



OAKTREE

OCSL | Specialty Lending Corporation

Investor
Presentation

Second Quarter 2020

Nasdaq: OCSL

Forward Looking Statements & Legal Disclosures

Some of the statements in this presentation constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation may include statements as to: our future operating results and distribution projections; the ability of Oaktree Fund Advisors, LLC (together with its affiliates, "Oaktree") to reposition our portfolio and to implement Oaktree's future plans with respect to our business; the ability of Oaktree 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 presentation 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 "Risk Factors" and elsewhere in our annual report on Form 10-K for the fiscal year ended September 30, 2019 and our quarterly report on Form 10-Q for the quarter ended March 31, 2020. 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 disruption 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; 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 presentation on information available to us on the date of this presentation, 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 SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Unless otherwise indicated, data provided herein are dated as of March 31, 2020.

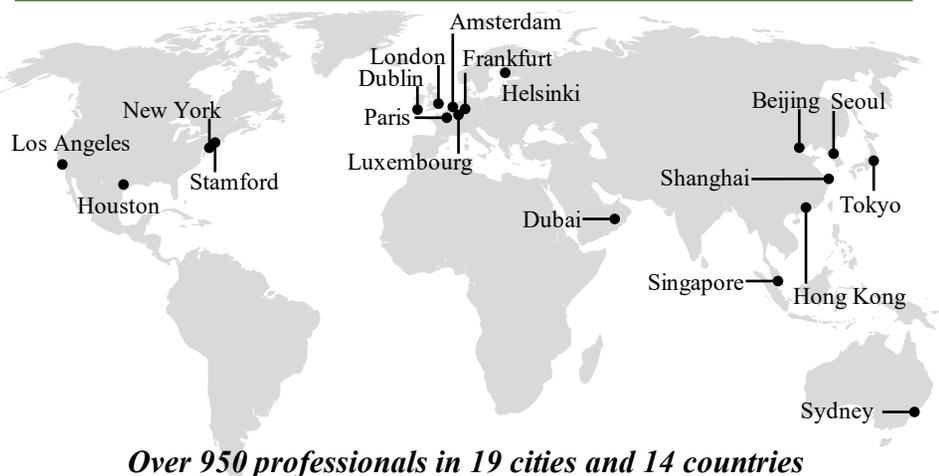
Calculation of Assets Under Management

References to total "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount of the AUM reported by DoubleLine Capital LP ("DoubleLine Capital"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value ("NAV") of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("CLOs"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies, gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine Capital. This calculation of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts managed and is not calculated pursuant to regulatory definitions.

Managed by Oaktree: A Leading Global Alternative Asset Manager

- Founded in 1995, Oaktree is a leading global investment management firm focused on credit investing
- Assets under management of \$113 billion¹ in contrarian, value-oriented, risk-controlled investment strategies across a variety of asset classes
- Manages assets for a wide variety of clients including many of the most significant investors in the world

Global Footprint²



As of March 31, 2020

¹ Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein. See Forward Looking Statements & Legal Disclosures section for important information regarding Oaktree's calculation methodology for assets under management.

² Includes offices of affiliates of Oaktree-managed funds. Oaktree is headquartered in Los Angeles.

³ Excludes amount of DoubleLine Capital AUM.

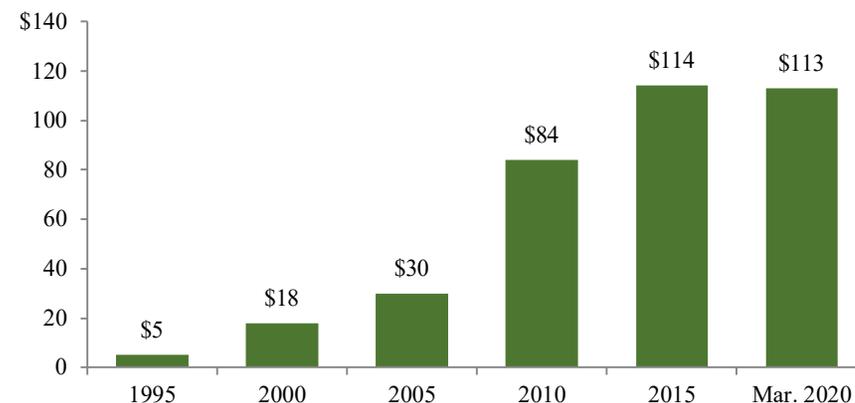
Investment Areas (Asset Classes)³

Assets (\$ in billions)



Historical Assets Under Management¹

(\$ in billions)



The Oaktree Advantage

- Premier credit manager and a leader among alternative investment managers for more than 20 years
- \$113 billion in assets under management; \$55 billion in credit strategies
- A deep and broad credit platform drawing from more than 250 highly experienced investment professionals with significant origination, structuring and underwriting expertise

SCALE

- An “all weather” portfolio management approach demonstrated across market cycles
 - Long history of private credit investing
 - Over \$16 billion invested in more than 350 directly originated loans since 2005

TRACK RECORD

- Trusted partner to financial sponsors and management teams based on long-term commitment and focus on lending across economic cycles
- Strong market presence and established relationships with many sources of investment opportunities – private equity sponsors, capital raising advisers and borrowers
- Access to proprietary deal flow and first look at investment opportunities

RELATIONSHIPS

- Expertise to structure comprehensive, flexible and creative credit solutions for companies of all sizes across numerous industry sectors
- Capacity to invest in large deals and to sole underwrite transactions

FLEXIBILITY

Experienced Management Team



Armen Panossian, *Chief Executive Officer & Chief Investment Officer*

- Managing Director, Portfolio Manager of Oaktree's Strategic Credit Strategy and Oaktree's Head of Performing Credit
- Joined Oaktree in 2007 as a senior member of its Distressed Debt investment team
- Previously Portfolio Manager of Oaktree's U.S. Senior Loan group and led the launch of Oaktree's CLO business
- Experience investing across market cycles in performing and stressed asset classes



Matt Pendo, *President & Chief Operating Officer*

- Managing Director, Head of Oaktree's Corporate Development and Capital Markets
- Joined Oaktree in 2015
- CIO of TARP (Troubled Asset Relief Program) of the U.S. Department of the Treasury
- 30 years of investment banking experience at leading Wall Street firms



Mel Carlisle, *Chief Financial Officer & Treasurer*

- Managing Director, Head of Oaktree's Distressed Debt and Strategic Credit Fund Accounting Groups
- 24 year career with Oaktree
- Prior experience includes public accounting at PwC and fund accounting at TCW Group, Inc.



Kim Larin, *Chief Compliance Officer*

- Managing Director, Oaktree's Deputy Chief Compliance Officer
- 17 year career with Oaktree
- Chief Compliance Officer of the Oaktree Mutual Funds

**Strategic Credit team of over 20 tenured investment professionals supported by
Oaktree's dedicated valuation team**

Oaktree's Investment Philosophy

Oaktree's Underwriting Criteria and Investment Process Have Been Demonstrated Across Market Cycles

Primacy of Risk Control

- Control primarily for risk, rather than return
- May underperform in the most bullish markets, but prudence across investing environments and limiting losses has been foremost in our investment approach over time and throughout cycles

Avoid Losers & Winners Take Care of Themselves

- Avoidance of investments that could impair capital over long term
- Opportunistic generation of meaningfully higher return potential in certain environments

Market Inefficiency

- The private credit market is a relatively less efficient, less well trafficked market, providing opportunities for incremental return relative to risk
- Willingness to invest and lend during times of market stress, when others are retreating

Benefits Of Specialization

- Expertise in creative, efficient structuring and institutional knowledge of bankruptcies and restructurings enables a focus on risk control that competitors lack

Emphasis On Consistency

- An emphasis on consistency is a core tenet of Oaktree's investment philosophy and approach
- We allow the market to dictate opportunities; we need not rely on macro forecasts

Selectivity

- Oaktree's platform provides an extensive reach across credit markets providing access to deal flow and the ability to be highly selective

Emphasis on fundamental credit analysis, consistency and downside protection are key tenets of Oaktree's investment philosophy, all of which are strongly aligned with the interests of Oaktree Specialty Lending shareholders



Oaktree's Approach to Direct Lending

Emphasis on Proprietary Deals

- Focus on proprietary investment opportunities as well as partnering with other lenders as appropriate
- Leverage the networks and relationships of Oaktree's over 250 investment professionals
- Dedicated sourcing professionals are in continuous contact with private equity sponsors, management teams, capital raising advisors and corporations

Focus on High-quality Companies and Extensive Diligence

- Focus on companies with resilient business models, strong underlying fundamentals, significant asset or enterprise value and seasoned management teams
- Leverage deep credit and deal structuring expertise to lend to companies that have unique needs, complex business models or specific business challenges
- Maintain discipline around fundamental credit analysis with a focus on downside protection
- Conduct extensive diligence on underlying collateral value whether cash flows, hard assets or intellectual property

Employ Innovative Loan Structures to Manage Risk

- Leverage Oaktree's significant expertise in identifying structural risks and developing creative solutions in an effort to enhance downside protection
- Limited experience and expertise of other lenders with credit agreements may reduce competition for certain opportunities
- Include covenant protections designed to ensure lenders can get back to the table and "stop the clock" before a deal reaches impairment

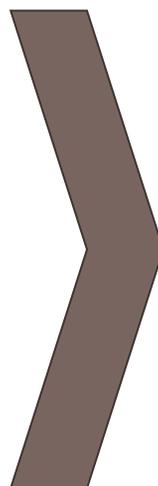
Disciplined Portfolio Management

- Reduce the impact of individual investment risks by diversifying portfolios across industry sectors
- Monitor the portfolio on an ongoing basis to manage risk and take preemptive action to resolve potential problems

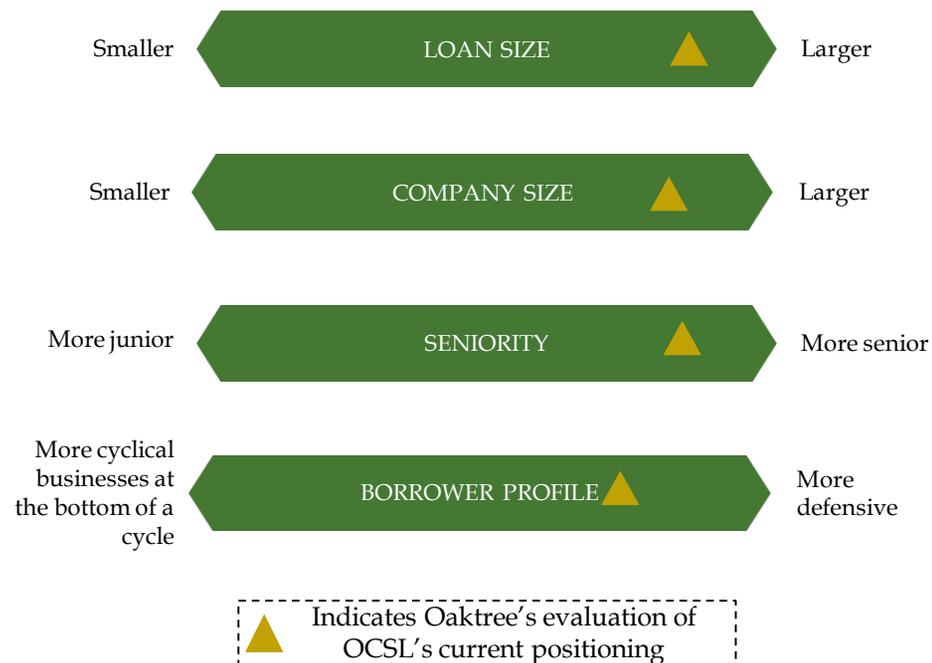
Market Environment Dictates Oaktree's View on Optimal Portfolio Positioning

Middle Market Environment

- Markets have turned volatile following the outbreak of the COVID-19 pandemic
- New issuance has come to a halt: syndicated middle market loan volumes during the quarter ended March 31, 2020 were at their lowest levels since 2008
- Many middle market issuers have been focused on mitigating the impact of the pandemic by preserving liquidity and reducing costs
- Oaktree believes there will be an increase in opportunities to provide highly structured solutions to businesses that are in need of liquidity or seeking to reinforce their capital structures



Portfolio Positioning



OCSL is well-positioned to opportunistically invest in this environment given Oaktree's demonstrated track record of investing across market cycles

Oaktree's Extensive Origination Capabilities

Extensive, Global Credit Platform to Source Deal Flow

- Strong market presence and established relationships with financial sponsors, management teams, capital raising advisors, banks and individual issuers
- Emphasis on proprietary deals: Frequent “first look” opportunities, well positioned for difficult and complex transactions
- Established reputation as a “go-to” source for borrowers, large and small, due to longstanding track record in direct lending; with over \$16 billion invested in more than 350 directly originated loans since 2005¹

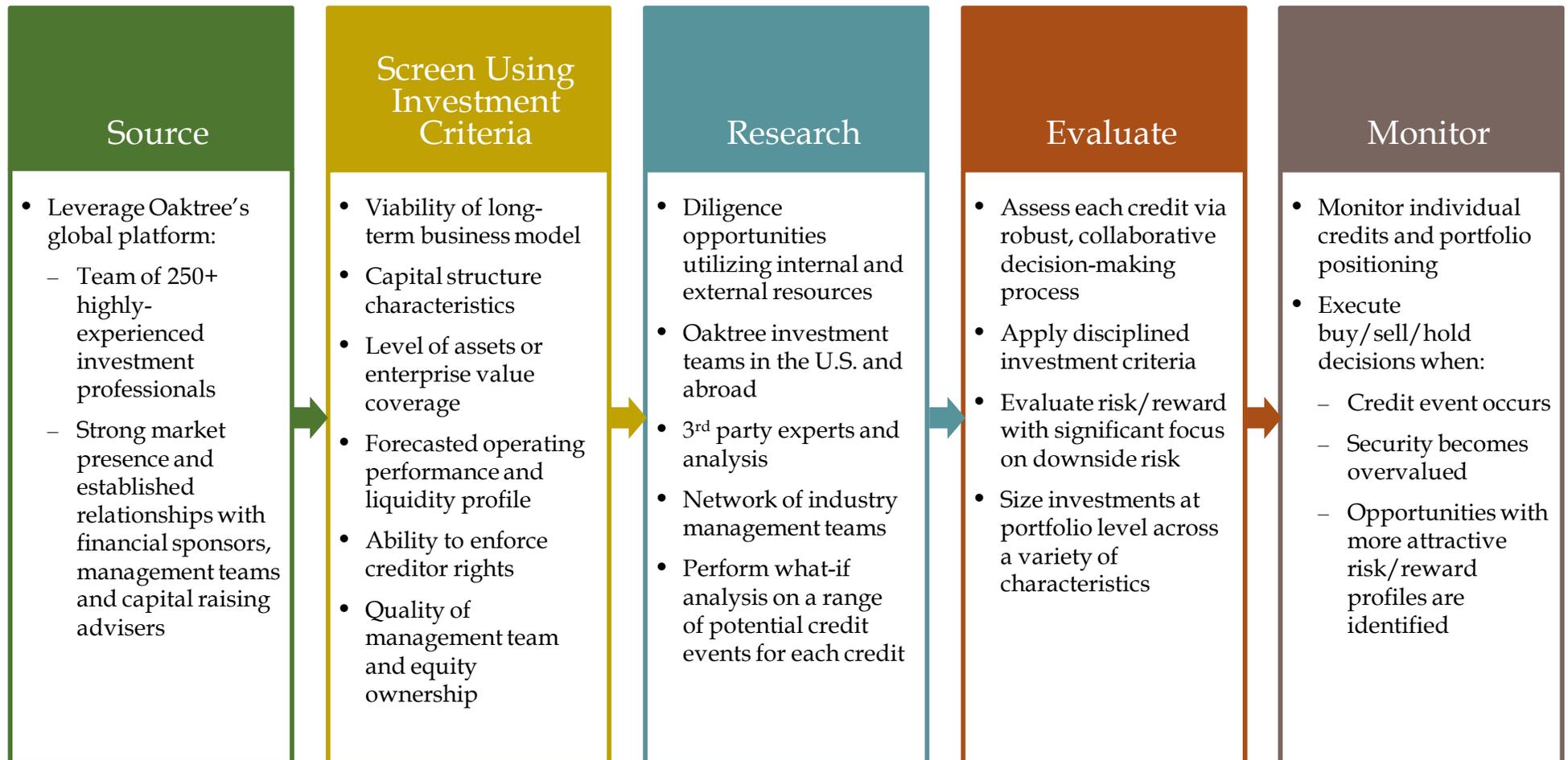
Ability to Address a Wide Range of Borrower Needs

- Capability to invest across the capital structure
- Certainty to borrowers by seeking to provide fully underwritten finance commitments
- Capacity to fund large loans
- Expertise in performing credit, as well as restructuring and turnaround situations

Extensive origination capabilities leads to greater ability to source quality investments

¹ As of March 31, 2020.

Oaktree's Credit Investment Process



Corporate Highlights

- Provide customized, one-stop credit solutions to companies with limited access to public or syndicated capital markets
- Leverage the extensive firm-wide resources and expertise of Oaktree for originations, due diligence, and credit selection
- Provide complete and flexible capital solutions – first lien and second lien loans, unsecured and mezzanine loans, and preferred equity
 - Companies across a variety of industries that possess resilient business models with strong underlying fundamentals
 - Medium to larger middle-market companies, including those with unique needs or specific business challenges
 - Businesses with significant asset or enterprise value and seasoned management teams
- Structure a diverse portfolio with high conviction investments positioned to generate attractive risk-adjusted returns across market cycles

Highlights ○ As of March 31, 2020

Portfolio ○ \$1.4 billion in total investments
128 companies

Total Assets ○ \$1.5 billion

Asset Type ○ 62% First Lien
20% Second Lien
11% Unsecured and Equity
7% Joint Venture

Ticker ○ Nasdaq: OCSL

Market Cap. ○ \$602 million¹



Note: Numbers may not sum due to rounding.

¹ As of May 11, 2020.

Highlights for the Quarter Ended March 31, 2020

Adjusted Net Investment Income¹

- \$0.12 per share for the quarter ended March 31, 2020, up \$0.02 as compared to \$0.10 for the quarter ended December 31, 2019
- 15% sequential increase primarily due to growth in the investment portfolio and higher structuring fees received in connection with new originations
- GAAP net investment income was \$0.16 per share for the quarter ended March 31, 2020

Dividend

- Declared a cash distribution of \$0.095 per share payable on June 30, 2020 to stockholders of record as of June 15, 2020
- Consistent with prior eight distributions

Net Asset Value

- \$5.34 per share as of March 31, 2020, down as compared to \$6.61 as of December 31, 2019
- Decline primarily due to increased market volatility and wider credit spreads resulting from the COVID-19 pandemic

Investment Activity

- \$273 million of new investment commitments and received \$154 million of proceeds from prepayments, exits, other paydowns and sales
- \$64 million (par value) of opportunistic secondary market purchases made during March selloff; 82% average purchase price
- Originated \$132 million of new investment commitments from April 1, 2020 through April 30, 2020; \$95 million funded at a 10.6% weighted average yield at cost

Capital Structure & Liquidity

- On February 25, 2020, closed public offering of \$300 million of 3.500% notes due 2025
- Reduced cost of funding by repaying \$75 million of 5.875% unsecured notes due 2024 and \$86 million of 6.125% unsecured notes due 2028
- Strong liquidity with \$90 million in cash and \$295 million of undrawn capacity on credit facility; approximately \$60 million of unfunded commitments that are eligible to be drawn²

¹ See page 29 for a description of this non-GAAP measure and a reconciliation from net investment income per share to adjusted net investment income per share.

² Approximately \$31 million of unfunded commitments were ineligible to be drawn due to certain limitations in credit agreements.

Portfolio Summary as of March 31, 2020

Portfolio Characteristics (at fair value)

- \$1.4 billion at fair value invested in 128 companies
- 8.0% weighted average yield on debt investments
- \$164 million median debt portfolio company EBITDA¹
- Select industry exposures²
 - Energy: 4.6%
 - Airlines and Transportation Infrastructure: 2.6%
 - Aerospace & Defense: 2.1%
 - Hotels, Restaurants & Leisure and Entertainment: 1.4%
 - Food & Staples Retailing and Specialty Retail: 0.6%
- All portfolio companies made their regularly scheduled interest payments during the quarter ended March 31, 2020 with the exception of one that modified its interest payment to PIK
- \$5.9 million at fair value (0.5% of the total debt portfolio) was on non-accrual
 - Two investments, which represented 0.7% of the debt portfolio at cost and 0.4% at fair value, were added to non-accrual status as of March 31, 2020

Note: Numbers may not sum due to rounding.

¹ Excludes negative EBITDA borrowers, investments in aviation subsidiaries, investments in structured products and recurring revenue software investments.

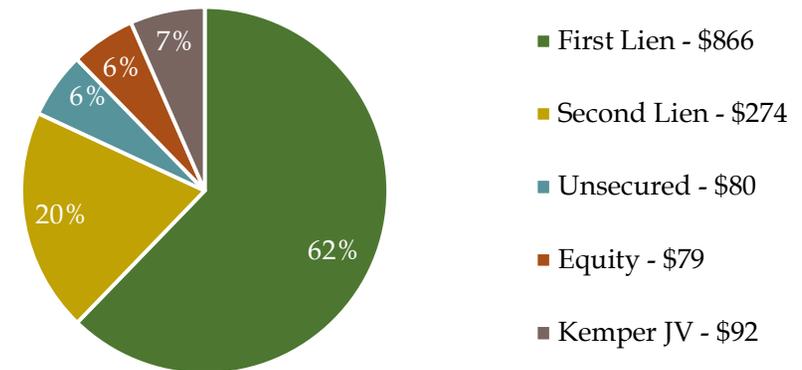
² Based on GICS industry classification.

³ Based on GICS sub-industry classification.

⁴ Excludes multi-sector holdings, which is primarily composed of investments in Senior Loan Fund JV I ("Kemper JV"), a joint venture that invests primarily in middle market and other corporate debt securities.

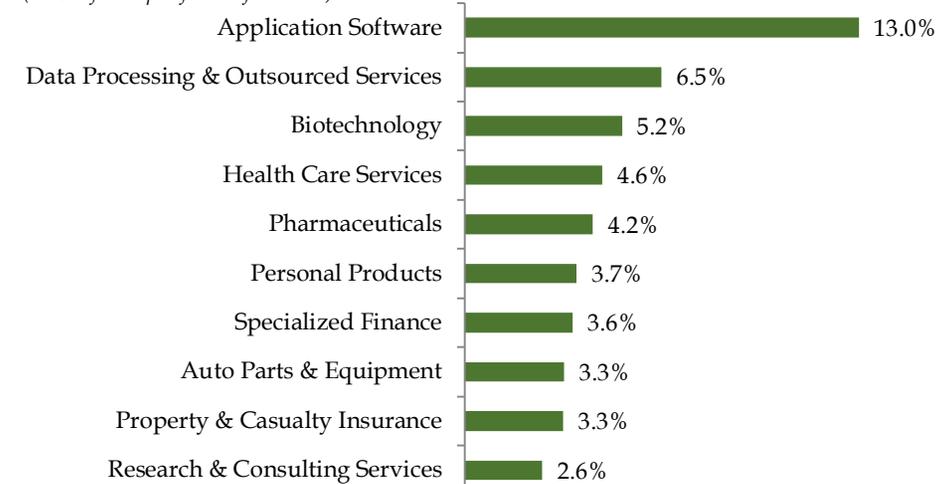
Portfolio Composition

(As % of total portfolio at fair value; \$ in millions)



Top Ten Industries^{3,4}

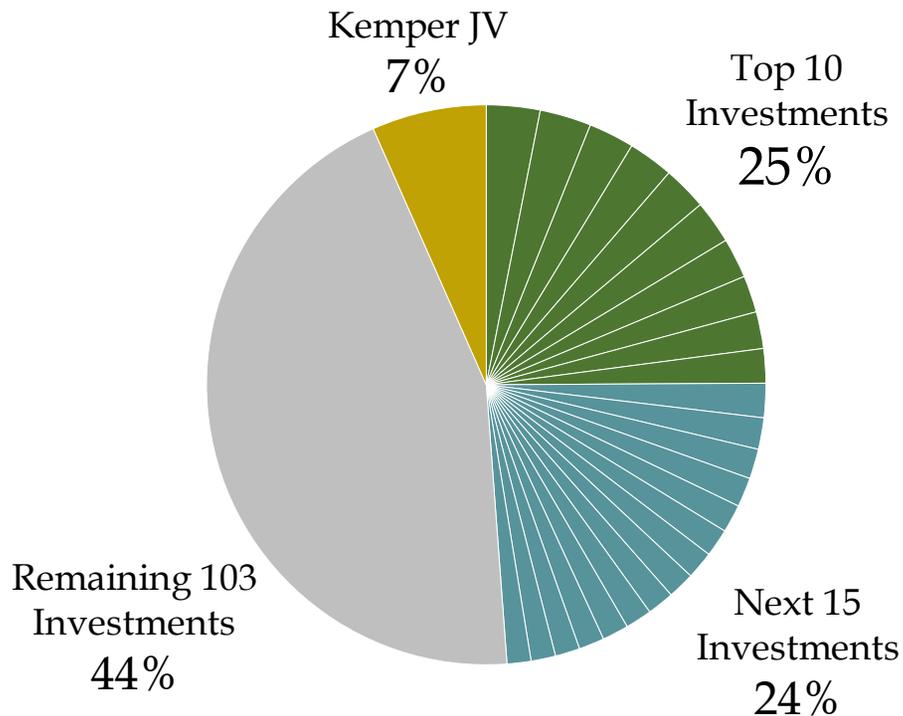
(As % of total portfolio at fair value)



Portfolio Diversity

Diversity by Investment Size

(As % of total portfolio at fair value)



Portfolio by Industry¹

(As % of total portfolio at fair value)

Industry Group	% of Portfolio
Software	15.2%
IT Services	9.5%
Healthcare Providers & Services	7.4%
Biotechnology	5.2%
Diversified Financial Services	4.5%
Pharmaceuticals	4.2%
Oil, Gas & Consumable Fuels	4.0%
Personal Products	3.7%
Auto Components	3.3%
Insurance	3.3%
Diversified Telecommunication Services	2.9%
Professional Services	2.6%
Remaining 27 Industries	27.6%
Kemper JV	6.6%

OCSL's portfolio is diverse across borrowers and industries

As of March 31, 2020

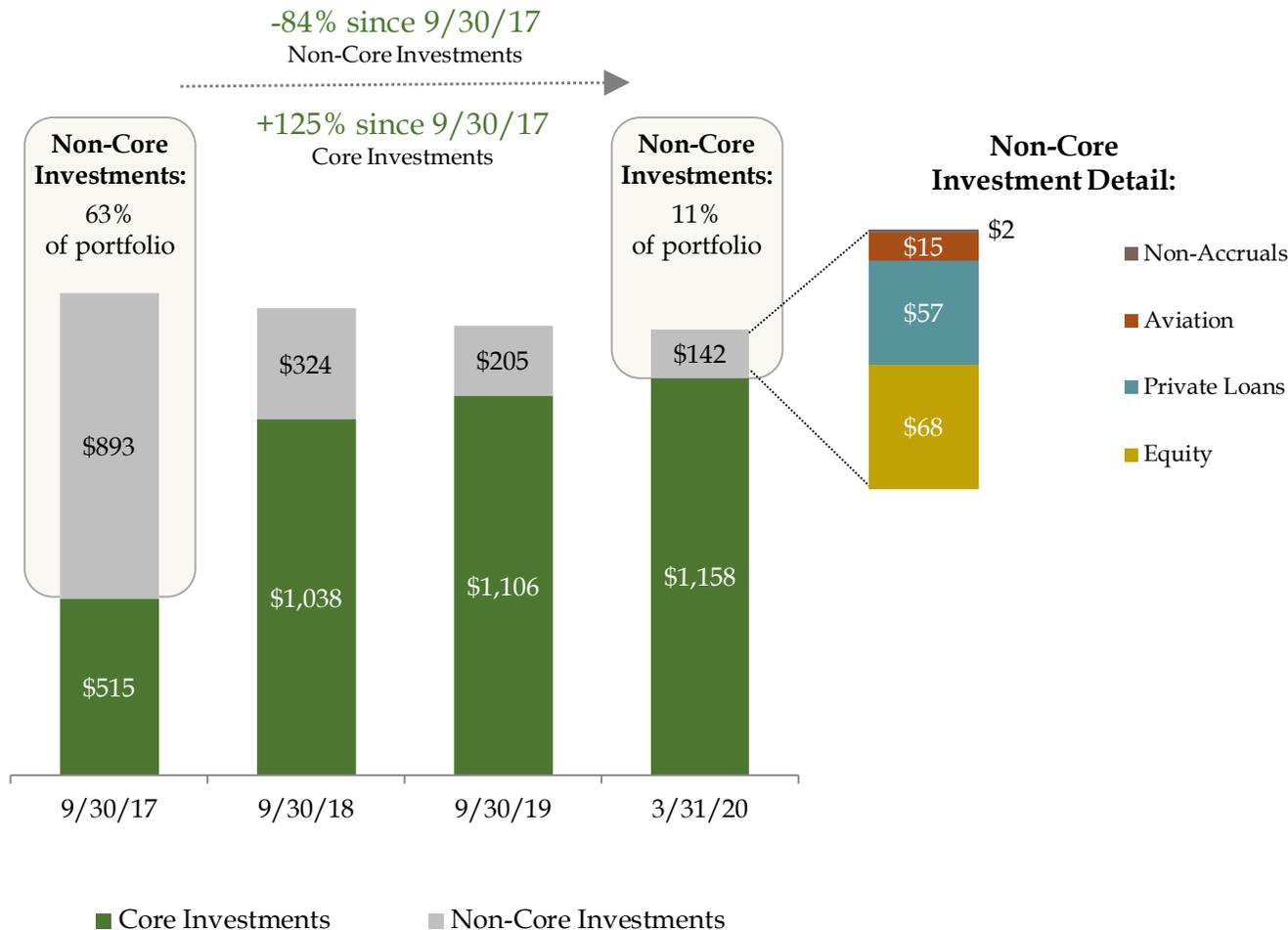
Note: Numbers may not sum due to rounding.

¹ Based on GICS industry classification.

Historical Portfolio Progression

Portfolio by Category¹

(\$ in millions; at fair value)



- Non-core portfolio has been reduced by \$751 million (84%) since September 30, 2017
- Exited eight investments on non-accrual, realizing \$40 million of gains since September 30, 2017
- Exited 65 other non-core investments², realizing \$51 million of gains since September 30, 2017
- Core portfolio has grown by \$643 million (125%) since September 30, 2017

¹ Excludes investments in the Kemper JV.

² Other non-core investments include liquid debt investments, investments in aviation entities, equity investments and non-accruals.

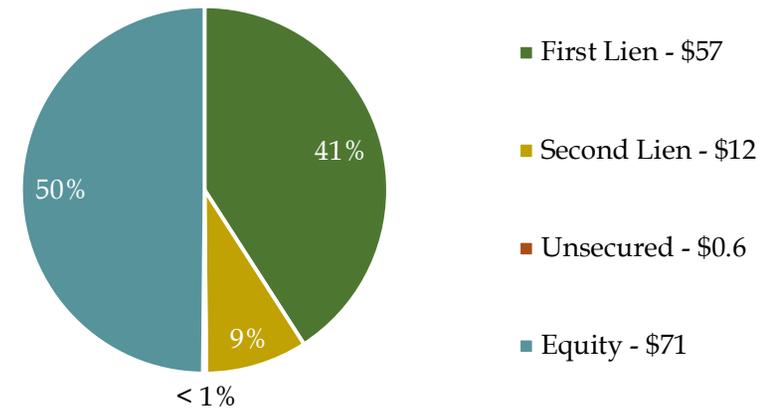
Non-Core Investment Portfolio Detail

Non-Core Investment Portfolio Characteristics

- **Private Loans**
 - \$57 million at fair value in four companies
 - Average debt price: 92.2%
- **Equity Investments¹**
 - \$68 million at fair value in 23 companies and limited partnership interests in two third-party managed funds
- **Aviation**
 - \$15 million at fair value in one aircraft
- **Non-Accruals**
 - \$2.1 million at fair value in two companies
 - Average debt price: 9.2%
- **Activity During Quarter Ended March 31, 2020**
 - Restructured Dominion Diagnostics
 - Converted existing senior and subordinated debt into mix of first lien debt and common equity
 - Exited \$17 million in two equity investments, Yeti Holdings and Lytx Holdings
 - Received \$3 million of proceeds in excess of December 31, 2019 fair values
 - Exited Cenegenics (previously on non-accrual)
 - Received \$1.6 million of proceeds in excess of December 31, 2019 fair value

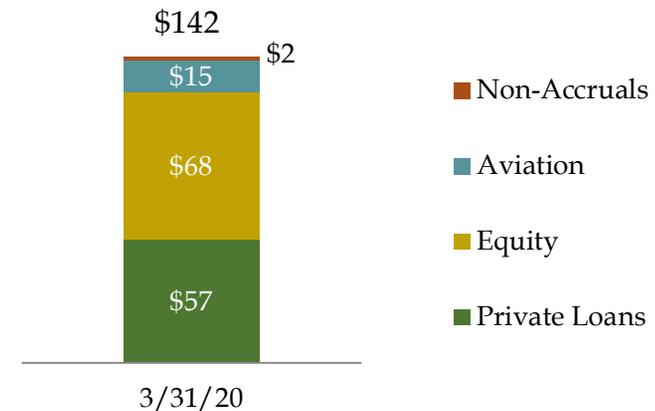
Non-Core Investments by Type

(As % of non-core investment portfolio at fair value; \$ in millions)



Non-Core Portfolio Composition

(At fair value; \$ in millions)



Note: Numbers may not sum due to rounding.

¹ Excludes equity positions in non-accrual debt positions and equity in aviation entities.

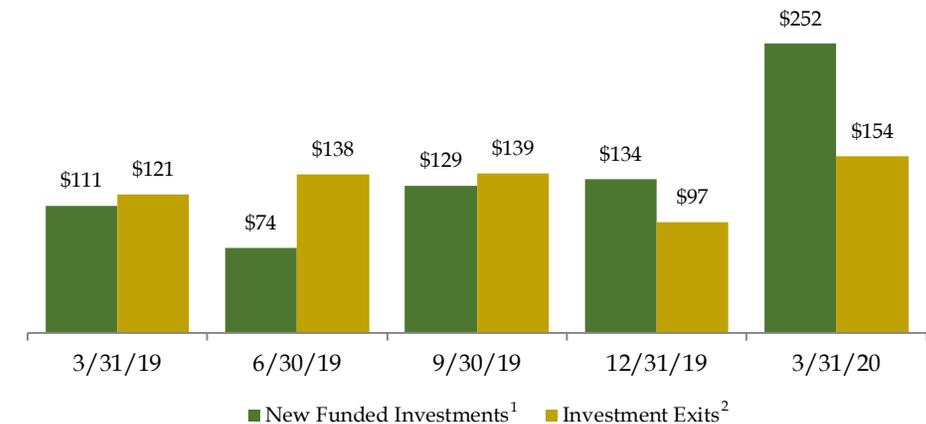
Portfolio Originations

New Investment Highlights

- \$273 million of new investment commitments
 - \$220 million in 32 new and \$53 million in 8 existing portfolio companies
 - Diversified across 21 industries
- \$252 million of new funded investments¹
- 7.9% weighted average yield at cost of new debt investments
- 91% of new debt investment commitments at floating rates
- 100% of new investments also held by other Oaktree funds
- Originations from April 1, 2020 through April 30, 2020
 - \$132 million of investment commitments
 - \$95 million of funded par investments
 - 10.6% weighted average yield at cost

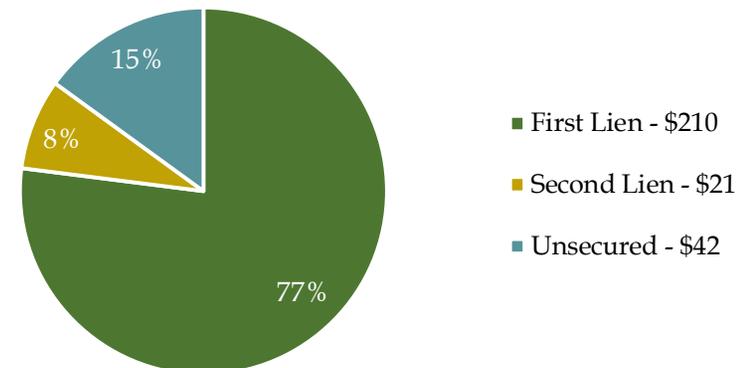
Historical Originations and Exits

(\$ in millions)



New Investment Composition

(As % of new investment commitments; \$ in millions)



Note: Numbers rounded to the nearest million or percentage point and may not sum as a result.

¹ New funded investments includes drawdowns on existing revolver commitments.

² Investment exits includes proceeds from prepayments, exits, other paydowns and sales.

Originations Detail

New Investment Commitment Detail by Month

(\$ in millions)

Month	Investment Commitments	Number of Deals	Security Type			Market			Secondary Purchase Price
			First Lien	Second Lien	Unsecured & Other	Private Placement	Public - Primary	Public - Secondary	
January	\$112	6	\$105	\$6	-	\$87	\$22	\$2	95%
February	43	4	8	15	20	-	35	8	88%
March	118	33	96	-	22	54	-	64	82%
Total 2Q2020	\$273	39	\$210	\$21	\$42	\$141	\$58	\$75	83%
April	\$132 ¹	13	\$66	\$7	\$59	\$88	\$28	\$16	72%

Note: Numbers may not sum due to rounding.

¹ Excludes drawdowns on existing revolver commitments or term loans with delayed draw components.

Joint Venture Summary

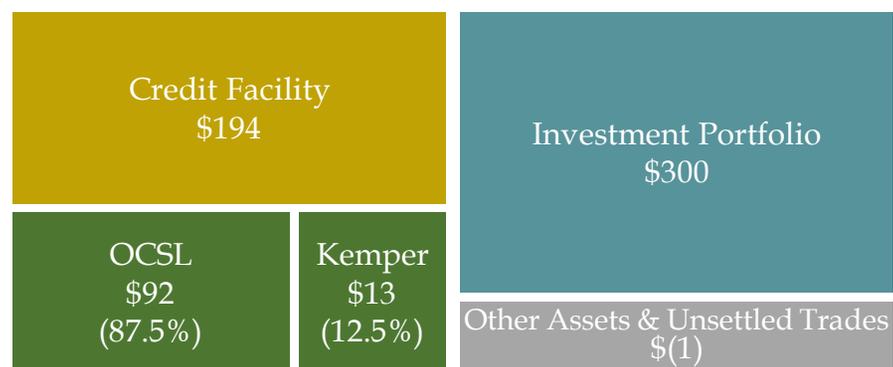
OCSL's Joint Venture with Kemper Corporation

- Primarily invests in senior secured loans of middle market companies as well as other corporate debt securities
- Joint venture structure
 - Equity ownership: 87.5% OCSL and 12.5% Kemper
 - Shared voting control: 50% OCSL and 50% Kemper
- Funded by \$250 million credit facility:

(\$ in millions)	Committed	Principal Outstanding	Interest Rate	Maturity
Credit Facility	\$250	\$194	LIBOR + 2.1%	June 2026

Joint Venture Structure

(\$ in millions; at fair value)



Current Leverage Ratio: 1.8x debt-to-equity
Target Leverage Ratio: 1.5x to 2.0x debt-to-equity

As of March 31, 2020

¹ Based on GICS sub-industry classification.

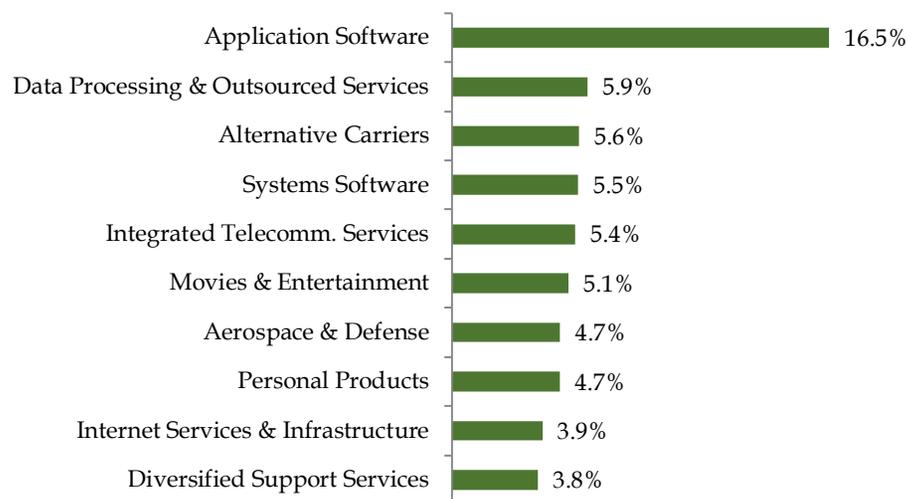
Portfolio Summary

(\$ in millions; at fair value)

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Total Investments	\$300	\$330	\$345	\$329
First Lien	94%	92%	92%	94%
Second Lien & Other	6%	8%	8%	6%
Number of Debt Investments	53	51	51	51
Average issuer size	\$5	\$6	\$7	\$6
Wt. avg. debt portfolio yield	5.5%	6.5%	6.7%	6.9%
Leverage ratio	1.8x	1.3x	1.2x	1.3x

Debt Portfolio Top Ten Industries¹

(As % of total portfolio at fair value)



Opportunities to Increase Return on Equity

1 Rotate into higher-yielding proprietary investments

- \$234 million of senior secured loans priced at or below LIBOR + 4.50%¹ at fair value as of March 31, 2020
- Opportunistically exited approximately \$18 million of lower yielding senior secured loans from April 1, 2020 through April 30, 2020
- \$95 million of new funded investments at a weighted average yield of 10.6% at cost from April 1, 2020 through April 30, 2020

2 Operate within new target leverage range of 0.85x-1.00x debt-to-equity

- Revised target leverage range to 0.85x-1.00x from 0.70x-0.85x
- Finding more attractive investment opportunities amid broader market volatility resulting from COVID-19 pandemic
- Total debt to equity was 0.94x as of March 31, 2020; net debt to equity was 0.82x

3 Continued optimization of Kemper JV

- Invested \$41 million across 19 issuers in both the primary and secondary markets during the quarter ended March 31, 2020
- 1.8x total debt to equity, within target leverage range of 1.5x to 2.0x

We believe OCSL is well-positioned to enhance return on equity

As of March 31, 2020

Note: Numbers may not sum due to rounding.

¹ *For senior secured loans that have a cost basis above 92.5%.*

Capital Structure Overview

Funding Sources and Key Highlights

(\$ in millions)

	Committed	Principal Outstanding	Interest Rate	Maturity
Credit Facility	\$700	\$405	LIBOR+2.00% ¹	2/25/2024
2025 Notes	300	300	3.500%	2/25/2025
Cash and Cash Equivalents	-	(91)	-	-
Net Debt	\$1,000	\$614		

Target Leverage Ratio: 0.85x to 1.00x debt-to-equity

- Diverse and flexible funding sources with no near-term debt maturities
 - Unsecured debt represented 42% of principal outstanding
 - Next scheduled maturity is in 2024
- Issued \$300 million of 3.500% unsecured notes due 2025 during the quarter ended March 31, 2020
 - Proceeds were primarily used to repay \$75 million of 5.875% unsecured notes due 2024, \$86 million of 6.125% unsecured notes due 2028 and pay down borrowings on the credit facility
- Increased target leverage range to 0.85x to 1.00x from 0.70x to 0.85x
 - Finding more attractive investment opportunities amid market dislocation
- Investment grade rated by Moody's and Fitch

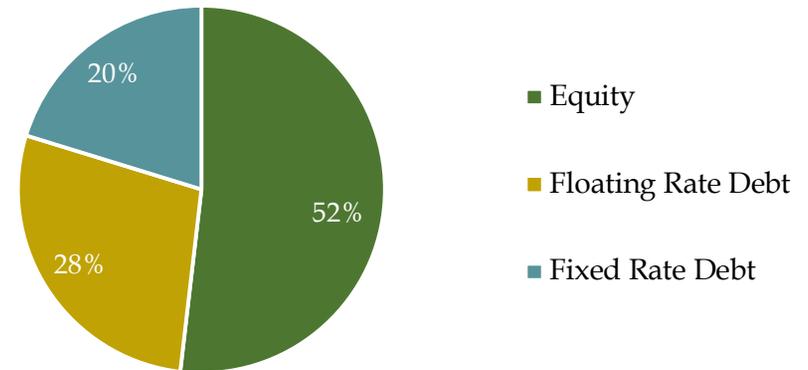
As of March 31, 2020

Note: As of March 31, 2020, we have analyzed cash and cash equivalents, availability under our credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

¹ Interest rate spread can increase up to 2.25% depending on the senior coverage ratio.

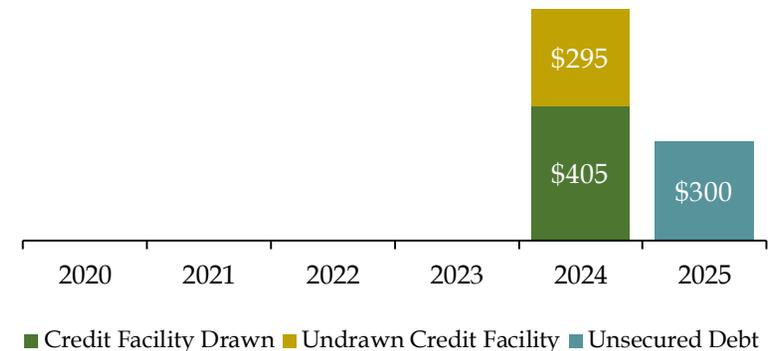
Funding Sources by Type

(As % of total funding sources)



Maturity Profile of Liabilities

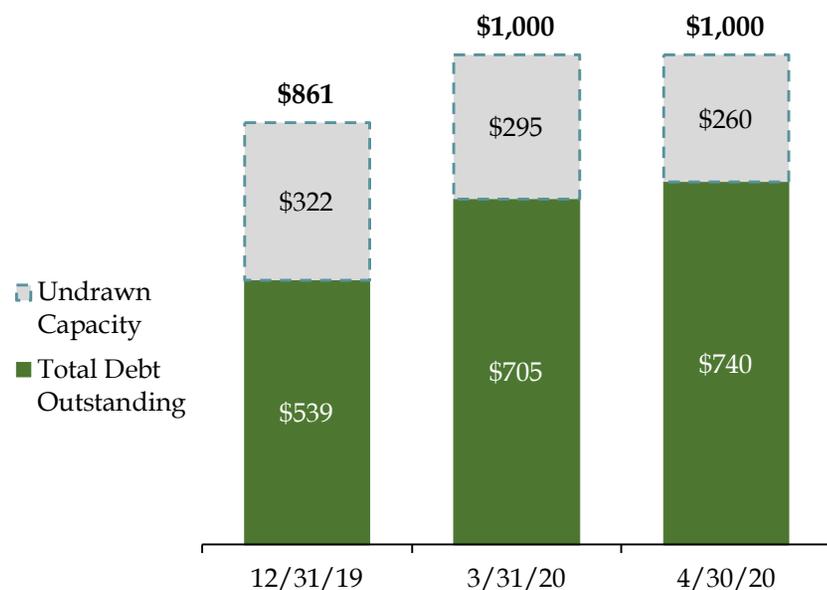
(\$ in millions)



Funding and Liquidity Metrics

Leverage Utilization

(\$ in millions)



	12/31/2019	3/31/2020
Cash	\$22	\$90
Net Assets	931	752
Net Leverage	0.56x	0.82x
Total Leverage	0.58x	0.94x

Liquidity Rollforward

(\$ in millions)

	12/31/2019	3/31/2020	4/30/2020
Credit Facility Committed	\$700	\$700	\$700
Credit Facility Drawn	(378)	(405)	(440)
Cash and Cash Equivalents	22	90	68
Total Liquidity	\$344	\$385	\$328
Total Unfunded Commitments	(102)	(92)	(122)
Unavailable Unfunded Commitments ¹	39	31	46
Adjusted Liquidity	\$281	\$324	\$252

Ample liquidity to support funding needs²

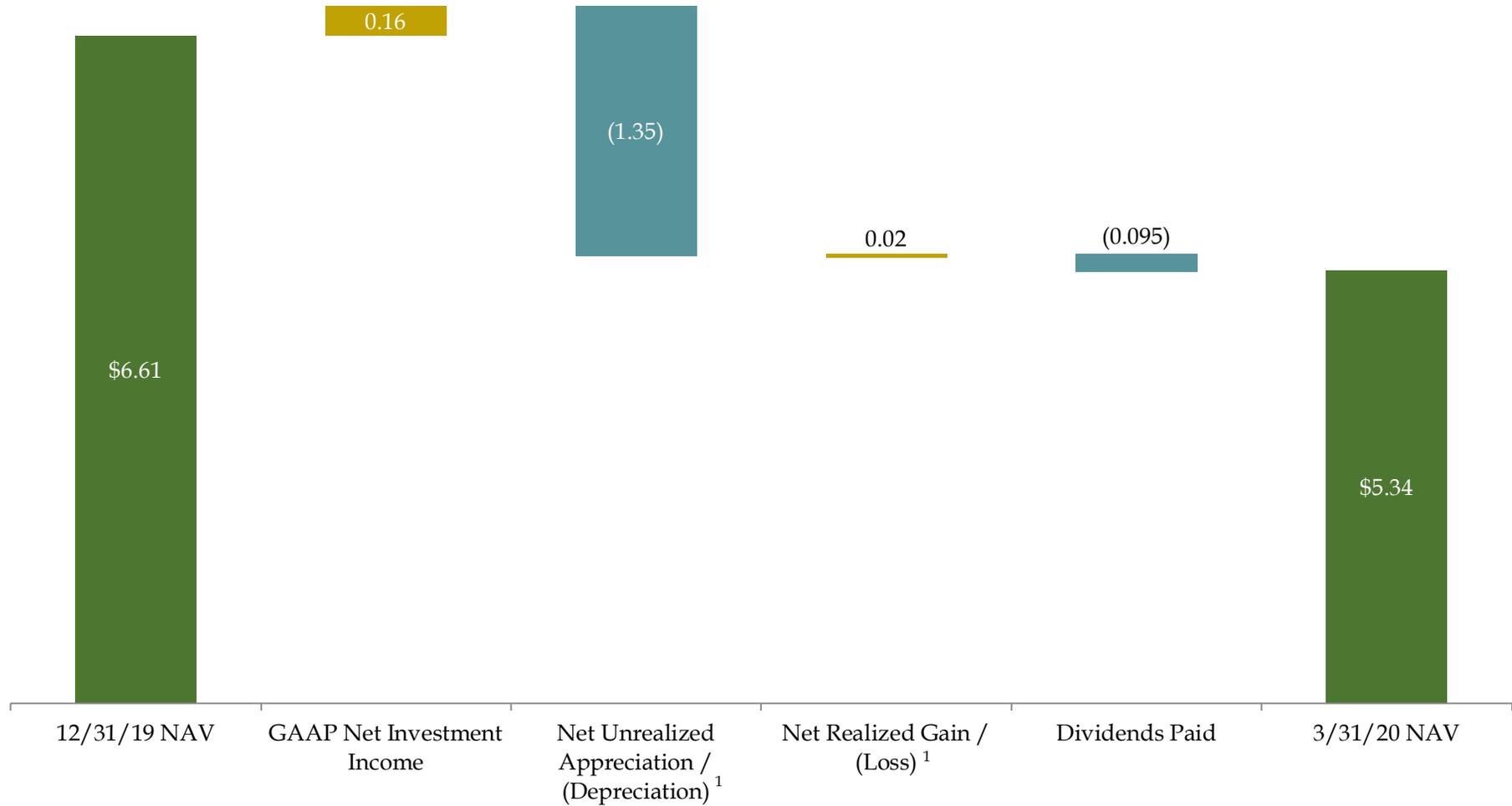
Note: Actual leverage and liquidity as of June 30, 2020 may differ materially. OCSL's independent registered public accounting firm has not audited, reviewed, compiled or performed any procedures with respect to the liquidity and unfunded commitments data presented herein.

¹ Includes unfunded commitments ineligible to be drawn due to certain limitations in credit agreements.

² As of March 31, 2020, we have analyzed cash and cash equivalents, availability under our credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.



Net Asset Value Per Share Bridge



Note: Net asset value per share amounts are based on the shares outstanding at each respective quarter end. Net investment income per share, net unrealized appreciation / (depreciation), and net realized gain / (loss) are based on the weighted average number of shares outstanding for the period.

¹ Excludes reclassifications of net unrealized appreciation / (depreciation) to net realized gains / (losses) as a result of investments exited during the quarter.

Q2 2020 Net Unrealized Depreciation Attribution

2Q 2020 Unrealized Depreciation by Asset Type¹

(\$ in millions, except per share amounts)

	March 31, 2020	
	Unrealized Gains (Losses)	Per Share
Liquid Debt Investments ²	\$(114)	\$(0.81)
Private Debt Investments	(19)	(0.13)
Total Debt Portfolio Net Unrealized Appreciation (Depreciation)	(133)	(0.94)
Equity Investments	(22)	(0.15)
Joint Venture Investments	(36)	(0.26)
Total Net Unrealized Appreciation (Depreciation)	\$(192)	\$(1.35)

- 53% of the portfolio at fair value (excluding the Kemper JV) was composed of liquid debt investments²; \$114 million (60%) of total net unrealized depreciation was related to liquid debt portfolio following credit market selloff in March
- 7% of the portfolio at fair value was composed of investments in the Kemper JV, which primarily invests in first lien liquid debt investments²; \$36 million (19%) of total net unrealized depreciation
- \$19 million (10%) of total net unrealized depreciation related to private debt portfolio

¹ Excludes reclassifications of net unrealized appreciation / (depreciation) to net realized gains / (losses) as a result of investments exited during the quarter.

² Level 2 or Level 3 debt securities that are valued based on broker prices.

Appendix



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Portfolio Highlights

(\$ in thousands)	As of				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
Investments at Fair Value	\$1,392,187	\$1,467,627	\$1,438,042	\$1,455,031	\$1,504,888
Number of Portfolio Companies	128	106	104	105	110
Average Portfolio Company Debt Investment Size	\$11,900	\$15,300	\$15,300	\$15,400	\$15,000
Asset Class:					
First Lien	62.3%	56.7%	53.5%	54.0%	51.8%
Second Lien	19.7%	22.8%	25.1%	25.8%	27.1%
Unsecured Debt	5.8%	4.8%	5.7%	7.0%	8.0%
Equity	5.5%	6.7%	6.7%	4.3%	4.2%
Limited Partnership Interests	0.2%	0.2%	0.2%	0.2%	0.5%
Kemper JV	6.6%	8.8%	8.8%	8.8%	8.4%
Interest Rate Type for Debt Investments:					
% Floating-Rate	90.6%	90.6%	89.8%	88.5%	86.3%
% Fixed-Rate	9.4%	9.4%	10.2%	11.5%	13.7%
Yields:					
Weighted Average Yield on Debt Investments ¹	8.0%	8.6%	8.9%	8.7%	9.0%
Cash Component of Weighted Average Yield on Debt Investments	6.9%	7.8%	8.1%	8.0%	8.3%
Weighted Average Yield on Total Portfolio Investments ²	7.5%	7.9%	8.2%	8.2%	8.3%

Note: Numbers may not sum due to rounding.

¹ Annual stated yield earned plus net annual amortization of original issue discount or premium earned on accruing investments, including our share of the return on debt investments in the Kemper JV.

² Annual stated yield earned plus net annual amortization of original issue discount or premium earned on accruing investments and dividend income, including our share of the return on debt investments in the Kemper JV.

Investment Activity

(\$ in thousands)	As of				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
New Investment Commitments	\$272,900	\$134,200	\$138,400	\$66,800	\$100,000
New Funded Investment Activity ¹	\$251,700	\$136,200	\$128,500	\$74,100	\$111,100
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$154,500	\$97,000	\$139,000	\$138,300	\$120,700
Net New Investments ²	\$97,200	\$39,200	\$(10,500)	\$(64,200)	\$(9,600)
New Investment Commitments in New Portfolio Companies	32	9	5	3	5
New Investment Commitments in Existing Portfolio Companies	8	3	4	4	1
Portfolio Company Exits	10	7	7	8	4
Weighted Average Yield at Cost on New Debt Investments	7.9%	8.1%	7.7%	8.0%	8.7%

¹ New funded investment activity includes drawdowns on existing revolver commitments.

² Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.

Financial Highlights

	As of				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
<i>(\$ in thousands, except per share amounts)</i>					
GAAP Net Investment Income per Share	\$0.16	\$0.06	\$0.12	\$0.12	\$0.13
Adjusted Net Investment Income per Share ¹	\$0.12	\$0.10	\$0.12	\$0.12	\$0.13
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	\$(1.33)	\$0.04	\$(0.02)	\$0.02	\$0.33
Earnings (Loss) per Share	\$(1.17)	\$0.10	\$0.10	\$0.14	\$0.46
Distributions per Share	\$0.095	\$0.095	\$0.095	\$0.095	\$0.095
NAV per Share	\$5.34	\$6.61	\$6.60	\$6.60	\$6.55
Weighted Average Shares Outstanding	140,961	140,961	140,961	140,961	140,961
Investment Portfolio (at Fair Value)	\$1,392,187	\$1,467,627	\$1,438,042	\$1,455,031	\$1,504,888
Cash and Cash Equivalents	\$89,509	\$21,527	\$15,406	\$5,637	\$12,815
Total Assets	\$1,501,627	\$1,516,600	\$1,481,038	\$1,485,016	\$1,541,317
Total Debt Outstanding ²	\$698,686	\$536,468	\$473,367	\$537,278	\$592,178
Net Assets	\$752,224	\$931,082	\$930,630	\$930,050	\$923,456
Total Debt to Equity Ratio	0.94x	0.58x	0.51x	0.58x	0.64x
Net Debt to Equity Ratio	0.82x	0.56x	0.49x	0.57x	0.63x
Weighted Average Interest Rate on Debt Outstanding	3.1%	4.5%	4.8%	5.1%	5.1%

¹ See page 29 for a description of this non-GAAP measure and a reconciliation from net investment income per share to adjusted net investment income per share.

² Net of unamortized financing costs.

Historical Statement of Operations

(\$ in thousands, except per share amounts)	For the three months ended				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
Interest income	\$29,898	\$28,405	\$30,662	\$32,910	\$34,309
PIK interest income	1,946	1,161	1,187	1,198	2,280
Fee income	2,050	1,071	2,550	1,826	1,132
Dividend income	277	323	114	735	523
Total investment income	34,171	30,960	34,513	36,669	38,244
Base management fee	5,295	5,607	5,496	5,548	5,731
Part I incentive fees	3,444	2,988	3,545	3,787	3,813
Part II incentive fees	(6,608)	1,051	(403)	607	8,170
Interest expense	7,215	6,535	6,960	7,592	8,970
Other operating expenses ¹	1,984	1,743	1,799	1,893	1,752
Total expenses	11,330	17,924	17,397	19,427	28,436
Reversal of fees waived / (fees waived)	-	5,200	841	634	(7,901)
Net expenses	11,330	23,124	18,238	20,061	20,535
GAAP net investment income	22,841	7,836	16,275	16,608	17,709
Net realized and unrealized gains (losses)	(188,308)	6,167	(1,961)	3,551	46,685
Provision for income tax (expense) benefit	1,705	(160)	(343)	(173)	91
Net increase/decrease in net assets resulting from operations	\$(165,467)	\$13,843	\$13,971	\$19,986	\$64,485
Adjusted net investment income²	\$16,233	\$14,087	\$16,713	\$17,293	\$17,709

¹ Includes professional fees, directors fees, administrator expenses and general and administrative expenses.

² See page 29 for a description of this non-GAAP measure and a reconciliation from net investment income to adjusted net investment income.

Reconciliation of Adjusted Net Investment Income

(\$ in thousands, except per share amounts)	As of				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
GAAP net investment income	\$22,841	\$7,836	\$16,275	\$16,608	\$17,709
Part II incentive fee (net of waivers)	(6,608)	6,251	438	685	-
Adjusted net investment income	\$16,233	\$14,087	\$16,713	\$17,293	\$17,709
Per share:					
GAAP net investment income	\$0.16	\$0.06	\$0.12	\$0.12	\$0.13
Part II incentive fee (net of waivers)	(0.05)	0.04	0.00	0.00	0.00
Adjusted net investment income	\$0.12	\$0.10	\$0.12	\$0.12	\$0.13

Notes: On a supplemental basis, the Company is disclosing adjusted net investment income and per share adjusted net investment income, each of which is a financial measure that is calculated and presented on a basis of methodology other than in accordance with U.S. GAAP ("non-GAAP"). Adjusted net investment income represents net investment income, excluding capital gains incentive fees ("Part II incentive fee"). The Company's management uses this non-GAAP financial measure internally to analyze and evaluate financial results and performance and believes that this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to capital gains incentive fees. The Company's investment advisory agreement provides that a capital gains-based incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital appreciation) to the extent such realized capital gains exceed realized capital losses and unrealized capital depreciation on a cumulative basis. Refer to Note 11 – Related Party Transactions in our Quarterly Report on Form 10-Q for further discussion. The Company believes that adjusted net investment income is a useful performance measure because it reflects the net investment income produced on the Company's investments during a period without giving effect to any changes in the value of such investments and any related capital gains incentive fees between periods. The presentation of adjusted net investment income is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.

Numbers may not sum due to rounding.

Contact:
Michael Mosticchio, Investor Relations
ocsl-ir@oaktreecapital.com



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