80% for the remaining term of the Deutsche Bank Facility, in each case with a 0.25% LIBOR floor. There is a non-usage fee of 0.50% per annum payable on the undrawn amount under the Deutsche Bank Facility, and, as of December 31, 2020, a minimum utilization fee should the drawn amount under the Deutsche Bank Facility fall below 80%.

As of December 31, 2020, the Deutsche Bank Facility included a waiver period (which extended through January 3, 2021) during which the facility agent was restricted from revaluing certain collateral obligations where the change in valuation was caused by or resulted from a business disruption due primarily to the COVID-19 pandemic.

The Deutsche Bank Facility is secured by all of the assets held by OCSI Senior Funding Ltd. OCSI Senior Funding Ltd. has made customary representations and warranties and is required to comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar credit facilities. Our borrowings, including indirectly under the Deutsche Bank Facility, are subject to the leverage restrictions contained in the Investment Company Act.

As of December 31, 2020 and September 30, 2020, we had $131.7 million and $137.6 million outstanding under the Deutsche Bank Facility, respectively. For the three months ended December 31, 2020 and 2019, our borrowings under the Deutsche Bank Facility bore interest at a weighted average interest rate of 2.967% and 4.127%, respectively. For the three months ended December 31, 2020 and 2019, we recorded interest expense (inclusive of fees) of $1.2 million and $1.8 million, respectively.

East West Bank Facility

On January 6, 2016, we entered into a five-year, $25 million senior secured revolving credit facility (subject to borrowing base and other limitations) with the lenders referenced therein, U.S. Bank National Association, as custodian, and East West Bank as secured lender, or, as amended, the East West Bank Facility. On September 30, 2020, we repaid all amounts outstanding under the East West Bank Facility, following which the facility was terminated. Prior to its termination on September 30, 2020, borrowings under the East West Bank Facility bore an interest rate of either (i) LIBOR plus 2.85% per annum or (ii) East West Bank’s prime rate, in each case with a 3.5% floor. The East West Bank Facility would have otherwise matured on January 6, 2021. Prior to its termination on September 30, 2020, the minimum asset coverage ratio applicable to us under the East West Bank Facility was 150% as determined in accordance with the requirements of the Investment Company Act. The East West Bank Facility required us to comply with certain affirmative and negative covenants and other customary requirements for similar credit facilities.

As of each of December 31, 2020 and September 30, 2020, we had no borrowings outstanding under the East West Bank Facility. For the three months ended December 31, 2019, our borrowings under the East West Bank Facility bore interest at a weighted average interest rate of 4.799%. For the three months ended December 31, 2019, we recorded interest expense (inclusive of fees) of $0.2 million related to the East West Bank Facility.

Secured Borrowings

As of December 31, 2020, we did not have any secured borrowings outstanding. As of September 30, 2020, we had $10.9 million of secured borrowings outstanding, which were recorded as a result of certain securities that were sold and simultaneously repurchased at a premium, with amounts payable to the counterparty due on the repurchase settlement date, which is generally within 60 days of the trade date. For the three months ended December 31, 2020, we recorded less than $0.1 million of interest expense in connection with secured borrowings. For the three months ended December 31, 2019, we did not incur interest expense in connection with secured borrowings. Our secured borrowings bore interest at a weighted average rate of 3.34% for the three months ended December 31, 2020.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. As of December 31, 2020 and September 30, 2020, our only off-balance sheet arrangements consisted of $47.1 million and $33.7 million, respectively, of unfunded commitments to provide debt and equity financing to certain of our portfolio companies. Such commitments are subject to our portfolio companies' satisfaction of certain financial and nonfinancial covenants and may involve, to varying degrees, elements of credit risk in excess of the amount recognized in our Consolidated Statements of Assets and Liabilities.

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components and Subordinated Notes and LLC equity interests of the OCSI Glick JV) as of December 31, 2020 and September 30, 2020 is shown in the table below:

	December 31, 2020	September 30, 2020
OCSI Glick JV LLC (1)	$ 13,998,029	$ 13,998,029
MHE Intermediate Holdings, LLC	5,254,516	5,254,516
Athenex, Inc.	3,987,611	5,316,815
Thrasio, LLC	3,784,502	—
Jazz Acquisition, Inc.	3,678,000	—
FFI Holdings I Corp	3,671,200	—
Latam Airlines Group S.A.	2,951,000	—
MRI Software LLC	2,435,062	2,721,132
NeuAG, LLC	1,059,000	1,059,000
ADB Companies, LLC	1,000,000	—
Olaplex, Inc.	972,004	486,000
Mindbody, Inc.	952,381	952,381
Ardonagh Midco 3 PLC	835,267	1,002,320
Accupac, Inc.	716,984	716,984
Apptio, Inc.	692,308	692,308
Coyote Buyer, LLC	391,267	391,267
Telestream Holdings Corporation	342,000	—
Immucor, Inc.	189,438	189,438
Ministry Brands, LLC	100,000	42,500
GKD Index Partners, LLC	88,889	88,889
OEConnection LLC	30,357	501,353
iCIMs, Inc.	—	294,118
Total	**$ 47,129,815**	**$ 33,707,050**

(1) This investment was on cash non-accrual status as of December 31, 2020 and September 30, 2020.

Contractual Obligations

The following table reflects information pertaining to our debt outstanding under the Citibank Facility, the Deutsche Bank Facility and Secured Borrowings:

	Debt Outstanding as of September 30, 2020	Debt Outstanding as of December 31, 2020	Weighted average debt outstanding for the three months ended December 31, 2020	Maximum debt outstanding for the three months ended December 31, 2020
Citibank Facility	$ 119,056,800	$ 121,056,800	$ 120,904,625	$ 121,056,800
Deutsche Bank Facility	137,600,000	131,700,000	134,382,609	137,600,000
Secured borrowings	10,929,578	—	3,723,441	10,929,578
Total debt	**$ 267,586,378**	**$ 252,756,800**	**$ 259,010,675**	

The following table reflects our contractual obligations arising from the Citibank Facility and Deutsche Bank Facility:

	Payments due by period as of December 31, 2020			
	Total	< 1 year	1-3 years	3-5 years
Citibank Facility	$ 121,056,800	$ —	$ 121,056,800	$ —
Interest due on Citibank Facility	6,794,698	2,669,607	4,125,091	—
Deutsche Bank Facility	131,700,000	—	131,700,000	—
Interest due on Deutsche Bank Facility	4,750,581	3,819,300	931,281	—
Total	**$ 264,302,079**	**$ 6,488,907**	**$ 257,813,172**	**$ —**

Regulated Investment Company Status and Distributions

We have qualified and elected to be treated as a RIC under Subchapter M of the Code for tax purposes. As long as we continue to qualify as a RIC, we will not be subject to tax on our investment company taxable income (determined without regard to any deduction for dividends paid) or realized net capital gains, to the extent that such taxable income or gains is distributed, or deemed to be distributed as dividends, to stockholders on a timely basis.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation. Distributions declared and paid by us in a taxable year may differ from taxable income for that taxable year as such distributions may include the distribution of taxable income derived from the current taxable year or the distribution of taxable income derived from the prior taxable year carried forward into and distributed in the current taxable year. Distributions also may include returns of capital.

To maintain RIC tax treatment, we must, among other things, distribute dividends, with respect to each taxable year, of an amount at least equal to 90% of our investment company taxable income (i.e., our net ordinary income and our realized net short-term capital gains in excess of realized net long-term capital losses, if any) determined without regard to any deduction for dividends paid. As a RIC, we are also subject to a federal excise tax, based on distribution requirements of our taxable income on a calendar year basis. We anticipate timely distribution of our taxable income in accordance with tax rules. We did not incur a U.S. federal excise tax for calendar years 2019 and 2020. We may incur a federal excise tax in future years.

We intend to distribute at least 90% of our annual taxable income (which includes our taxable interest and fee income) to our stockholders. The covenants under the respective documents governing the Citibank Facility and the Deutsche Bank Facility could, under certain circumstances, hinder our ability to satisfy the distribution requirement associated with our ability to be subject to tax as a RIC. In addition, we may retain for investment some or all of our net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) and treat such amounts as deemed distributions to our stockholders. If we do this, our stockholders will be treated as if they received actual distributions of the capital gains we retained and then reinvested the net after-tax proceeds in our common stock. Our stockholders also may be eligible to claim tax credits (or, in certain circumstances, tax refunds) equal to their allocable share of the tax we paid on the capital gains deemed distributed to them. To the extent our taxable earnings for a fiscal and taxable year fall below the total amount of our distributions for that fiscal and taxable year, a portion of those distributions may be deemed a return of capital to our stockholders.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage test for borrowings applicable to us as a Business Development Company under the Investment Company Act and due to provisions in our credit facilities and debt instruments. If we do not distribute a certain percentage of our taxable income annually, we will suffer adverse tax consequences, including possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

A RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder elects to receive his or her entire distribution in either cash or stock of the RIC, subject to certain limitations regarding the aggregate amount of cash to be distributed to all stockholders. If these and certain other requirements are met, for U.S federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock.

We may generate qualified net interest income or qualified net short-term capital gains that may be exempt from U.S. withholding tax when distributed to foreign stockholders. A RIC is permitted to designate distributions of qualified net interest income and qualified short-term capital gains as exempt from U.S. withholding tax when paid to non-U.S. stockholders with proper documentation. The following table, which may be subject to change as we finalize our annual tax filings, lists the percentage of qualified net interest income and qualified short-term capital gains for the year ended September 30, 2020, our last tax year end.

Year Ended	Qualified Net Interest Income	Qualified Short-Term Capital Gains
September 30, 2020	94.7 %	—

We have adopted a DRIP that provides for the reinvestment of any distributions that we declare in cash on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board of Directors declares a cash distribution, then our stockholders who have not “opted out” of the DRIP will have their cash distributions automatically reinvested in additional shares of our common stock, rather than receiving a cash distribution. If our shares are trading at a premium to net asset value, we typically issue new shares to implement the DRIP, with such shares issued at the greater of the most recently computed net asset value per share of our common stock or 95% of the current market value per share of our common stock on the payment date for such distribution. If our shares are trading at a discount to net asset value, we typically purchase shares in the open market in connection with our obligations under the DRIP.

Related Party Transactions

We have entered into the Investment Advisory Agreement with Oaktree and the Administration Agreement with Oaktree Administrator, an affiliate of Oaktree. Mr. John B. Frank, an interested member of our Board of Directors, has an indirect pecuniary interest in Oaktree. Oaktree is a registered investment adviser under the Investment Advisers Act of 1940, as amended, that is partially and indirectly owned by Oaktree Capital Group, LLC. See "*Note 11. Related Party Transactions - Investment Advisory Agreement*" and "*– Administrative Services*" in the notes to the accompanying Consolidated Financial Statements.

Recent Developments

Stockholder Meetings

On January 19, 2021, OCSL filed an amended registration statement on Form N-14, which included a joint proxy statement of OCSL and us and OCSL's prospectus. The registration statement on Form N-14 was declared effective by the SEC on January 21, 2021. On January 21, 2021, we filed our final joint proxy statement/prospectus with the SEC, which was mailed on or about January 21, 2021 to our stockholders of record as of January 19, 2021. Our special meeting of stockholders and OCSL's annual meeting of stockholders are both scheduled for March 15, 2021 to vote on the matters described in the joint proxy statement/prospectus as required by the Merger Agreement.

Distribution Declaration

On January 29, 2021, our Board of Directors declared a quarterly distribution of $0.155 per share, payable in cash on February 26, 2021 to stockholders of record on February 12, 2021.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

We are subject to financial market risks, including changes in the valuations of our investment portfolio and interest rates.

Valuation Risk

Our investments may not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board of Directors, with the assistance of the Audit Committee and Oaktree. There is no single standard for determining fair value in good faith and valuation methodologies involve a significant degree of management judgment. In addition, our valuation methodology utilizes discount rates in part in valuing our investments, and changes in those discount rates may have an impact on the valuation of our investments. Accordingly, valuations by us do not necessarily represent the amounts which may eventually be realized from sales or other dispositions of investments. Estimated fair values may differ from the values that would have been used had a ready market for the investment existed, and the differences could be material to the financial statements.

Interest Rate Risk

We are subject to financial market risks, including changes in interest rates. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments, cash and cash equivalents and idle fund investments. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs. Our investment income will be affected by changes in various interest rates, including LIBOR and prime rates, to the extent our debt investments include floating interest rates.

As of December 31, 2020, 97.9% of our debt investment portfolio (at fair value) and 98.1% of our debt investment portfolio (at cost) bore interest at floating rates. As of September 30, 2020, 98.1% of our debt investment portfolio (at fair value) and 98.3% of our debt portfolio (at cost) bore interest at floating rates. The composition of our floating rate debt investments by interest rate floor as of December 31, 2020 and September 30, 2020 was as follows:

	December 31, 2020		September 30, 2020	
	Fair Value	% of Floating Rate Portfolio	Fair Value	% of Floating Rate Portfolio
0%	$ 194,720,479	38.33 %	$ 202,763,547	41.34 %
>0% and <1%	21,721,967	4.28	15,410,808	3.14
1%	276,663,532	54.47	257,823,936	52.56
>1%	14,808,803	2.92	14,508,599	2.96
Total Floating Rate Investments	**$ 507,914,781**	**100.00 %**	**$ 490,506,890**	**100.00 %**

Based on our Consolidated Statement of Assets and Liabilities as of December 31, 2020, the following table shows the approximate annualized net increase (decrease) in net assets resulting from operations of hypothetical base rate changes in interest rates, assuming no changes in our investment and capital structure. However, there can be no assurances our portfolio companies will be able to meet their contractual obligations at any or all levels on increases in interest rates.

Basis point increase	Increase in Interest Income	(Increase) in Interest Expense	Net increase (decrease) in net assets resulting from operations
250	$ 9,221,445	$ (6,318,920)	$ 2,902,525
200	6,865,817	(5,055,136)	1,810,681
150	4,510,189	(3,791,352)	718,837
100	2,178,045	(2,527,568)	(349,523)
50	725,186	(1,263,784)	(538,598)

The net effect of any decrease in interest rates is limited and would not be of significance due to interest rate floors on investments and borrowings outstanding.

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on this review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. The following table shows a comparison of the interest rate base for our interest-bearing cash and outstanding investments, at principal, and our outstanding borrowings as of December 31, 2020 and September 30, 2020:

	December 31, 2020		September 30, 2020	
	Interest Bearing Cash and Investments	Borrowings	Interest Bearing Cash and Investments	Borrowings
Money market rate	$ 17,890,088	$ —	$ 26,717,032	$ —
LIBOR:				
30 day	295,216,058	—	280,596,064	—
60 day	8,272,500	—	6,346,250	—
90 day	189,060,223	252,756,800	183,287,520	256,656,800
180 day	28,551,317	—	43,070,281	—
360 day	8,200,295	—	8,289,847	—
EURIBOR:				
180 day	587,304	—	562,872	—
UK LIBOR:				
180 day	5,283,417	—	4,870,718	—
Fixed rate	10,988,222	—	9,659,018	10,929,578
Total	**$ 564,049,424**	**$ 252,756,800**	**$ 563,399,602**	**$ 267,586,378**

Item 4. ***Controls and Procedures***

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2020. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of December 31, 2020, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, in timely identifying, recording, processing, summarizing and reporting any material information relating to us that is required to be disclosed in the reports we file or submit under the Exchange Act.

There were no changes in our internal control over financial reporting that occurred during the three months ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II— OTHER INFORMATION

Item 1. *Legal Proceedings*

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, we are currently not a party to any pending material legal proceedings.

Item 1A. *Risk Factors*

There have been no material changes during the three months ended December 31, 2020 to the risk factors discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2020.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

None.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

None.

Item 6. *Exhibits*

2.1^	Agreement and Plan of Merger among the Registrant, Oaktree Specialty Lending Corporation, Lion Merger Sub, Inc. and Oaktree Fund Advisors LLC (for the limited purposes set forth therein), dated as of October 28, 2020 (Incorporated by reference to Exhibit 2.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-01013) filed on October 29, 2020).
10.1	Fifth Amendment to the Amended and Restated Loan and Security Agreement by and among the Registrant, as collateral manager, OCSI Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of October 27, 2020 (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-01013) filed on October 29, 2020).
10.2	Amendment No. 7 to Loan Financing and Servicing Agreement, dated as of October 27, 2020, among OCSI Senior Funding Ltd., as borrower, the Registrant, as servicer, and Deutsche Bank AG, New York Branch, as facility agent and as a committed lender (Incorporated by reference to Exhibit 10.2 filed with the Registrant's Current Report on Form 8-K (File No. 814-01013) filed on October 29, 2020).
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

* Filed herewith.

^ Exhibits and schedules to Exhibit 2.1 have been omitted in accordance with Item 601 of Regulation S-K. The Registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OAKTREE STRATEGIC INCOME CORPORATION

By: /s/ Armen Panossian

Armen Panossian
Chief Executive Officer

By: /s/ Mel Carlisle

Mel Carlisle
Chief Financial Officer and Treasurer

Date: February 3, 2021

Exhibit 31.1

I, Armen Panossian, Chief Executive Officer of Oaktree Strategic Income Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended December 31, 2020 of Oaktree Strategic Income Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 3rd day of February, 2021.

By: /s/ Armen Panossian

Armen Panossian
Chief Executive Officer

Exhibit 31.2

I, Mel Carlisle, Chief Financial Officer of Oaktree Strategic Income Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended December 31, 2020 of Oaktree Strategic Income Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 3rd day of February, 2021.

By: /s/ Mel Carlisle

Mel Carlisle
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the quarter ended **December 31, 2020** (the “Report”) of **Oaktree Strategic Income Corporation** (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, **Armen Panossian**, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Armen Panossian

Name: Armen Panossian

Date: February 3, 2021

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the quarter ended **December 31, 2020** (the “Report”) of **Oaktree Strategic Income Corporation** (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, **Mel Carlisle**, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mel Carlisle

Name: Mel Carlisle

Date: February 3, 2021