

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 June 30, 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)

333 South Grand Avenue, 28th Floor  
Los Angeles, CA  
(Address of principal executive office)

61-1713295

(I.R.S. Employer Identification No.)

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 August 6, 2020.

OAKTREE STRATEGIC INCOME CORPORATION  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2020

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PART I — FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

Oaktree Strategic Income Corporation  
Consolidated Statements of Assets and Liabilities

	June 30, 2020 (unaudited)	September 30, 2019
<b>ASSETS</b>		
<b>Investments at fair value:</b>		
Control investments (cost June 30, 2020: \$73,157,302; cost September 30, 2019: \$73,189,664)	\$ 45,959,183	\$ 54,326,418
Non-control/Non-affiliate investments (cost June 30, 2020: \$486,882,953; cost September 30, 2019: \$553,679,070)	460,493,061	542,778,029
<b>Total investments at fair value (cost June 30, 2020: \$560,040,255; cost September 30, 2019: \$626,868,734)</b>	<b>506,452,244</b>	<b>597,104,447</b>
Cash and cash equivalents	30,102,649	5,646,899
Restricted cash	7,792,996	8,404,733
Interest, dividends and fees receivable	1,940,633	3,813,730
Due from portfolio companies	556,404	350,597
Receivables from unsettled transactions	29,207,404	5,091,671
Deferred financing costs	2,010,442	2,139,299
Deferred offering costs	101,846	—
Derivative asset at fair value	281,117	20,876
Other assets	879,067	761,462
<b>Total assets</b>	<b>\$ 579,324,802</b>	<b>\$ 623,333,714</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable, accrued expenses and other liabilities	\$ 1,312,049	\$ 901,410
Base management fee and incentive fee payable	1,641,920	1,368,431
Due to affiliate	1,136,158	1,457,007
Interest payable	1,983,791	2,750,587
Payables from unsettled transactions	11,385,018	37,724,473
Director fees payable	—	25,000
Credit facilities payable	312,156,800	294,656,800
<b>Total liabilities</b>	<b>329,615,736</b>	<b>338,883,708</b>
<b>Commitments and contingencies (Note 14)</b>		
<b>Net assets:</b>		
Common stock, \$0.01 par value per share, 150,000,000 shares authorized; 29,466,768 shares issued and outstanding as of June 30, 2020 and September 30, 2019	294,668	294,668
Additional paid-in-capital	369,199,332	369,199,332
Accumulated overdistributed earnings	(119,784,934)	(85,043,994)
<b>Total net assets (equivalent to \$8.47 and \$9.65 per common share as of June 30, 2020 and September 30, 2019, respectively) (Note 12)</b>	<b>249,709,066</b>	<b>284,450,006</b>
<b>Total liabilities and net assets</b>	<b>\$ 579,324,802</b>	<b>\$ 623,333,714</b>

See notes to Consolidated Financial Statements.

**Oaktree Strategic Income Corporation**  
**Consolidated Statements of Operations**  
(unaudited)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Interest income:</b>				
Control investments	\$ —	\$ 1,486,149	\$ 1,436,726	\$ 4,444,357
Non-control/Non-affiliate investments	7,780,962	11,984,332	27,163,419	32,404,578
Interest on cash and cash equivalents	2,497	51,123	60,804	170,250
<b>Total interest income</b>	<b>7,783,459</b>	<b>13,521,604</b>	<b>28,660,949</b>	<b>37,019,185</b>
<b>PIK interest income:</b>				
Non-control/Non-affiliate investments	744,122	2,838	1,044,579	16,587
<b>Total PIK interest income</b>	<b>744,122</b>	<b>2,838</b>	<b>1,044,579</b>	<b>16,587</b>
<b>Fee income:</b>				
Non-control/Non-affiliate investments	108,580	284,081	876,359	513,522
<b>Total fee income</b>	<b>108,580</b>	<b>284,081</b>	<b>876,359</b>	<b>513,522</b>
<b>Total investment income</b>	<b>8,636,161</b>	<b>13,808,523</b>	<b>30,581,887</b>	<b>37,549,294</b>
<b>Expenses:</b>				
Base management fee	1,374,962	1,497,711	4,322,609	4,363,871
Part I incentive fee	266,935	1,294,691	1,530,593	3,245,213
Professional fees	243,949	397,365	880,323	1,231,578
Directors fees	105,000	105,000	315,000	315,278
Interest expense	2,995,323	3,860,478	9,899,313	10,854,962
Administrator expense	217,964	224,328	696,917	890,228
General and administrative expenses	263,519	325,656	801,389	941,220
<b>Total expenses</b>	<b>5,467,652</b>	<b>7,705,229</b>	<b>18,446,144</b>	<b>21,842,350</b>
Reversal of fees waived / (fees waived)	—	184,907	(322,121)	(291,740)
<b>Net expenses</b>	<b>5,467,652</b>	<b>7,890,136</b>	<b>18,124,023</b>	<b>21,550,610</b>
<b>Net investment income</b>	<b>3,168,509</b>	<b>5,918,387</b>	<b>12,457,864</b>	<b>15,998,684</b>
<b>Unrealized appreciation (depreciation):</b>				
Control investments	8,125,254	(355,315)	(8,334,873)	(2,585,573)
Non-control/Non-affiliate investments	33,839,061	(2,132,068)	(15,488,851)	(10,912,918)
Foreign currency forward contract	(35,850)	(106,334)	260,241	(58,439)
<b>Net unrealized appreciation (depreciation)</b>	<b>41,928,465</b>	<b>(2,593,717)</b>	<b>(23,563,483)</b>	<b>(13,556,930)</b>
<b>Realized gains (losses):</b>				
Non-control/Non-affiliate investments	(2,938,459)	(125,517)	(10,549,832)	1,244,015
Foreign currency forward contract	—	283,747	(267,444)	291,867
<b>Net realized gains (losses)</b>	<b>(2,938,459)</b>	<b>158,230</b>	<b>(10,817,276)</b>	<b>1,535,882</b>
<b>Net realized and unrealized gains (losses)</b>	<b>38,990,006</b>	<b>(2,435,487)</b>	<b>(34,380,759)</b>	<b>(12,021,048)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 42,158,515</b>	<b>\$ 3,482,900</b>	<b>\$ (21,922,895)</b>	<b>\$ 3,977,636</b>
<b>Net investment income per common share — basic and diluted</b>	<b>\$ 0.11</b>	<b>\$ 0.20</b>	<b>\$ 0.42</b>	<b>\$ 0.54</b>
<b>Earnings (loss) per common share — basic and diluted (Note 5)</b>	<b>\$ 1.43</b>	<b>\$ 0.12</b>	<b>\$ (0.74)</b>	<b>\$ 0.13</b>
Weighted average common shares outstanding — basic and diluted	29,466,768	29,466,768	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 June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Operations:</b>				
Net investment income	\$ 3,168,509	\$ 5,918,387	\$ 12,457,864	\$ 15,998,684
Net unrealized appreciation (depreciation)	41,928,465	(2,593,717)	(23,563,483)	(13,556,930)
Net realized gains (losses)	(2,938,459)	158,230	(10,817,276)	1,535,882
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>42,158,515</b>	<b>3,482,900</b>	<b>(21,922,895)</b>	<b>3,977,636</b>
<b>Stockholder transactions:</b>				
Distributions to stockholders	(3,683,347)	(4,567,350)	(12,818,045)	(13,702,048)
<b>Net increase (decrease) in net assets from stockholder transactions</b>	<b>(3,683,347)</b>	<b>(4,567,350)</b>	<b>(12,818,045)</b>	<b>(13,702,048)</b>
<b>Capital share transactions:</b>				
Issuance of common stock under dividend reinvestment plan	93,725	53,088	235,706	157,742
Repurchases of common stock under dividend reinvestment plan	(93,725)	(53,088)	(235,706)	(157,742)
<b>Net change in net assets from capital share transactions</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total increase (decrease) in net assets</b>	<b>38,475,168</b>	<b>(1,084,450)</b>	<b>(34,740,940)</b>	<b>(9,724,412)</b>
Net assets at beginning of period	211,233,898	287,105,458	284,450,006	295,745,420
<b>Net assets at end of period</b>	<b>\$ 249,709,066</b>	<b>\$ 286,021,008</b>	<b>\$ 249,709,066</b>	<b>\$ 286,021,008</b>
<b>Net asset value per common share</b>	<b>\$ 8.47</b>	<b>\$ 9.71</b>	<b>\$ 8.47</b>	<b>\$ 9.71</b>
Common shares outstanding at end of period	29,466,768	29,466,768	29,466,768	29,466,768

See notes to Consolidated Financial Statements.

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

	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Operating activities:</b>		
Net increase (decrease) in net assets resulting from operations	\$ (21,922,895)	\$ 3,977,636
<b>Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:</b>		
Net unrealized (appreciation) depreciation	23,563,483	13,556,930
Net realized (gains) losses	10,817,276	(1,535,882)
PIK interest income	(1,044,579)	(16,587)
Accretion of original issue discount on investments	(1,136,714)	(1,933,124)
Amortization of deferred financing costs	790,336	422,614
Purchases of investments	(173,463,199)	(198,538,828)
Proceeds from the sales and repayments of investments	231,031,575	156,786,130
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in interest, dividends and fees receivable	2,325,006	153,465
(Increase) decrease in due from portfolio companies	(205,807)	122,619
(Increase) decrease in receivables from unsettled transactions	(24,115,733)	(36,588)
(Increase) decrease in other assets	(117,605)	47,782
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(293,047)	450,973
Increase (decrease) in base management fee and incentive fee payable	273,489	(117,465)
Increase (decrease) in due to affiliate	(320,849)	(108,827)
Increase (decrease) in interest payable	(766,796)	1,848,050
Increase (decrease) in payables from unsettled transactions	(26,339,455)	3,002,450
Increase (decrease) in director fees payable	(25,000)	—
<b>Net cash provided by (used in) operating activities</b>	<b>19,049,486</b>	<b>(21,918,652)</b>
<b>Financing activities:</b>		
Distributions paid in cash	(12,582,339)	(13,544,306)
Borrowings under credit facilities	79,500,000	107,600,000
Repayments of borrowings under credit facilities	(62,000,000)	(74,400,000)
Repurchases of common stock under dividend reinvestment plan	(235,706)	(157,742)
Deferred financing costs paid	(33,679)	(10,000)
Offering costs paid	(25,960)	—
<b>Net cash provided by (used in) financing activities</b>	<b>4,622,316</b>	<b>19,487,952</b>
Effect of exchange rate changes on foreign currency	172,211	(461)
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>23,844,013</b>	<b>(2,431,161)</b>
Cash and cash equivalents and restricted cash, beginning of period	14,051,632	16,431,787
<b>Cash and cash equivalents and restricted cash, end of period</b>	<b>\$ 37,895,645</b>	<b>\$ 14,000,626</b>
<b>Supplemental information:</b>		
Cash paid for interest	\$ 9,875,773	\$ 8,584,298
<b>Non-cash financing activities:</b>		
Issuance of shares of common stock under dividend reinvestment plan	\$ 235,706	\$ 157,742
Deferred financing costs incurred	(627,800)	(115,086)
Deferred offering costs incurred	(75,886)	—
<b>Reconciliation to the Consolidated Statements of Assets and Liabilities</b>		
	<b>June 30, 2020</b>	<b>September 30, 2019</b>
Cash and cash equivalents	\$ 30,102,649	\$ 5,646,899
Restricted cash	7,792,996	8,404,733
<b>Total cash and cash equivalents and restricted cash</b>	<b>\$ 37,895,645</b>	<b>\$ 14,051,632</b>

See notes to Consolidated Financial Statements.

**Oaktree Strategic Income Corporation**  
**Consolidated Schedule of Investments**  
**June 30, 2020**  
**(unaudited)**

<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Control Investments</b>						(8)
<b>OCSI Glick JV LLC</b>						(10)(11)
Subordinated Note, LIBOR+4.50% cash due 10/20/2028		Multi-Sector Holdings	\$ 66,045,551	\$ 66,045,551	\$ 45,959,183	(6)(9)(14)(15)(16)
87.5% equity interest				7,111,751	—	(9)(12)(14)
				<u>73,157,302</u>	<u>45,959,183</u>	
<b>Total Control Investments (18.4% of net assets)</b>			<u>\$ 73,157,302</u>	<u>\$ 45,959,183</u>		
<b>Non-Control/Non-Affiliate Investments</b>						(13)
<b>4 Over International, LLC</b>						(13)
Commercial Printing						
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.00%		\$ 5,522,679	\$ 5,461,044	\$ 5,213,410	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 6/7/2021	7.00%		68,452	67,949	64,620	(6)(15)
				<u>5,528,993</u>	<u>5,278,030</u>	
<b>99 Cents Only Stores LLC</b>						
General Merchandise Stores						
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	5.30%		1,627,449	1,576,363	1,381,298	(6)
				<u>1,576,363</u>	<u>1,381,298</u>	
<b>Access CIG, LLC</b>						
Diversified Support Services						
First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.92%		5,420,800	5,382,095	5,178,002	(6)
				<u>5,382,095</u>	<u>5,178,002</u>	
<b>Accupac, Inc.</b>						
Personal Products						
First Lien Term Loan, LIBOR+6.00% cash due 1/17/2026	7.00%		3,826,275	3,764,386	3,763,141	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 1/17/2026			—	(11,597)	(11,830)	(6)(14)(15)
First Lien Revolver, LIBOR+6.00% cash due 1/17/2026	7.00%		477,989	470,258	470,103	(6)(15)
				<u>4,223,047</u>	<u>4,221,414</u>	
<b>AI Ladder (Luxembourg) Subco S.a.r.l.</b>						
Electrical Components & Equipment						
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.68%		6,440,485	6,300,920	5,876,943	(6)(9)
				<u>6,300,920</u>	<u>5,876,943</u>	
<b>Airbnb, Inc.</b>						
Hotels, Resorts & Cruise Lines						
First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50%		4,767,000	4,650,552	4,981,515	(6)
				<u>4,650,552</u>	<u>4,981,515</u>	
<b>Aldevron, L.L.C.</b>						
Biotechnology						
First Lien Term Loan, LIBOR+4.25% cash due 10/12/2026	5.25%		3,990,000	3,950,100	3,945,113	(6)
				<u>3,950,100</u>	<u>3,945,113</u>	
<b>All Web Leads, Inc.</b>						
Advertising						
First Lien Term Loan, LIBOR+5.50% cash 2% PIK due 12/29/2020	6.50%		24,049,298	24,049,272	22,067,443	(6)(15)
				<u>24,049,272</u>	<u>22,067,443</u>	
<b>Amplify Finco Pty Ltd.</b>						
Movies & Entertainment						
First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75%		5,985,000	5,925,150	5,236,875	(6)(9)(15)
				<u>5,925,150</u>	<u>5,236,875</u>	
<b>Ancile Solutions, Inc.</b>						
Application Software						
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%		7,944,097	7,857,052	7,840,824	(6)(15)
				<u>7,857,052</u>	<u>7,840,824</u>	
<b>Apptio, Inc.</b>						
Application Software						
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25%		10,693,944	10,530,085	10,453,170	(6)(15)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(10,448)	(15,587)	(6)(14)(15)
				<u>10,519,637</u>	<u>10,437,583</u>	
<b>Athenex, Inc.</b>						
Pharmaceuticals						
First Lien Term Loan, 11.00% cash due 6/19/2026			6,835,903	6,537,010	6,535,887	(9)(15)
First Lien Delayed Draw Term Loan, 11.00% cash due 6/19/2026			—	(118,675)	(118,675)	(9)(14)(15)
62,097 Common Stock Warrants (exercise price \$12.63) expiration date 6/19/2027				213,614	213,614	(9)(15)
				<u>6,631,949</u>	<u>6,630,826</u>	

**Oaktree Strategic Income Corporation**  
**Consolidated Schedule of Investments**  
**June 30, 2020**  
**(unaudited)**

<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Avaya, Inc.</b>						
		Communications Equipment				
First Lien Term Loan, LIBOR+4.25% cash due 12/15/2024	4.43%		\$ 8,970,299	\$ 8,904,306	\$ 8,310,982	(6)
				<b>8,904,306</b>	<b>8,310,982</b>	
<b>Ball Metalpack Finco, LLC</b>						
		Metal & Glass Containers				
First Lien Term Loan, LIBOR+4.50% cash due 7/31/2025	4.86%		3,433,740	3,421,165	3,186,940	(6)(15)
				<b>3,421,165</b>	<b>3,186,940</b>	
<b>Blackhawk Network Holdings, Inc.</b>						
		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	7.25%		4,375,000	4,339,989	4,019,531	(6)
				<b>4,339,989</b>	<b>4,019,531</b>	
<b>Boxer Parent Company Inc.</b>						
		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.43%		6,072,525	6,007,391	5,768,565	(6)
				<b>6,007,391</b>	<b>5,768,565</b>	
<b>Cadence Aerospace, LLC</b>						
		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.25% cash 5.25% PIK due 11/14/2023	4.25%		13,411,029	13,315,699	12,316,689	(6)(15)
				<b>13,315,699</b>	<b>12,316,689</b>	
<b>Canyon Buyer, Inc.</b>						
		Application Software				
First Lien Term Loan, LIBOR+4.25% cash due 2/15/2025	4.56%		5,886,822	5,831,475	5,769,086	(6)
				<b>5,831,475</b>	<b>5,769,086</b>	
<b>Carrols Restaurant Group, Inc.</b>						
		Restaurants				
First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%		3,586,000	3,406,700	3,442,560	(6)
				<b>3,406,700</b>	<b>3,442,560</b>	
<b>Chief Power Finance II, LLC</b>						
		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	7.50%		3,368,750	3,302,235	3,177,405	(6)(15)
				<b>3,302,235</b>	<b>3,177,405</b>	
<b>CircusTrix Holdings LLC</b>						
		Leisure Facilities				
First Lien Term Loan, LIBOR+5.50% PIK due 12/16/2021			8,245,864	8,215,255	6,450,740	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% PIK due 12/16/2021			992,905	985,688	776,750	(6)(15)
				<b>9,200,943</b>	<b>7,227,490</b>	
<b>CITGO Petroleum Corp.</b>						
		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00%		5,401,326	5,347,313	5,198,776	(6)
				<b>5,347,313</b>	<b>5,198,776</b>	
<b>Connect U.S. Finco LLC</b>						
		Alternative Carriers				
First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%		9,420,708	9,177,268	8,896,728	(6)(9)
				<b>9,177,268</b>	<b>8,896,728</b>	
<b>Continental Intermodal Group LP</b>						
		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+8.50% PIK due 1/28/2025			13,059,121	13,059,121	11,442,402	(6)(15)
				<b>13,059,121</b>	<b>11,442,402</b>	
<b>Coyote Buyer, LLC</b>						
		Specialty Chemicals				
First Lien Term Loan, LIBOR+6.00% cash due 2/6/2026	7.00%		5,464,039	5,409,398	5,409,398	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 2/6/2025	7.35%		234,760	230,847	230,847	(6)(14)(15)
				<b>5,640,245</b>	<b>5,640,245</b>	
<b>CPI Holdco, LLC</b>						
		Health Care Supplies				
First Lien Term Loan, LIBOR+4.25% cash due 11/4/2026	4.43%		5,909,190	5,884,253	5,717,141	(6)
				<b>5,884,253</b>	<b>5,717,141</b>	
<b>CTOS, LLC</b>						
		Trading Companies & Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 4/18/2025	4.44%		8,753,131	8,855,394	8,621,834	(6)
				<b>8,855,394</b>	<b>8,621,834</b>	



**Oaktree Strategic Income Corporation**  
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<b>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</b>	<b><u>Cash Interest</u></b>	<b><u>Industry</u></b>	<b><u>Principal (7)</u></b>	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>	<b><u>Notes</u></b>
	<b><u>Rate (6)</u></b>					
<b>Curium Bidco S.à.r.l.</b>		Biotechnology				
First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.07%		\$ 3,970,000	\$ 3,940,225	\$ 3,900,525	(6)(9)
				<b>3,940,225</b>	<b>3,900,525</b>	
<b>Dealer Tire, LLC</b>		Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.43%		8,873,699	8,778,259	8,503,932	(6)
				<b>8,778,259</b>	<b>8,503,932</b>	
<b>Ellie Mae, Inc.</b>		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 4/17/2026	4.06%		7,443,750	7,404,050	7,244,630	(6)
				<b>7,404,050</b>	<b>7,244,630</b>	
<b>EnergySolutions LLC</b>		Environmental & Facilities Services				
First Lien Term Loan, LIBOR+3.75% cash due 5/9/2025	4.75%		3,920,000	3,906,297	3,639,054	(6)
				<b>3,906,297</b>	<b>3,639,054</b>	
<b>eResearch Technology, Inc.</b>		Application Software				
First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%		4,000,000	3,960,000	3,931,000	(6)
				<b>3,960,000</b>	<b>3,931,000</b>	
<b>Firstlight Holdco, Inc.</b>		Alternative Carriers				
First Lien Term Loan, LIBOR+3.50% cash due 7/23/2025	3.68%		7,102,410	7,076,357	6,787,240	(6)
				<b>7,076,357</b>	<b>6,787,240</b>	
<b>GI Chill Acquisition LLC</b>		Managed Health Care				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	4.31%		2,977,273	2,954,943	2,783,750	(6)(15)
				<b>2,954,943</b>	<b>2,783,750</b>	
<b>GKD Index Partners, LLC</b>		Specialized Finance				
First Lien Term Loan, LIBOR+7.00% cash due 6/29/2023	8.00%		8,164,382	8,115,512	7,960,272	(6)(15)
First Lien Revolver, LIBOR+7.00% cash due 6/29/2023	8.00%		355,556	351,749	343,556	(6)(14)(15)
				<b>8,467,261</b>	<b>8,303,828</b>	
<b>Global Medical Response</b>		Health Care Services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25%		2,469,673	2,426,164	2,369,342	(6)
				<b>2,426,164</b>	<b>2,369,342</b>	
<b>Guidehouse LLP</b>		Research & Consulting Services				
First Lien Term Loan, LIBOR+4.50% cash due 5/1/2025	4.68%		2,481,012	2,458,464	2,412,785	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.18%		5,000,000	4,981,651	4,575,000	(6)(15)
				<b>7,440,115</b>	<b>6,987,785</b>	
<b>Gulf Operating, LLC</b>		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+5.25% cash due 8/25/2023	6.25%		1,931,212	1,031,990	1,263,331	(6)
				<b>1,031,990</b>	<b>1,263,331</b>	
<b>Helios Software Holdings, Inc.</b>		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	5.32%		3,979,845	3,940,046	3,852,490	(6)
				<b>3,940,046</b>	<b>3,852,490</b>	
<b>iCIMS, Inc.</b>		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	7.50%		5,572,549	5,492,792	5,521,281	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(5,255)	(2,706)	(6)(14)(15)
				<b>5,487,537</b>	<b>5,518,575</b>	
<b>KIK Custom Products Inc.</b>		Household Products				
First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.00%		5,000,000	5,020,416	4,777,825	(6)(9)
				<b>5,020,416</b>	<b>4,777,825</b>	
<b>Lannett Company, Inc.</b>		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.38% cash due 11/25/2022	6.38%		6,913,194	6,922,358	6,815,994	(6)(9)
				<b>6,922,358</b>	<b>6,815,994</b>	
<b>Lightbox Intermediate, L.P.</b>		Real Estate Services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.18%		9,900,000	9,775,065	9,157,500	(6)(15)
				<b>9,775,065</b>	<b>9,157,500</b>	

**Oaktree Strategic Income Corporation**  
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<b>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</b>	<b>Cash Interest Rate (6)</b>	<b>Industry</b>	<b>Principal (7)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Notes</b>
<b>MHE Intermediate Holdings, LLC</b>						
		Diversified Support Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07%		\$ 11,449,338	\$ 11,326,702	\$ 11,140,206	(6)(15)
First Lien Revolver, LIBOR+5.00% cash due 3/10/2023			—	(228,947)	(141,872)	(6)(14)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07%		2,331,485	2,358,120	2,268,373	(6)(14)(15)
				<b>13,455,875</b>	<b>13,266,707</b>	
<b>Mindbody, Inc.</b>						
		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00%		9,058,175	8,918,682	8,369,753	(6)(15)
First Lien Revolver, LIBOR+8.00% cash due 2/14/2025	9.07%		952,381	937,697	880,000	(6)(15)
				<b>9,856,379</b>	<b>9,249,753</b>	
<b>Ministry Brands, LLC</b>						
		Application Software				
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	6.00%		57,500	56,639	56,762	(6)(14)(15)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25%		1,568,067	1,557,513	1,556,501	(6)(15)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25%		431,933	426,407	428,747	(6)(15)
				<b>2,040,559</b>	<b>2,042,010</b>	
<b>MRI Software LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.57%		5,791,966	5,741,268	5,574,768	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026			—	(3,756)	(16,255)	(6)(14)(15)
First Lien Revolver, LIBOR+5.50% cash due 2/10/2026			—	(5,283)	(19,810)	(6)(14)(15)
				<b>5,732,229</b>	<b>5,538,703</b>	
<b>Northwest Fiber, LLC</b>						
		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.67%		4,211,000	4,053,895	4,189,945	(6)
				<b>4,053,895</b>	<b>4,189,945</b>	
<b>OEConnection LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.07%		7,705,839	7,667,310	7,320,547	(6)
First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026			—	(3,406)	(36,797)	(6)(14)
				<b>7,663,904</b>	<b>7,283,750</b>	
<b>Olaplex, Inc.</b>						
		Personal Products				
First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%		8,943,750	8,779,156	8,586,000	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50%		972,000	954,422	933,120	(6)(15)
				<b>9,733,578</b>	<b>9,519,120</b>	
<b>Onvoy, LLC</b>						
		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+4.50% cash due 2/10/2024	5.50%		3,830,909	3,820,988	3,634,575	(6)
				<b>3,820,988</b>	<b>3,634,575</b>	
<b>PaySimple, Inc.</b>						
		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	5.69%		7,493,375	7,364,082	6,744,038	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/23/2025	5.69%		2,286,145	2,241,702	2,042,286	(6)(14)(15)
				<b>9,605,784</b>	<b>8,786,324</b>	
<b>Peraton Corp.</b>						
		Aerospace & Defense				
First Lien Term Loan, LIBOR+5.25% cash due 4/29/2024	6.25%		6,305,000	6,287,840	6,084,325	(6)(15)
				<b>6,287,840</b>	<b>6,084,325</b>	
<b>PG&amp;E Corporation</b>						
		Electric Utilities				
First Lien Term Loan, LIBOR+4.50% cash due 6/23/2025	5.50%		2,000,000	1,970,000	1,968,000	(6)
				<b>1,970,000</b>	<b>1,968,000</b>	
<b>ProFrac Services, LLC</b>						
		Industrial Machinery				
First Lien Term Loan, LIBOR+7.50% cash due 9/15/2023	8.75%		8,439,101	8,384,833	6,540,303	(6)(15)
				<b>8,384,833</b>	<b>6,540,303</b>	

**Oaktree Strategic Income Corporation**  
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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Project Boost Purchaser, LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+3.50% cash due 6/1/2026	3.68%		\$ 2,779,000	\$ 2,751,210	\$ 2,658,294	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	8.18%		1,500,000	1,500,000	1,252,500	(6)(15)
				<b>4,251,210</b>	<b>3,910,794</b>	
<b>Recorded Books Inc.</b>						
		Publishing				
First Lien Term Loan, LIBOR+4.25% cash due 8/29/2025	4.44%		12,311,215	12,203,065	11,988,045	(6)
				<b>12,203,065</b>	<b>11,988,045</b>	
<b>RevSpring, Inc.</b>						
		Commercial Printing				
First Lien Term Loan, LIBOR+4.25% cash due 10/11/2025	4.56%		9,850,000	9,831,234	9,357,500	(6)(15)
				<b>9,831,234</b>	<b>9,357,500</b>	
<b>Sabert Corporation</b>						
		Metal & Glass Containers				
First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%		2,892,750	2,863,823	2,827,663	(6)
				<b>2,863,823</b>	<b>2,827,663</b>	
<b>Salient CRGT, Inc.</b>						
		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.57%		5,569,494	5,532,828	5,012,545	(6)(15)
				<b>5,532,828</b>	<b>5,012,545</b>	
<b>Signify Health, LLC</b>						
		Health Care Services				
First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%		10,752,500	10,682,113	10,161,113	(6)
				<b>10,682,113</b>	<b>10,161,113</b>	
<b>Sirva Worldwide, Inc.</b>						
		Diversified Support Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.68%		7,693,702	7,578,296	5,693,339	(6)
				<b>7,578,296</b>	<b>5,693,339</b>	
<b>Star US Bidco LLC</b>						
		Industrial Machinery				
First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25%		5,841,515	5,533,376	5,364,468	(6)
				<b>5,533,376</b>	<b>5,364,468</b>	
<b>Supermoose Borrower, LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.93%		1,486,861	1,401,332	1,316,496	(6)
				<b>1,401,332</b>	<b>1,316,496</b>	
<b>Trident Topco LLC</b>						
		Health Care Services				
58.99 Class A Warrants (exercise price \$156.164) expiration date 3/20/2021				—	—	(15)
				—	—	
<b>Truck Hero, Inc.</b>						
		Auto Parts & Equipment				
First Lien Term Loan, LIBOR+3.75% cash due 4/22/2024	3.93%		5,695,840	5,704,063	5,213,488	(6)
				<b>5,704,063</b>	<b>5,213,488</b>	
<b>Turbocombustor Technology, Inc.</b>						
		Aerospace & Defense				
First Lien Term Loan, LIBOR+4.50% cash due 12/2/2020	5.50%		806,225	759,668	742,130	(6)
				<b>759,668</b>	<b>742,130</b>	
<b>UFC Holdings, LLC</b>						
		Movies & Entertainment				
First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25%		4,872,347	4,803,819	4,673,385	(6)
				<b>4,803,819</b>	<b>4,673,385</b>	
<b>Veritas US Inc.</b>						
		Application Software				
First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	5.50%		11,971,417	12,036,669	11,125,936	(6)
				<b>12,036,669</b>	<b>11,125,936</b>	
<b>Verscend Holding Corp.</b>						
		Health Care Technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.68%		11,861,007	11,761,107	11,503,694	(6)
				<b>11,761,107</b>	<b>11,503,694</b>	
<b>WeddingWire, Inc.</b>						
		Interactive Media & Services				
First Lien Term Loan, LIBOR+4.50% cash due 12/19/2025	4.81%		7,880,000	7,848,913	7,220,050	(6)
				<b>7,848,913</b>	<b>7,220,050</b>	
<b>William Morris Endeavor Entertainment, LLC</b>						
		Movies & Entertainment				
First Lien Term Loan, LIBOR+8.50% cash due 5/18/2025	9.50%		8,392,131	7,939,409	8,182,328	(6)(15)
				<b>7,939,409</b>	<b>8,182,328</b>	

**Oaktree Strategic Income Corporation**  
**Consolidated Schedule of Investments**  
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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Windstream Services, LLC</b>						
		Integrated Telecommunication Services				
First Lien Term Loan, PRIME+5.00% cash due 3/29/2021			\$ 2,775,040	\$ 2,673,552	\$ 1,914,777	(6)(9)(15)(16)
				<u>2,673,552</u>	<u>1,914,777</u>	
<b>WP CPP Holdings, LLC</b>						
		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.50% cash due 4/30/2025	4.50%		4,422,723	4,414,740	3,851,285	(6)
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%		1,000,000	992,418	755,000	(6)(15)
				<u>5,407,158</u>	<u>4,606,285</u>	
<b>Zep Inc.</b>						
		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.07%		4,619,375	4,645,744	3,926,469	(6)
				<u>4,645,744</u>	<u>3,926,469</u>	
<b>Total Non-Control/Non-Affiliate Investments (184.4% of net assets)</b>			<b>\$ 486,882,953</b>	<b>\$ 460,493,061</b>		
<b>Total Portfolio Investments (202.8% of net assets)</b>			<b>\$ 560,040,255</b>	<b>\$ 506,452,244</b>		
<b>Cash and Cash Equivalents and Restricted Cash</b>						
JP Morgan Prime Money Market Fund, Institutional Shares			\$ 1,427,955	\$ 1,427,955		
Other cash accounts			36,467,690	36,467,690		
<b>Cash and Cash Equivalents and Restricted Cash (15.2% of net assets)</b>			<b>\$ 37,895,645</b>	<b>\$ 37,895,645</b>		
<b>Total Portfolio Investments, Cash and Cash Equivalents and Restricted Cash (218.0% of net assets)</b>			<b>\$ 597,935,900</b>	<b>\$ 544,347,889</b>		

<u>Derivatives Instrument</u>	<u>Notional Amount Purchased / (Sold) in U.S. Dollars</u>	<u>Notional Amount Purchased / (Sold) in Local Currency</u>	<u>Maturity Date</u>	<u>Counterparty</u>	<u>Cumulative Unrealized Appreciation (Depreciation)</u>
Foreign currency forward contract	\$ 6,499,386	£ (4,962,500)	8/18/2020	JPMorgan Chase Bank, N.A.	\$ 365,884
Foreign currency forward contract	\$ (6,218,270)	£ 4,962,500	8/18/2020	JPMorgan Chase Bank, N.A.	\$ (84,767)
					<u>\$ 281,117</u>

- (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 June 30, 2020, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 0.18%, the 60-day LIBOR at 0.24%, the 90-day LIBOR at 0.31%, the 180-day LIBOR at 0.36%, the 360-day LIBOR at 0.57% and the PRIME at 3.25%. 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. All 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 June 30, 2020, qualifying assets represented 84.4% of the Company's total assets and non-qualifying assets represented 15.6% 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

Oaktree Strategic Income Corporation  
Consolidated Schedule of Investments  
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(unaudited)

to the Consolidated Financial Statements for transactions during the nine months ended June 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 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 has 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 June 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 June 30, 2020. Cash non-accrual is inclusive of PIK and other non-cash income, where applicable.

See notes to Consolidated Financial Statements.

**Oaktree Strategic Income Corporation**  
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**September 30, 2019**

<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Control Investments</b>						(8)
<b>OCSI Glick JV LLC</b>						(10)(11)
Subordinated Note, LIBOR+6.50% cash due 10/20/2021	8.89%	Multi-sector holdings	\$ 66,077,912	\$ 66,077,913	\$ 54,326,418	(6)(9)(14)(15)
87.5% equity interest				7,111,751	—	(9)(12)(14)
				<u>73,189,664</u>	<u>54,326,418</u>	
<b>Total Control Investments (19.1% of net assets)</b>				<u>\$ 73,189,664</u>	<u>\$ 54,326,418</u>	
<b>Non-Control/Non-Affiliate Investments</b>						(13)
<b>4 Over International, LLC</b>						Commercial printing
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	8.04%		\$ 5,612,060	\$ 5,547,000	\$ 5,504,869	(6)(15)
First Lien Revolver, PRIME+5.00% cash due 6/7/2021	10.00%		7,823	7,321	6,516	(6)(14)(15)
				<u>5,554,321</u>	<u>5,511,385</u>	
<b>99 Cents Only Stores LLC</b>						General merchandise stores
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	7.10%		1,626,953	1,549,641	1,425,618	(6)
				<u>1,549,641</u>	<u>1,425,618</u>	
<b>Access CIG, LLC</b>						Diversified support services
First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	6.07%		5,462,360	5,417,080	5,404,350	(6)
				<u>5,417,080</u>	<u>5,404,350</u>	
<b>AI Ladder (Luxembourg) Subco S.a.r.l.</b>						Electrical components & equipment
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60%		6,525,584	6,363,049	6,009,639	(6)(9)
				<u>6,363,049</u>	<u>6,009,639</u>	
<b>Air Medical Group Holdings, Inc.</b>						Healthcare services
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	6.29%		2,488,670	2,437,830	2,337,272	(6)
				<u>2,437,830</u>	<u>2,337,272</u>	
<b>Airxcel, Inc.</b>						Household appliances
First Lien Term Loan, LIBOR+4.50% cash due 4/28/2025	6.54%		6,912,500	6,857,242	6,661,922	(6)
				<u>6,857,242</u>	<u>6,661,922</u>	
<b>AL Midcoast Holdings LLC</b>						Oil & gas storage & transportation
First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60%		564,300	558,657	556,541	(6)
				<u>558,657</u>	<u>556,541</u>	
<b>Aldevron, L.L.C.</b>						Biotechnology
First Lien Term Loan, LIBOR+4.25% cash due 9/20/2026	6.36%		4,000,000	3,960,000	4,020,000	(6)
				<u>3,960,000</u>	<u>4,020,000</u>	
<b>All Web Leads, Inc.</b>						Advertising
First Lien Term Loan, LIBOR+7.50% cash due 12/29/2020	9.62%		24,102,647	24,102,621	20,960,795	(6)(15)
				<u>24,102,621</u>	<u>20,960,795</u>	
<b>Allen Media, LLC</b>						Movies & entertainment
First Lien Term Loan, LIBOR+6.50% cash due 8/30/2023	8.60%		4,809,488	4,714,403	4,653,180	(6)(15)
				<u>4,714,403</u>	<u>4,653,180</u>	
<b>Ancile Solutions, Inc.</b>						Application software
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	9.10%		8,299,803	8,184,777	8,133,807	(6)(15)
				<u>8,184,777</u>	<u>8,133,807</u>	
<b>Apptio, Inc.</b>						Application software
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56%		10,693,944	10,502,939	10,496,106	(6)(15)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(12,179)	(12,808)	(6)(14)(15)
				<u>10,490,760</u>	<u>10,483,298</u>	

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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Aptos, Inc.</b>						
		Computer & electronics retail				
First Lien Term Loan, LIBOR+5.50% cash due 7/23/2025	7.70%		\$ 10,917,500	\$ 10,808,325	\$ 10,781,031	(6)(15)
				<b>10,808,325</b>	<b>10,781,031</b>	
<b>Avaya, Inc.</b>						
		Communications equipment				
First Lien Term Loan, LIBOR+4.25% cash due 12/15/2024	6.28%		9,825,000	9,740,555	9,361,407	(6)
				<b>9,740,555</b>	<b>9,361,407</b>	
<b>Ball Metalpack Finco, LLC</b>						
		Metal & glass containers				
First Lien Term Loan, LIBOR+4.50% cash due 7/31/2025	6.62%		8,887,500	8,850,147	8,387,578	(6)(15)
				<b>8,850,147</b>	<b>8,387,578</b>	
<b>Blackhawk Network Holdings, Inc.</b>						
		Data processing & outsourced services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	9.06%		4,375,000	4,335,578	4,380,491	(6)
				<b>4,335,578</b>	<b>4,380,491</b>	
<b>Boxer Parent Company Inc.</b>						
		Systems software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29%		6,118,763	6,051,218	5,899,007	(6)
				<b>6,051,218</b>	<b>5,899,007</b>	
<b>Cadence Aerospace LLC</b>						
		Aerospace & defense				
First Lien Term Loan, LIBOR+6.50% cash due 11/14/2023	8.54%		13,514,012	13,406,773	13,277,761	(6)(15)
				<b>13,406,773</b>	<b>13,277,761</b>	
<b>Canyon Buyer, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+4.25% cash due 2/15/2025	6.36%		8,931,990	8,834,396	8,887,330	(6)
				<b>8,834,396</b>	<b>8,887,330</b>	
<b>Cast &amp; Crew Payroll, LLC</b>						
		Application software				
First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	6.05%		4,975,000	4,925,250	5,018,531	(6)
				<b>4,925,250</b>	<b>5,018,531</b>	
<b>Cincinnati Bell Inc.</b>						
		Integrated telecommunication services				
First Lien Term Loan, LIBOR+3.25% cash due 10/2/2024	5.29%		4,893,420	4,879,432	4,888,649	(6)(9)
				<b>4,879,432</b>	<b>4,888,649</b>	
<b>CircusTrix Holdings LLC</b>						
		Leisure facilities				
First Lien Term Loan, LIBOR+5.50% cash due 12/16/2021	7.54%		8,072,229	8,025,765	8,014,503	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 12/16/2021	7.54%		971,967	966,372	965,016	(6)(15)
				<b>8,992,137</b>	<b>8,979,519</b>	
<b>CITGO Petroleum Corp.</b>						
		Oil & gas refining & marketing				
First Lien Term Loan, LIBOR+4.50% cash due 7/29/2021	6.60%		5,937,500	5,921,943	5,963,505	(6)
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10%		5,970,000	5,910,301	6,007,313	(6)
				<b>11,832,244</b>	<b>11,970,818</b>	
<b>Connect U.S. Finco LLC</b>						
		Alternative carriers				
First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10%		10,000,000	9,800,000	9,860,150	(6)(9)
				<b>9,800,000</b>	<b>9,860,150</b>	
<b>Curium Bidco S.à r.l.</b>						
		Biotechnology				
First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10%		4,000,000	3,970,000	4,020,000	(6)(9)
				<b>3,970,000</b>	<b>4,020,000</b>	
<b>Curvature, Inc.</b>						
		IT consulting & other services				
First Lien Term Loan, LIBOR+5.00% cash due 10/30/2023	7.04%		9,725,000	9,683,496	7,974,500	(6)
				<b>9,683,496</b>	<b>7,974,500</b>	

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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Dcert Buyer, Inc.</b>						
		Internet services & infrastructure				
First Lien Term Loan, LIBOR+4.00% cash due 8/8/2026	6.26%		\$ 9,000,000	\$ 8,977,500	\$ 8,983,125	(6)
				<b>8,977,500</b>	<b>8,983,125</b>	
<b>DigiCert, Inc.</b>						
		Internet services & infrastructure				
First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04%		10,631,986	10,611,348	10,629,753	(6)
				<b>10,611,348</b>	<b>10,629,753</b>	
<b>Ellie Mae, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04%		6,500,000	6,467,500	6,518,980	(6)
				<b>6,467,500</b>	<b>6,518,980</b>	
<b>EnergySolutions LLC</b>						
		Environmental & facilities services				
First Lien Term Loan, LIBOR+3.75% cash due 5/9/2025	5.85%		3,950,000	3,934,058	3,703,125	(6)
				<b>3,934,058</b>	<b>3,703,125</b>	
<b>Femur Buyer, Inc.</b>						
		Healthcare equipment				
First Lien Term Loan, LIBOR+4.25% cash due 3/5/2026	6.38%		8,977,500	8,887,725	8,994,333	(6)
				<b>8,887,725</b>	<b>8,994,333</b>	
<b>Firstlight Holdco, Inc.</b>						
		Alternative carriers				
First Lien Term Loan, LIBOR+3.50% cash due 7/23/2025	5.54%		7,156,627	7,126,483	7,098,479	(6)
				<b>7,126,483</b>	<b>7,098,479</b>	
<b>Frontier Communications Corporation</b>						
		Integrated telecommunication services				
First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80%		1,488,579	1,450,620	1,488,050	(6)(9)
				<b>1,450,620</b>	<b>1,488,050</b>	
<b>Gentiva Health Services, Inc.</b>						
		Healthcare services				
First Lien Term Loan, LIBOR+3.75% cash due 7/2/2025	5.81%		3,989,924	3,985,062	4,017,355	(6)
				<b>3,985,062</b>	<b>4,017,355</b>	
<b>GKD Index Partners, LLC</b>						
		Specialized finance				
First Lien Term Loan, LIBOR+7.25% cash due 6/29/2023	9.35%		8,616,315	8,551,811	8,503,011	(6)(15)
First Lien Revolver, LIBOR+7.25% cash due 6/29/2023			—	(3,327)	(5,844)	(6)(14)(15)
				<b>8,548,484</b>	<b>8,497,167</b>	
<b>GoodRx, Inc.</b>						
		Interactive media & services				
First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.81%		3,925,963	3,917,442	3,930,871	(6)
				<b>3,917,442</b>	<b>3,930,871</b>	
<b>Guidehouse LLP</b>						
		Research & consulting services				
Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54%		5,000,000	4,979,290	4,937,500	(6)
				<b>4,979,290</b>	<b>4,937,500</b>	
<b>iCIMs, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	8.56%		5,572,549	5,478,546	5,479,203	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(4,852)	(4,927)	(6)(14)(15)
				<b>5,473,694</b>	<b>5,474,276</b>	
<b>Indivior Finance S.a.r.l.</b>						
		Pharmaceuticals				
First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76%		5,368,935	5,344,971	4,943,903	(6)(9)
				<b>5,344,971</b>	<b>4,943,903</b>	
<b>Kellermeyer Bergensons Services, LLC</b>						
		Environmental & facilities services				
Second Lien Term Loan, LIBOR+8.50% cash due 4/29/2022	10.77%		280,000	280,000	272,300	(6)(15)
				<b>280,000</b>	<b>272,300</b>	
<b>KIK Custom Products Inc.</b>						
		Household products				
First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	6.26%		5,000,000	5,025,753	4,756,250	(6)(9)
				<b>5,025,753</b>	<b>4,756,250</b>	
<b>Lannett Company, Inc.</b>						
		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.38% cash due 11/25/2022	7.42%		7,269,303	7,281,949	7,138,455	(6)(9)
				<b>7,281,949</b>	<b>7,138,455</b>	



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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Lightbox Intermediate, L.P.</b>						
Real estate services						
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	7.05%		\$ 9,975,000	\$ 9,832,986	\$ 9,875,250	(6)(15)
				<u>9,832,986</u>	<u>9,875,250</u>	
<b>Lytix Holdings, LLC</b>						
Research & consulting services						
500 Class B Units				—	293,339	(15)
				—	<u>293,339</u>	
<b>McAfee, LLC</b>						
Systems software						
First Lien Term Loan, LIBOR+3.75% cash due 9/30/2024	5.79%		8,138,690	8,082,911	8,166,891	(6)
				<u>8,082,911</u>	<u>8,166,891</u>	
<b>McDermott Technology (Americas), Inc.</b>						
Oil & gas equipment & services						
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10%		642,238	631,923	410,497	(6)(9)
				<u>631,923</u>	<u>410,497</u>	
<b>MHE Intermediate Holdings, LLC</b>						
Diversified support services						
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%		11,538,092	11,389,771	11,307,331	(6)(15)
First Lien Revolver, LIBOR+5.00% cash due 3/10/2023	7.09%		788,177	559,231	683,087	(6)(14)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%		2,349,480	2,376,251	2,302,490	(6)(15)
				<u>14,325,253</u>	<u>14,292,908</u>	
<b>Mindbody, Inc.</b>						
Internet services & infrastructure						
First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06%		9,047,619	8,885,497	8,875,714	(6)(15)
First Lien Revolver, LIBOR+7.00% cash due 2/14/2025			—	(17,065)	(18,095)	(6)(14)(15)
				<u>8,868,432</u>	<u>8,857,619</u>	
<b>Ministry Brands, LLC</b>						
Application software						
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	11.34%		1,568,067	1,554,797	1,568,067	(6)(15)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 6/2/2023	11.34%		431,933	428,278	431,933	(6)(15)
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	7.04%		20,000	19,139	20,000	(6)(14)(15)
				<u>2,002,214</u>	<u>2,020,000</u>	
<b>New Trident Holdcorp, Inc.</b>						
Healthcare services						
58.99 Class A Warrants (exercise price \$156.164) expiration date 3/20/2021				—	—	(15)
				—	—	
<b>OCI Beaumont LLC</b>						
Commodity chemicals						
First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10%		4,925,000	4,920,165	4,931,156	(6)(9)
				<u>4,920,165</u>	<u>4,931,156</u>	
<b>OEConnection LLC</b>						
Application software						
First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13%		7,768,817	7,729,973	7,754,251	(6)
First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026			—	(3,656)	(1,371)	(6)(14)
				<u>7,726,317</u>	<u>7,752,880</u>	
<b>Onvoy, LLC</b>						
Integrated telecommunication services						
First Lien Term Loan, LIBOR+4.50% cash due 2/10/2024	6.54%		3,860,606	3,848,514	3,238,083	(6)
				<u>3,848,514</u>	<u>3,238,083</u>	
<b>PaySimple, Inc.</b>						
Data processing & outsourced services						
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	7.55%		7,550,000	7,400,733	7,436,750	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/23/2025			—	(48,438)	(36,750)	(6)(14)(15)
				<u>7,352,295</u>	<u>7,400,000</u>	
<b>Peraton Corp.</b>						
Aerospace & defense						
First Lien Term Loan, LIBOR+5.25% cash due 4/29/2024	7.30%		6,353,750	6,333,030	6,306,097	(6)
				<u>6,333,030</u>	<u>6,306,097</u>	

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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>ProFrac Services, LLC</b>						
		Industrial machinery				
First Lien Term Loan, LIBOR+6.25% cash due 9/15/2023	8.66%		\$ 9,394,444	\$ 9,319,898	\$ 9,206,556	(6)(15)
				<b>9,319,898</b>	<b>9,206,556</b>	
<b>Project Boost Purchaser, LLC</b>						
		Application software				
First Lien Term Loan, LIBOR+3.50% cash due 6/1/2026	5.54%		2,800,000	2,772,000	2,785,650	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	10.14%		1,500,000	1,500,000	1,500,000	(6)(15)
				<b>4,272,000</b>	<b>4,285,650</b>	
<b>PSI Services LLC</b>						
		Human resource & employment services				
First Lien Term Loan, LIBOR+5.00% cash due 1/20/2023	7.04%		6,601,580	6,545,627	6,555,342	(6)(15)
				<b>6,545,627</b>	<b>6,555,342</b>	
<b>Recorded Books Inc.</b>						
		Publishing				
First Lien Term Loan, LIBOR+4.50% cash due 8/29/2025	6.54%		10,395,000	10,291,050	10,421,039	(6)
				<b>10,291,050</b>	<b>10,421,039</b>	
<b>RevSpring, Inc.</b>						
		Commercial printing				
First Lien Term Loan, LIBOR+4.00% cash due 10/11/2025	6.04%		9,925,000	9,903,404	9,866,095	(6)(15)
				<b>9,903,404</b>	<b>9,866,095</b>	
<b>Salient CRGT, Inc.</b>						
		Aerospace & defense				
First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05%		5,731,994	5,676,942	5,445,395	(6)(15)
				<b>5,676,942</b>	<b>5,445,395</b>	
<b>Signify Health, LLC</b>						
		Healthcare services				
First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60%		10,835,000	10,752,193	10,821,456	(6)
				<b>10,752,193</b>	<b>10,821,456</b>	
<b>Sirva Worldwide, Inc.</b>						
		Diversified support services				
First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.54%		7,850,000	7,732,250	7,614,500	(6)
				<b>7,732,250</b>	<b>7,614,500</b>	
<b>Sophia, L.P.</b>						
		Systems software				
First Lien Term Loan, LIBOR+3.25% cash due 9/30/2022	5.35%		1,398,788	1,396,201	1,400,830	(6)
				<b>1,396,201</b>	<b>1,400,830</b>	
<b>StandardAero Aviation Holdings Inc.</b>						
		Aerospace & defense				
First Lien Term Loan, LIBOR+4.00% cash due 4/6/2026	6.10%		2,000,000	1,997,545	2,011,870	(6)
				<b>1,997,545</b>	<b>2,011,870</b>	
<b>Sunshine Luxembourg VII SARL</b>						
		Personal products				
First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59%		3,000,000	2,985,000	3,017,820	(6)(9)
				<b>2,985,000</b>	<b>3,017,820</b>	
<b>The Dun &amp; Bradstreet Corporation</b>						
		Research & consulting services				
First Lien Term Loan, LIBOR+5.00% cash due 2/6/2026	7.05%		5,000,000	4,908,337	5,037,050	(6)
				<b>4,908,337</b>	<b>5,037,050</b>	
<b>TIBCO Software Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+4.00% cash due 6/30/2026	6.07%		7,989,795	7,979,663	8,011,448	(6)
				<b>7,979,663</b>	<b>8,011,448</b>	
<b>Tribe Buyer LLC</b>						
		Human resources & employment services				
First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	6.54%		1,556,998	1,554,180	1,453,201	(6)(15)
				<b>1,554,180</b>	<b>1,453,201</b>	
<b>Truck Hero, Inc.</b>						
		Auto parts & equipment				
First Lien Term Loan, LIBOR+3.75% cash due 4/22/2024	5.79%		5,739,880	5,749,771	5,385,930	(6)
				<b>5,749,771</b>	<b>5,385,930</b>	

**Oaktree Strategic Income Corporation**  
**Consolidated Schedule of Investments**  
**September 30, 2019**

<b>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</b>	<b>Cash Interest Rate (6)</b>	<b>Industry</b>	<b>Principal (7)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Notes</b>
<b>Uber Technologies, Inc.</b>						
Application software						
First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03%		\$ 2,239,323	\$ 2,224,436	\$ 2,230,467	(6)
				<u>2,224,436</u>	<u>2,230,467</u>	
<b>UFC Holdings, LLC</b>						
Movies & entertainment						
First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30%		4,944,058	4,941,992	4,962,945	(6)
				<u>4,941,992</u>	<u>4,962,945</u>	
<b>Uniti Group LP</b>						
Specialized REITs						
First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04%		8,848,483	8,642,094	8,648,021	(6)(9)
				<u>8,642,094</u>	<u>8,648,021</u>	
<b>UOS, LLC</b>						
Trading companies & distributors						
First Lien Term Loan, LIBOR+5.50% cash due 4/18/2023	7.54%		8,819,673	8,943,835	8,929,919	(6)
				<u>8,943,835</u>	<u>8,929,919</u>	
<b>Veritas US Inc.</b>						
Application software						
First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60%		12,811,879	12,902,946	12,142,266	(6)
				<u>12,902,946</u>	<u>12,142,266</u>	
<b>Verra Mobility, Corp.</b>						
Data processing & outsourced services						
First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79%		4,949,749	4,960,502	4,976,552	(6)(9)
				<u>4,960,502</u>	<u>4,976,552</u>	
<b>Verscend Holding Corp.</b>						
Healthcare technology						
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	6.54%		10,975,140	10,897,989	11,032,320	(6)
				<u>10,897,989</u>	<u>11,032,320</u>	
<b>WeddingWire, Inc.</b>						
Interactive media & services						
First Lien Term Loan, LIBOR+4.50% cash due 12/19/2025	6.54%		7,940,000	7,904,378	7,949,925	(6)
				<u>7,904,378</u>	<u>7,949,925</u>	
<b>Windstream Services, LLC</b>						
Integrated telecommunication services						
First Lien Term Loan, PRIME+5.00% cash due 3/29/2021	10.00%		7,384,828	7,227,936	7,524,069	(6)(9)
				<u>7,227,936</u>	<u>7,524,069</u>	
<b>Woodford Express LLC</b>						
Oil & gas exploration & production						
First Lien Term Loan, LIBOR+5.00% cash due 1/27/2025	7.04%		14,775,000	14,662,039	13,947,600	(6)
				<u>14,662,039</u>	<u>13,947,600</u>	
<b>WP CPP Holdings, LLC</b>						
Aerospace & defense						
First Lien Term Loan, LIBOR+3.75% cash due 4/30/2025	6.01%		4,455,000	4,445,709	4,467,541	(6)
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01%		1,000,000	991,442	995,830	(6)
				<u>5,437,151</u>	<u>5,463,371</u>	
<b>Zep Inc.</b>						
Specialty chemicals						
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	6.04%		4,655,000	4,686,365	3,687,132	(6)
				<u>4,686,365</u>	<u>3,687,132</u>	
<b>Zephyr Bidco Limited</b>						
Specialized finance						
First Lien Term Loan, UK LIBOR+4.50% cash due 7/23/2025	5.21%		£ 5,000,000	6,667,495	5,976,039	(6)(9)
				<u>6,667,495</u>	<u>5,976,039</u>	
<b>Total Non-Control/Non-Affiliate Investments (190.8% of net assets)</b>				<u>\$ 553,679,070</u>	<u>\$ 542,778,029</u>	
<b>Total Portfolio Investments (209.9% of net assets)</b>				<u>\$ 626,868,734</u>	<u>\$ 597,104,447</u>	
<b>Cash and Cash Equivalents and Restricted Cash</b>						
JP Morgan Prime Money Market Fund, Institutional Shares				\$ 228,653	\$ 228,653	
Other cash accounts				13,822,979	13,822,979	
<b>Total Cash and Cash Equivalents and Restricted Cash (4.9% of net assets)</b>				<u>\$ 14,051,632</u>	<u>\$ 14,051,632</u>	
<b>Total Portfolio Investments, Cash and Cash Equivalents and Restricted Cash (214.9% of net assets)</b>				<u>\$ 640,920,366</u>	<u>\$ 611,156,079</u>	

**Oaktree Strategic Income Corporation**  
**Consolidated Schedule of Investments**  
**September 30, 2019**

<u>Derivatives Instrument</u>	<u>Notional Amount Purchased / (Sold) in U.S. Dollars</u>	<u>Notional Amount Purchased / (Sold) in Local Currency</u>	<u>Maturity Date</u>	<u>Counterparty</u>	<u>Cumulative Unrealized Appreciation (Depreciation)</u>
Foreign currency forward contract	\$ 6,106,199	£ (4,934,900)	10/15/2019	JPMorgan Chase Bank, N.A.	\$ 20,876

- (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, 2019, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, the PRIME at 5.00% and the 30-day UK LIBOR at 0.71%. Most loans include an interest floor, which generally ranges from 0% to 1%.
- (7) Principal includes accumulated PIK interest and is net of repayments, if any. "£" signifies the investment is denominated in British Pounds. 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, 2019, qualifying assets represented 78.6% of the Company's total assets and non-qualifying assets represented 21.4% 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, 2019 for transactions 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 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 has 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, 2019, these investments are categorized as Level 3 within the fair value hierarchy established by ASC 820.

See notes to Consolidated Financial Statements.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**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 ("BDC") 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, as amended from time to time (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, as amended from time to time (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.

**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 of June 30, 2020, the consolidated subsidiaries were OCSI Senior Funding II LLC and OCSI Senior Funding Ltd.

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.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***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

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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 June 30, 2020 and September 30, 2019 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," and "credit facilities payable," 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," "payables from unsettled transactions" and "director fees payable" approximate fair value due to their short maturities.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***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.

***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.

*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.



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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 record date. Distributions received from 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 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 June 30, 2020, included in restricted cash was \$7.0 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 \$0.8 million held at East West Bank in connection with the Company's East West Bank Facility (as defined in Note 6 – Borrowings). Of the \$7.0 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 \$3.0 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 June 30, 2020, the remaining \$4.0 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 June 30, 2020, \$0.8 million held at East West Bank was restricted due to minimum balance requirements under the East West Bank Facility.

As of September 30, 2019, included in restricted cash was \$7.6 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 \$0.8 million held at East West Bank in connection with the Company's East West Bank Facility (as defined in Note 6 – Borrowings). Of the \$7.6 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 \$3.4 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, 2019, the remaining \$4.3 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, 2019, \$0.8 million held at East West Bank was restricted due to minimum balance requirements under the East West 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.

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***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 years 2018 and 2019.

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 2017, 2018 or 2019. 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.

***Recent Accounting Pronouncements:***

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting if certain criteria are met. The guidance is effective from March 12, 2020 through December 31, 2022. As of June 30, 2020, the guidance did not have a material impact on the Consolidated Financial Statements.

The SEC issued final rules that, among other things, amended the financial disclosure requirements of Regulation S-X for acquired and disposed businesses and the significance tests for a "significant subsidiary" as applicable to BDCs and amended certain forms used by BDCs. The amendments are intended to assist BDCs in making more meaningful determinations as to whether a subsidiary or an acquired

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or disposed entity is significant and improve the financial disclosure requirements applicable to acquisitions and dispositions of investment companies and BDCs. The Company early adopted the updated rules for the three months ended June 30, 2020 which did not result in any new significant subsidiaries being identified.

**Note 3. Portfolio Investments**

As of June 30, 2020, 202.8% of net assets at fair value, or \$506.5 million, was invested in 76 portfolio companies, including 18.4% of net assets, or \$46.0 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 15.2% of net assets, or \$37.9 million, was invested in cash and cash equivalents (including \$7.8 million of restricted cash). In comparison, as of September 30, 2019, 209.9% of net assets at fair value, or \$597.1 million, was invested in 84 portfolio companies, including 19.1% of net assets, or \$54.3 million at fair value, in subordinated notes and LLC equity interests of the OCSI Glick JV, and 4.9% of net assets, or \$14.1 million, was invested in cash and cash equivalents (including \$8.4 million of restricted cash). As of each of June 30, 2020 and September 30, 2019, 90.9% of the Company's portfolio at fair value consisted of senior secured debt investments and 9.1% consisted of investments in the subordinated notes of the OCSI Glick JV.

As of June 30, 2020 and September 30, 2019, the Company's equity investments consisted of LLC equity interests 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 the three and nine months ended June 30, 2020, the Company recorded net realized losses of \$2.9 million and \$10.8 million, respectively. During the three and nine months ended June 30, 2019, the Company recorded net realized gains of \$0.2 million and \$1.5 million, respectively. During the three and nine months ended June 30, 2020, the Company recorded net unrealized appreciation (depreciation) of \$41.9 million and \$(23.6) million, respectively. During the three and nine months ended June 30, 2019, the Company recorded net unrealized depreciation of \$2.6 million and \$13.6 million, respectively.

The composition of the Company's investments as of June 30, 2020 and September 30, 2019 at cost and fair value was as follows:

	June 30, 2020		September 30, 2019	
	Cost	Fair Value	Cost	Fair Value
Senior secured loans	\$ 486,669,339	\$ 460,279,447	\$ 553,679,070	\$ 542,484,690
OCSI Glick JV subordinated notes	66,045,551	45,959,183	66,077,913	54,326,418
OCSI Glick JV equity interests	7,111,751	—	7,111,751	—
Equity securities, excluding the OCSI Glick JV	213,614	213,614	—	293,339
<b>Total</b>	<b>\$ 560,040,255</b>	<b>\$ 506,452,244</b>	<b>\$ 626,868,734</b>	<b>\$ 597,104,447</b>

The following table presents the composition of the Company's debt investments as of June 30, 2020 and September 30, 2019 at floating rates and fixed rates:

	June 30, 2020		September 30, 2019	
	Fair Value	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Floating rate debt securities, including debt investments in the OCSI Glick JV	\$ 499,821,418	98.73 %	\$ 596,811,108	100.00 %
Fixed rate debt securities	6,417,212	1.27 %	—	— %
<b>Total</b>	<b>\$ 506,238,630</b>	<b>100.00 %</b>	<b>\$ 596,811,108</b>	<b>100.00 %</b>

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The following table presents the financial instruments carried at fair value as of June 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	\$ —	\$ 237,948,347	\$ 222,331,100	\$ 460,279,447
OCSI Glick JV subordinated notes	—	—	45,959,183	45,959,183
Equity securities	—	—	213,614	213,614
<b>Total investments at fair value</b>	<b>\$ —</b>	<b>\$ 237,948,347</b>	<b>\$ 268,503,897</b>	<b>\$ 506,452,244</b>
Cash equivalents	\$ 1,427,955	\$ —	\$ —	\$ 1,427,955
Derivative asset	—	281,117	—	281,117
<b>Total assets at fair value</b>	<b>\$ 1,427,955</b>	<b>\$ 238,229,464</b>	<b>\$ 268,503,897</b>	<b>\$ 508,161,316</b>

The following table presents the financial instruments carried at fair value as of September 30, 2019 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	\$ —	\$ 360,600,227	\$ 181,884,463	\$ 542,484,690
OCSI Glick JV subordinated notes	—	—	54,326,418	54,326,418
Equity securities	—	—	293,339	293,339
<b>Total investments at fair value</b>	<b>\$ —</b>	<b>\$ 360,600,227</b>	<b>\$ 236,504,220</b>	<b>\$ 597,104,447</b>
Cash equivalents	\$ 228,653	\$ —	\$ —	\$ 228,653
Derivative asset	—	20,876	—	20,876
<b>Total assets at fair value</b>	<b>\$ 228,653</b>	<b>\$ 360,621,103</b>	<b>\$ 236,504,220</b>	<b>\$ 597,353,976</b>

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 March 31, 2020 to June 30, 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 March 31, 2020	\$ 211,361,400	\$ 37,833,930	\$ —	\$ 249,195,330
Purchases	16,199,177	—	213,614	16,412,791
Sales and repayments	(18,482,135)	—	—	(18,482,135)
Transfers in (a)	5,910,369	—	—	5,910,369
PIK interest income	292,214	—	—	292,214
Accretion of OID	138,043	—	—	138,043
Net unrealized appreciation (depreciation)	8,432,168	8,125,253	—	16,557,421
Net realized gains (losses)	(1,520,136)	—	—	(1,520,136)
<b>Fair value as of June 30, 2020</b>	<b>\$ 222,331,100</b>	<b>\$ 45,959,183</b>	<b>\$ 213,614</b>	<b>\$ 268,503,897</b>

Net unrealized appreciation (depreciation) relating to Level 3 assets still held as of June 30, 2020 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended June 30, 2020

\$ 4,944,668	\$ 8,125,253	\$ —	\$ 13,069,921
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- (a) There were transfers into Level 3 from Level 2 for certain investments during the three months ended June 30, 2020 as a result of a change in the number of market quotes available and/or a change in market liquidity.

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The following table provides a roll-forward in the changes in fair value from March 31, 2019 to June 30, 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 March 31, 2019	\$ 202,259,541	\$ 56,017,403	\$ 252,998	\$ 258,529,942
Purchases	15,630,070	—	—	15,630,070
Sales and repayments	(19,889,580)	(27,433)	—	(19,917,013)
Accretion of OID	613,026	—	—	613,026
Net unrealized appreciation (depreciation)	(790,436)	(355,315)	40,341	(1,105,410)
<b>Fair value as of June 30, 2019</b>	<b>\$ 197,822,621</b>	<b>\$ 55,634,655</b>	<b>\$ 293,339</b>	<b>\$ 253,750,615</b>
Net unrealized appreciation (depreciation) relating to Level 3 assets still held as of June 30, 2019 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended June 30, 2019	\$ (539,038)	\$ (355,315)	\$ 40,341	\$ (854,012)

The following table provides a roll-forward in the changes in fair value from September 30, 2019 to June 30, 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, 2019	\$ 181,884,463	\$ 54,326,418	\$ 293,339	\$ 236,504,220
Purchases	80,649,122	—	213,614	80,862,736
Sales and repayments	(50,426,091)	(32,362)	(736,493)	(51,194,946)
Transfers in (a)	21,628,253	—	—	21,628,253
PIK interest income	580,295	—	—	580,295
Accretion of OID	600,270	—	—	600,270
Net unrealized appreciation (depreciation)	(10,699,907)	(8,334,873)	(293,339)	(19,328,119)
Net realized gains (losses)	(1,885,305)	—	736,493	(1,148,812)
<b>Fair value as of June 30, 2020</b>	<b>\$ 222,331,100</b>	<b>\$ 45,959,183</b>	<b>\$ 213,614</b>	<b>\$ 268,503,897</b>
Net unrealized appreciation (depreciation) relating to Level 3 assets still held as of June 30, 2020 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the nine months ended June 30, 2020	\$ (11,082,709)	\$ (8,334,873)	\$ —	\$ (19,417,582)

(a) There were transfers into Level 3 from Level 2 for certain investments during the nine months ended June 30, 2020 as a result of a change in the number of market quotes available and/or a change in market liquidity.

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The following table provides a roll-forward in the changes in fair value from September 30, 2018 to June 30, 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, 2018	\$ 182,756,067	\$ 58,512,170	\$ 1,962,245	\$ 243,230,482
Purchases	55,758,420	—	—	55,758,420
Sales and repayments	(54,520,605)	(291,943)	(1,875,587)	(56,688,135)
Transfers in (a)	26,053,270	—	—	26,053,270
Transfers out (a)	(10,618,125)	—	—	(10,618,125)
Accretion of OID	1,342,738	—	—	1,342,738
Net unrealized appreciation (depreciation)	(2,949,144)	(2,585,572)	(1,168,906)	(6,703,622)
Net realized gains (losses)	—	—	1,375,587	1,375,587
<b>Fair value as of June 30, 2019</b>	<b>\$ 197,822,621</b>	<b>\$ 55,634,655</b>	<b>\$ 293,339</b>	<b>\$ 253,750,615</b>
Net unrealized appreciation (depreciation) relating to Level 3 assets still held as of June 30, 2019 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the nine months ended June 30, 2019	\$ (2,524,155)	\$ (2,585,572)	\$ 90,044	\$ (5,019,683)

(a) There were transfers in/out of Level 3 from/to Level 2 for certain investments during the nine months ended June 30, 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 June 30, 2020:

Asset	Fair Value	Valuation Technique	Unobservable Input	Range	Weighted Average (a)
Senior Secured Loans	\$ 130,322,028	Market Yield	Market Yield	(b) 6.5% - 15.0%	10.6%
	76,449,593	Broker Quotations	Broker Quoted Price	(c) N/A - N/A	N/A
	9,142,267	Enterprise Value	EBITDA Multiple	(d) 7.0x - 9.0x	8.0x
	6,417,212	Transactions Precedent	Transaction Price	(e) N/A - N/A	N/A
OCSI Glick JV Subordinated Notes	45,959,183	Enterprise Value	N/A	(f) N/A - N/A	N/A
Equity Securities	213,614	Transactions Precedent	Transaction Price	(e) N/A - N/A	N/A
<b>Total</b>	<b>\$ 268,503,897</b>				

(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) Used when there is an observable transaction or pending event for the investment.

(f) The Company determined the value of its subordinated notes of the OCSI Glick JV 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.

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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, 2019:

Asset	Fair Value	Valuation Technique	Unobservable Input		Range		Weighted Average (a)
Senior Secured Loans	\$ 92,083,082	Market Yield	Market Yield	(b)	6.7%	- 13.0%	8.9%
	67,340,586	Broker Quotations	Broker Quoted Price	(c)	N/A	- N/A	N/A
	20,960,795	Enterprise Value	EBITDA Multiple	(d)	4.2x	- 6.2x	5.2x
	1,500,000	Transactions Precedent	Transaction Price	(e)	N/A	- N/A	N/A
OCSI Glick JV Subordinated Notes	54,326,418	Enterprise Value	N/A	(f)	N/A	- N/A	N/A
Equity Securities	293,339	Enterprise Value	EBITDA Multiple	(d)	16.0x	- 18.0x	17.0x
<b>Total</b>	<b>\$ 236,504,220</b>						

(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) Used when there is an observable transaction or pending event for the investment.

(f) The Company determined the value of its subordinated notes of the OCSI Glick JV 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.

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 June 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
East West Bank Facility payable	20,000,000	20,000,000	—	—	20,000,000
Deutsche Bank Facility payable	173,100,000	173,100,000	—	—	173,100,000
<b>Total</b>	<b>\$ 312,156,800</b>	<b>\$ 312,156,800</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 312,156,800</b>

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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, 2019 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	\$ 126,056,800	\$ 126,056,800	\$ —	\$ —	\$ 126,056,800
East West Bank Facility payable	11,000,000	11,000,000	—	—	11,000,000
Deutsche Bank Facility payable	157,600,000	157,600,000	—	—	157,600,000
<b>Total</b>	<b>\$ 294,656,800</b>	<b>\$ 294,656,800</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 294,656,800</b>

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.

*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:

Cost:	June 30, 2020		September 30, 2019	
		% of Total Investments		% of Total Investments
Senior secured loans	\$ 486,669,339	86.90 %	\$ 553,679,070	88.33 %
OCSI Glick JV subordinated notes	66,045,551	11.79 %	66,077,913	10.54 %
OCSI Glick JV equity interests	7,111,751	1.27 %	7,111,751	1.13 %
Equity securities, excluding the OCSI Glick JV	213,614	0.04 %	—	—
<b>Total</b>	<b>\$ 560,040,255</b>	<b>100.00 %</b>	<b>\$ 626,868,734</b>	<b>100.00 %</b>

Fair Value:		June 30, 2020		September 30, 2019	
		% of Total Investments	% of Net Assets	% of Total Investments	% of Net Assets
Senior secured loans	\$ 460,279,447	90.88 %	184.32 %	\$ 542,484,690	90.85 %
OCSI Glick JV subordinated notes	45,959,183	9.08 %	18.41 %	54,326,418	9.10 %
Equity securities, excluding the OCSI Glick JV	213,614	0.04 %	0.09 %	293,339	0.05 %
OCSI Glick JV equity interests	—	—	—	—	—
<b>Total</b>	<b>\$ 506,452,244</b>	<b>100.00 %</b>	<b>202.82 %</b>	<b>\$ 597,104,447</b>	<b>100.00 %</b>

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:

Cost:	June 30, 2020		September 30, 2019	
		% of Total Investments		% of Total Investments
Northeast	\$ 187,546,320	33.51 %	\$ 163,840,735	26.13 %
West	129,841,465	23.18 %	156,427,384	24.95 %
Midwest	86,661,753	15.47 %	90,085,074	14.37 %
Southwest	60,173,066	10.74 %	94,396,340	15.06 %
Southeast	31,813,628	5.68 %	65,420,955	10.44 %
International	30,363,979	5.42 %	40,156,268	6.41 %
South	19,066,512	3.40 %	6,051,218	0.97 %
Northwest	14,573,532	2.60 %	10,490,760	1.67 %
<b>Total</b>	<b>\$ 560,040,255</b>	<b>100.00 %</b>	<b>\$ 626,868,734</b>	<b>100.00 %</b>



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<b>Fair Value:</b>	<b>June 30, 2020</b>			<b>September 30, 2019</b>		
		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Northeast	\$ 156,329,222	30.88 %	62.61 %	\$ 145,176,830	24.31 %	51.04 %
West	123,595,404	24.40 %	49.50 %	154,984,247	25.95 %	54.46 %
Midwest	81,382,367	16.07 %	32.59 %	88,834,091	14.88 %	31.24 %
Southwest	55,327,992	10.92 %	22.16 %	90,401,243	15.14 %	31.78 %
Southeast	29,289,868	5.78 %	11.74 %	62,741,930	10.51 %	22.06 %
International	28,688,896	5.66 %	11.48 %	38,583,801	6.46 %	13.56 %
South	17,210,967	3.40 %	6.89 %	5,899,007	0.99 %	2.07 %
Northwest	14,627,528	2.89 %	5.85 %	10,483,298	1.76 %	3.69 %
<b>Total</b>	<b>\$ 506,452,244</b>	<b>100.00 %</b>	<b>202.82 %</b>	<b>\$ 597,104,447</b>	<b>100.00 %</b>	<b>209.90 %</b>

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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 June 30, 2020 and September 30, 2019:

Cost:	June 30, 2020		September 30, 2019	
		% of Total Investments		% of Total Investments
Application Software	\$ 74,185,654	13.24 %	\$ 81,483,953	12.98 %
Multi-Sector Holdings (1)	73,157,302	13.06	73,189,664	11.68
Aerospace & Defense	31,303,193	5.59	32,851,441	5.24
Diversified Support Services	26,416,266	4.72	27,474,583	4.38
Advertising	24,049,272	4.29	24,102,621	3.84
Movies & Entertainment	18,668,378	3.33	9,656,395	1.54
Alternative Carriers	16,253,625	2.90	16,926,483	2.70
Commercial Printing	15,360,227	2.74	15,457,725	2.47
Oil & Gas Storage & Transportation	14,091,111	2.52	558,657	0.09
Personal Products	13,956,625	2.49	2,985,000	0.48
Data Processing & Outsourced Services	13,945,773	2.49	16,648,375	2.66
Industrial Machinery	13,918,209	2.49	9,319,898	1.49
Pharmaceuticals	13,554,307	2.42	12,626,920	2.01
Health Care Services	13,108,277	2.34	17,175,085	2.74
Publishing	12,203,065	2.18	10,291,050	1.64
Health Care Technology	11,761,107	2.10	10,897,989	1.74
Integrated Telecommunication Services	10,548,435	1.88	17,406,502	2.78
Specialty Chemicals	10,285,989	1.84	4,686,365	0.75
Systems Software	9,947,437	1.78	15,530,330	2.48
Internet Services & Infrastructure	9,856,379	1.76	28,457,280	4.54
Real Estate Services	9,775,065	1.75	9,832,986	1.57
Leisure Facilities	9,200,943	1.64	8,992,137	1.43
Communications Equipment	8,904,306	1.59	9,740,555	1.55
Trading Companies & Distributors	8,855,394	1.58	8,943,835	1.43
Distributors	8,778,259	1.57	—	—
Specialized Finance	8,467,261	1.51	15,215,979	2.43
Biotechnology	7,890,325	1.41	7,930,000	1.27
Interactive Media & Services	7,848,913	1.40	11,821,820	1.89
Research & Consulting Services	7,440,115	1.33	9,887,627	1.58
Electrical Components & Equipment	6,300,920	1.13	6,363,049	1.02
Metal & Glass Containers	6,284,988	1.12	8,850,147	1.41
Health Care Supplies	5,884,253	1.05	—	—
Auto Parts & Equipment	5,704,063	1.02	5,749,771	0.92
Oil & Gas Refining & Marketing	5,347,313	0.95	11,832,244	1.89
Household Products	5,020,416	0.90	5,025,753	0.80
Hotels, Resorts & Cruise Lines	4,650,552	0.83	—	—
Environmental & Facilities Services	3,906,297	0.70	4,214,058	0.67
Restaurants	3,406,700	0.61	—	—
Independent Power Producers & Energy Traders	3,302,235	0.59	—	—
Managed Health Care	2,954,943	0.53	—	—
Electric Utilities	1,970,000	0.35	—	—
General Merchandise Stores	1,576,363	0.28	1,549,641	0.25
Oil & Gas Exploration & Production	—	—	14,662,039	2.34
Computer & Electronics Retail	—	—	10,808,325	1.72
IT Consulting & Other Services	—	—	9,683,496	1.54
Health Care Equipment	—	—	8,887,725	1.42
Specialized REITs	—	—	8,642,094	1.38
Human Resource & Employment Services	—	—	8,099,807	1.29
Household Appliances	—	—	6,857,242	1.09
Commodity Chemicals	—	—	4,920,165	0.78
Oil & Gas Equipment & Services	—	—	631,923	0.10
<b>Total</b>	<b>\$ 560,040,255</b>	<b>100.00 %</b>	<b>\$ 626,868,734</b>	<b>100.00 %</b>

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Fair Value:	June 30, 2020				September 30, 2019			
			% of Total Investments	% of Net Assets			% of Total Investments	% of Net Assets
Application Software	\$	71,959,387	14.19 %	28.79 %	\$	80,958,933	13.52 %	28.46 %
Multi-Sector Holdings (1)		45,959,183	9.07	18.41		54,326,418	9.10	19.10
Aerospace & Defense		28,761,974	5.68	11.52		32,504,494	5.44	11.42
Diversified Support Services		24,138,048	4.77	9.66		27,311,758	4.57	9.62
Advertising		22,067,443	4.36	8.84		20,960,795	3.51	7.37
Movies & Entertainment		18,092,588	3.57	7.25		9,616,125	1.61	3.38
Alternative Carriers		15,683,968	3.10	6.28		16,958,629	2.84	5.97
Commercial Printing		14,635,530	2.89	5.87		15,377,480	2.58	5.41
Personal Products		13,740,534	2.71	5.51		3,017,820	0.51	1.06
Pharmaceuticals		13,446,820	2.66	5.39		12,082,358	2.02	4.25
Data Processing & Outsourced Services		12,805,855	2.53	5.13		16,757,043	2.81	5.89
Oil & Gas Storage & Transportation		12,705,733	2.51	5.09		556,541	0.09	0.20
Health Care Services		12,530,455	2.47	5.02		17,176,083	2.88	6.03
Publishing		11,988,045	2.37	4.80		10,421,039	1.75	3.66
Industrial Machinery		11,904,771	2.35	4.77		9,206,556	1.54	3.24
Health Care Technology		11,503,694	2.27	4.61		11,032,320	1.85	3.88
Integrated Telecommunication Services		9,739,297	1.92	3.91		17,138,851	2.87	6.03
Systems Software		9,621,055	1.90	3.85		15,466,728	2.59	5.43
Specialty Chemicals		9,566,714	1.89	3.83		3,687,132	0.62	1.30
Internet Services & Infrastructure		9,249,753	1.83	3.70		28,470,497	4.77	10.01
Real Estate Services		9,157,500	1.81	3.67		9,875,250	1.65	3.47
Trading Companies & Distributors		8,621,834	1.70	3.45		8,929,919	1.50	3.14
Distributors		8,503,932	1.68	3.41		—	—	—
Communications Equipment		8,310,982	1.64	3.33		9,361,407	1.57	3.29
Specialized Finance		8,303,828	1.64	3.33		14,473,206	2.42	5.09
Biotechnology		7,845,638	1.55	3.14		8,040,000	1.35	2.82
Leisure Facilities		7,227,490	1.43	2.89		8,979,519	1.50	3.16
Interactive Media & Services		7,220,050	1.43	2.89		11,880,796	1.99	4.17
Research & Consulting Services		6,987,785	1.38	2.80		10,267,889	1.72	3.61
Metal & Glass Containers		6,014,603	1.19	2.41		8,387,578	1.40	2.95
Electrical Components & Equipment		5,876,943	1.16	2.35		6,009,639	1.01	2.11
Health Care Supplies		5,717,141	1.13	2.29		—	—	—
Auto Parts & Equipment		5,213,488	1.03	2.09		5,385,930	0.90	1.89
Oil & Gas Refining & Marketing		5,198,776	1.03	2.08		11,970,818	2.00	4.21
Hotels, Resorts & Cruise Lines		4,981,515	0.98	1.99		—	—	—
Household Products		4,777,825	0.94	1.91		4,756,250	0.80	1.67
Environmental & Facilities Services		3,639,054	0.72	1.46		3,975,425	0.67	1.40
Restaurants		3,442,560	0.68	1.38		—	—	—
Independent Power Producers & Energy Traders		3,177,405	0.63	1.27		—	—	—
Managed Health Care		2,783,750	0.55	1.11		—	—	—
Electric Utilities		1,968,000	0.39	0.79		—	—	—
General Merchandise Stores		1,381,298	0.27	0.55		1,425,618	0.24	0.50
Oil & Gas Exploration & Production		—	—	—		13,947,600	2.34	4.90
Computer & Electronics Retail		—	—	—		10,781,031	1.81	3.79
Health Care Equipment		—	—	—		8,994,333	1.51	3.16
Specialized REITs		—	—	—		8,648,021	1.45	3.04
Human Resource & Employment Services		—	—	—		8,008,543	1.34	2.81
IT Consulting & Other Services		—	—	—		7,974,500	1.34	2.80
Household Appliances		—	—	—		6,661,922	1.12	2.34
Commodity Chemicals		—	—	—		4,931,156	0.83	1.73
Oil & Gas Equipment & Services		—	—	—		410,497	0.07	0.14
<b>Total</b>	<b>\$</b>	<b>506,452,244</b>	<b>100.00 %</b>	<b>202.82 %</b>	<b>\$</b>	<b>597,104,447</b>	<b>100.00 %</b>	<b>209.90 %</b>

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

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As of June 30, 2020 and September 30, 2019, there were no investments that represented greater than 10% of the 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 2014 LLC ("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 (the "Subordinated Notes"). As of June 30, 2020 and September 30, 2019, 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 41 and 39 portfolio companies as of June 30, 2020 and September 30, 2019, 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 June 30, 2020, had a reinvestment period end date and maturity date of September 29, 2020 and March 29, 2024, respectively, and permitted borrowings of up to \$100.0 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 June 30, 2020, bore interest at a rate equal to 3-month LIBOR plus 1.95% per annum with no LIBOR floor. Under the JV Deutsche Bank Facility, \$88.7 million and \$91.9 million of borrowings were outstanding as of June 30, 2020 and September 30, 2019, respectively.

On July 8, 2020, the OCSI Glick JV amended the JV Deutsche Bank Facility to (a) establish a waiver period beginning on July 8, 2020 and ending 135 days thereafter (the "JV Waiver Period"), during which the facility agent is restricted from revaluing certain collateral obligations where the change in valuation is caused by or results from a business disruption due primarily to the COVID-19 pandemic and (b) modify the minimum utilization percentage from 75% to 50% until 90 days after the end of the JV Waiver Period.

As of June 30, 2020 and September 30, 2019, the OCSI Glick JV had total assets of \$143.3 million and \$179.7 million, respectively. The Company's investment in the OCSI Glick JV consisted of LLC equity interests and Subordinated Notes of \$46.0 million and \$54.3 million in the aggregate at fair value as of June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019, of which \$73.5 million was from the Company. As of each of June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019, 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.

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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 June 30, 2020 and September 30, 2019:

	June 30, 2020	September 30, 2019
Senior secured loans (1)	\$143,496,890	\$177,911,560
Weighted average current interest rate on senior secured loans (2)	5.58%	6.92%
Number of borrowers in the OCSI Glick JV	41	39
Largest loan exposure to a single borrower (1)	\$6,994,829	\$7,425,000
Total of five largest loan exposures to borrowers (1)	\$31,385,428	\$34,662,500

(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 June 30, 2020**

<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate</u> (1)(2)	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
AI Convoy (Luxembourg) S.À.R.L.	First Lien Term Loan, LIBOR+3.50% cash due 1/18/2027	4.65%	Aerospace & Defense	\$ 2,332,614	\$ 2,320,951	\$ 2,236,394	
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.68%	Electrical Components & Equipment	2,683,536	2,625,383	2,448,726	(4)
AI Plex US Acquico LLC	First Lien Term Loan, LIBOR+5.00% cash due 7/31/2026	6.78%	Commodity Chemicals	783,015	682,641	696,230	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.32%	Pharmaceuticals	6,994,829	6,794,562	6,540,164	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75%	Movies & Entertainment	2,992,500	2,962,575	2,618,438	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	1,688,810	1,373,441	597,687	(6)
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%	Application Software	3,249,858	3,240,397	3,207,610	(4)
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00%	Airport Services	3,740,625	3,654,058	3,482,522	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.19%	Oil & Gas Equipment & Services	4,900,000	4,882,870	3,368,775	
California Pizza Kitchen, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022		Restaurants	4,825,000	4,813,378	1,413,580	(6)
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%	Restaurants	1,121,000	1,064,950	1,076,160	(4)
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00%	Oil & Gas Refining & Marketing	3,600,884	3,564,875	3,465,851	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%	Alternative Carriers	4,593,620	4,489,945	4,338,123	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.07%	Biotechnology	4,962,500	4,925,281	4,875,656	(4)
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,500,000	2,475,000	2,456,875	(4)
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25%	Systems Software	5,850,600	5,812,869	5,609,263	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.18%	Research & Consulting Services	5,000,000	4,981,651	4,575,000	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	5.32%	Systems Software	994,961	985,012	963,122	(4)

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<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash</u> <u>Interest Rate</u> <u>(1)(2)</u>	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	\$ 2,925,000	\$ 2,820,675	\$ 2,767,781	
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	3,289,171	3,256,580	3,016,169	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, 5.50% cash due 7/13/2021	6.50%	Alternative Carriers	398,251	327,042	412,440	(5)
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.68%	Electronic Components	1,389,878	1,088,930	1,188,589	
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07%	Diversified Support Services	4,111,875	4,065,807	4,000,854	(4)
MHE Intermediate Holdings, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07%	Diversified Support Services	830,716	820,464	808,229	(4)(5)
<b>Total MHE Intermediate Holdings, LLC</b>				<b>4,942,591</b>	<b>4,886,271</b>	<b>4,809,083</b>	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.57%	Application Software	1,567,154	1,553,436	1,508,386	(4)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,429)	(5,359)	(4)(5)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,016)	(4,398)	(4)(5)
<b>Total MRI Software LLC</b>				<b>1,567,154</b>	<b>1,550,991</b>	<b>1,498,629</b>	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.18%	Health Care Technology	3,990,000	3,970,050	3,840,375	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	5.57%	Electrical Components & Equipment	5,376,250	5,357,978	4,973,031	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.67%	Integrated Telecommunication Services	988,000	951,142	983,060	(4)
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00%	Application Software	5,822,896	5,784,198	5,710,980	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.07%	Application Software	3,626,277	3,608,146	3,444,963	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(1,603)	(17,316)	(4)(5)
<b>Total OEConnection LLC</b>				<b>3,626,277</b>	<b>3,606,543</b>	<b>3,427,647</b>	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%	Personal Products	2,981,250	2,926,385	2,862,000	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50%	Personal Products	324,000	318,141	311,040	(4)
<b>Total Olaplex, Inc.</b>				<b>3,305,250</b>	<b>3,244,526</b>	<b>3,173,040</b>	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%	Metal & Glass Containers	2,892,750	2,863,823	2,827,663	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	6.00%	Footwear	6,207,500	6,186,216	4,127,988	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%	Health Care Services	5,865,000	5,826,665	5,542,425	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.32%	Personal Products	6,467,499	6,435,162	6,215,558	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.93%	Application Software	2,886,189	2,689,643	2,555,489	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25%	Health Care Facilities	4,974,425	4,954,092	4,402,366	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%	Human Resource & Employment Services	1,617,579	1,615,144	1,103,496	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25%	Movies & Entertainment	2,628,492	2,610,739	2,521,158	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.68%	Health Care Technology	1,738,146	1,724,444	1,685,785	(4)

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<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate (1)(2)</u>	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.56%	Data Processing & Outsourced Services	\$ 4,784,240	\$ 4,769,365	\$ 4,580,910	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%	Aerospace & Defense	3,000,000	2,977,260	2,265,000	(4)
<b>Total Portfolio Investments</b>				<b>\$ 143,496,890</b>	<b>\$ 141,147,318</b>	<b>\$ 127,598,838</b>	

(1) Represents the current interest rate as of June 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 June 30, 2020, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 0.18%, the 60-day LIBOR at 0.24%, the 90-day LIBOR at 0.31% and the 180-day LIBOR at 0.36%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(3) Represents the current determination of fair value as of June 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 is held by both the Company and the OCSI Glick JV as of June 30, 2020.

(5) Investment has 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 June 30, 2020. Cash non-accrual is inclusive of PIK and other non-cash income where applicable.

**OCSI Glick JV Portfolio as of September 30, 2019**

<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate (1)(2)</u>	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60%	Electrical components & equipment	\$ 2,718,993	\$ 2,651,270	\$ 2,504,016	(4)
Air Newco LP	First Lien Term Loan, LIBOR+4.75% cash due 5/31/2024	6.79%	IT consulting & other services	7,425,000	7,406,438	7,437,400	
AL Midcoast Holdings LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60%	Oil & gas storage & transportation	6,930,000	6,860,699	6,834,712	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	6.03%	Integrated telecommunication services	2,977,500	2,912,809	2,975,639	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.79%	Pharmaceuticals	5,359,286	5,359,286	4,874,270	
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	9.10%	Application software	3,395,374	3,377,463	3,327,467	(4)
Aptos, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 7/23/2025	7.70%	Computer & electronics retail	2,977,500	2,947,725	2,940,281	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	6.05%	Oil & gas equipment & services	4,937,500	4,917,589	4,570,273	
California Pizza Kitchen, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022	8.53%	Restaurants	4,850,000	4,838,318	4,349,868	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10%	Oil & gas refining & marketing	3,980,000	3,940,200	4,004,875	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10%	Alternative Carriers	5,000,000	4,900,000	4,930,075	(4)
Covia Holdings Corporation	First Lien Term Loan, LIBOR+4.00% cash due 6/1/2025	6.31%	Oil & gas equipment & services	6,912,500	6,912,500	5,673,745	
Curium Bidco S.à r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10%	Biotechnology	5,000,000	4,962,500	5,025,000	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04%	Application software	1,000,000	995,000	1,002,920	(4)
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.95%	Specialty chemicals	4,658,544	4,626,032	4,632,004	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80%	Integrated telecommunications services	5,468,222	5,365,594	5,466,281	(4)

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<b>Portfolio Company</b>	<b>Investment Type</b>	<b>Cash Interest Rate (1)(2)</b>	<b>Industry</b>	<b>Principal</b>	<b>Cost</b>	<b>Fair Value (3)</b>	<b>Notes</b>
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.29%	Systems software	\$ 5,895,000	\$ 5,850,631	\$ 5,732,888	
Guidehouse LLP	Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54%	Research & consulting services	5,000,000	4,979,290	4,937,500	(4)
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76%	Pharmaceuticals	4,340,941	4,326,851	3,997,290	(4)
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	7.80%	Insurance brokers	4,813,924	4,744,243	4,681,541	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.80%	Alternative Carriers	5,000,000	4,939,169	5,021,100	
McDermott Technology (Americas), Inc.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10%	Oil & gas equipment & services	1,429,306	1,406,187	913,565	(4)
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%	Diversified support services	4,143,750	4,089,029	4,060,875	(4)
	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%	Diversified support services	837,128	826,823	820,385	(4)
<b>Total MHE Intermediate Holdings, LLC</b>				<b>4,980,878</b>	<b>4,915,852</b>	<b>4,881,260</b>	
Navicare, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 9/18/2026	6.13%	Healthcare technology	4,000,000	3,980,000	4,005,000	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56%	Electrical components & equipment	5,417,500	5,396,178	5,336,238	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	7.05%	Application software	5,868,628	5,824,577	5,760,440	
OCI Beaumont LLC	First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10%	Commodity chemicals	6,895,000	6,888,231	6,903,619	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026		Application software	—	(1,720)	(645)	(4)(5)
	First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13%	Application software	3,655,914	3,637,634	3,649,059	(4)
<b>Total OEConnection LLC</b>				<b>3,655,914</b>	<b>3,635,914</b>	<b>3,648,414</b>	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	5.04%	Interactive media & services	3,989,924	3,970,677	4,010,712	
RSC Acquisition, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 11/30/2022	6.29%	Trading companies & distributors	3,849,574	3,835,594	3,820,702	
Servpro Borrower, LLC	First Lien Term Loan, PRIME+2.50% cash due 3/26/2026	7.50%	Specialized consumer services	3,980,000	3,970,050	3,984,975	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	7.26%	Footwear	6,256,250	6,227,881	5,943,438	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60%	Healthcare services	5,910,000	5,864,902	5,902,613	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59%	Personal products	6,500,000	6,467,500	6,538,610	(4)
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	6.54%	Human resources & employment services	3,114,779	3,109,120	2,907,133	(4)
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.0% Toggle PIK cash due 4/15/2033		Pharmaceuticals	3,000,000	3,000,000	3,105,000	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30%	Movies & entertainment	2,493,573	2,493,573	2,503,099	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79%	Data processing & outsourced services	4,929,950	4,913,436	4,956,645	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01%	Aerospace & defense	3,000,000	2,974,333	2,987,490	(4)
<b>Total Portfolio Investments</b>				<b>\$ 177,911,560</b>	<b>\$ 176,687,612</b>	<b>\$ 173,028,098</b>	

(1) Represents the current interest rate as of September 30, 2019. 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



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credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars. As of September 30, 2019, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06% and the PRIME at 5.00%. 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, 2019 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 is held by both the Company and the OCSI Glick JV as of September 30, 2019.

(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.

The cost and fair value of the Company's aggregate investment in the OCSI Glick JV was \$73.2 million and \$46.0 million, respectively, as of June 30, 2020 and \$73.2 million and \$54.3 million, respectively, as of September 30, 2019. As of June 30, 2020, the Company's investment in the Subordinated Notes was on cash non-accrual status and the Company did not earn any interest on the investment for the three months ended June 30, 2020. For the nine months ended June 30, 2020, the Company earned interest income of \$1.4 million on its investment in the Subordinated Notes. For the three and nine months ended June 30, 2019, the Company earned interest income of \$1.5 million and \$4.4 million, respectively, on its investment in the Subordinated Notes. The Company did not earn any dividend income for the three and nine months ended June 30, 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.

Effective April 1, 2020, 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 and July 15, 2020 coupon dates. As of September 30, 2019, the Subordinated Notes bore an interest rate of 1-month LIBOR plus 6.5% per annum.

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

	June 30, 2020	September 30, 2019
<b>Selected Balance Sheet Information:</b>		
Investments at fair value (cost June 30, 2020: \$141,147,318; cost September 30, 2019: \$176,687,612)	\$ 127,598,838	\$ 173,028,098
Cash and cash equivalents	3,672,469	1,096,498
Restricted cash	1,329,379	2,616,125
Other assets	10,727,418	2,937,681
<b>Total assets</b>	<b>\$ 143,328,104</b>	<b>\$ 179,678,402</b>
Senior credit facility payable	\$ 88,681,939	\$ 91,881,939
Subordinated notes payable at fair value (proceeds June 30, 2020: \$75,480,629; proceeds September 30, 2019: \$75,517,614)	52,561,349	62,087,348
Other liabilities	2,084,816	25,709,115
<b>Total liabilities</b>	<b>\$ 143,328,104</b>	<b>\$ 179,678,402</b>
Members' equity	—	—
<b>Total liabilities and members' equity</b>	<b>\$ 143,328,104</b>	<b>\$ 179,678,402</b>

  

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Selected Statements of Operations Information:</b>				
Interest income	\$ 2,216,462	\$ 3,261,956	\$ 7,914,972	\$ 9,471,420
Fee income	20,661	—	249,358	—
<b>Total investment income</b>	<b>2,237,123</b>	<b>3,261,956</b>	<b>8,164,330</b>	<b>9,471,420</b>
Interest expense	1,119,018	2,882,442	4,865,802	8,764,170
Other expenses	28,643	18,865	127,107	132,222
<b>Total expenses (1)</b>	<b>1,147,661</b>	<b>2,901,307</b>	<b>4,992,909</b>	<b>8,896,392</b>
Net unrealized appreciation (depreciation)	1,989,000	(408,962)	958,385	(558,068)
Realized gain (loss)	(3,078,462)	48,313	(4,129,806)	(16,960)
<b>Net income (loss)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

(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 and nine months ended June 30, 2020 and 2019, the Company did not sell any debt investments to the OCSI Glick JV.

**Note 4. Fee Income**

For the three and nine months ended June 30, 2020, the Company recorded total fee income of \$0.1 million and \$0.9 million, respectively, of which \$0.1 million and \$0.2 million, respectively, was recurring in nature. For the three and nine months ended June 30, 2019, the Company recorded total fee income of \$0.3 million and \$0.5 million, respectively, all of which was nonrecurring in nature. Recurring fee income primarily consists of servicing fees and exit fees.

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**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 and nine months ended June 30, 2020 and 2019:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Earnings (loss) per common share — basic and diluted:</b>				
Net increase (decrease) in net assets resulting from operations	\$ 42,158,515	\$ 3,482,900	\$ (21,922,895)	\$ 3,977,636
Weighted average common shares outstanding	29,466,768	29,466,768	29,466,768	29,466,768
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 1.43</b>	<b>\$ 0.12</b>	<b>\$ (0.74)</b>	<b>\$ 0.13</b>

*Changes in Net Assets*

The following table presents the changes in net assets for the three and nine months ended June 30, 2020:

	Common Stock			Accumulated Overdistributed Earnings	Total Net Assets
	Shares	Par Value	Additional Paid- in-Capital		
Balance at 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 at December 31, 2019	29,466,768	\$ 294,668	\$ 369,199,332	\$ (83,477,090)	\$ 286,016,910
Net investment income	—	\$ —	\$ —	\$ 4,561,775	\$ 4,561,775
Net unrealized appreciation (depreciation)	—	—	—	(67,418,332)	(67,418,332)
Net realized gains (losses)	—	—	—	(7,359,107)	(7,359,107)
Distributions to stockholders	—	—	—	(4,567,348)	(4,567,348)
Issuance of common stock under dividend reinvestment plan	14,852	149	77,499	—	77,648
Repurchases of common stock under dividend reinvestment plan	(14,852)	(149)	(77,499)	—	(77,648)
Balance at March 31, 2020	29,466,768	\$ 294,668	\$ 369,199,332	\$ (158,260,102)	\$ 211,233,898
Net investment income	—	\$ —	\$ —	\$ 3,168,509	\$ 3,168,509
Net unrealized appreciation (depreciation)	—	—	—	41,928,465	41,928,465
Net realized gains (losses)	—	—	—	(2,938,459)	(2,938,459)
Distributions to stockholders	—	—	—	(3,683,347)	(3,683,347)
Issuance of common stock under dividend reinvestment plan	14,977	150	93,575	—	93,725
Repurchases of common stock under dividend reinvestment plan	(14,977)	(150)	(93,575)	—	(93,725)
Balance at June 30, 2020	29,466,768	\$ 294,668	\$ 369,199,332	\$ (119,784,934)	\$ 249,709,066

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The following table presents the changes in net assets for the three and nine months ended June 30, 2019:

	Common Stock			Accumulated Overdistributed Earnings	Total Net Assets
	Shares	Par Value	Additional Paid- in-Capital		
Balance at September 30, 2018	29,466,768	\$ 294,668	\$ 370,751,389	\$ (75,300,637)	\$ 295,745,420
Net investment income	—	—	—	4,863,537	4,863,537
Net unrealized appreciation (depreciation)	—	—	—	(19,760,624)	(19,760,624)
Net realized gains (losses)	—	—	—	1,696,396	1,696,396
Distributions to stockholders	—	—	—	(4,567,349)	(4,567,349)
Issuance of common stock under dividend reinvestment plan	6,888	69	54,042	—	54,111
Repurchases of common stock under dividend reinvestment plan	(6,888)	(69)	(54,042)	—	(54,111)
Balance at December 31, 2018	<u>29,466,768</u>	<u>\$ 294,668</u>	<u>\$ 370,751,389</u>	<u>\$ (93,068,677)</u>	<u>\$ 277,977,380</u>
Net investment income	—	\$ —	\$ —	\$ 5,216,760	\$ 5,216,760
Net unrealized appreciation (depreciation)	—	—	—	8,797,411	8,797,411
Net realized gains (losses)	—	—	—	(318,744)	(318,744)
Distributions to stockholders	—	—	—	(4,567,349)	(4,567,349)
Issuance of common stock under dividend reinvestment plan	6,187	62	50,481	—	50,543
Repurchases of common stock under dividend reinvestment plan	(6,187)	(62)	(50,481)	—	(50,543)
Balance at March 31, 2019	<u>29,466,768</u>	<u>\$ 294,668</u>	<u>\$ 370,751,389</u>	<u>\$ (83,940,599)</u>	<u>\$ 287,105,458</u>
Net investment income	—	\$ —	\$ —	\$ 5,918,387	\$ 5,918,387
Net unrealized appreciation (depreciation)	—	—	—	(2,593,717)	(2,593,717)
Net realized gains (losses)	—	—	—	158,230	158,230
Distributions to stockholders	—	—	—	(4,567,350)	(4,567,350)
Issuance of common stock under dividend reinvestment plan	6,314	63	53,025	—	53,088
Repurchases of common stock under dividend reinvestment plan	(6,314)	(63)	(53,025)	—	(53,088)
Balance at June 30, 2019	<u>29,466,768</u>	<u>\$ 294,668</u>	<u>\$ 370,751,389</u>	<u>\$ (85,025,049)</u>	<u>\$ 286,021,008</u>

*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 2019 calendar year as ordinary income. The character of such distributions was appropriately reported to the Internal Revenue Service and stockholders for the 2019 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.

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The following table reflects the quarterly distributions per share that the Company has paid, including shares issued under the DRIP, on its common stock during the nine months ended June 30, 2020 and 2019:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution (2)	DRIP Shares Issued (1)	DRIP Shares Value (2)
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
<b>Total for the nine months ended June 30, 2020</b>			<b>\$ 0.435</b>	<b>\$ 12,582,339</b>	<b>37,622</b>	<b>\$ 235,706</b>

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
<b>Total for the nine months ended June 30, 2019</b>			<b>\$ 0.465</b>	<b>\$ 13,544,306</b>	<b>19,389</b>	<b>\$ 157,742</b>

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

(2) Amounts may not sum due to rounding.

#### *Common Stock Offering*

There were no common stock offerings during the nine months ended June 30, 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 June 30, 2020 and September 30, 2019, the Company was able to borrow up to \$180 million under the Citibank Facility (subject to borrowing base and other limitations). As of June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 2020 and September 30, 2019, the Company had \$119.1 million and \$126.1 million outstanding under the Citibank Facility, respectively. Borrowings under the Citibank Facility are secured by all of the assets of OCSI Senior Funding II and all of the Company's equity interests in OCSI Senior Funding II. 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 3.296% and 4.559% for the nine months ended June 30, 2020 and 2019, respectively. For the three and nine months ended June 30, 2020, the Company recorded interest expense (inclusive of fees) of \$1.0 million and \$3.7 million, respectively, related to the Citibank Facility. For the three and nine months ended June 30, 2019, the Company recorded interest expense (inclusive of fees) of \$1.7 million and \$4.8 million, respectively, related to the Citibank Facility.

##### *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 June 30, 2020, the East West Bank Facility bears an interest rate of

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either LIBOR plus 2.85% per annum or East West Bank's prime rate, in each case with a 3.5% floor. As of June 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 matures on January 6, 2021. The East West Bank Facility requires the Company to comply with certain affirmative and negative covenants and other customary requirements for similar credit facilities.

On April 7, 2020, the Company amended the East West Bank Facility to, among other things, reduce the required minimum net assets from \$225 million to \$185 million commencing with the quarter ended March 31, 2020. As of June 30, 2020, the Company was in compliance with all financial covenants under the East West Bank Facility.

As of June 30, 2020 and September 30, 2019, the Company had \$20.0 million and \$11.0 million outstanding under the East West Bank Facility, respectively. Borrowings under the East West Bank Facility are secured by the loans pledged as collateral thereunder from time to time as well as certain other assets of the Company. The Company may use 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 4.208% and 5.485% for the nine months ended June 30, 2020 and 2019, respectively. For the three and nine months ended June 30, 2020, the Company recorded interest expense (inclusive of fees) of \$0.2 million and \$0.6 million, respectively, related to the East West Bank Facility. For the three and nine months ended June 30, 2019, the Company recorded interest expense (inclusive of fees) of \$0.2 million and \$0.4 million, respectively, related to the East West Bank 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 June 30, 2020, (a) OCSI Senior Funding Ltd. may request drawdowns under the Deutsche Bank Facility until September 30, 2020 (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, 2021, the occurrence of an event of default or completion of a securitization transaction, (c) the size of the Deutsche Bank Facility is \$200 million (subject to borrowing base and other limitations) and (d) the interest rate is three-month LIBOR plus 2.25% through September 30, 2020, following which the interest rate will reset to three-month LIBOR plus 2.40% for the remaining term of the Deutsche Bank Facility. There is a non-usage fee of 0.50% per annum payable on the undrawn amount under the Deutsche Bank Facility, and, as of June 30, 2020, a minimum utilization fee should the drawn amount under the Deutsche Bank Facility fall below 80%.

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 June 30, 2020 and September 30, 2019, the Company had \$173.1 million and \$157.6 million outstanding under the Deutsche Bank Facility, respectively. For the nine months ended June 30, 2020 and 2019, the Company's borrowings under the Deutsche Bank Facility bore interest at a weighted average interest rate of 3.911% and 4.553%, respectively. For the three and nine months ended June 30, 2020, the Company recorded interest expense (inclusive of fees) of \$1.8 million and \$5.6 million, respectively. For the three and nine months ended June 30, 2019, the Company recorded interest expense (inclusive of fees) of \$2.0 million and \$5.6 million, respectively, related to the Deutsche Bank Facility.

#### **Note 7. Interest and Dividend Income**

As of June 30, 2020, there were two investments on which the Company had stopped accruing cash and/or PIK interest or OID income. During the three months ended March 31, 2020, the Company restructured its investment in the Subordinated Notes of the OCSI Glick JV 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 effective beginning on April 1, 2020, (2) extend the maturity date from October 20, 2021 to October 20, 2028 and (3) provide that the Subordinated Notes did not pay interest on its previously scheduled April 15, 2020 and July 15, 2020 coupon dates. Given that the Subordinated Notes did not pay interest for two quarters, the Company placed its investment in the Subordinated Notes of the OCSI Glick JV on cash non-accrual status and did not recognize any interest income from the OCSI Glick JV during the three months ended June 30, 2020. The percentages of the Company's debt investments at cost and fair value by accrual status as of June 30, 2020 were as follows:

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	June 30, 2020			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	\$ 483,995,787	87.57 %	\$ 458,364,670	90.54 %
Cash non-accrual (1)	68,719,103	12.43	47,873,960	9.46
<b>Total</b>	<b>\$ 552,714,890</b>	<b>100.00 %</b>	<b>\$ 506,238,630</b>	<b>100.00 %</b>

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

As of September 30, 2019, there were no investments on which the Company had stopped accruing cash and/or PIK interest or OID income.

**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 and nine months ended June 30, 2020 and 2019:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Net increase (decrease) in net assets resulting from operations	\$ 42,158,515	\$ 3,482,900	\$ (21,922,895)	\$ 3,977,636
Net unrealized (appreciation) depreciation	(41,928,465)	2,593,717	23,563,483	13,556,930
Book/tax difference due to capital losses not recognized (recognized)	4,836,456	(1,466,125)	12,597,548	(3,588,377)
Other book/tax differences	(1,699,828)	315,566	(501,949)	503,149
<b>Taxable/Distributable Income (1)</b>	<b>\$ 3,366,678</b>	<b>\$ 4,926,058</b>	<b>\$ 13,736,187</b>	<b>\$ 14,449,338</b>

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

As of September 30, 2019, the Company had a net capital loss carryforward of \$60,782,648, which can be used to offset future capital gains and is not subject to expiration. Of the net capital loss carryforward, \$7,293,950 is available to offset future short-term capital gains and \$53,488,698 is available to offset future long-term capital gains.

As of September 30, 2019, the Company's last tax year end, the components of accumulated overdistributed earnings on a tax basis were as follows:

Undistributed ordinary income, net	\$ 1,512,863
Net realized capital losses	(60,782,648)
Unrealized losses, net	(25,774,209)

The aggregate cost of investments for income tax purposes was \$622.9 million as of September 30, 2019. As of September 30, 2019, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over cost for income tax purposes was \$24.6 million. As of September 30, 2019, the aggregate gross unrealized depreciation for all investments in which there was an excess of cost for income tax purposes over value was \$50.4 million. Net unrealized depreciation based on the aggregate cost of investments for income tax purposes was \$25.8 million.

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**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 the three months ended June 30, 2020, the Company recorded net realized losses of \$2.9 million, which consisted of the following:

(\$ in millions)		Net Realized Gain (Loss)
Portfolio Company		
Tallgrass Energy	\$	(1.1)
Zephyr Bidco Ltd		(0.9)
Other, net		(0.9)
<b>Total, net</b>	<b>\$</b>	<b>(2.9)</b>

During the three months ended June 30, 2019, the Company recorded net realized gains of \$0.2 in connection with the exit of various investments.

During the nine months ended June 30, 2020, the Company recorded net realized losses of \$10.8 million, which consisted of the following:

(\$ in millions)		Net Realized Gain (Loss)
Portfolio Company		
Woodford Express LLC	\$	(5.1)
Curvature, Inc.		(1.9)
Zephyr Bidco Ltd		(1.7)
Tallgrass Energy		(1.1)
Other, net		(1.0)
<b>Total, net</b>	<b>\$</b>	<b>(10.8)</b>

During the nine months ended June 30, 2019, the Company recorded net realized gains of \$1.5 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.

During the three months ended June 30, 2020 and 2019, the Company recorded net unrealized appreciation (depreciation) of \$41.9 million and \$(2.6) million, respectively. For the three months ended June 30, 2020, this consisted of \$35.2 million of unrealized appreciation of debt investments and \$6.8 million of net unrealized appreciation from exited investments (a portion of which resulted in a reclassification to realized losses), partially offset by \$0.1 million of unrealized depreciation on foreign currency forward contracts. For the three months ended June 30, 2019, this consisted of \$2.3 million of unrealized depreciation of debt investments, \$0.3 million of net unrealized depreciation from exited investments (a portion of which resulted in a reclassification to realized gains) and \$0.1 million of unrealized depreciation of foreign currency forward contracts, offset by \$0.1 million of unrealized appreciation of equity investments.

During the nine months ended June 30, 2020 and 2019, the Company recorded net unrealized depreciation of \$23.6 million and \$13.6 million, respectively. For the nine months ended June 30, 2020, this consisted of \$26.7 million of unrealized depreciation of debt investments, offset by \$2.9 million of net unrealized appreciation from exited investments (a portion of which resulted in a reclassification to realized losses) and \$0.3 million of unrealized appreciation on foreign currency forward contracts. For the nine months ended June 30, 2019, this consisted of \$11.7 million of unrealized depreciation of debt investments, \$1.9 million of net unrealized depreciation related to exited investments (a portion of which resulted in a reclassification to realized gains) and \$0.1 million of unrealized depreciation of foreign currency forward contracts, offset by \$0.1 million of unrealized appreciation of equity investments.



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**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 June 30, 2020 and September 30, 2019, the Company had a liability on its Consolidated Statements of Assets and Liabilities in the amount of \$1.6 million and \$1.4 million, respectively, reflecting the unpaid portion of the base management fees and incentive fees payable to Oaktree and OCM.

***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 (the "Former Investment Advisory Agreement"), 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 and nine months ended June 30, 2020, the base management fee incurred under the Investment Advisory Agreement was \$1.4 million and \$4.3 million, respectively. For the three and nine months ended June 30, 2019, the base management fee incurred under the Investment Advisory Agreement was \$1.5 million and \$4.4 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

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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.

OCM permanently waived \$0.3 million of Part I incentive fees incurred during the three months ended March 31, 2020. For the three and nine months ended June 30, 2020, the Part I incentive fee (net of waivers) incurred under the Investment Advisory Agreement was \$0.3 million and \$1.2 million, respectively. For the three and nine months ended June 30, 2019, the Part I incentive fee (net of waivers) incurred under the Investment Advisory Agreement was \$1.5 million and \$3.0 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 June 30, 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. For the three and nine months ended June 30, 2020 and 2019, the Company did not accrue, and cumulatively has not accrued, any capital gains incentive fees.

To ensure compliance with Section 15(f) of the Investment Company Act, OCM entered into a two-year contractual fee waiver with the Company, which ended on October 17, 2019, pursuant to which OCM waived any management or incentive fees payable under the Investment Advisory Agreement that exceeded what would have been paid to the Former Adviser in the aggregate under the Former Investment Advisory Agreement. At the end of the two-year period, OCM permanently waived \$1.2 million, of which \$0.1 million was recorded for the nine months ended June 30, 2020.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***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 and nine months ended June 30, 2020, the Company accrued administrative expenses of \$0.3 million and \$0.8 million, respectively, including \$0.0 million and \$0.2 million, respectively, of general and administrative expenses. For the three and nine months ended June 30, 2019, the Company accrued administrative expenses of \$0.3 million and \$1.1 million, respectively, including \$0.1 million and \$0.2 million, respectively, of general and administrative expenses.

As of June 30, 2020 and September 30, 2019, \$1.1 million and \$1.5 million was included in "Due to affiliate" in the Consolidated Statements of Assets and Liabilities, respectively, reflecting the unpaid portion of administrative expenses and other reimbursable expenses payable to Oaktree Administrator.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 12. Financial Highlights**

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Net asset value at beginning of period	\$ 7.17	\$ 9.74	\$ 9.65	\$ 10.04
Net investment income (1)	0.11	0.20	0.42	0.54
Net unrealized appreciation (depreciation) (1)	1.42	(0.09)	(0.79)	(0.46)
Net realized gains (losses) (1)	(0.10)	0.02	(0.37)	0.05
Distributions to stockholders	(0.13)	(0.16)	(0.44)	(0.46)
<b>Net asset value at end of period</b>	<b>\$ 8.47</b>	<b>\$ 9.71</b>	<b>\$ 8.47</b>	<b>\$ 9.71</b>
Per share market value at beginning of period	\$ 5.54	\$ 8.10	\$ 8.25	\$ 8.65
Per share market value at end of period	\$ 6.34	\$ 8.49	\$ 6.34	\$ 8.49
Total return (2)	16.73 %	6.75 %	(17.78) %	3.87 %
Common shares outstanding at beginning of period	29,466,768	29,466,768	29,466,768	29,466,768
Common shares outstanding at end of period	29,466,768	29,466,768	29,466,768	29,466,768
Net assets at beginning of period	\$ 211,233,898	\$ 287,105,458	\$ 284,450,006	\$ 295,745,420
Net assets at end of period	\$ 249,709,066	\$ 286,021,008	\$ 249,709,066	\$ 286,021,008
Average net assets (3)	\$ 231,937,651	\$ 288,012,804	\$ 256,428,145	\$ 286,724,487
Ratio of net investment income to average net assets (4)	5.48 %	8.24 %	6.47 %	7.46 %
Ratio of total expenses to average net assets (4)	9.46 %	10.73 %	9.58 %	10.19 %
Ratio of net expenses to average net assets (4)	9.46 %	10.99 %	9.42 %	10.05 %
Ratio of portfolio turnover to average investments at fair value	6.43 %	6.95 %	31.36 %	27.38 %
Weighted average outstanding debt (5)	\$ 320,860,097	\$ 310,001,855	\$ 311,751,691	\$ 286,800,023
Average debt per share (1)	\$ 10.89	\$ 10.52	\$ 10.58	\$ 9.73
Asset coverage ratio at end of period (6)	179.99 %	192.79 %	179.99 %	192.79 %

- (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 \$312.2 million and \$308.3 million as of June 30, 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 ("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 June 30, 2020, no cash collateral 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.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Certain information related to the Company's foreign currency forward contracts is presented below as of June 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	\$ 6,499,386	£ (4,962,500)	8/18/2020	\$ 365,884	\$ —	Derivative asset
Foreign currency forward contract	\$ (6,218,270)	£ 4,962,500	8/18/2020	\$ —	\$ (84,767)	Derivative asset
				<u>\$ 365,884</u>	<u>\$ (84,767)</u>	

Certain information related to the Company's foreign currency forward contracts is presented below as of September 30, 2019.

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	\$ 6,106,199	£ (4,934,900)	10/15/2019	\$ 20,876	\$ —	Derivative asset

**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 June 30, 2020 and September 30, 2019, off-balance sheet arrangements consisted of \$31.6 million and \$24.2 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 and the OCSI Glick JV Subordinated Notes and LLC equity interests) as of June 30, 2020 and September 30, 2019 is shown in the table below:

	June 30, 2020	September 30, 2019
OCSI Glick JV LLC (1)	\$ 13,998,029	\$ 13,998,029
Athenex, Inc.	8,544,880	—
MHE Intermediate Holdings, LLC	5,260,514	4,466,338
MRI Software LLC	961,717	—
OEConnection LLC	735,931	731,183
Accupac, Inc.	716,984	—
Apptio, Inc.	692,308	692,308
iCIMS, Inc.	294,118	294,118
Coyote Buyer, LLC	156,507	—
PaySimple, Inc.	152,444	2,450,000
GKD Index Partners, LLC	88,889	444,444
Ministry Brands, LLC	42,500	80,000
4 Over International, LLC	—	60,629
Mindbody, Inc.	—	952,381
<b>Total</b>	<u>\$ 31,644,821</u>	<u>\$ 24,169,430</u>

(1) This investment was on cash non-accrual status as of June 30, 2020.

**Note 15. 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 and nine months ended June 30, 2020, except as discussed below.

**OAKTREE STRATEGIC INCOME CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*Distribution Declaration*

On July 31, 2020, the Company's Board of Directors declared a quarterly distribution of \$0.125 per share, payable on September 30, 2020 to stockholders of record on September 15, 2020.

*Deutsche Bank Facility Amendment*

On July 8, 2020, the Company amended the Deutsche Bank Facility to (a) establish a waiver period beginning on July 8, 2020 and ending 135 days thereafter (the "Waiver Period"), during which the facility agent is restricted from revaluing certain collateral obligations where the change in valuation is caused by or results from a business disruption due primarily to the COVID-19 pandemic and (b) modify the minimum utilization percentage from 80% to 50% until 90 days after the end of the Waiver Period.

**Oaktree Strategic Income Corporation**  
**Schedule of Investments in and Advances to Affiliates**  
**Nine months ended June 30, 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 at October 1, 2019	Gross Additions (3)	Gross Reductions (4)	Fair Value at June 30, 2020	% of Total Net Assets
<b>Control Investments</b>										
OCSI Glick JV LLC		Multi-sector holdings								
Subordinated Note, LIBOR+4.50% cash due 10/20/2028			\$ 66,045,551	\$ —	\$ 1,436,726	\$ 54,326,418	\$ —	\$ (8,367,235)	\$ 45,959,183	18.4%
87.5% LLC equity interest (5)				—	—	—	—	—	—	—%
<b>Total Control Investments</b>			<b>\$ 66,045,551</b>	<b>\$ —</b>	<b>\$ 1,436,726</b>	<b>\$ 54,326,418</b>	<b>\$ —</b>	<b>\$ (8,367,235)</b>	<b>\$ 45,959,183</b>	<b>18.4%</b>

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 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. As of June 30, 2020, the OCSI Glick JV is on cash non-accrual status.
- (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) 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**  
**Nine months ended June 30, 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 at October 1, 2018	Gross Additions (3)	Gross Reductions (4)	Fair Value at June 30, 2019	% of Total Net Assets
<b>Control Investments</b>										
OCSI Glick JV LLC		Multi-sector holdings								
Subordinated Note, LIBOR+6.50% cash due 10/20/2021	8.99%		\$ 66,098,276	\$ —	\$ 4,444,357	\$ 58,512,170	\$ —	\$ (2,877,515)	\$ 55,634,655	19.5%
87.5% LLC equity interest (5)				—	—	—	—	—	—	—%
<b>Total Control Investments</b>			<b>\$ 66,098,276</b>	<b>\$ —</b>	<b>\$ 4,444,357</b>	<b>\$ 58,512,170</b>	<b>\$ —</b>	<b>\$ (2,877,515)</b>	<b>\$ 55,634,655</b>	<b>19.5%</b>

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 Schedule of Investments as of June 30, 2019 included in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 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, 2019 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; 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 business models we expect to be resilient in the future with underlying fundamentals that will provide strength in economic downturns. 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 it has 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 \$37 million at fair value as of June 30, 2020.

### **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. 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 June 30, 2020, 98.7% of our debt investment portfolio (at fair value) and 98.8% 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 announced the desire to phase out the use of LIBOR by the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. Although there have been a few issuances utilizing SOFR or the Sterling Over Night Index Average, an alternative reference rate that is based on transactions, it remains unknown whether these alternative reference rates will attain market acceptance as replacements for LIBOR. If LIBOR ceases to exist, we may need to renegotiate any credit agreements extending beyond 2021 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 June 30, 2020 ends prior to the end of 2021 (and therefore prior to any 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. It remains unclear whether the cessation of LIBOR will be delayed due to COVID-19 or what

form any delay may take, and there are no assurances that there will be a delay. It is also unclear what the duration and severity of COVID-19 will be, and whether this will impact LIBOR transition planning. COVID-19 may also slow regulators' and others' efforts to develop and implement alternative reference rates, which could make LIBOR transition planning more difficult, particularly if the cessation of LIBOR is not delayed but an alternative reference rate does not emerge as industry standard.

## 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 the 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 June 30, 2020 and September 30, 2019 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 June 30, 2020, 92.7% 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 June 30, 2020 and September 30, 2019, approximately 87.4% and 95.8%, 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 June 30, 2020, there were two investments on which we had stopped accruing cash and/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 will not pay interest on the previously scheduled April 15, 2020 and July 15, 2020 coupon dates. Given that the notes did not pay interest for two quarters, we placed our investment in the subordinated notes of the OCSI Glick JV on cash non-accrual status and did not recognize any interest income from the OCSI Glick JV during the three months ended June 30, 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 record date. Distributions received from 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 such 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 OCSI Glick JV LLC, or the OCSI Glick JV. As of June 30, 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 nine months ended June 30, 2020, we originated \$170.4 million of investment commitments in 34 new and 13 existing portfolio companies and funded \$174.1 million of investments.

During the nine months ended June 30, 2020, we received \$220.5 million of proceeds from prepayments, exits, other paydowns and sales and exited 42 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:

	June 30, 2020	September 30, 2019
<b>Cost:</b>		
Senior secured loans	86.90 %	88.33 %
OCSI Glick JV subordinated notes	11.79	10.54
OCSI Glick JV equity interests	1.27	1.13
Equity securities, excluding the OCSI Glick JV	0.04	—
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>
	<b>June 30, 2020</b>	<b>September 30, 2019</b>
<b>Fair value:</b>		
Senior secured loans	90.88 %	90.85 %
OCSI Glick JV subordinated notes	9.08	9.10
Equity securities, excluding the OCSI Glick JV	0.04	0.05
OCSI Glick JV equity interests	—	—
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>

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

	June 30, 2020	September 30, 2019
<b>Cost:</b>		
Application Software	13.24 %	12.98 %
Multi-Sector Holdings (1)	13.06	11.68
Aerospace & Defense	5.59	5.24
Diversified Support Services	4.72	4.38
Advertising	4.29	3.84
Movies & Entertainment	3.33	1.54
Alternative Carriers	2.90	2.70
Commercial Printing	2.74	2.47
Oil & Gas Storage & Transportation	2.52	0.09
Personal Products	2.49	0.48
Data Processing & Outsourced Services	2.49	2.66
Industrial Machinery	2.49	1.49
Pharmaceuticals	2.42	2.01
Health Care Services	2.34	2.74
Publishing	2.18	1.64
Health Care Technology	2.10	1.74
Integrated Telecommunication Services	1.88	2.78
Specialty Chemicals	1.84	0.75
Systems Software	1.78	2.48
Internet Services & Infrastructure	1.76	4.54
Real Estate Services	1.75	1.57
Leisure Facilities	1.64	1.43
Communications Equipment	1.59	1.55
Trading Companies & Distributors	1.58	1.43
Distributors	1.57	—
Specialized Finance	1.51	2.43
Biotechnology	1.41	1.27
Interactive Media & Services	1.40	1.89
Research & Consulting Services	1.33	1.58
Electrical Components & Equipment	1.13	1.02
Metal & Glass Containers	1.12	1.41
Health Care Supplies	1.05	—
Auto Parts & Equipment	1.02	0.92
Oil & Gas Refining & Marketing	0.95	1.89
Household Products	0.90	0.80
Hotels, Resorts & Cruise Lines	0.83	—
Environmental & Facilities Services	0.70	0.67
Restaurants	0.61	—
Independent Power Producers & Energy Traders	0.59	—
Managed Health Care	0.53	—
Electric Utilities	0.35	—
General Merchandise Stores	0.28	0.25
Oil & Gas Exploration & Production	—	2.34
Computer & Electronics Retail	—	1.72
IT Consulting & Other Services	—	1.54
Health Care Equipment	—	1.42
Specialized REITs	—	1.38
Human Resource & Employment Services	—	1.29
Household Appliances	—	1.09
Commodity Chemicals	—	0.78
Oil & Gas Equipment & Services	—	0.10
	<b>100.00 %</b>	<b>100.00 %</b>

	June 30, 2020	September 30, 2019
<b>Fair value:</b>		
Application Software	14.19 %	13.52 %
Multi-Sector Holdings (1)	9.07	9.10
Aerospace & Defense	5.68	5.44
Diversified Support Services	4.77	4.57
Advertising	4.36	3.51
Movies & Entertainment	3.57	1.61
Alternative Carriers	3.10	2.84
Commercial Printing	2.89	2.58
Personal Products	2.71	0.51
Pharmaceuticals	2.66	2.02
Data Processing & Outsourced Services	2.53	2.81
Oil & Gas Storage & Transportation	2.51	0.09
Health Care Services	2.47	2.88
Publishing	2.37	1.75
Industrial Machinery	2.35	1.54
Health Care Technology	2.27	1.85
Integrated Telecommunication Services	1.92	2.87
Systems Software	1.90	2.59
Specialty Chemicals	1.89	0.62
Internet Services & Infrastructure	1.83	4.77
Real Estate Services	1.81	1.65
Trading Companies & Distributors	1.70	1.50
Distributors	1.68	—
Communications Equipment	1.64	1.57
Specialized Finance	1.64	2.42
Biotechnology	1.55	1.35
Leisure Facilities	1.43	1.50
Interactive Media & Services	1.43	1.99
Research & Consulting Services	1.38	1.72
Metal & Glass Containers	1.19	1.40
Electrical Components & Equipment	1.16	1.01
Health Care Supplies	1.13	—
Auto Parts & Equipment	1.03	0.90
Oil & Gas Refining & Marketing	1.03	2.00
Hotels, Resorts & Cruise Lines	0.98	—
Household Products	0.94	0.80
Environmental & Facilities Services	0.72	0.67
Restaurants	0.68	—
Independent Power Producers & Energy Traders	0.63	—
Managed Health Care	0.55	—
Electric Utilities	0.39	—
General Merchandise Stores	0.27	0.24
Oil & Gas Exploration & Production	—	2.34
Computer & Electronics Retail	—	1.81
Health Care Equipment	—	1.51
Specialized REITs	—	1.45
Human Resource & Employment Services	—	1.34
IT Consulting & Other Services	—	1.34
Household Appliances	—	1.12
Commodity Chemicals	—	0.83
Oil & Gas Equipment & Services	—	0.07
	<b>100.00 %</b>	<b>100.00 %</b>

(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 subordinated notes, or the Subordinated Notes. As of June 30, 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 41 and 39 portfolio companies as of June 30, 2020 and September 30, 2019, 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 June 30, 2020, had a reinvestment period end date and maturity date of September 29, 2020 and March 29, 2024, respectively, and permitted borrowings of up to \$100.0 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 1.95% per annum with no LIBOR floor. Under the JV Deutsche Bank Facility, \$88.7 million and \$91.9 million of borrowings were outstanding as of June 30, 2020 and September 30, 2019, respectively.

On July 8, 2020, the OCSI Glick JV amended the JV Deutsche Bank Facility to (a) establish a waiver period beginning on July 8, 2020 and ending 135 days thereafter, or the JV Waiver Period, during which the facility agent is restricted from revaluing certain collateral obligations where the change in valuation is caused by or results from a business disruption due primarily to the COVID-19 pandemic and (b) modify the minimum utilization percentage from 75% to 50% until 90 days after the end of the JV Waiver Period.

As of June 30, 2020 and September 30, 2019, the OCSI Glick JV had total assets of \$143.3 million and \$179.7 million, respectively. Our investment in the OCSI Glick JV consisted of LLC equity interests and Subordinated Notes of \$46.0 million and \$54.3 million in the aggregate at fair value as of June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019, of which \$73.5 million was from us. As of each of June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019, 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 June 30, 2020 and September 30, 2019:

	June 30, 2020	September 30, 2019
Senior secured loans (1)	\$143,496,890	\$177,911,560
Weighted average current interest rate on senior secured loans (2)	5.58%	6.92%
Number of borrowers in the OCSI Glick JV	41	39
Largest loan exposure to a single borrower (1)	\$6,994,829	\$7,425,000
Total of five largest loan exposures to borrowers (1)	\$31,385,428	\$34,662,500

(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 June 30, 2020**

<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate</u> <u>(1)(2)</u>	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
AI Convoy (Luxembourg) S.À.R.L.	First Lien Term Loan, LIBOR+3.50% cash due 1/18/2027	4.65%	Aerospace & Defense	\$ 2,332,614	\$ 2,320,951	\$ 2,236,394	
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.68%	Electrical Components & Equipment	2,683,536	2,625,383	2,448,726	(4)
AI Plex US Acquico LLC	First Lien Term Loan, LIBOR+5.00% cash due 7/31/2026	6.78%	Commodity Chemicals	783,015	682,641	696,230	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.32%	Pharmaceuticals	6,994,829	6,794,562	6,540,164	
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	1,688,810	1,373,441	597,687	(6)
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75%	Movies & Entertainment	2,992,500	2,962,575	2,618,438	(4)
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00%	Application Software	3,249,858	3,240,397	3,207,610	(4)
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00%	Airport Services	3,740,625	3,654,058	3,482,522	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.19%	Oil & Gas Equipment & Services	4,900,000	4,882,870	3,368,775	
California Pizza Kitchen, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022		Restaurants	4,825,000	4,813,378	1,413,580	(6)
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25%	Restaurants	1,121,000	1,064,950	1,076,160	(4)
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00%	Oil & Gas Refining & Marketing	3,600,884	3,564,875	3,465,851	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50%	Alternative Carriers	4,593,620	4,489,945	4,338,123	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.07%	Biotechnology	4,962,500	4,925,281	4,875,656	(4)
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,500,000	2,475,000	2,456,875	(4)
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25%	Systems Software	5,850,600	5,812,869	5,609,263	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.18%	Research & Consulting Services	5,000,000	4,981,651	4,575,000	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	5.32%	Systems Software	994,961	985,012	963,122	(4)
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	2,925,000	2,820,675	2,767,781	
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	3,289,171	3,256,580	3,016,169	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, 5.50% cash due 7/13/2021	6.50%	Alternative Carriers	398,251	327,042	412,440	(5)
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.68%	Electronic Components	1,389,878	1,088,930	1,188,589	
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07%	Diversified Support Services	4,111,875	4,065,807	4,000,854	(4)
MHE Intermediate Holdings, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07%	Diversified Support Services	830,716	820,464	808,229	(4)(5)
<b>Total MHE Intermediate Holdings, LLC</b>				<b>4,942,591</b>	<b>4,886,271</b>	<b>4,809,083</b>	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.57%	Application Software	1,567,154	1,553,436	1,508,386	(4)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,429)	(5,359)	(4)(5)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1,016)	(4,398)	(4)(5)
<b>Total MRI Software LLC</b>				<b>1,567,154</b>	<b>1,550,991</b>	<b>1,498,629</b>	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.18%	Health Care Technology	3,990,000	3,970,050	3,840,375	

Portfolio Company	Investment Type	Cash		Industry	Principal	Cost	Fair Value (3)	Notes
		Interest Rate	(1)(2)					
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	5.57%		Electrical Components & Equipment	\$ 5,376,250	\$ 5,357,978	\$ 4,973,031	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.67%		Integrated Telecommunication Services	988,000	951,142	983,060	(4)
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00%		Application Software	5,822,896	5,784,198	5,710,980	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.07%		Application Software	3,626,277	3,608,146	3,444,963	(4)
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026			Application Software	—	(1,603)	(17,316)	(4)(5)
<b>Total OEConnection LLC</b>					<b>3,626,277</b>	<b>3,606,543</b>	<b>3,427,647</b>	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50%		Personal Products	2,981,250	2,926,385	2,862,000	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50%		Personal Products	324,000	318,141	311,040	(4)
<b>Total Olaplex, Inc.</b>					<b>3,305,250</b>	<b>3,244,526</b>	<b>3,173,040</b>	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%		Metal & Glass Containers	2,892,750	2,863,823	2,827,663	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	6.00%		Footwear	6,207,500	6,186,216	4,127,988	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50%		Health Care Services	5,865,000	5,826,665	5,542,425	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.32%		Personal Products	6,467,499	6,435,162	6,215,558	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.93%		Application Software	2,886,189	2,689,643	2,555,489	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25%		Health Care Facilities	4,974,425	4,954,092	4,402,366	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%		Human Resource & Employment Services	1,617,579	1,615,144	1,103,496	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25%		Movies & Entertainment	2,628,492	2,610,739	2,521,158	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.68%		Health Care Technology	1,738,146	1,724,444	1,685,785	(4)
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.56%		Data Processing & Outsourced Services	4,784,240	4,769,365	4,580,910	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%		Aerospace & Defense	3,000,000	2,977,260	2,265,000	(4)
<b>Total Portfolio Investments</b>					<b>\$ 143,496,890</b>	<b>\$ 141,147,318</b>	<b>\$ 127,598,838</b>	

(1) Represents the current interest rate as of June 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 June 30, 2020, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 0.18%, the 60-day LIBOR at 0.24%, the 90-day LIBOR at 0.31% and the 180-day LIBOR at 0.36%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(3) Represents the current determination of fair value as of June 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 is held by both us and the OCSI Glick JV as of June 30, 2020.

(5) Investment has 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 June 30, 2020. Cash non-accrual is inclusive of PIK and other non-cash income where applicable.

**OCSI Glick JV Portfolio as of September 30, 2019**

<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate</u> <u>(1)(2)</u>	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
Al Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60%	Electrical components & equipment	\$ 2,718,993	\$ 2,651,270	\$ 2,504,016	(4)
Air Newco LP	First Lien Term Loan, LIBOR+4.75% cash due 5/31/2024	6.79%	IT consulting & other services	7,425,000	7,406,438	7,437,400	
AL Midcoast Holdings LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60%	Oil & gas storage & transportation	6,930,000	6,860,699	6,834,712	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	6.03%	Integrated telecommunication services	2,977,500	2,912,809	2,975,639	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.79%	Pharmaceuticals	5,359,286	5,359,286	4,874,270	
Ancile Solutions, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	9.10%	Application software	3,395,374	3,377,463	3,327,467	(4)
Aptos, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 7/23/2025	7.70%	Computer & electronics retail	2,977,500	2,947,725	2,940,281	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	6.05%	Oil & gas equipment & services	4,937,500	4,917,589	4,570,273	
California Pizza Kitchen, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022	8.53%	Restaurants	4,850,000	4,838,318	4,349,868	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10%	Oil & gas refining & marketing	3,980,000	3,940,200	4,004,875	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10%	Alternative Carriers	5,000,000	4,900,000	4,930,075	(4)
Covia Holdings Corporation	First Lien Term Loan, LIBOR+4.00% cash due 6/1/2025	6.31%	Oil & gas equipment & services	6,912,500	6,912,500	5,673,745	
Curium Bidco S.à r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10%	Biotechnology	5,000,000	4,962,500	5,025,000	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04%	Application software	1,000,000	995,000	1,002,920	(4)
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.95%	Specialty chemicals	4,658,544	4,626,032	4,632,004	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80%	Integrated telecommunications services	5,468,222	5,365,594	5,466,281	(4)
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.29%	Systems software	5,895,000	5,850,631	5,732,888	
Guidehouse LLP	Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54%	Research & consulting services	5,000,000	4,979,290	4,937,500	(4)
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76%	Pharmaceuticals	4,340,941	4,326,851	3,997,290	(4)
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	7.80%	Insurance brokers	4,813,924	4,744,243	4,681,541	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.80%	Alternative Carriers	5,000,000	4,939,169	5,021,100	
McDermott Technology (Americas), Inc.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10%	Oil & gas equipment & services	1,429,306	1,406,187	913,565	(4)
MHE Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%	Diversified support services	4,143,750	4,089,029	4,060,875	(4)
	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%	Diversified support services	837,128	826,823	820,385	(4)
<b>Total MHE Intermediate Holdings, LLC</b>				<b>4,980,878</b>	<b>4,915,852</b>	<b>4,881,260</b>	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 9/18/2026	6.13%	Healthcare technology	4,000,000	3,980,000	4,005,000	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56%	Electrical components & equipment	5,417,500	5,396,178	5,336,238	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	7.05%	Application software	5,868,628	5,824,577	5,760,440	

<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate</u> (1)(2)	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
OCI Beaumont LLC	First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10%	Commodity chemicals	\$ 6,895,000	\$ 6,888,231	\$ 6,903,619	(4)
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13%	Application software	3,655,914	3,637,634	3,649,059	(4)
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026		Application software	—	(1,720)	(645)	(4)(5)
<b>Total OEConnection LLC</b>				<b>3,655,914</b>	<b>3,635,914</b>	<b>3,648,414</b>	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	5.04%	Interactive media & services	3,989,924	3,970,677	4,010,712	
RSC Acquisition, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 11/30/2022	6.29%	Trading companies & distributors	3,849,574	3,835,594	3,820,702	
Servpro Borrower, LLC	First Lien Term Loan, PRIME+2.50% cash due 3/26/2026	7.50%	Specialized consumer services	3,980,000	3,970,050	3,984,975	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	7.26%	Footwear	6,256,250	6,227,881	5,943,438	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60%	Healthcare services	5,910,000	5,864,902	5,902,613	(4)
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59%	Personal products	6,500,000	6,467,500	6,538,610	(4)
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	6.54%	Human resources & employment services	3,114,779	3,109,120	2,907,133	(4)
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.0% Toggle PIK cash due 4/15/2033		Pharmaceuticals	3,000,000	3,000,000	3,105,000	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30%	Movies & entertainment	2,493,573	2,493,573	2,503,099	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79%	Data processing & outsourced services	4,929,950	4,913,436	4,956,645	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01%	Aerospace & defense	3,000,000	2,974,333	2,987,490	(4)
<b>Total Portfolio Investments</b>				<b>\$ 177,911,560</b>	<b>\$ 176,687,612</b>	<b>\$ 173,028,098</b>	

(1) Represents the current interest rate as of September 30, 2019. 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, 2019, the reference rates for the OCSI Glick JV's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06% and the PRIME at 5.00%. 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, 2019 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 is held by both us and the OCSI Glick JV as of September 30, 2019.

The cost and fair value of our aggregate investment in the OCSI Glick JV was \$73.2 million and \$46.0 million, respectively, as of June 30, 2020 and \$73.2 million and \$54.3 million, respectively, as of September 30, 2019. As of June 30, 2020, our investment in the Subordinated Notes was on cash non-accrual status and did not earn any interest on the investment for the three months ended June 30, 2020. For the nine months ended June 30, 2020, we earned interest income of \$1.4 million on our investment in the Subordinated Notes. For the three and nine months ended June 30, 2019, we earned interest income of \$1.5 million and \$4.4 million on our investment in the Subordinated Notes, respectively. We did not earn any dividend income for the three and nine months ended June 30, 2020 and 2019 with respect to our investment in the LLC equity interests of the OCSI Glick JV.

Effective April 1, 2020, we 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 for the three months ended June 30, 2020 or September 30, 2020. As of September 30, 2019, the Subordinated Notes bore an interest rate of 1-month LIBOR plus 6.5% per annum.

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

	June 30, 2020		September 30, 2019					
<b>Selected Balance Sheet Information:</b>								
Investments at fair value (cost June 30, 2020: \$141,147,318; cost September 30, 2019: \$176,687,612)	\$	127,598,838	\$	173,028,098				
Cash and cash equivalents		3,672,469		1,096,498				
Restricted cash		1,329,379		2,616,125				
Other assets		10,727,418		2,937,681				
<b>Total assets</b>	<b>\$</b>	<b>143,328,104</b>	<b>\$</b>	<b>179,678,402</b>				
Senior credit facility payable	\$	88,681,939	\$	91,881,939				
Subordinated notes payable at fair value (proceeds June 30, 2020: \$75,480,629; proceeds September 30, 2019: \$75,517,614)		52,561,349		62,087,348				
Other liabilities		2,084,816		25,709,115				
<b>Total liabilities</b>	<b>\$</b>	<b>143,328,104</b>	<b>\$</b>	<b>179,678,402</b>				
Members' equity		—		—				
<b>Total liabilities and members' equity</b>	<b>\$</b>	<b>143,328,104</b>	<b>\$</b>	<b>179,678,402</b>				
		Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019			
<b>Selected Statements of Operations Information:</b>								
Interest income	\$	2,216,462	\$	3,261,956	\$	7,914,972	\$	9,471,420
Fee income		20,661		—		249,358		—
<b>Total investment income</b>		<b>2,237,123</b>		<b>3,261,956</b>		<b>8,164,330</b>		<b>9,471,420</b>
Interest expense		1,119,018		2,882,442		4,865,802		8,764,170
Other expenses		28,643		18,865		127,107		132,222
<b>Total expenses (1)</b>		<b>1,147,661</b>		<b>2,901,307</b>		<b>4,992,909</b>		<b>8,896,392</b>
Net unrealized appreciation (depreciation)		1,989,000		(408,962)		958,385		(558,068)
Realized gain (loss)		(3,078,462)		48,313		(4,129,806)		(16,960)
<b>Net income (loss)</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>—</b>

(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 and nine months ended June 30, 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 and Nine Months Ended June 30, 2020 and June 30, 2019

#### Total Investment Income

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

Total investment income for the three months ended June 30, 2020 and 2019 was \$8.6 million and \$13.8 million, respectively. For the three months ended June 30, 2020, this amount consisted of \$8.5 million of interest income from portfolio investments (which included \$0.7 million of PIK interest) and \$0.1 million of fee income. For the three months ended June 30, 2019, this amount consisted of \$13.5 million of interest income from portfolio investments and \$0.3 million of fee income. The decrease of \$5.2 million in our total investment income for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019, was primarily due to a \$5.0 million decrease in interest income, which was the result of a lower average yield on our debt investments due to decreases in LIBOR and our investment in the OCSI Glick JV being on cash non-accrual status, as well as a smaller overall portfolio size, and a decrease of \$0.2 million in fee income, which was attributable to lower prepayment fees earned.

Total investment income for the nine months ended June 30, 2020 and 2019 was \$30.6 million and \$37.5 million, respectively. For the nine months ended June 30, 2020, this amount consisted of \$29.7 million of interest income from portfolio investments (which included \$1.0 million of PIK interest) and \$0.9 million of fee income. For the nine months ended June 30, 2019, this amount consisted of \$37.0 million of interest income from portfolio investments and \$0.5 million of fee income. The decrease of \$7.0 million in our total investment income for the nine months ended June 30, 2020, as compared to the nine months ended June 30, 2019, was primarily due to a \$7.3 million decrease in interest income, which was the result of a lower average yield on our debt investments due to decreases in LIBOR and our investment in the OCSI Glick JV being on cash non-accrual status, partially offset by a \$0.4 million increase in fee income, which was attributable to higher amendment fees and structuring fees earned.

#### *Expenses*

Net expenses (expenses net of fee waivers) for the three months ended June 30, 2020 and 2019 were \$5.5 million and \$7.9 million, respectively. The decrease of \$2.4 million in our net expenses for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019, was primarily due to a \$1.2 million decrease in Part I incentive fees, which was primarily attributable to lower pre-incentive fee net investment income, a \$0.9 million decrease in interest expense resulting from decreases in LIBOR and a \$0.2 million decrease in professional fees.

Net expenses (expenses net of fee waivers) for the nine months ended June 30, 2020 and 2019 were \$18.1 million and \$21.6 million, respectively. The decrease of \$3.4 million in our net expenses for the nine months ended June 30, 2020, as compared to the nine months ended June 30, 2019, was primarily due to a \$1.7 million decrease in Part I incentives fees, which was primarily attributable to lower pre-incentive fee net investment income, a \$1.0 million decrease in interest expense resulting from decreases in LIBOR and a \$0.7 million decrease in professional fees, general and administrative expenses and administrator expenses.

#### *Net Investment Income*

As a result of the \$5.2 million decrease in total investment income and the \$2.4 million decrease in net expenses, net investment income for the three months ended June 30, 2020 decreased by approximately \$2.7 million, as compared to the three months ended June 30, 2019.

As a result of the \$7.0 million decrease in total investment income and the \$3.4 million decrease in net expenses, net investment income for the nine months ended June 30, 2020 decreased by approximately \$3.5 million, as compared to the nine months ended June 30, 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 the three months ended June 30, 2020 and 2019, we recorded net realized gains (losses) of \$(2.9) million and \$0.2 million, respectively, in connection with the exit of various investments. During the nine months ended June 30, 2020 and 2019, we recorded net realized gains (losses) of \$(10.8) million and \$1.5 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 and nine months ended June 30, 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 June 30, 2020 and 2019, we recorded net unrealized appreciation (depreciation) of \$41.9 million and \$(2.6) million, respectively. For the three months ended June 30, 2020, this consisted of \$35.2 million of unrealized appreciation of debt

investments and \$6.8 million of net unrealized appreciation from exited investments (a portion of which resulted in a reclassification to realized losses), partially offset by \$0.1 million of unrealized depreciation on foreign currency forward contracts. The unrealized appreciation on investments during the three months ended June 30, 2020 was largely due to price increases on liquid debt investments following the improvement in broader credit market conditions.

For the three months ended June 30, 2019, this consisted of \$2.3 million of unrealized depreciation of debt investments, \$0.3 million of net unrealized depreciation from exited investments (a portion of which resulted in a reclassification to realized gains) and \$0.1 million of unrealized depreciation of foreign currency forward contracts, offset by \$0.1 million of unrealized appreciation of equity investments.

For the nine months ended June 30, 2020 and 2019, we recorded net unrealized depreciation of \$23.6 million and \$13.6 million, respectively. For the nine months ended June 30, 2020, this consisted of \$26.7 million of unrealized depreciation of debt investments, offset by \$2.9 million of net unrealized appreciation from exited investments (a portion of which resulted in a reclassification to realized losses) and \$0.3 million of unrealized appreciation on foreign currency forward contracts.

For the nine months ended June 30, 2019, this consisted of \$11.7 million of unrealized depreciation of debt investments, \$1.9 million of net unrealized depreciation related to exited investments (a portion of which resulted in a reclassification to realized gains) and \$0.1 million of unrealized depreciation of foreign currency forward contracts, offset by \$0.1 million of unrealized appreciation of equity investments.

### ***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 June 30, 2020, our debt to equity ratio was 1.25x. Over time and under current market conditions, we generally expect to maintain a debt to equity ratio of 1.20x to 1.60x (i.e., one dollar of equity for each \$1.20 to \$1.60 of debt outstanding). As of June 30, 2020, we had \$312.2 million in senior securities outstanding and our asset coverage ratio was 180.0%.

For the nine months ended June 30, 2020, we experienced a net increase in cash and cash equivalents and restricted cash of \$23.8 million. During that period, \$19.0 million of cash was provided by operating activities, primarily consisting of \$231.0 million of principal payments and proceeds from the sale of investments and the cash activities related to \$12.5 million of net investment income, partially offset by cash used to fund \$173.5 million of investments and a decrease in net payables from unsettled transactions of \$50.5 million. During the same period, cash provided by financing activities was \$4.6 million, primarily consisting of \$17.5 million of net borrowings under our credit facilities, partially offset by \$12.6 million of cash distributions paid to our stockholders.

For the nine months ended June 30, 2019, we experienced a net decrease in cash and cash equivalents and restricted cash of \$2.4 million. During that period, \$21.9 million of cash was used by operating activities, primarily consisting of cash used to fund \$198.5 million of investment purchases, partially offset by \$156.8 million of principal payments and proceeds from the sale of investments, an increase in net payables from unsettled transactions of \$3.0 million and the cash activities related to \$16.0 million of net investment income. During the same period, cash provided by financing activities was \$19.5 million, primarily consisting of \$33.2 million of net borrowings under our credit facilities and partially offset by \$13.5 million of cash distributions paid to our stockholders.

As of June 30, 2020, we had \$37.9 million of cash and cash equivalents (including \$7.8 million of restricted cash), portfolio investments (at fair value) of \$506.5 million, \$1.9 million of interest, dividends and fees receivable, \$92.8 million of undrawn capacity under our credit facilities (subject to borrowing base and other limitations), \$17.8 million of net receivables from unsettled transactions, \$312.2 million of borrowings outstanding under our revolving credit facilities and unfunded commitments of \$31.6 million. Pursuant to the terms of the Citibank Facility (as defined below), we were restricted in terms of access to \$3.0 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 June 30, 2020, \$4.0 million of cash was restricted due to the obligation to pay interest under the terms of the Deutsche Bank Facility (as defined below). As of June 30, 2020, \$0.8 million was restricted due to minimum balance requirements under the East West Bank Facility (as defined below). As of June 30, 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, 2019, we had \$14.1 million of cash and cash equivalents (including \$8.4 million of restricted cash), portfolio investments (at fair value) of \$597.1 million, \$3.8 million of interest, dividends and fees receivable, \$160.3 million of undrawn capacity under our credit facilities (subject to borrowing base and other limitations), \$32.6 million of net payables from unsettled transactions, \$294.7 million of borrowings outstanding under our revolving credit facilities and unfunded commitments of \$24.2 million. Pursuant to the terms of the Citibank Facility, we were restricted in terms of access to \$3.4 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, 2019, \$4.3 million of cash was restricted due to the obligation to pay interest under the terms of the Deutsche Bank Facility. As of September 30, 2019, \$0.8 million was restricted due to minimum balance requirements under the East West Bank Facility.

### 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, 2017:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
August 7, 2017	December 15, 2017	December 29, 2017	\$ 0.19	\$ 5,439,519	18,809	\$ 159,167
February 5, 2018	March 15, 2018	March 30, 2018	0.14	4,091,583	4,204	33,764
May 3, 2018	June 15, 2018	June 29, 2018	0.145	4,232,547	4,829	40,134
August 1, 2018	September 15, 2018	September 28, 2018	0.155	4,518,677	5,620	48,672
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

(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 June 30, 2020 and September 30, 2019, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 each of June 30, 2020 and September 30, 2019, we had \$119.1 million and \$126.1 million outstanding under the Citibank Facility, respectively. Our borrowings under the Citibank Facility bore interest at a weighted average interest rate of 3.296% and 4.559% for the nine months ended June 30, 2020, and 2019, respectively. For the three and nine months ended June 30, 2020, we recorded interest expense (inclusive of fees) of \$1.0 million and \$3.7 million, respectively, related to the Citibank Facility. For the three and nine months ended June 30, 2019, we recorded interest expense (inclusive of fees) of \$1.7 million and \$4.8 million, respectively, related to the Citibank Facility.

### *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. As of June 30, 2020, borrowings under the East West Bank Facility bear 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 matures on January 6, 2021. As of June 30, 2020, the minimum asset coverage ratio applicable to us under the East West Bank Facility is 150% as determined in accordance with the requirements of the Investment Company Act. The East West Bank Facility requires us to comply with certain affirmative and negative covenants and other customary requirements for similar credit facilities.

On April 7, 2020, we amended the East West Bank Facility to, among other things, reduce the required minimum net assets from \$225 million to \$185 million commencing with the quarter ended March 31, 2020. As of June 30, 2020, we were in compliance with all financial covenants under the East West Bank Facility.

As of June 30, 2020 and September 30, 2019, we had \$20.0 million and \$11.0 million of borrowings outstanding under the East West Bank Facility, respectively. Our borrowings under the East West Bank Facility bore interest at a weighted average interest rate of 4.208% and 5.485% for the nine months ended June 30, 2020 and 2019, respectively. For the three and nine months ended June 30, 2020, we recorded interest expense of \$0.2 million and \$0.6 million, respectively, related to the East West Bank Facility. For the three and nine months ended June 30, 2019, we recorded interest expense of \$0.2 million and \$0.4 million, respectively, related to the East West Bank 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 June 30, 2020, (a) OCSI Senior Funding Ltd. may request drawdowns under the under the Deutsche Bank Facility until September 30, 2020 (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, 2021, the occurrence of an event of default or completion of a securitization transaction, (c) the size of the Deutsche Bank Facility is \$200 million (subject to borrowing base and other limitations) and (d) the interest rate is three-month LIBOR plus 2.25% through September 30, 2020, following which the interest rate will reset to three-month LIBOR plus 2.40% for the remaining term of the Deutsche Bank Facility. There is a non-usage fee of 0.50% per annum payable on the undrawn amount under the Deutsche Bank Facility, and, as of June 30, 2020, a minimum utilization fee should the drawn amount under the Deutsche Bank Facility fall below 80%.

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 June 30, 2020 and September 30, 2019, we had \$173.1 million and \$157.6 million outstanding under the Deutsche Bank Facility, respectively. For the nine months ended June 30, 2020 and 2019, our borrowings under the Deutsche Bank Facility bore interest at a weighted average interest rate of 3.911% and 4.553%, respectively. For the three and nine months ended June 30, 2020, we recorded interest expense (inclusive of fees) of \$1.8 million and \$5.6 million, respectively. For the three and nine months ended June 30, 2019, we recorded interest expense (inclusive of fees) of \$2.0 million and \$5.6 million, respectively, related to the Deutsche Bank Facility.

### **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 June 30, 2020 and September 30, 2019, our only off-balance sheet arrangements consisted of \$31.6 million and \$24.2 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 June 30, 2020 and September 30, 2019 is shown in the table below:

	June 30, 2020	September 30, 2019
OCSI Glick JV LLC (1)	\$ 13,998,029	\$ 13,998,029
Athenex, Inc.	8,544,880	—
MHE Intermediate Holdings, LLC	5,260,514	4,466,338
MRI Software LLC	961,717	—
OEConnection LLC	735,931	731,183
Accupac, Inc.	716,984	—
Apptio, Inc.	692,308	692,308
iCIMS, Inc.	294,118	294,118
Coyote Buyer, LLC	156,507	—
PaySimple, Inc.	152,444	2,450,000
GKD Index Partners, LLC	88,889	444,444
Ministry Brands, LLC	42,500	80,000
4 Over International, LLC	—	60,629
Mindbody, Inc.	—	952,381
<b>Total</b>	<b>\$ 31,644,821</b>	<b>\$ 24,169,430</b>

(1) This investment was on cash non-accrual status as of June 30, 2020.

### Contractual Obligations

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

	Debt Outstanding as of September 30, 2019	Debt Outstanding as of June 30, 2020	Weighted average debt outstanding for the nine months ended June 30, 2020	Maximum debt outstanding for the nine months ended June 30, 2020
Citibank Facility	\$ 126,056,800	\$ 119,056,800	\$ 127,173,589	\$ 129,056,800
Deutsche Bank Facility	157,600,000	173,100,000	169,975,912	181,600,000
East West Bank Facility	11,000,000	20,000,000	14,602,190	22,500,000
<b>Total debt</b>	<b>\$ 294,656,800</b>	<b>\$ 312,156,800</b>	<b>\$ 311,751,691</b>	

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

	Payments due by period as of June 30, 2020			
	Total	< 1 year	1-3 years	3-5 years
Citibank Facility	\$ 119,056,800	\$ —	\$ —	\$ 119,056,800
Interest due on Citibank Facility	8,088,463	2,652,551	5,305,102	130,810
Deutsche Bank Facility	173,100,000	173,100,000	—	—
Interest due on Deutsche Bank Facility	4,507,586	4,507,586	—	—
East West Bank Facility	20,000,000	20,000,000	—	—
Interest due on East West Bank Facility	364,384	364,384	—	—
<b>Total</b>	<b>\$ 325,117,233</b>	<b>\$ 200,624,521</b>	<b>\$ 5,305,102</b>	<b>\$ 119,187,610</b>

## 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 2018 and 2019. 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, the East West Bank 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. shareholders 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, 2019, our last tax year end.

Year Ended	Qualified Net Interest Income	Qualified Short-Term Capital Gains
September 30, 2019	89.1 %	—

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*****Distribution Declaration***

On July 31, 2020, our Board of Directors declared a quarterly distribution of \$0.125 per share, payable in cash on September 30, 2020 to stockholders of record on September 15, 2020.

***Deutsche Bank Facility Amendment***

On July 8, 2020, we amended the Deutsche Bank Facility to (a) establish a waiver period beginning on July 8, 2020 and ending 135 days thereafter, or the Waiver Period, during which the facility agent is restricted from revaluing certain collateral obligations where the change in valuation is caused by or results from a business disruption due primarily to the COVID-19 pandemic and (b) modify the minimum utilization percentage from 80% to 50% until 90 days after the end of the Waiver Period.

### 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 June 30, 2020, 98.7% of our debt investment portfolio (at fair value) and 98.8% of our debt investment portfolio (at cost) bore interest at floating rates. As of September 30, 2019, 100% of our debt investment portfolio (at cost and fair value) bore interest at floating rates. The composition of our floating rate debt investments by interest rate floor as of June 30, 2020 and September 30, 2019 was as follows:

	June 30, 2020		September 30, 2019	
	Fair Value	% of Floating Rate Portfolio	Fair Value	% of Floating Rate Portfolio
0%	\$ 221,618,292	44.34 %	\$ 178,473,379	29.90 %
>0% and <1%	7,151,652	1.43	9,012,119	1.51
1%	264,511,171	52.92	409,325,610	68.59
>1%	6,540,303	1.31	—	—
<b>Total Floating Rate Investments</b>	<b>\$ 499,821,418</b>	<b>100.00 %</b>	<b>\$ 596,811,108</b>	<b>100.00 %</b>

Based on our Consolidated Statement of Assets and Liabilities as of June 30, 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	\$ 9,527,855	\$ (7,673,920)	\$ 1,853,935
200	7,221,948	(6,113,136)	1,108,812
150	4,916,041	(4,552,352)	363,689
100	2,631,231	(2,991,568)	(360,337)
50	936,958	(1,460,784)	(523,826)
Basis point decrease	(Decrease) in Interest Income	Decrease in Interest Expense	Net increase (decrease) in net assets resulting from operations
50	\$ (406,962)	\$ 1,136,915	\$ 729,953
100	(406,962)	2,002,415	1,595,453
150	(406,962)	2,381,296	1,974,334
200 (1)	(406,962)	2,381,296	1,974,334

(1) The effect of a greater than 200 basis point decrease is limited by interest rate floors on certain investments.

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 June 30, 2020 and September 30, 2019:

	June 30, 2020		September 30, 2019	
	Interest Bearing Cash and Investments	Borrowings	Interest Bearing Cash and Investments	Borrowings
Money market rate	\$ 34,202,811	\$ —	\$ 13,063,815	\$ —
Prime rate	2,775,040	—	7,392,651	—
LIBOR:				
30 day	281,406,410	20,000,000	408,142,675	11,000,000
60 day	11,305,000	—	2,000,000	—
90 day	192,327,757	292,156,800	179,653,417	283,656,800
180 day	56,046,581	—	20,311,944	—
360 day	8,439,101	—	—	—
UK LIBOR:				
30 day	—	—	6,161,500	—
Fixed rate	6,835,903	—	—	—
<b>Total</b>	<b>\$ 593,338,603</b>	<b>\$ 312,156,800</b>	<b>\$ 636,726,002</b>	<b>\$ 294,656,800</b>

#### 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 June 30, 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 June 30, 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 June 30, 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*

Except as set forth below, there have been no material changes during the three and nine months ended June 30, 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, 2019.

**Global economic, political and market conditions caused by the current public health crisis have (and in the future, could further) adversely affect our business, results of operations and financial condition and those of our portfolio companies.**

A novel strain of coronavirus initially appeared in China in late 2019 and rapidly spread to other countries, including the United States. In an attempt to slow the spread of the coronavirus, governments in major jurisdictions, including the United States, the United Kingdom, France, Italy, South Korea and China, placed restrictions on travel, issued “stay at home” orders and ordered the temporary closure of certain businesses, such as factories and retail stores. As such restrictions and closures have impacted supply chains, consumer demand and/or the operations of many business, uncertainty surrounding the full economic impact of the coronavirus pandemic contributed to significant market volatility and disruption, which may have long-term effects on the U.S. and global financial markets and have caused (and may cause further) economic uncertainties or deterioration in the United States and worldwide.

Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets, significant write-offs in the financial sector and re-pricing of credit risk in the broadly syndicated market. These and any other unfavorable economic conditions created by the coronavirus and related restrictions and closures could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have negatively impacted the fair value of the investments that we hold and could limit our investment originations (including as a result of the investment professionals of our investment adviser diverting their time to the restructuring of certain investments), negatively impact our operating results and limit our ability to grow. In addition, our success depends in substantial part on the management, skill and acumen of our investment adviser, whose operations may be adversely impacted, including through quarantine measures and travel restrictions imposed on its investment professionals or service providers, or any related health issues of such investment professionals or service providers.

In addition, the restrictions and closures and related market conditions resulted in certain of our portfolio companies halting or significantly curtailing operations and negatively affected the supply chains of certain of our portfolio companies. The financial results of middle-market companies, like those in which we invest, experienced deterioration, which could ultimately lead to difficulty in meeting debt service requirements and an increase in defaults, and further deterioration will further depress the outlook for those companies. Further, adverse economic conditions decreased and may in the future decrease the value of collateral securing some of our loans and the value of our equity investments. Such conditions have required and may in the future require us to modify the payment terms of our investments, including changes in PIK interest provisions and/or cash interest rates. The performance of certain of our portfolio companies has been, and in the future may be, negatively impacted by these economic or other conditions, which can result in our receipt of reduced interest income from our portfolio companies and/or realized and unrealized losses related to our investments, and, in turn, may adversely affect distributable income and have a material adverse effect on our results of operations. In addition, as governments ease COVID-19 related restrictions, certain of our portfolio companies may experience increased health and safety expenses, payroll costs and other operating expenses.

As the potential impact of the coronavirus remains difficult to predict, the extent to which the coronavirus could negatively affect our and our portfolio companies’ operating results or the duration of any potential business or supply-chain disruption is uncertain. Any potential impact to our results of operations will depend to a large extent on future developments regarding the duration and severity of the coronavirus and the actions taken by governments and their citizens to contain the coronavirus or treat its impact, all of which are beyond our control.



**As a result of the COVID-19 pandemic and related government actions, certain of our portfolio companies are distressed, and we have opportunistically acquired the securities and obligations of distressed companies. These and future investments in distressed companies are subject to significant risks, including lack of income, extraordinary expenses, uncertainty with respect to satisfaction of debt, lower-than-expected investment values or income potentials and resale restrictions.**

We have acquired, and may in the future acquire, the securities and other obligations of distressed or bankrupt companies, including opportunistic acquisitions during the COVID-19 pandemic. At times, distressed debt obligations may not produce income and may require us to bear certain extraordinary expenses (including legal, accounting, valuation and transaction expenses) in order to protect and recover our investment. Therefore, when we invest in distressed debt, our ability to achieve current income for our stockholders may be diminished, particularly where the portfolio company has negative EBITDA.

We also are subject to significant uncertainty as to when and in what manner and for what value the distressed debt we acquire will eventually be satisfied whether through a refinancing, restructuring, liquidation, an exchange offer or plan of reorganization involving the distressed debt securities or a payment of some amount in satisfaction of the obligation. In addition, even if an exchange offer is made or plan of reorganization is adopted with respect to distressed debt held by us, there can be no assurance that the securities or other assets received by us in connection with such exchange offer or plan of reorganization will not have a lower value or income potential than may have been anticipated when the investment was made.

Moreover, any securities received by us upon completion of an exchange offer or plan of reorganization may be restricted as to resale. As a result of our participation in negotiations with respect to any exchange offer or plan of reorganization with respect to an issuer of distressed debt, we may be restricted from disposing of such securities.

**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**

[10.1](#) Fourth Amendment to Loan and Security Agreement, dated as of April 7, 2020, by and between East West Bank and the Company (Incorporated by reference to Exhibit 10.2 filed with the Registrant's Quarterly Report on Form 10-Q (File No. 814-01013) filed on May 7, 2020).

[10.2](#) Investment Advisory Agreement, dated as of May 4, 2020, by and between the Company and Oaktree Fund Advisors, LLC (Incorporated by reference to Exhibit 10.3 filed with the Registrant's Quarterly Report on Form 10-Q (File No. 814-01013) filed on May 7, 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.







**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 **June 30, 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

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Name: Armen Panossian

Date: August 7, 2020

**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 **June 30, 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

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Name: Mel Carlisle

Date: August 7, 2020