UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-K

(Mark One)

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

For the fiscal year ended September 30, 2021

OR

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

COMMISSION FILE NUMBER: 1-33901

Oaktree Specialty Lending Corporation

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE *(State or jurisdiction of incorporation or organization)*	**26-1219283** *(I.R.S. Employer Identification No.)*
333 South Grand Avenue, 28th Floor **Los Angeles, CA** *(Address of principal executive office)*	**90071** *(Zip Code)*

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

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

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of March 31, 2021 was $948.5 million. For the purposes of calculating the aggregate market value of common stock held by non-affiliates, the registrant has excluded (1) shares held by its current directors and officers and (2) those reported to be held by Leonard M. Tannenbaum and his affiliates. The registrant had 180,360,662 shares of common stock outstanding as of November 12, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to the registrant's 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission, or the SEC, within 120 days following the end of the Company's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

OAKTREE SPECIALTY LENDING CORPORATION
FORM 10-K FOR THE YEAR ENDED SEPTEMBER 30, 2021

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PART I

Item 1. *Business*

General

Oaktree Specialty Lending Corporation, a Delaware corporation, or together with its subsidiaries, where applicable, the Company, which may also be referred to as "we," "us" or "our", is a specialty finance company dedicated to providing customized, one-stop credit solutions to companies with limited access to public or syndicated capital markets. We were formed in late 2007 and currently operate as a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a Business Development Company under the Investment Company Act of 1940, as amended, or the Investment Company Act. In addition, we have qualified and elected to be treated as a regulated investment company, or RIC, under the Internal Revenue Code of 1986, as amended, or the Code, for tax purposes. As a RIC, we generally will not have to pay corporate-level U.S. federal income taxes on any net ordinary income or net realized capital gains that we distribute to our stockholders if we meet certain source-of-income, income distribution and asset diversification requirements.

We are externally managed by Oaktree Fund Advisors, LLC, which we also refer to as "Oaktree" or our "Adviser," pursuant to an investment advisory agreement, as amended from time to time, or the Investment Advisory Agreement, between the Company and Oaktree. Oaktree is an affiliate of Oaktree Capital Management, L.P., or OCM, the Company's external investment adviser from October 17, 2017 through May 3, 2020, and a subsidiary of Oaktree Capital Group, LLC, or OCG. In 2019, Brookfield Asset Management Inc., which we refer to as "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. Oaktree Fund Administration, LLC, which we refer to as "Oaktree Administrator," a subsidiary of OCM, provides certain administrative and other services necessary for us to operate.

Our investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. We may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions. We invest in companies that typically possess resilient business models with strong underlying fundamentals. We intend to deploy capital across credit and economic cycles with a focus on long-term results, which we believe will enable us to build lasting partnerships with financial sponsors and management teams, and we may seek to opportunistically take advantage of dislocations in the financial markets and other situations that may benefit from our Adviser's credit and structuring expertise, including during the COVID-19 pandemic. Sponsors may include financial sponsors, such as an institutional investor or a private equity firm, or a strategic entity seeking to invest in a portfolio company.

Our Adviser is generally focused on middle-market companies, which we define as companies with enterprise values of between \$100 million and \$750 million. We expect our portfolio to include a mix of first and second lien loans, including asset backed loans, unitranche loans, mezzanine loans, unsecured loans, bonds, preferred equity and certain equity co-investments. Our portfolio may also include certain structured finance and other non-traditional structures. 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.

Our portfolio totaled \$2.6 billion at fair value as of September 30, 2021 and was composed of 138 portfolio companies. These included debt investments in 121 companies, equity investments in 35 companies, including our limited partnership interests in one private equity fund, and our investments in Senior Loan Fund JV I, LLC, or the SLF JV I, a joint venture through which we and Trinity Universal Insurance Company, a subsidiary of Kemper Corporation, or Kemper, co-invest in senior secured loans of middle-market companies and other corporate debt securities, and OCSI Glick JV LLC, or the 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. Twenty of our equity investments were in companies in which we also had a debt investment. At fair value, 94.3% of our portfolio consisted of debt investments, including our debt investments in SLF JV I and Glick JV, and 86.7% of our portfolio consisted of senior secured loans as of September 30, 2021. The weighted average annual yield of our debt investments at fair value as of September 30, 2021, including the return on our debt investments in SLF JV I and Glick JV, was approximately 8.7%, including 7.4% representing cash payments. **The weighted average annual yield of our debt investments is determined before the payment of, and therefore does not take into account, our expenses and the payment by an investor of any stockholder transaction expenses, and does not represent the return on investment for our stockholders.** See "*—Investments—SLF JV I*" and "*—Investments—Glick JV* " below for additional information regarding our investment in SLF JV I and Glick JV.

We are permitted to, and expect to continue to, finance our investments through borrowings. However, as a Business Development Company, subject to certain limited exceptions, we are currently only allowed to borrow amounts in accordance with the asset coverage requirements in the Investment Company Act. We generally expect to target a long-term debt to equity ratio of 0.85x to 1.0x (i.e., one dollar of equity for each $0.85 to $1.00 of debt outstanding). As of September 30, 2021, we had a debt to equity ratio of 0.97x (i.e., one dollar of equity for each $0.97 of debt outstanding). At a special meeting of stockholders held on June 28, 2019, 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 June 29, 2019. The reduced asset coverage requirements permit us to double the maximum amount of leverage that we are permitted to incur by reducing the asset coverage requirements applicable to us from 200% to 150%. As a result of the reduced asset coverage requirement, we can incur $2 of debt for each $1 of equity.

On March 19, 2021, we acquired Oaktree Strategic Income Corporation, or OCSI, pursuant to that certain Agreement and Plan of Merger, or the Merger Agreement, dated as of October 28, 2020, by and among OCSI, us, Lion Merger Sub, Inc., our wholly-owned subsidiary, or Merger Sub, and, solely for the limited purposes set forth therein, Oaktree. Pursuant to the Merger Agreement, Merger Sub was first merged with and into OCSI, with OCSI as the surviving corporation, or the Merger, and, immediately following the Merger, OCSI was then merged with and into us, with us as the surviving company, or together with the Merger, the Mergers. In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of OCSI's common stock was converted into the right to receive 1.3371 shares of our common stock (with OCSI's stockholders receiving cash in lieu of fractional shares of our common stock). As a result of the Mergers, we issued an aggregate of 39,400,011 shares of our common stock to former OCSI stockholders.

Our Adviser

We are externally managed and advised by Oaktree, a registered investment adviser under the Investment Advisers Act of 1940, as amended, or the Advisers Act. Oaktree, subject to the overall supervision of our Board of Directors, manages our day-to-day operations, and provides investment advisory services to us pursuant to the Investment Advisory Agreement.

Our Adviser is an affiliate of OCM, a leading global investment management firm headquartered in Los Angeles, California, focused on less efficient markets and alternative investments. A number of the senior executives and investment professionals of our Adviser and its affiliates have been investing together for over 35 years and have generated impressive investment performance through multiple market cycles. Our Adviser and its affiliates emphasize an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, corporate debt (including high-yield debt and senior loans), control investing, real estate, convertible securities and listed equities.

In 2019, 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. Brookfield is a leading global alternative asset manager with a history spanning over 100 years and approximately $625 billion of assets under management (inclusive of OCG) across a broad portfolio of real estate, infrastructure, renewable power, credit and private equity assets. Commencing in 2022, OCG's founders, senior management and current and former employee-unitholders of OCG will be able to sell their remaining OCG units to Brookfield over time pursuant to an agreed upon liquidity schedule and approach to valuing such units at the time of liquidation. Pursuant to this liquidity schedule, the earliest year in which Brookfield could own 100% of the OCG business is 2029.

The primary firm-wide goal of our Adviser and OCM is to achieve attractive returns while bearing less than commensurate risk. Our Adviser believes that it can achieve this goal by taking advantage of market inefficiencies in which financial markets and their participants fail to accurately value assets or fail to make available to companies the capital that they reasonably require.

Our Adviser and its affiliates believe that their defining characteristic is adherence to the highest professional standards, which has yielded several important benefits. First and foremost, this characteristic has allowed our Adviser and its affiliates to attract and retain an extremely talented group of investment professionals, or the Investment Professionals, as well as accounting, valuation, legal, compliance and other administrative professionals. As of September 30, 2021, our Adviser and its affiliates had more than 1,000 professionals in 19 cities and 14 countries, including 44 portfolio managers with an average experience of 25 years and approximately 1,000 years of combined industry experience. Specifically, the Strategic Credit group that is primarily responsible for implementing our investment strategy consists of over 20 Investment Professionals led by Armen Panossian, our Chief Executive Officer and Chief Investment Officer, who focus on the investment strategy employed by our Adviser and certain of its affiliates. Second, it has permitted the investment team to build strong relationships with brokers, banks and other market participants. These institutional relationships have been instrumental in strengthening access to trading opportunities, to understanding the current market, and to executing the investment team's investment strategies. OCM aims to attract, motivate and retain talented employees (both Investment Professionals and accounting, valuation, legal, compliance and other administrative professionals) by making them active participants in, and beneficiaries of, the platform's success. In addition to competitive base salaries, all OCM employees share in the discretionary bonus pool. An employee's participation in the bonus pool is based on the overall success of our Adviser and its affiliates and the individual employee's performance and level of responsibility.

Our Adviser and its affiliates provide discretionary investment management services to other managed accounts and investment funds, which may have overlapping investment objectives and strategies with our own and, accordingly, may invest in asset classes similar to those targeted by us. The activities of such managed accounts and investment funds may raise actual or potential conflicts of interest.

Strategic Credit

Our Adviser's affiliates officially launched the Strategic Credit strategy in early 2013 as a step-out from the Distressed Debt strategy, to capture attractive investment opportunities that appear to offer too little return for distressed debt investors, but may pose too much uncertainty for high-yield bond creditors. The strategy seeks to achieve an attractive total return by investing in public and private revenue-generating, performing debt.

Strategic Credit focuses on U.S. and non-U.S. investment opportunities that arise from pricing inefficiencies that occur in the primary and secondary markets or from the financing needs of healthy companies with limited access to traditional lenders or public markets. Typical investments will be in high yield bonds and senior secured loans for borrowers that are in need of direct loans, rescue financings, or other capital solutions or that have had challenged or unsuccessful primary offerings.

The Investment Professionals employ a fundamental, value-driven opportunistic approach to credit investing, which seeks to benefit from the resources, relationships and proprietary information of the global investment platform of our Adviser and its affiliates.

Our Administrator

We entered into an administration agreement, as amended from time to time, or the Administration Agreement, with Oaktree Administrator, a Delaware limited liability company and a wholly owned subsidiary of OCM. The principal executive offices of Oaktree Administrator are located at 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071. Pursuant to the Administration Agreement, Oaktree Administrator provides services to us, and we reimburse Oaktree Administrator for costs and expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement and providing personnel and facilities thereunder.

Business Strategy

Our investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. We may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions. We invest in companies across a variety of industries that typically possess resilient business models with strong underlying fundamentals. We 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, and we may seek to opportunistically take advantage of dislocations in the financial markets and other situations that may benefit from our Adviser's deep credit and structuring expertise, including throughout the COVID-19 pandemic. Our Adviser intends to implement the following business strategy to achieve our investment objective:

- **Emphasis on Proprietary Deals.** Our Adviser is focused on proprietary opportunities as well as partnering with other lenders as appropriate. Dedicated sourcing professionals of our Adviser and its affiliates are in continuous contact with financial sponsors and corporate clients to originate proprietary deals and seek to leverage the networks and relationships of Oaktree's Investment Professionals with management teams and corporations to originate non-sponsored transactions. Since 2005, our Adviser and its affiliates have invested more than $25 billion in over 450 directly originated loans, and the platform has the capacity to invest in large deals and to solely underwrite transactions.

- **Focus on Quality Companies and Extensive Diligence.** Our Adviser seeks to maintain a conservative approach to investing with discipline around fundamental credit analysis and downside protection. Our Adviser intends to focus on companies with resilient business models, strong underlying fundamentals, significant asset or enterprise value and seasoned management teams, although not all portfolio companies will meet each of these criteria. Our Adviser intends to leverage its deep credit and deal structuring expertise to lend to companies that have unique needs, complex business models or specific business challenges. Our Adviser conducts diligence on underlying collateral value, including cash flows, hard assets or intellectual property, and will typically model exit scenarios as part of the diligence process, including assessing potential "work-out" scenarios.

- **Disciplined Portfolio Management.** Our Adviser monitors our portfolio on an ongoing basis to manage risk and take preemptive action to resolve potential problems where possible. Our Adviser intends to seek to reduce the impact of individual investment risks by diversifying portfolios across industry sectors and, with the exception of our investment in SLF JV I, which has a diversified portfolio, limiting positions to no more than 5% of our portfolio.

- **Manage Risk Through Loan Structures.** Our Adviser seeks to leverage its experience in identifying structural risks in prospective portfolio companies and developing customized solutions to enhance downside protection where possible. Our Adviser has the expertise to structure comprehensive, flexible and customized solutions for companies of all sizes across numerous industry sectors. Our Adviser employs a rigorous due diligence process and seeks to include covenant protections designed to ensure that we, as the lender, can negotiate with a portfolio company before a debt investment reaches impairment. The platform of our Adviser and its affiliates can address a wide range of borrower needs, with capability to invest across the capital structure and to fund large loans, and our Adviser pays close attention to market trends. Our Adviser provides certainty to borrowers by seeking to provide fully underwritten financing commitments and has expertise in both performing credit as well as restructuring and turnaround situations, which allowed us to invest and lend throughout the COVID-19 pandemic and other times of market stress when our competitors may halt or reduce investment activity.

Our Adviser's emphasis is on fundamental credit analysis, consistency and downside protection, all of which are key tenets of its investment philosophy and important in times of market dislocation, including during the COVID-19 pandemic. We believe this philosophy strongly aligns with the interests of our stockholders. Our Adviser controls primarily for risk, rather than return. Although this may lead us to underperform in bullish markets, we expect that prudence across the economic cycle and limiting losses will allow us to achieve our investment objectives.

Identification of Investment Opportunities

Our primary focus is on identifying differentiated private lending opportunities, with a secondary emphasis on identifying opportunities in the public markets.

Private Lending Opportunities. We believe that the market for lending to private companies is underserved and presents a compelling investment opportunity. We intend to focus on private lending opportunities in the following key areas:

- *Situational Lending.* Certain businesses may present challenges for traditional lenders to understand or value, thus presenting attractive lending opportunities for the Company. Prospective borrowers with little-to-no revenue or earnings before interest, taxes, depreciation and amortization, or EBITDA, may be unable to secure financing from traditional lenders. In these instances, a debt-to-EBITDA approach may not be appropriate, instead requiring a value-oriented approach that involves targeting low loan-to-value ratios and negotiating bespoke covenants, contingencies and terms that help mitigate business-specific risks. Examples of these opportunities may include life sciences companies that have revenue-generating drugs and hard assets, but reinvest that capital into research and development for promising new products.

- *Sponsor-Related Financings.* Financing for portfolio companies backed by private equity firms is one the most active areas of opportunity, including those opportunities related to leveraged buyouts and refinancings. The Investment Professionals have many longstanding relationships with established, reputable sponsors, and generally favor those that view their portfolio companies as long-term partners and those that specialize in certain industries where they have significant subject matter expertise. In addition, the Investment Professionals have historically favored borrowers backed by sponsors that have demonstrated a willingness to invest large amounts of equity, which provides enhanced downside protection. Examples of these opportunities may include financings for software- or healthcare-focused borrowers backed by private equity firms.

- *Stressed Sector/Rescue Lending*. Individual businesses or sectors experiencing stress or reduced access to capital can create attractive private lending opportunities. Broad market weakness or sector-specific issues can constrain borrowers' access to capital. Further, certain factors such as regulation may cause entire industries (e.g., energy) to be rebuffed by more traditional lenders (e.g., commercial banks) such that all borrowers in the industry lose access to capital, regardless of their individual financial condition. Oftentimes, by sifting through an industry issuer-by-issuer, the Investment Professionals can identify attractive investment opportunities that are over-secured by valuable assets.

Examples of these opportunities may include debtor-in-possession loans or loans to companies in sectors severely impacted by COVID-19, such as entertainment, real estate and travel.

Opportunities in Public Markets. Certain factors may also drive opportunities for us in the public market and will allow us to leverage Oaktree's broader credit platform and decades of credit investing experience. These factors may include:

- *Macro Factors.* Macro factors that drive market dislocations can ripple through the global economy and include sovereign debt crises, political elections, global pandemics, including the ongoing COVID-19 pandemic, and other unexpected geopolitical events. These factors drive highly correlated "risk on" and "risk off" market swings and frequently result in the indiscriminate selling of securities and obligations at prices that the Investment Professionals believe are well below their intrinsic values.

- *Industry Headwinds*. Select industries may face secular challenges or may fall out of favor due to a variety of factors such as evolving technology or regulation. These headwinds can cause the debt of healthy and unhealthy companies alike to trade lower, potentially allowing the Investment Professionals to identify mispriced opportunities.

- *Company Characteristics.* Company-specific factors that drive market dislocations include overleveraged balance sheets, near-term liquidity or maturity issues, secular pressures, acute shock to company operations, asset-light businesses and new or relatively small issuers. These factors may result in mispriced securities or obligations or require a highly structured direct loan.

Investment Criteria and Guidelines

Once the Investment Professionals have identified a potential investment opportunity, they will evaluate the opportunity against the following investment criteria and guidelines. However, not all of these criteria will be met by each prospective portfolio company in which we invest.

- **Covenant Protections.** We generally expect to invest in loans that have covenants that may help to minimize our risk of capital loss and meaningful equity investments in the portfolio company. We intend to target investments that have strong credit protections, including default penalties, information rights and affirmative, negative and financial covenants, such as limitations on debt incurrence, lien protection and prohibitions on dividends.

- **Sustainable Cash Flow.** Our investment philosophy places emphasis on fundamental analysis from an investor's perspective and has a distinct value orientation. We intend to focus on companies with significant asset or enterprise value in which we can invest at relatively low multiples of normalized operating cash flow. Additionally, we anticipate investing in companies with a demonstrated ability or credible plan to de-lever. Typically, we will not invest in start-up companies or companies having speculative business plans or structures that could impair capital over the long-term although we may target certain earlier stage companies that have yet to reach profitability.

- **Experienced Management Team.** We generally will look to invest in portfolio companies with an experienced management team and proper incentive arrangements, including equity compensation, to induce management to succeed and to act in concert with our interests as investors.

- **Strong Relative Position in Its Market.** We intend to target companies with what we believe to be established and leading market positions within their respective markets and well-developed long-term business strategies.

- **Exit Strategy.** We generally intend to invest in companies that we believe will provide us with the opportunity to exit our investments in three to eight years, including through (1) the repayment of the remaining principal outstanding at maturity, (2) the recapitalization of the company resulting in our debt investments being repaid or (3) the sale of the company resulting in the repayment of all of its outstanding debt.

- **Geography.** As a Business Development Company, we will invest at least 70% of our total assets in U.S. companies. To the extent we invest in non-U.S. companies, we intend to do so only in jurisdictions with established legal frameworks and a history of respecting creditor rights.

Investment Process

Our investment process consists of the following five distinct stages.

Source

Strategic Credit has dedicated sourcing professionals and also leverages the strong market presences and relationships across the global platform of our Adviser and its affiliates to gain access to opportunities from advisers, sponsors, banks, management teams, capital raising advisers and other sources. Our Adviser is a trusted partner to financial sponsors and management teams based on its long-term commitment and focus on lending across economic cycles. We believe this gives us access to proprietary deal flow and "first looks" at investment opportunities and that we are well-positioned for difficult and complex transactions.

Screen Using Investment Criteria

We expect to be highly selective in making new investments. The initial screening process will typically include a review of the proposed capital structure of the prospective portfolio company, including level of assets or enterprise value coverage, an assessment by our Adviser of the company’s management team and its equity ownership levels as well as the viability of its long-term business model, and a review of forecasted financial statements and liquidity profile. In addition, our Adviser may assess the prospect of industry or macroeconomic catalysts that may create enhanced value in the investment as well as the potential ability to enforce creditor rights, particularly where collateral is located outside of the United States.

Research

Prior to making any new investment, our Adviser intends to engage in an extensive due diligence process led by investment analysts assigned to each transaction. The analysts will assess a company’s management team, products, services, competitive position in its markets, barriers to entry and operating and financial performance, as well as the growth potential of its markets. In performing this evaluation, the analysts may use financial, descriptive and other due diligence materials provided by the prospective portfolio company, commissioned third party reports and internal sources, including members of the investment team, industry participants and experts with whom our Adviser has relationships. As part of the research process, our Adviser’s analysts typically perform a “what-if” analysis that explores a range of values for each proposed investment and a range of potential credit events.

Evaluate

Our Adviser assesses each potential investment through a rigorous, collaborative decision-making process. Our Adviser applies disciplined investment criteria and evaluates potential risk and reward of each investment with significant focus on downside risk. Our Adviser sizes investments at the portfolio level across a variety of characteristics, including based on the investment criteria described above.

Monitor

Our Adviser prioritizes managing risk. In managing our portfolio, our Adviser monitors each portfolio company to be well-positioned to make hold and exit decisions when credit events occur, our collateral becomes overvalued or opportunities with more attractive risk/reward profiles are identified. Investment analysts are assigned to each investment to monitor industry developments, review company financial statements, attend company presentations and regularly speak with company management. Based on their monitoring, the Investment Professionals seek to determine the optimal time and strategy for exiting and maximizing the return on the investment, typically when prices or yields reach target valuations. In circumstances where a particular investment is underperforming, our Adviser intends to employ a variety of strategies to maximize its recovery based on the specific facts and circumstances of the underperforming investment, including actively working with the management to restructure all or a portion of the business, explore the possibility of a sale or merger of all or a portion of the assets, recapitalize or refinance the balance sheet, negotiate deferrals or other concessions from existing creditors and arrange new liquidity or new equity contributions. We believe that our Adviser’s experience with restructurings and our access to our Adviser’s deep knowledge, expertise and contacts in the distressed debt area will help us preserve the value of our investments.

In addition, throughout the COVID-19 pandemic, our Adviser has remained in close contact with many of our portfolio companies to understand their liquidity and solvency positions and changes thereto. We believe that these efforts to closely monitor and identify vulnerable investments have allowed us to address potential problems early and provide constructive solutions to our portfolio companies.

Investments

Debt Investments

At fair value, 94.3% of our portfolio consisted of debt investments and 86.7% of our portfolio consisted of senior secured loans as of September 30, 2021. Our debt investments generally consist of the following:

- *First Lien Loans.* Our first lien loans generally have terms of three to seven years, provide for a variable or fixed interest rate, contain prepayment penalties and are secured by a first priority security interest in all existing and future assets of the borrower. Our first lien loans may take many forms, including revolving lines of credit, term loans and acquisition lines of credit.

- *Unitranche Loans.* Our unitranche loans generally have terms of five to seven years and provide for a variable or fixed interest rate, contain prepayment penalties and are generally secured by a first priority security interest in all existing and future assets of the borrower. Our unitranche loans may take many forms, including revolving lines of credit, term loans and acquisition lines of credit. Unitranche loans typically provide a borrower with all of its capital except for common equity, often with higher interest rates than those associated with traditional first lien loans.

- *Second Lien Loans.* Our second lien loans generally have terms of five to eight years, provide for a variable or fixed interest rate, contain prepayment penalties and are secured by a second priority security interest in all existing and future assets of the borrower.

- *Mezzanine Loans.* Our mezzanine loans generally have maturities of five to ten years. Mezzanine loans may take the form of a second priority lien on the assets of a portfolio company and have interest-only payments in the early years with cash or PIK payments with amortization of principal deferred to the later years. In some cases, we may invest in debt securities that, by their terms, convert into equity or additional debt securities or defer payments of interest for the first few years after our investment.

- *Unsecured Loans.* Our unsecured investments generally have terms of five to ten years and provide for a fixed interest rate. We may make unsecured investments on a stand-alone basis, or in connection with a senior secured loan, a junior secured loan or a "one-stop" financing.

- *Bonds.* We may selectively invest in high yield corporate bonds issued by middle-market companies that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. The bonds in which we may invest are expected to have terms of five to eight years and provide for fixed interest rate payments. We do not expect that these bonds would be secured by any assets of the issuer.

Equity Investments

When we make a debt investment, we may also be granted equity, such as warrants to purchase common stock in a portfolio company. To a lesser extent, we may also make preferred and/or common equity investments, which may be in conjunction with a concurrent debt investment or the result of an investment restructuring. For non-control equity investments, we generally seek to structure our non-control equity investments to provide us with minority rights provisions and event-driven put rights. We also seek to obtain limited registration rights in connection with these investments, which may include "piggyback" registration rights.

SLF JV I

We and Kemper co-invest through SLF JV I, an unconsolidated Delaware limited liability company, or LLC. SLF JV I was formed in May 2014 to invest in middle-market and other corporate debt securities. As of September 30, 2021, we and Kemper had funded an aggregate of approximately $165.5 million to SLF JV I, of which $144.8 million was from us. As of September 30, 2021, we had aggregate commitments to fund SLF JV I of $35.0 million, of which approximately $26.2 million was to fund additional subordinated notes issued by SLF JV I, or the SLF JV I Notes, and approximately $8.8 million was to fund LLC equity interests in SLF JV I. Additionally, SLF JV I has a senior revolving credit facility with Deutsche Bank AG, New York Branch, as amended, or the Deutsche Bank I Facility, which permitted up to $260.0 million of borrowings (subject to borrowing base and other limitations) as of September 30, 2021. Borrowings under the Deutsche Bank I Facility are secured by all of the assets of a special purpose financing subsidiary of SLF JV I. SLF JV I is managed by a four-person Board of Directors, two of whom are selected by us and two of whom are selected by Kemper. SLF JV I is generally capitalized as transactions are completed and all portfolio decisions must be approved by its investment committee consisting of one representative selected by us and one representative selected by Kemper (with approval of each required).

As of September 30, 2021, our investment in SLF JV I was approximately $133.9 million at fair value. We do not consolidate SLF JV I in our Consolidated Financial Statements.

Glick JV

On March 19, 2021, as a result of the consummation of the Mergers, we became party to the LLC agreement of the Glick JV. The Glick JV invests primarily in senior secured loans of middle-market companies. Approximately $84.0 million in aggregate commitments was funded to the Glick JV as of September 30, 2021, of which $73.5 million was from us. As of September 30, 2021, we had aggregate unfunded commitments to Glick JV of approximately $14.0 million, of which $12.4 million was to fund subordinated notes issued by the Glick JV, or the Glick JV Notes, and $1.6 million was to fund LLC equity interests in the Glick JV. The Glick JV has a senior revolving credit facility with Deutsche Bank AG, New York Branch, or the Glick JV Deutsche Bank Facility, which permitted borrowings of up to $90.0 million (subject to borrowing base and other limitations) as of September 30, 2021. Borrowings under the Glick JV Deutsche Bank Facility are secured by all of the assets of the Glick JV and all of the equity interests in the Glick JV. The 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 Glick JV is generally capitalized as transactions are completed and all portfolio decisions must be approved by its investment committee consisting of one representative selected by us and one representative selected by GF Equity Funding (with approval of each required). As of September 30, 2021, our investment in the Glick JV was approximately $55.6 million at fair value. We do not consolidate Glick JV in our Consolidated Financial Statements.

Valuation Procedures

As a Business Development Company, we generally invest in illiquid debt and equity securities issued by private middle-market companies. We are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by our Board of Directors. See Note 2 to our Consolidated Financial Statements in this Annual Report on Form 10-K.

Investment Advisory Agreement

The following is a description of the Investment Advisory Agreement. From October 17, 2017 through May 3, 2020, we were 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, we and Oaktree entered into a new investment advisory agreement with the same terms, including fee structure, as the investment advisory agreement with OCM. The investment advisory agreement with Oaktree was subsequently amended and restated on March 19, 2021 in connection with the closing of the Mergers. The term “Investment Advisory Agreement” refers collectively to the agreements with Oaktree and, prior to its novation, with OCM.

Management Services

Subject to the overall supervision of our Board of Directors, Oaktree manages our day-to-day operations and provides us with investment advisory services. Under the Investment Advisory Agreement, Oaktree:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make;
- executes, closes, monitors and services the investments we make;
- determines what securities and other assets we purchase, retain or sell;
- performs due diligence on prospective portfolio companies; and
- provides us with such other investment advisory, research and related services as we may, from time to time, reasonably required for the investment of our funds.

The Investment Advisory Agreement provides that Oaktree’s services are not exclusive to us and Oaktree is generally free to furnish similar services to other entities so long as its services to us are not impaired.

Management and Incentive Fee

Under the Investment Advisory Agreement, we pay 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 our common stockholders.

Base Management Fee

Under the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 1.50% of total gross assets, including any investment made with borrowings, but excluding cash and cash equivalents. Effective May 3, 2019, the base management fee on the Company's gross assets, including any investments made with borrowings, but excluding any cash and cash equivalents, that exceed the product of (A) 200% and (B) the Company's net asset value will be 1.00%. For the avoidance of doubt, the 200% will be calculated in accordance with the Investment Company Act and will give effect to exemptive relief the Company received from the SEC with respect to debentures issued by a small business investment company subsidiary. In connection with the Mergers, the Company and Oaktree entered into an amended and restated investment advisory agreement, which among other items, waived an aggregate of $6 million of base management fees otherwise payable to Oaktree in the two years following the closing of the Mergers on March 19, 2021 at a rate of $750,000 per quarter (with such amount appropriately prorated for any partial quarter).

Incentive Fee

The incentive fee consists of two parts. Under the Investment Advisory Agreement, the first part of the incentive fee, which is referred to as the incentive fee on income or the Part I incentive fee, is calculated and payable quarterly in arrears based upon our "pre-incentive fee net investment income" 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 our 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 we receive from portfolio companies, other than fees for providing managerial assistance) accrued during the fiscal quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, or OID, debt instruments with PIK interest and zero coupon securities), accrued income that we have 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. In addition, pre-incentive fee net investment income does not include any amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from merger-related accounting adjustments in connection with the assets acquired in the Mergers, including any premium or discount paid for the acquisition of such assets, solely to the extent that the inclusion of such merger-related accounting adjustments, in the aggregate, would result in an increase in pre-incentive fee net investment income.

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 our pre-incentive fee net investment income does not exceed the preferred return rate of 1.50% (the "preferred return") on net assets.
- 100% of our 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. We refer to this portion of the incentive fee on income as the "catch-up" provision, and it is intended to provide Oaktree with an incentive fee of 17.5% on all of our pre-incentive fee net investment income when our pre-incentive fee net investment income reaches 1.8182% on net assets in any fiscal quarter.
- For any quarter in which our 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 our 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.

The following is a graphical representation of the calculation of the incentive fee on income under the Investment Advisory Agreement:

Quarterly Incentive Fee on Income
Pre-incentive fee net investment income
(expressed as a percentage of net assets)

Percentage of pre-incentive fee net investment income allocated to income-related portion of incentive fee

Under the Investment Advisory Agreement, the second part of the 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 our 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 gain incentive fees under the Investment Advisory Agreement. Any realized capital gains, realized capital losses, unrealized capital appreciation and unrealized capital depreciation with respect to our 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. In addition, the calculation of realized capital gains, realized capital losses and unrealized capital depreciation does (1) not include any such amounts resulting solely from merger-related accounting adjustments in connection with the assets acquired in the Mergers, including any premium or discount paid for the acquisition of such assets, solely to the extent that the inclusion of such merger-related accounting adjustments, in the aggregate, would result in an increase in the capital gains incentive fee and (2) include any such amounts associated with the investments acquired in the Mergers for the period from October 1, 2018 to the date of closing of the Mergers, solely to the extent that the exclusion of such amounts, in the aggregate, would result in an increase in the capital gains incentive fee.

Examples of Quarterly Incentive Fee Calculation under the Investment Advisory Agreement [A]

Example 1: Incentive Fee on Income for Each Quarter

Alternative 1

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2%
Preferred return under the Investment Advisory Agreement[1] = 1.50%
Management fee under the Investment Advisory Agreement[2] = 0.375%
Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.20%
Pre-incentive fee net investment income
(investment income - (management fee + other expenses)) = 1.425%

Pre-incentive fee net investment income does not exceed the preferred return under the Investment Advisory Agreement, therefore there is no incentive fee on income under the Investment Advisory Agreement.

Alternative 2

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2.375%
Preferred return under the Investment Advisory Agreement[1] = 1.50%
Management fee under the Investment Advisory Agreement[2] = 0.375%
Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.20%
Pre-incentive fee net investment income
(investment income - (management fee + other expenses)) = 1.80%
Incentive fee = 17.5% × pre-incentive fee net investment income, subject to "catch-up"[3]
= 100% × (1.80% - 1.50%)
= 0.30%

Alternative 3

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%
Preferred return under the Investment Advisory Agreement[1] = 1.50%
Management fee under the Investment Advisory Agreement[2] = 0.375%
Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.20%
Pre-incentive fee net investment income
(investment income - (management fee + other expenses)) = 2.925%
Incentive fee = 17.5% × pre-incentive fee net investment income, subject to “catch-up”[3]
Incentive fee = 100% × “catch-up” + (17.5% × (pre-incentive fee net investment income - 1.8182%))
Catch-up = 1.8182% - 1.50% = 0.3182%
Incentive fee = (100% × 0.3182%) + (17.5% × (2.925% - 1.8182%))
= 0.3182% + (17.5% × 1.1068%)
= 0.3182% + 0.1937%
= 0.5119%

(A) Solely for purposes of these illustrative examples, we have assumed that we have not incurred any leverage. However, we have in the past and expect to continue in the future to use leverage to partially finance our investments.

1. Represents 6.0% annualized preferred return.
2. Represents 1.50% annualized management fee and does not reflect any waivers of the management fee.
3. The “catch-up” provision is intended to provide our Adviser with an incentive fee of 17.5% on all of our pre-incentive fee net investment income as if a preferred return did not apply when our net investment income exceeds 1.50% in any calendar quarter and is not applied once our Adviser has received 17.5% of investment income in a quarter. The “catch-up” portion of our pre-incentive fee net investment income is the portion that exceeds the 1.50% preferred return but is less than or equal to approximately 1.8182% (that is, 1.50% divided by (1 - 0.175)) in any fiscal quarter.

Example 2: Incentive Fee on Capital Gains under the Investment Advisory Agreement

Assumptions

- Year 1: $10 million investment made in Company A (“Investment A”), $10 million investment made in Company B (“Investment B”), $10 million investment made in Company C (“Investment C”), $10 million investment made in Company D (“Investment D”) and $10 million investment made in Company E (“Investment E”).
- Year 2: Investment A sold for $20 million, fair market value (“FMV”) of Investment B determined to be $8 million, FMV of Investment C determined to be $12 million, and FMV of Investments D and E each determined to be $10 million.
- Year 3: FMV of Investment B determined to be $8 million, FMV of Investment C determined to be $14 million, FMV of Investment D determined to be $14 million and FMV of Investment E determined to be $16 million.
- Year 4: Investment D sold for $12 million, FMV of Investment B determined to be $10 million, FMV of Investment C determined to be $16 million and FMV of Investment E determined to be $14 million.
- Year 5: Investment C sold for $20 million, FMV of Investment B determined to be $14 million and FMV of Investment E determined to be $10 million.
- Year 6: Investment B sold for $16 million and FMV of Investment E determined to be $8 million.
- Year 7: Investment E sold for $8 million and FMV.

These assumptions are summarized in the following chart:

	Investment A	Investment B	Investment C	Investment D	Investment E	Cumulative Unrealized Capital Depreciation	Cumulative Realized Capital Losses	Cumulative Realized Capital Gains
Year 1	$10 million (cost basis)	$10 million (cost basis)	$10 million (cost basis)	$10 million (cost basis)	$10 million (cost basis)	--	--	--
Year 2	$20 million (sale price)	$8 million FMV	$12 million FMV	$10 million FMV	$10 million FMV	$2 million	--	$10 million
Year 3	--	$8 million FMV	$14 million FMV	$14 million FMV	$16 million FMV	$2 million	--	$10 million
Year 4	--	$10 million FMV	$16 million FMV	$12 million (sale price)	$14 million FMV	--	--	$12 million
Year 5	--	$14 million FMV	$20 million (sale price)	--	$10 million FMV	--	--	$22 million
Year 6	--	$16 million (sale price)	--	--	$8 million FMV	$2 million	--	$28 million
Year 7	--	--	--	--	$8 million (sale price)	--	$2 million	$28 million

The Incentive Fee on Capital Gains under the Investment Advisory Agreement would be:

- Year 1: None

- Year 2: Capital Gains Fee = 17.5% multiplied by ($10 million realized capital gains on sale of Investment A less $2 million cumulative capital depreciation) = **$1.4 million**

- Year 3: Capital Gains Fee = (17.5% multiplied by ($10 million cumulative realized capital gains less $2 million cumulative capital depreciation)) less $1.4 million cumulative Capital Gains Fee previously paid = $1.4 million less $1.4 million = **$0.00 million**

- Year 4: Capital Gains Fee = (17.5% multiplied by ($12 million cumulative realized capital gains)) less $1.4 million cumulative Capital Gains Fee previously paid = $2.1 million less $1.4 million = **$0.7 million**

- Year 5: Capital Gains Fee = (17.5% multiplied by ($22 million cumulative realized capital gains)) less $2.1 million cumulative Capital Gains Fee previously paid = $3.85 million less $2.1 million = **$1.75 million**

- Year 6: Capital Gains Fee = (17.5% multiplied by ($28 million cumulative realized capital gains less $2 million cumulative capital depreciation)) less $3.85 million cumulative Capital Gains Fee previously paid = $4.55 million less $3.85 million = **$0.70 million**

- Year 7: Capital Gains Fee = (17.5% multiplied by ($28 million cumulative realized capital gains less $2 million cumulative realized capital losses)) less $4.55 million cumulative Capital Gains Fee previously paid = $4.55 million less $4.55 million = **$0.00 million**

Duration and Termination

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect from year-to-year if approved annually by our Board or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors 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 our outstanding voting securities.

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 us 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 our investment adviser.

Organization of our Adviser

Our Adviser is a Delaware limited liability company that is registered as an investment adviser under the Advisers Act. The principal address of our Adviser is 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071.

Board Approval of the Investment Advisory Agreement

At the meeting held on July 30, 2021, our Board of Directors, including all of the independent directors, unanimously approved the Investment Advisory Agreement. In reaching its decision to approve the Investment Advisory Agreement, our Board of Directors, including all of the independent directors, reviewed a significant amount of information, which had been furnished by Oaktree at the request of independent counsel, on behalf of the independent directors. In reaching a decision to approve the Investment Advisory Agreement, our Board of Directors considered, among other things:

- the nature, extent and quality of services performed by Oaktree;
- the investment performance of us and other Business Development Companies with a similar investment objective to us;
- the costs of services provided and the profits realized by Oaktree and its affiliates from their relationship with us;
- the possible economies of scale that would be realized due to our growth;
- whether fee levels reflect such economies of scale for the benefit of investors; and
- comparisons of services rendered to and fees paid by us with the services provided by and the fees paid to other investment advisers and the services provided to and the fees paid by other Oaktree clients.

No single factor was determinative of the decision of our Board of Directors, including all of the independent directors, to approve the Investment Advisory Agreement and individual directors may have weighed certain factors differently. Throughout the process, the independent directors were advised by, and met separately with, independent counsel.

Payment of Our Expenses

Our primary operating expenses are the payment of (i) a base management fee and any incentive fees and (ii) the allocable portion of overhead and other expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement. Our management fee compensates our Adviser for its work in identifying, evaluating, negotiating, executing and servicing our investments. We generally bear all other expenses of our operations and transactions, including (without limitation) fees and expenses relating to:

- expenses of offering our debt and equity securities;
- the investigation and monitoring of our investments;
- the cost of calculating our net asset value;
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- management and incentive fees payable pursuant to the Investment Advisory Agreement;
- fees payable to third parties relating to, or associated with, making investments and valuing investments (including third-party valuation firms);
- transfer agent, trustee and custodial fees;
- interest payments and other costs related to our borrowings;
- fees and expenses associated with marketing efforts (including attendance at investment conferences and similar events);
- federal and state registration fees;
- any exchange listing fees;
- federal, state and local taxes;
- independent directors’ fees and expenses;
- brokerage commissions;
- costs of mailing proxy statements, stockholders’ reports and notices;
- costs of preparing government filings, including periodic and current reports with the SEC;
- fidelity bond, liability insurance and other insurance premiums; and

- printing, mailing, independent accountants and outside legal costs and all other direct expenses incurred by either our administrator or us in connection with administering our business, including payments under the Administration Agreement.

Administration Agreement

We are party to the Administration Agreement with Oaktree Administrator. Pursuant to the Administration Agreement, Oaktree Administrator provides administrative services to us necessary for our operations, 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 our 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 us, 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 will make reports to our Board of Directors of its performance of obligations under the Administration Agreement and furnish advice and recommendations with respect to such other aspects of our business and affairs, in each case, as it shall determine to be desirable or as reasonably required by our 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 we are required to maintain, and prepares, prints and disseminates reports to our stockholders and all other materials filed with the SEC. In addition, Oaktree Administrator assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Oaktree Administrator may also offer to provide, on our behalf, managerial assistance to our portfolio companies.

For providing these services, facilities and personnel, we reimburse Oaktree Administrator the allocable portion of overhead and other expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement, including our allocable portion of the rent of our principal executive offices (which are located in a building owned by a Brookfield affiliate) at market rates and our allocable portion of the costs of compensation and related expenses of our Chief Financial Officer, Chief Compliance Officer, their staffs and other non-investment professionals at Oaktree that perform duties for us. Such reimbursement is at cost, with no profit to, or markup by, Oaktree Administrator.

The Administration 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 Administrator and its officers, managers, partners, agents, employees, controlling persons, members (or their owners) and any other person or entity affiliated with it, are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Oaktree Administrator's services under the Administration Agreement or otherwise as our administrator.

Unless earlier terminated as described below, the Administration Agreement will remain in effect from year-to-year if approved annually by our Board of Directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not interested persons. 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 our outstanding voting securities.

Competition

We operate in a highly competitive market for investment opportunities. We compete for investments with various other investors, such as other public and private funds, other Business Development Companies, commercial and investment banks, commercial finance companies and to the extent they provide an alternative form of financing, private equity funds, some of which may be our affiliates. Other Oaktree funds may have investment objectives that overlap with ours, which may create competition for investment opportunities. Many competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that will not be available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we do, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act and the Code impose on us. The competitive pressures could impair our business, financial condition and results of operations. As a result of this competition, we may not be able to take advantage of attractive investment opportunities. See

"Item 1A. Risk Factors – Risks Relating to Our Business and Structure – We may face increasing competition for investment opportunities, which could reduce returns and result in losses."

Staffing

We do not currently have any employees and do not expect to have any employees. Services necessary for our business are provided through the Administration Agreement and the Investment Advisory Agreement.

Allocation of Investment Opportunities and Potential Conflicts of Interest

Our executive officers and directors, and certain members of our Adviser, serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by our affiliates. For example, Oaktree presently serves as the investment adviser to Oaktree Strategic Income II, Inc., or OSI II, a private Business Development Company. All of our executive officers serve in substantially similar capacities for OSI II, and one of our independent directors serves as an independent director of OSI II. OSI II has historically invested in senior secured loans, including first lien, unitranche and second lien debt instruments that pay interest at rates which are determined periodically on the basis of a floating base lending rate, made to private middle-market companies whose debt is rated below investment grade, similar to those we target for investment. Oaktree and its affiliates also manage or sub-advise other Business Development Companies, registered investment companies and private investment funds and accounts, and may manage other such funds and accounts in the future, which have investment mandates that are similar, in whole and in part, with ours. Therefore, there may be certain investment opportunities that satisfy the investment criteria for OSI II and us as well as other Business Development Companies, registered investment companies and private investment funds and accounts advised or sub-advised by Oaktree or its affiliates. In addition, Oaktree and its affiliates may have obligations to investors in other entities that they advise or sub-advise, the fulfillment of which might not be in the best interests of us or our stockholders.

For example, the personnel of our Adviser may face conflicts of interest in the allocation of investment opportunities to us and such other funds and accounts. Oaktree has investment allocation guidelines that govern the allocation of investment opportunities among the investment funds and accounts managed or sub-advised by Oaktree and its affiliates. To the extent an investment opportunity is appropriate for us or OSI II or any other investment fund or account managed or sub-advised by Oaktree or its affiliates, Oaktree will adhere to its investment allocation guidelines in order to determine a fair and equitable allocation.

We may invest alongside funds and accounts managed or sub-advised by our Adviser and its affiliates in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations. For example, we may invest alongside such accounts consistent with guidance promulgated by the staff of the SEC permitting us and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that our Adviser, acting on our behalf and on behalf of other clients, negotiates no term other than price or terms related to price.

In addition, affiliates of our Adviser have received exemptive relief from the SEC to allow certain managed funds and accounts, each of whose investment adviser is OCM or an investment adviser controlling, controlled by or under common control with OCM, such as our Adviser, as well as proprietary accounts (subject to certain conditions) to participate in negotiated co-investment transactions where doing so is consistent with the applicable registered fund's or Business Development Company's investment objective and strategies as well as regulatory requirements and other pertinent factors, and pursuant to the conditions of the exemptive relief. Each potential co-investment opportunity that falls under the terms of the exemptive relief and is appropriate for us and any affiliated fund or account, and satisfies the then-current board-established criteria, will be offered to us and such other eligible funds and accounts. If there is a sufficient amount of securities to satisfy all participants, the securities will be allocated among the participants in accordance with their proposed order size and if there is an insufficient amount of securities to satisfy all participants, the securities will be allocated pro rata based on the investment proposed by the applicable investment adviser to such participant, up to the amount proposed to be invested by each, which is reviewed and approved by an independent committee of legal, compliance and accounting professionals at our Adviser. We may also invest alongside funds managed by our Adviser and its affiliates in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations. For example, we may invest alongside such accounts consistent with guidance promulgated by the staff of the SEC permitting us and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that our Adviser, acting on our behalf and on behalf of other clients, negotiates no term other than price.

Although Oaktree will endeavor to allocate investment opportunities in a fair and equitable manner, we and our common stockholders could be adversely affected to the extent investment opportunities are allocated among us and other investment vehicles managed or sponsored by, or affiliated with, our executive officers, directors and members of our Adviser. We might not participate in each individual opportunity, but will, on an overall basis, be entitled to participate equitably with other entities managed by Oaktree and its affiliates. Oaktree is committed to treating all clients fairly and equitably over time such that none receive preferential treatment vis-à-vis the others over time, in a manner consistent with its fiduciary duty to each of them; however, in some instances, especially in instances of limited liquidity, the factors may not result in pro rata allocations or may result in situations where certain funds or accounts receive allocations where others do not.

Pursuant to the Investment Advisory Agreement, our Adviser's liability is limited and we are required to indemnify our Adviser against certain liabilities. This may lead our Adviser to act in a riskier manner in performing its duties and obligations under the Investment Advisory Agreement than it would if it were acting for its own account, and creates a potential conflict of interest.

Pursuant to the Administration Agreement, Oaktree Administrator furnishes us with the facilities, including our principal executive office, and administrative services necessary to conduct our day-to-day operations. We pay Oaktree Administrator its allocable portion of overhead and other expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement, including, without limitation, a portion of the rent at market rates and compensation of our Chief Financial Officer, Chief Compliance Officer, their respective staffs and other non-investment professionals at Oaktree that perform duties for us.

Election to be Taxed as a Regulated Investment Company

We have elected to be treated, and intend to operate in a manner so as to continuously qualify annually, as a RIC for U.S. federal income tax purposes under Subchapter M of the Code. As a RIC, we generally will not be required to pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we timely distribute (or are deemed to distribute) to our stockholders as dividends. Instead, dividends we distribute (or are deemed to distributed) generally will be taxable to stockholders, and any net operating losses, foreign tax credits and most other tax attributes generally will not pass through to stockholders. To continue to qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, to qualify for RIC tax treatment we must distribute to our stockholders, for each taxable year, at least 90% of the Company's "investment company taxable income" for that year, which is generally its ordinary income plus the excess of its realized net short-term capital gains over its realized net long-term capital losses, or the Annual Distribution Requirement.

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement;

then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) we distribute to stockholders. We are subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98% of our ordinary income for each calendar year, (2) 98.2% of our capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, and on which we paid no U.S. federal income tax, in preceding years.

In order to maintain our qualification as a RIC for U.S. federal income tax purposes, we must, among other things:

- at all times during each taxable year, have in effect an election to be treated as a Business Development Company under the Investment Company Act;

- derive in each taxable year at least 90% of our gross income from *(a)* dividends, interest, payments with respect to certain securities (including loans), gains from the sale of stock or other securities or currencies, or other income derived with respect to our business of investing in such stock, securities or currencies and *(b)* net income derived from an interest in a "qualified publicly traded partnership;" (the "90% Gross Income Test") and

- diversify our holdings so that at the end of each quarter of the taxable year:

  - *(i)* at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities,

securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of its assets or more than 10% of the outstanding voting securities of the issuer; and

- *(ii)* no more than 25% of the value of our assets is invested in (*a*) the securities, other than U.S. government securities or securities of other RICs, of one issuer, (*b*) the securities of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (*c*) the securities of one or more "qualified publicly traded partnerships" (*(i) and (ii)* collectively, the "Diversification Tests").

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having OID (such as debt instruments with increasing interest rates or debt instruments issued with warrants), we must include in income each year a portion of the OID that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any OID accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

Because we use debt financing, we are subject to certain asset coverage ratio requirements under the Investment Company Act described above and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources or are otherwise limited in our ability to make distributions, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax.

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things: (a) disallow, suspend or otherwise limit the allowance of certain losses or deductions; (b) convert lower taxed long-term capital gain into higher taxed short-term capital gain or ordinary income; (c) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited); (d) cause us to recognize income or gain without a corresponding receipt of cash; (e) adversely affect the time as to when a purchase or sale of securities is deemed to occur; (f) adversely alter the characterization of certain complex financial transactions; or (g) produce income that will not be qualifying income for purposes of the 90% Gross Income Test described above. We will monitor our transactions and may make certain tax elections in order to mitigate the potential adverse effect of these provisions.

If, in any particular taxable year, we do not qualify as a RIC, all of our taxable income (including our net capital gains) will be subject to tax at regular corporate rates without any deduction for distributions to stockholders, and distributions will be taxable to the stockholders as ordinary dividends to the extent of our current and accumulated earnings and profits.

Business Development Company Regulations

We have elected to be a Business Development Company under the Investment Company Act. As with other companies regulated by the Investment Company Act, a Business Development Company must adhere to certain substantive regulatory requirements. The Investment Company Act contains prohibitions and restrictions relating to transactions between Business Development Companies and their affiliates (including any investment advisers), principal underwriters and affiliates of those affiliates or underwriters.

The Investment Company Act further requires that a majority of our directors be persons other than "interested persons," as that term is defined in the Investment Company Act. In addition, we may not change the nature of our business so as to cease to be, or withdraw our election as, a Business Development Company unless authorized by a vote of a majority of the outstanding voting securities, as required by the Investment Company Act. A majority of the outstanding voting securities of a company is defined under the Investment Company Act as the lesser of: (a) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50% of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, warrants, options or rights to acquire our common stock, at a price below the current net asset value of the common stock if our Board of Directors determines that such sale is in our best interests and that of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our Board of Directors, closely approximates the market value of such securities (less any distributing commission or discount). We may also make rights offerings to our stockholders at prices per share less than the net asset value per share, subject to applicable requirements of the Investment Company Act.

Investment Restrictions

We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the Investment Company Act. Under such limits, except for registered money market funds, we generally cannot acquire more than 3% of the voting stock of any registered investment company, invest more than 5% of the value of our total assets in the securities of one registered investment company or invest more than 10% of the value of our total assets in the securities of registered investment companies in the aggregate. The portion of our portfolio invested in securities issued by investment companies ordinarily will subject stockholders to additional indirect expenses. None of the policies described above is fundamental and each such policy may be changed without stockholder approval, subject to any limitations imposed by the Investment Company Act.

Qualifying Assets

Under the Investment Company Act, a Business Development Company may not acquire any asset other than assets of the type listed in Section 55(a) of the Investment Company Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our business are any of the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the Investment Company Act as any issuer which:

(a) is organized under the laws of, and has its principal place of business in, the United States;

(b) is not an investment company (other than a small business investment company wholly owned by the Business Development Company) or a company that would be an investment company but for certain exclusions under the Investment Company Act; and

(c) satisfies any of the following:

(i) does not have any class of securities that is traded on a national securities exchange;

(ii) has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million;

(iii) is controlled by a Business Development Company or a group of companies including a Business Development Company and the Business Development Company has an affiliated person who is a director of the eligible portfolio company; or

(iv) is a small and solvent company having total assets of not more than $4 million and capital and surplus of not less than $2 million;

(2) Securities of any eligible portfolio company that we control;

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements;

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company;

(5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities; or

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

Managerial Assistance to Portfolio Companies

A Business Development Company must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, a Business Development Company must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance. However, when a Business Development Company purchases securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance includes any arrangement whereby a Business Development Company, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Temporary Investments

Pending investment in other types of "qualifying assets," as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment (collectively, "temporary investments") so that 70% of our assets are qualifying assets. We may also invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as the Company, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our gross assets constitute repurchase agreements from a single counterparty, we would not meet the Diversification Tests. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our Adviser will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

At a special meeting of stockholders held on June 28, 2019, 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 June 29, 2019. The reduced asset coverage requirements permit us to double the maximum amount of leverage that we are permitted to incur by reducing the asset coverage requirements applicable to us from 200% to 150%. As a result of the reduced asset coverage requirement, we can incur $2 of debt for each $1 of equity.

Consistent with applicable legal and regulatory requirements, we are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as calculated as provided in the Investment Company Act, is at least 150% immediately after each such issuance. In addition, while any senior securities remain outstanding, we may make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We would also be permitted to borrow amounts up to 5% of the value of our total assets for generally up to 60 days for temporary purposes without regard to asset coverage.

Other

We are subject to periodic examination by the SEC for compliance with the Investment Company Act.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a Business Development Company, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

We and our Adviser are each required to adopt and implement written policies and procedures reasonably designed to prevent violation of the U.S. federal securities laws, review these policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a Chief Compliance Officer to be responsible for administering the policies and procedures.

Code of Ethics

We have adopted a joint code of ethics with OSI II pursuant to Rule 17j-1 under the Investment Company Act and we have also approved Oaktree's code of ethics that was adopted by it under Rule 17j-1 under the Investment Company Act and Rule 204A-1 under the Advisers Act. These codes establish procedures for personal investments and restrict certain personal securities transactions. Personnel subject to the codes may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the applicable code's requirements. You may read and copy the codes of ethics at the SEC's Public Reference Room located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the codes of ethics are available on the EDGAR Database on the SEC's website at *www.sec.gov* and our code of ethics is available at the Investors: Corporate Governance portion of our website at *www.oaktreespecialtylending.com.*

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to our Adviser. The proxy voting policies and procedures of our Adviser are set forth below. These guidelines are reviewed periodically by our Adviser and our independent directors, and, accordingly, are subject to change.

An investment adviser registered under the Advisers Act has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, our Adviser recognizes that it must vote portfolio securities in a timely manner free of conflicts of interest and in the best interests of its clients.

These policies and procedures for voting proxies are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Our Adviser will vote proxies relating to our portfolio securities, if any, in what it perceives to be the best interest of our stockholders. Our Adviser will review on a case-by-case basis each proposal submitted to a shareholder vote to determine its impact on portfolio securities held by us. Although our Adviser will generally vote against proposals that may have a negative impact on our portfolio securities, it may vote for such a proposal if there are compelling long-term reasons to do so.

Our Adviser's proxy voting decisions will be made by officers who are responsible for monitoring each of our investments. To ensure that the vote is not the product of a conflict of interest, our Adviser will require that: (1) anyone involved in the decision-making process disclose to the Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how our Adviser intends to vote on a proposal, in order to reduce any attempted influence from interested parties.

Stockholders may obtain information regarding how we voted proxies by making a written request for proxy voting information to: Oaktree Specialty Lending Corporation, Chief Compliance Officer, 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071.

Reporting Obligations

We file annual reports containing audited financial statements, quarterly reports, and such other periodic reports as we determine to be appropriate or as may be required by law. We are required to comply with all periodic reporting, proxy solicitation and other applicable requirements under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Exchange Act. These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. The SEC also maintains a website that contains reports, proxy and information statements and other information we file with the SEC at *www.sec.gov*.

We maintain a website at *www.oaktreespecialtylending.com.* The information on our website is not incorporated by reference in this annual report on Form 10-K.

Sarbanes-Oxley Act Compliance

We are subject to the reporting and disclosure requirements of the Exchange Act, including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, we are subject to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, which imposes a wide variety of regulatory requirements on public companies and their insiders. For example:

- pursuant to Rule 13a-14 under the Exchange Act, our chief executive officer and chief financial officer are required to certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports are required to disclose our conclusions about the effectiveness of our disclosure controls and procedures; and
- pursuant to Rule 13a-15 under the Exchange Act, our management is required to prepare a report regarding its assessment of our internal control over financial reporting. Our independent registered public accounting firm is required to audit our internal control over financial reporting.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Stock Exchange Corporate Governance Regulations

The Nasdaq Stock Market LLC has adopted corporate governance regulations that listed companies must comply with. We are in compliance with such corporate governance regulations as applicable to us.

Item 1A. *Risk Factors*

Investing in our securities involves a number of significant risks. In addition to the other information contained in this annual report on Form 10-K, you should consider carefully the following information before making an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our securities could decline, and you may lose part or all of your investment. The risk factors described below are the principal risk factors associated with an investment in us as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours.

An investment in our securities involves risks. The following is a summary of the principal risks that you should carefully consider before investing in our securities.

- Global economic, political and market conditions, including those caused by the COVID-19 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.
- We have acquired, and may in the future opportunistically acquire the securities and obligations of distressed companies, including through opportunistic acquisitions made during the COVID-19 pandemic. These 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.
- Changes in interest rates, changes in the method for determining the London Interbank Offered Rate, or LIBOR, and the potential replacement of LIBOR may affect our cost of capital and net investment income.
- A significant portion of our investment portfolio is and will continue to be recorded at fair value as determined in good faith by our Board of Directors and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.
- Our ability to achieve our investment objective depends on our Adviser’s ability to support our investment process; if our Adviser were to lose key personnel or they were to resign, our ability to achieve our investment objective could be significantly harmed.
- Because we borrow money, the potential for loss on amounts invested in us will be magnified and may increase the risk of investing in us.
- There are significant potential conflicts of interest that could adversely impact our investment returns.
- Regulations governing our operation as a Business Development Company and RIC affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth.
- Our investments in portfolio companies may be risky, and we could lose all or parts of our investments.
- Shares of closed-end investment companies, including Business Development Companies, may trade at a discount to their net asset value.
- The market price of our common stock may fluctuate significantly.
- There are risks related to the Mergers that could adversely impact us or our stockholders.
- Economic recessions or downturns may have a material adverse effect on our business, financial condition and results of operations, and could impair the ability of our portfolio companies to repay debt or pay interest.

Risks Relating to the COVID-19 Pandemic

Global economic, political and market conditions caused by the COVID-19 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 around the world, including the United States, placed restrictions on travel, issued "stay at home" orders and ordered the temporary closure of certain businesses, such as factories and retail stores. Such restrictions and closures have impacted supply chains, consumer demand and/or the operations of many businesses. As jurisdictions around the United States and the world continue to experience periodic surges in cases of COVID-19, there continues to be considerable uncertainty surrounding the full economic impact of the coronavirus pandemic and the long-term effects on the U.S. and global financial markets.

Any disruptions in the capital markets, as a result of the COVID-19 pandemic or otherwise, may increase the spread between the yields realized on risk-free and higher risk securities and can result in illiquidity in parts of the capital markets, significant write-offs in the financial sector and re-pricing of credit risk in the broadly syndicated market. These and any other unfavorable economic conditions 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. During the spring of 2020, the occurrence of these events negatively impacted the fair value of the investments that we held and, if they were to occur again in the future, could limit our investment originations (including as a result of the investment professionals of our 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 Adviser, whose operations may be adversely impacted, including through quarantine measures and travel restrictions imposed on its investment professionals, service providers, or any related health issues of such investment professionals, service providers, or their families.

In addition, the restrictions, closures and related market conditions (including impacts on supply chains and consumer demand) resulted in and in the future, could further result in certain of our portfolio companies halting or significantly curtailing operations. The financial results of many 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 in market conditions 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 continue to ease COVID-19 related restrictions and impose certain COVID-19 mitigation measures, certain of our portfolio companies may experience increased health and safety expenses, payroll costs and other operating expenses.

As the potential long-term impact of the coronavirus pandemic remains difficult to predict, the extent to which the pandemic could negatively affect our and our portfolio companies' operating results or the duration or reoccurrence 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 pandemic and the actions taken by governments (including stimulus measures or the lack thereof) and their citizens to contain the coronavirus or treat its impact, all of which are beyond our control.

We have acquired, and may in the future opportunistically acquire the securities and obligations of distressed companies, including through opportunistic acquisitions made during the COVID-19 pandemic. These 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.

Risks Relating to Our Business and Structure

Changes in interest rates, changes in the method for determining LIBOR and the potential replacement of LIBOR may affect our cost of capital and net investment income.

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income, our net asset value and the market price of our common stock. The majority of our debt investments have, and are expected to have, variable interest rates that reset periodically based on benchmarks such as LIBOR, the federal funds rate or prime rate. An increase in interest rates may make it more difficult for our portfolio companies to service their obligations under the debt investments that we will hold and increase defaults even where our investment income increases. Rising interest rates could also cause borrowers to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. Additionally, as interest rates increase and the corresponding risk of a default by borrowers increases, the liquidity of higher interest rate loans may decrease as fewer investors may be willing to purchase such loans in the secondary market in light of the increased risk of a default by the borrower and the heightened risk of a loss of an investment in such loans. Decreases in credit spreads on debt that pays a floating rate of return would have an impact on the income generation of our floating rate assets. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed rate securities that have longer maturities.

Conversely, if interest rates decline, borrowers may refinance their loans at lower interest rates, which could shorten the average life of the loans and reduce the associated returns on the investment, as well as require our Adviser and the Investment Professionals to incur management time and expense to re-deploy such proceeds, including on terms that may not be as favorable as our existing loans.

In addition, because we borrow to fund our investments, a portion of our net investment income is dependent upon the difference between the interest rate at which we borrow funds and the interest rate at which we invest these funds. Portions of our investment portfolio and our borrowings have floating rate components. As a result, a significant change in market interest rates could have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds could increase, which would reduce our net investment income. We may hedge against interest rate fluctuations by using standard hedging instruments such as interest rate swap agreements, futures, options and forward contracts, subject to applicable legal requirements, including all necessary registrations (or exemptions from registration) with the Commodity Futures Trading Commission. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

As a result of concerns about the accuracy of the calculation of LIBOR, a number of British Bankers' Association, or BBA, member banks entered into settlements with certain regulators and law enforcement agencies with respect to the alleged manipulation of LIBOR. Actions by the BBA, regulators or law enforcement agencies as a result of these or future events, may result in changes to the manner in which LIBOR is determined (to the extent it continues beyond June 30, 2023). Potential changes, or uncertainty related to such potential changes may adversely affect the market for LIBOR-based securities, including our portfolio of LIBOR-indexed, floating-rate debt securities and our borrowings.

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. However, in March 2021, the FCA announced that most U.S. dollar LIBOR would continue to be published through June 30, 2023 effectively extending the LIBOR transition period to June 30, 2023. However, the FCA has indicated it will not compel panel banks to continue to contribute to LIBOR after the end of 2021 and the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate no later than December 31, 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S.

financial institutions, supports 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 is unknown whether these alternative reference rates will attain market acceptance as replacements for LIBOR. Any transition away from LIBOR to alternative reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations, including as a result of any changes in the pricing of our investments, changes to the documentation for certain of our investments and the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation or modifications to processes and systems.

In anticipation of the cessation of LIBOR, we may need to renegotiate any credit agreements extending beyond June 30, 2023 with our portfolio companies that utilize LIBOR as a factor in determining the interest rate or rely on certain fallback provisions that could cause interest rates to shift to a base rate plus a margin. Any such renegotiations may have a material adverse effect on our business, financial condition and results of operations, including as a result of changes in interest rates payable to us by our portfolio companies.

A general increase in interest rates will likely have the effect of increasing our net investment income, which would make it easier for our Adviser to receive incentive fees.

Any general increase in interest rates would likely have the effect of increasing the interest rate that we receive on many of our debt investments. Accordingly, a general increase in interest rates may make it easier for our Adviser to meet the quarterly hurdle rate for payment of income incentive fees under the Investment Advisory Agreement and may result in a substantial increase in the amount of the income-based incentive fee payable to our Adviser.

A significant portion of our investment portfolio is and will continue to be recorded at fair value as determined in good faith by our Board of Directors and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.

Under the Investment Company Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined in good faith by our Board of Directors. Typically, there is not a public market for the securities of the privately held companies in which we have invested and will generally continue to invest. As a result, we value these securities quarterly at fair value as determined in good faith by our Board of Directors. The fair value of such securities may change, potentially materially, between the date of the fair value determination by our Board of Directors and the release of the financial results for the corresponding period or the next date at which fair value is determined.

Certain factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly-traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. In addition, any investments that include OID or PIK interest may have unreliable valuations because their continuing accruals require ongoing judgments about the collectability of their deferred payments and the value of their underlying collateral. Due to these uncertainties, our fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize upon the sale of one or more of our investments. As a result, investors purchasing our common stock based on an overstated net asset value would pay a higher price than the realizable value of our investments might warrant.

In addition, the participation of the Investment Professionals in the valuation process, and the indirect pecuniary interest of John B. Frank, an interested member of our Board of Directors, in the Adviser could result in a conflict of interest as the management fee payable to our Adviser is based on our gross assets and the incentive fees earned by the Adviser will be based, in part, on unrealized gains and losses.

Our ability to achieve our investment objective depends on our Adviser's ability to support our investment process; if our Adviser were to lose key personnel or they were to resign, our ability to achieve our investment objective could be significantly harmed.

We depend on the investment expertise, skill and network of business contacts of the senior personnel of our Adviser. Our Adviser evaluates, negotiates, structures, executes, monitors and services our investments. Key personnel of our Adviser have departed in the past and current key personnel could depart at any time. Our Adviser's capabilities in structuring the investment process, providing competent, attentive and efficient services to us, and facilitating access to financing on acceptable terms depend on the employment of investment professionals in adequate number and of adequate sophistication to match the corresponding flow of transactions. The departure of key personnel or of a significant number of the investment professionals or partners of our Adviser could have a material adverse effect on our ability to achieve our investment objective. Our Adviser may need to hire, train, supervise and manage new investment professionals to participate in our investment selection and monitoring process and may not be able to find investment professionals in a timely manner or at all.

In addition, our Adviser may resign on 60 days' notice. If we are unable to quickly find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, our operations are likely to experience a disruption and our ability to achieve our investment objective and pay distributions would likely be materially and adversely affected.

Our business model depends to a significant extent upon strong referral relationships, and the inability of the personnel associated with our Adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We expect that personnel associated with our Adviser will maintain and develop their relationships with intermediaries, banks and other sources, and we will rely to a significant extent upon these relationships to provide us with potential investment opportunities. If these individuals fail to maintain their existing relationships or develop new relationships with other sources of investment opportunities, we may not be able to grow or maintain our investment portfolio. In addition, individuals with whom the personnel associated with our Adviser have relationships are not obligated to provide us with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for us. The failure of the personnel associated with our Adviser to maintain existing relationships, grow new relationships, or for those relationships to generate investment opportunities could have an adverse effect on our business, financial condition and results of operations.

We may face increasing competition for investment opportunities, which could reduce returns and result in losses.

We compete for investments with other Business Development Companies, public and private funds (including hedge funds, mezzanine funds and CLOs) and private equity funds (to the extent they provide an alternative form of financing), as well as traditional financial services companies such as commercial and investment banks, commercial financing companies and other sources of financing. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms. Furthermore, many of our competitors are not subject to, the regulatory restrictions that the Investment Company Act imposes on us as a Business Development Company.

The incentive fee we pay to our Adviser relating to capital gains may be effectively greater than 17.5%.

The Adviser may be entitled to receive an incentive fee based on our capital gains, calculated on a cumulative basis from the beginning of the fiscal year ended September 30, 2019 through the end of each fiscal year. As a result of the operation of the cumulative method of calculating such capital gains portion of the incentive fee, the cumulative aggregate capital gains fee received by our Adviser could be effectively greater than 17.5%, depending on the timing and extent of subsequent net realized capital losses or net unrealized depreciation. This result would occur to the extent that, following receipt by the Adviser of a capital gain incentive fee, we subsequently realized capital depreciation and capital losses in excess of cumulative realized capital gains. We cannot predict whether, or to what extent, this payment calculation would affect your investment in our securities.

Our ability to enter into transactions with our affiliates is restricted.

We are prohibited under the Investment Company Act from participating in certain transactions with certain of our affiliates without the prior approval of our independent directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities is our affiliate for purposes of the Investment Company Act, and we are generally prohibited from buying or selling any securities (other than our securities) from or to such affiliate, absent the prior approval of our independent directors. The Investment Company Act also prohibits certain "joint" transactions with certain of our affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our independent directors and, in some cases, the SEC. If a person acquires more than 25% of our voting securities, we will be prohibited from buying or selling any security (other than any security of which we are the issuer) from or to such person or certain of that person's affiliates, or entering into prohibited joint transactions with such person, absent the prior approval of the SEC. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. As a result of these restrictions, except in situations described below, we may be prohibited from buying or selling any security (other than any security of which we are the issuer) from or to any portfolio company of a private equity fund managed by our Adviser without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us.

We may also invest alongside funds managed by our Adviser and its affiliates in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations. For example, we may invest alongside such accounts consistent with guidance promulgated by the staff of the SEC permitting us and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that our Adviser, acting on our behalf and on behalf of other clients, negotiates no term other than price.

A failure on our part to maintain our qualification as a Business Development Company would significantly reduce our operating flexibility.

If we fail to continuously qualify as a Business Development Company, we might be subject to regulation as a registered closed-end investment company under the Investment Company Act, which would significantly decrease our operating flexibility. In addition, failure to comply with the requirements imposed on Business Development Companies by the Investment Company Act could cause the SEC to bring an enforcement action against us.

Regulations governing our operation as a Business Development Company and RIC affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth.

In order to qualify for the tax benefits available to RICs and to minimize corporate-level U.S. federal income taxes, we intend to distribute to our stockholders at least 90% of our taxable income each taxable year, except that we may retain certain net capital gains for investment, and treat such amounts as deemed distributions to our stockholders. If we elect to treat any amounts as deemed distributions, we would be subject to U.S. federal income tax at the corporate rate on such deemed distributions on behalf of our stockholders.

As a Business Development Company, we are required to invest at least 70% of our total assets primarily in securities of U.S. private or thinly-traded public companies, cash, cash equivalents, U.S. government securities and other high-quality debt instruments that mature in one year or less from the date of investment.

As a Business Development Company, we may issue "senior securities," including borrowing money from banks or other financial institutions only in amounts such that our asset coverage, as defined in the Investment Company Act, equals at least 150% after such incurrence or issuance. These requirements limit the amount that we may borrow, may unfavorably limit our investment opportunities and may reduce our ability in comparison to other companies to profit from favorable spreads between the rates at which we can borrow and the rates at which we can lend. If the value of our assets declines, we may be unable to satisfy the asset coverage test, which could prohibit us from paying distributions and could prevent us from being subject to tax as a RIC. If we cannot satisfy the asset coverage test, we may be required to sell a portion of our investments and, depending on the nature of our debt financing, repay a portion of our indebtedness at a time when such sales may be disadvantageous.

Because we will continue to need capital to grow our investment portfolio, these limitations may prevent us from incurring debt and require us to raise additional equity at a time when it may be disadvantageous to do so. As a result of these requirements we need to periodically access the capital markets to raise cash to fund new investments at a more frequent pace than our privately owned competitors. We generally are not able to issue or sell our common stock at a price below net asset value per share, which may be a disadvantage as compared with other public companies or private investment funds. When our common stock trades at a discount to net asset value, this restriction could adversely affect our ability to raise capital. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value of the common stock if our Board of Directors and independent directors determine that such sale is in our best interests and the best interests of our stockholders, and our stockholders as well as those stockholders that are not affiliated with us approve such sale in accordance with the requirements of the Investment Company Act. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board of Directors, closely approximates the market value of such securities (less any underwriting commission or discount). We cannot assure you that equity financing will be available to us on favorable terms, or at all. If additional funds are not available to us, we could be forced to curtail or cease new investment activities.

We also may make rights offerings to our stockholders at prices less than net asset value, subject to applicable requirements of the Investment Company Act. If we raise additional funds by issuing more shares of our common stock or issuing senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders may decline at that time and such stockholders may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future, on terms favorable to us or at all.

In addition, we may in the future seek to securitize our portfolio securities to generate cash for funding new investments. To securitize loans, we would likely create a wholly-owned subsidiary and contribute a pool of loans to the subsidiary. We would then sell interests in the subsidiary on a non-recourse basis to purchasers and we would retain all or a portion of the equity in the subsidiary. An inability to successfully securitize our loan portfolio could limit our ability to grow our business or fully execute our business strategy and may decrease our earnings, if any. The securitization market is subject to changing market conditions and we may not be able to access this market when we would otherwise deem appropriate. Moreover, the successful securitization of our portfolio might expose us to losses as the residual investments in which we do not sell interests will tend to be those that are riskier and more apt to generate losses. The Investment Company Act also may impose restrictions on the structure of any securitization.

Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our current investment objective, operating policies and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current investment objective, operating policies and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you distributions and cause you to lose part or all of your investment.

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We and our portfolio companies are subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make or that impose limits on our ability to pledge a significant amount of our assets to secure loans or that restrict the operations of a portfolio company, any of which could harm us and our stockholders and the value of our investments, potentially with retroactive effect. For example, certain provisions of the Dodd-Frank Act, which influences many aspects of the financial services industry, have been amended or repealed and the Code has been substantially amended and reformed. Any amendment or repeal of legislation, or changes in regulations or regulatory interpretations thereof, could create uncertainty in the near term, which could have a material adverse impact on our business, financial condition and results of operations.

Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in our investment focus shifting from the areas of expertise of our Adviser to other types of investments in which our Adviser may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

We are subject to risks associated with communications and information systems.

We depend on the communications and information systems of our Adviser and its affiliates as well as certain third-party service providers. As these systems became more important to our business, the risks posed to these communications and information systems have continued to increase. Any failure or interruption in these systems could cause disruptions in our activities. In addition, these systems are subject to potential attacks, including through adverse events that threaten the confidentiality, integrity or availability of our information resources. These attacks, which may include cyber incidents, may involve a third party gaining unauthorized access to our communications or information systems for purposes of misappropriating assets, stealing confidential information related to our operations or portfolio companies, corrupting data or causing operational disruption. Any such attack could result in disruption to our business, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships, any of which could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to invest a significant portion of the net proceeds from an offering of our securities on acceptable terms within an attractive timeframe.

Delays in investing the net proceeds raised in an offering of our securities may cause our performance to be worse than that of fully invested Business Development Companies or other lenders or investors pursuing comparable investment strategies. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of any offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

We anticipate that, depending on market conditions, it may take us a substantial period of time to invest substantially all of the net proceeds of any offering in securities meeting our investment objective. During this period, we may use the net proceeds to pay down outstanding debt or we may invest the net proceeds of an offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less from the time of investment, which may produce returns that are significantly lower than the returns which we expect to achieve when our portfolio is fully invested in securities meeting our investment objective. As a result, any distributions that we pay during this period may be substantially lower than the distributions that we may be able to pay when our portfolio is fully invested in securities meeting our investment objective. In addition, until such time as the net proceeds of an offering are invested in securities meeting our investment objective, the market price for our common stock may decline. Thus, the return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

We may allocate the net proceeds from an offering in ways with which you may not agree.

We have significant flexibility in investing the net proceeds of an offering, and may do so in a way with which you may not agree. Additionally, our Adviser will select our investments subsequent to the closing of an offering, and our stockholders will have no input with respect to such investment decisions. Further, other than general limitations that may be included in a future credit facility, the holders of our debt securities will generally not have veto power or a vote in approving any changes to our investment or operational policies. These factors increase the uncertainty, and thus the risk, of investing in our securities. In addition, pending such investments, we will invest the net proceeds from an offering primarily in high quality, short-term debt securities, consistent with our Business Development Company election and our election to be taxed as a RIC, at yields significantly below the returns which we expect to achieve when our portfolio is fully invested in securities meeting our investment objective. If we are not able to identify or gain access to suitable investments, our income may be limited.

Risks Relating to Conflicts of Interest

Our base management fee may induce our Adviser to incur leverage.

Our base management fee is payable based upon our gross assets, which includes borrowings for investment purposes, which may encourage our Adviser to use leverage to make additional investments. Given the subjective nature of the investment decisions made by our Adviser on our behalf and the discretion related to incurring leverage in connection with any such investments, it will be difficult to monitor this potential conflict of interest between us and our Adviser.

Our incentive fee may induce our Adviser to make speculative investments.

The incentive fee payable by us to our Adviser may create an incentive for it to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement, which could result in higher investment losses, particularly during cyclical economic downturns. The incentive fee payable to our Adviser includes a component based on a percentage of our net investment income (subject to a hurdle rate), which may encourage our Adviser to use leverage to increase the return on our investments or otherwise manipulate our income so as to recognize income in quarters where the hurdle rate is exceeded and may result in an obligation for us to pay an incentive fee to the Adviser even if we have incurred a loss for an applicable period.

The incentive fee payable by us to our Adviser also may create an incentive for our Adviser to invest on our behalf in instruments that have a deferred interest feature. Under these investments, we would accrue the interest over the life of the investment but would not receive the cash income from the investment until the end of the investment's term, if at all. Our net investment income used to calculate the income portion of our incentive fee, however, includes accrued interest. Thus, a portion of the incentive fee would be based on income that we have not yet received in cash and may never receive in cash if the portfolio company is unable to satisfy such interest payment obligation to us. While we may make incentive fee payments on income accruals that we may not collect in the future and with respect to which we do not have a formal "clawback" right against our Adviser, the amount of accrued income written off in any period will reduce the income in the period in which such write-off was taken and thereby reduce such period's incentive fee payment.

In addition, our Adviser may be entitled to receive an incentive fee based upon net capital gains realized on our investments. Unlike the portion of the incentive fee based on income, there is no performance threshold applicable to the portion of the incentive fee based on net capital gains. As a result, our Adviser may have a tendency to invest more in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

Given the subjective nature of the investment decisions made by our Adviser on our behalf, we will be unable to monitor these potential conflicts of interest between us and our Adviser.

There are significant potential conflicts of interest that could adversely impact our investment returns.

Our executive officers and directors, and certain members of our Adviser, serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by our affiliates. For example, Oaktree presently serves as the investment adviser to OSI II, a private Business Development Company. All of our executive officers serve in substantially similar capacities for OSI II, and one of our independent directors serves as an independent director of OSI II. OSI II has historically invested in senior secured loans, including first lien, unitranche and second lien debt instruments that pay interest at rates which are determined periodically on the basis of a floating base lending rate, made to private middle-market companies whose debt is rated below investment grade, similar to those we target for investment. Oaktree and its affiliates also manage or sub-advise other Business Development Companies, registered investment companies and private investment funds and accounts, and may manage other such funds and accounts in the future, which have investment mandates that are similar, in whole and in part, with ours. Therefore, there may be certain investment opportunities that satisfy the investment criteria for OSI II and us as well as other Business Development Companies, registered investment companies and private investment funds and accounts advised or sub-advised by Oaktree or its affiliates. In addition, Oaktree and its affiliates may have obligations to investors in other entities that advise or sub-advise, the fulfillment of which might not be in the best interests of us or our stockholders. An investment in us is not an investment in any of these other entities.

For example, the personnel of our Adviser may face conflicts of interest in the allocation of investment opportunities to us and such other funds and accounts. Moreover, the Adviser and the Investment Professionals are engaged in other business activities which divert their time and attention. The Investment Professionals will devote as much time to us as such professionals deem appropriate to perform their duties in accordance with the Investment Advisory Agreement. However, such persons may be committed to providing investment advisory and other services for other clients, and engage in other business ventures in which we have no interest. As a result of these separate business activities, the Adviser may have conflicts of interest in allocating management time, services and functions among us, other advisory clients and other business ventures.

Oaktree has investment allocation guidelines that govern the allocation of investment opportunities among the investment funds and accounts managed or sub-advised by Oaktree and its affiliates. To the extent an investment opportunity is appropriate for us or OSI II or any other investment fund or account managed or sub-advised by Oaktree or its affiliates, Oaktree will adhere to its investment allocation guidelines in order to determine a fair and equitable allocation.

In addition, affiliates of our Adviser have received exemptive relief from the SEC to allow certain managed funds and accounts, each of whose investment adviser is OCM or an investment adviser controlling, controlled by or under common control with OCM, such as our Adviser, as well as proprietary accounts (subject to certain conditions) to participate in negotiated co-investment transactions where doing so is consistent with the applicable registered fund's or Business Development Company's investment objective and strategies as well as regulatory requirements and other pertinent factors, and pursuant to the conditions of the exemptive relief. Each potential co-investment opportunity that falls under the terms of the exemptive relief and is appropriate for us and any affiliated fund or account, and satisfies the then-current board-established criteria, will be offered to us and such other eligible funds and accounts. If there is a sufficient amount of securities to satisfy all participants, the securities will be allocated among the participants in accordance with their proposed order size and if there is an insufficient amount of securities to satisfy all participants, the securities will be allocated pro rata based on the investment proposed by the applicable investment adviser to such participant, up to the amount proposed to be invested by each, which is reviewed and approved by an independent committee of legal, compliance and accounting professionals at our Adviser. We may also invest alongside funds managed by our Adviser and its affiliates in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations. For example, we may invest alongside such accounts consistent with guidance promulgated by the staff of the SEC permitting us and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that our Adviser, acting on our behalf and on behalf of other clients, negotiates no term other than price or terms related to price.

Although Oaktree will endeavor to allocate investment opportunities in a fair and equitable manner, we and our common stockholders could be adversely affected to the extent investment opportunities are allocated among us and other investment vehicles managed or sponsored by, or affiliated with, our executive officers, directors and members of our Adviser. We might not participate in each individual opportunity, but will, on an overall basis, be entitled to participate equitably with other entities managed by Oaktree and its affiliates. Oaktree seeks to treat all clients fairly and equitably such that none receive preferential treatment vis-à-vis the others over time, in a manner consistent with its fiduciary duty to each of them; however, in some instances, especially in instances of limited liquidity, the factors may not result in pro rata allocations or may result in situations where certain funds or accounts receive allocations where others do not.

Pursuant to the Investment Advisory Agreement, our Adviser's liability is limited and we are required to indemnify our Adviser against certain liabilities. This may lead our Adviser to act in a riskier manner in performing its duties and obligations under the Investment Advisory Agreement than it would if it were acting for its own account, and creates a potential conflict of interest.

Pursuant to the Administration Agreement, Oaktree Administrator furnishes us with the facilities, including our principal executive office, and administrative services necessary to conduct our day-to-day operations. We pay Oaktree Administrator its allocable portion of overhead and other expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement, including, without limitation a portion of the rent at market rates and the compensation of our Chief Financial Officer, Chief Compliance Officer, their respective staffs and other non-investment professionals at Oaktree that perform duties for us. This arrangement creates conflicts of interest that our Board of Directors must monitor.

Risks Relating to Our Use of Leverage

Because we borrow money, the potential for loss on amounts invested in us will be magnified and may increase the risk of investing in us.

Borrowings, also known as leverage, magnify the potential for loss on invested equity capital. We expect to continue to use leverage to partially finance our investments, through borrowings from banks and other lenders and/or issuing unsecured notes, which will increase the risks of investing in our common stock, including the likelihood of default. We borrow under our credit facilities and unsecured notes. On November 30, 2017, we entered into a Senior Secured Revolving Credit Agreement, or as amended and/or restated from time to time, the Syndicated Facility, with the lenders, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A., BofA Securities, Inc. and MUFG Union Bank, N.A. as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents. On March 19, 2021, as a result of the consummation of the Mergers, we became party to a revolving credit facility, or as amended and/or restated from time to time, the Citibank Facility, with OCSL Senior Funding II LLC, our wholly-owned, special purpose financing subsidiary, as the borrower, us, as collateral manager and seller, each of the lenders from time to time party thereto, Citibank, N.A., as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and custodian. In addition, we have two series of unsecured notes outstanding: our 3.500% notes due 2025, or the 2025 Notes, and our 2.700% notes due 2027, or the 2027 Notes. We may issue other debt securities or enter into other types of borrowing arrangements in the future. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. To the extent we incur additional leverage, these effects would be further magnified, increasing the risk of investing in us. Such a decline could negatively affect our ability to make common stock distributions or scheduled debt payments. Leverage is generally considered a speculative investment technique and we only intend to use leverage if expected returns will exceed the cost of borrowing.

As of September 30, 2021, we had $630.0 million of outstanding indebtedness under our credit facilities, $300.0 million of outstanding 2025 Notes and $350.0 million of outstanding 2027 Notes. These debt instruments require periodic payments of interest. The weighted average interest rate charged on our borrowings as of September 30, 2021 was 2.4% (exclusive of deferred financing costs and inclusive of the impact of an interest rate swap designated as a hedging instrument). We will need to generate sufficient cash flow to make these required interest payments. In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our September 30, 2021 total assets of at least 1.17%. If we are unable to meet the financial obligations under our credit facilities, the lenders under such credit facilities will have a superior claim to our assets over our stockholders. If we are unable to meet the financial obligations under the 2025 Notes or 2027 Notes, the holders thereof will have the right to declare the principal amount and accrued and unpaid interest on such notes to be due and payable immediately.

Historically, as a Business Development Company, under the Investment Company Act we generally were not permitted to incur indebtedness unless immediately after such borrowing we had an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our assets). However, on March 23, 3018, the Small Business Credit Availability Act, or the SBCAA, was enacted into law. The SBCAA, among other things, amended Section 61(a) of the Investment Company Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable to Business Development Companies from 200% to 150% (i.e., the amount of debt may not exceed 66.67% of the value of the Business Development Company's assets) so long as the Business Development Company meets certain disclosure requirements and obtains certain approvals. At a special meeting of stockholders held on June 28, 2019, 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 June 29, 2019. If we incur additional leverage in accordance with the reduced asset coverage requirements, our net asset value will decline more sharply if the value of our assets declines than if we had not incurred such additional leverage and the effects of leverage described above will be magnified.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below.

Assumed Return on Portfolio (Net of Expenses)	**- 10%**	**- 5%**	**0%**	**5%**	**10%**
Corresponding net return to common stockholder	**-21.96%**	**-12.13%**	**-2.30%**	**7.53%**	**17.36%**

For purposes of this table, we have assumed $2,581.6 million in total assets (less all liabilities and indebtedness not represented by senior securities), $1,280.0 million in debt outstanding, $1,312.8 million in net assets as of September 30, 2021, and a weighted average interest rate of 2.4% as of September 30, 2021 (exclusive of deferred financing costs and inclusive of the impact of an interest rate swap designated as a hedging instrument). Actual interest payments may be different.

Substantially all of our assets are subject to security interests under our credit facilities and if we default on our obligations under any such facility, we may suffer adverse consequences, including foreclosure on our assets.

As of September 30, 2021, substantially all of our assets were pledged as collateral under our credit facilities and may be pledged as collateral under future credit facilities. If we default on our obligations under these facilities, the lenders may have the right to foreclose upon and sell, or otherwise transfer, the collateral subject to their security interests or their superior claim. In such event, we may be forced to sell our investments to raise funds to repay our outstanding borrowings in order to avoid foreclosure and these forced sales may be at times and at prices we would not consider advantageous. Moreover, such deleveraging of our company could significantly impair our ability to effectively operate our business in the manner in which we have historically operated. As a result, we could be forced to curtail or cease new investment activities and lower or eliminate the distributions that we have historically paid to our stockholders.

In addition, if the lenders exercise their right to sell the assets pledged under our credit facilities or future credit facilities, such sales may be completed at distressed sale prices, thereby diminishing or potentially eliminating the amount of cash available to us after repayment of the amounts outstanding under the credit facilities.

We may enter into reverse repurchase agreements, which are another form of leverage.

We may enter into reverse repurchase agreements as part of our management of our temporary investment portfolio. Our entry into any such reverse repurchase agreements would be subject to the Investment Company Act limitations on leverage. In connection with entry into a reverse repurchase agreement, we would effectively pledge our assets as collateral to secure a short-term loan. Generally, the other party to the agreement would make a loan to us in an amount equal to a percentage of the fair value of the collateral we have pledged. At the maturity of the reverse repurchase agreement, we will be required to repay the loan and then receive back our collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of us.

Our use of reverse repurchase agreements, if any, involves many of the same risks involved in our use of leverage. For example, the market value of the securities acquired in the reverse repurchase agreement may decline below the price of the securities that we have sold but we would remain obligated to purchase those securities, meaning that we bear the risk of loss that the proceeds at settlement are less than the fair value of the securities pledged. In addition, the market value of the securities retained by us may decline. If a buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experience insolvency, we would be adversely affected. In addition, due to the interest costs associated with reverse repurchase agreements, our net asset value would decline, and, in some cases, we may be worse off than if we had not used such agreements.

Risks Related to Distributions

Because we intend to distribute at least 90% of our taxable income each taxable year to our stockholders in connection with our election to be treated as a RIC, we will continue to need additional capital to finance our growth.

In order to qualify for the tax benefits available to RICs and to minimize corporate-level U.S. federal income taxes, we intend to distribute to our stockholders at least 90% of our taxable income each taxable year, except that we may retain certain net capital gains for investment, and treat such amounts as deemed distributions to our stockholders. If we elect to treat any amounts as deemed distributions, we would be subject to U.S. federal income tax at the corporate rate applicable to net capital gains on such deemed distributions on behalf of our stockholders. As a result of these requirements, we will likely need to raise capital from other sources to grow our business. Because we will continue to need capital to grow our investment portfolio, these limitations together with the asset coverage requirements applicable to us may prevent us from incurring debt and require us to raise additional equity at a time when it may be disadvantageous to do so.

We may not be able to pay you distributions, our distributions may not grow over time and a portion of our distributions may be a return of capital.

We intend to pay distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to sustain a specified level of cash distributions or periodic increases in cash distributions. In addition, the inability to satisfy the asset coverage test applicable to us as a Business Development Company can limit our ability to pay distributions. All distributions will be paid at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our ability to be subject to tax as a RIC, compliance with applicable Business Development Company regulations and such other factors as our Board of Directors may deem relevant from time to time. We cannot assure you that we will continue to pay distributions to our stockholders at current levels, or at all.

When we make distributions, our distributions generally will be treated as dividends for U.S. federal income tax purposes to the extent such distributions are paid out of our current or accumulated earnings and profits. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of a stockholder's basis in our stock and, assuming that a stockholder holds our stock as a capital asset, thereafter as a capital gain. A return of capital generally is a return of a stockholder’s investment rather than a return of earnings or gains derived from our investment activities. Moreover, we may pay all or a substantial portion of our distributions from the proceeds of the sale of shares of our common stock or from borrowings in anticipation of future cash flow, which could constitute a return of stockholders’ capital and will lower such stockholders’ tax basis in our shares, which may result in increased tax liability to stockholders when they sell or otherwise dispose of such shares. The tax liability incurred by such stockholders upon the sale or other disposition of shares of our common stock may increase even if such shares are sold at a loss.

We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our qualification as a RIC under Subchapter M of the Code or do not satisfy the Annual Distribution Requirement.

To maintain our tax status as a RIC and be relieved of U.S. federal taxes on income and gains distributed to our stockholders, we must meet the following annual distribution, income source and asset diversification requirements:

- The Annual Distribution Requirement will be satisfied if we distribute dividends to our stockholders each taxable year of an amount generally at least equal to 90% of the sum of our net taxable income plus realized net short-term capital gains in excess of realized net long-term capital losses, if any. Because we use debt financing, we are and may, in the future, be subject to certain financial covenants under our debt arrangements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus could become subject to corporate-level U.S. federal income tax.

- The 90% Gross Income Test will be satisfied if we earn at least 90% of our gross income for each taxable year from dividends, interest, gains from the sale of stock or securities or similar sources.

- The Diversification Tests will be satisfied if, at the end of each quarter of our taxable year, at least 50% of the value of our assets consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other acceptable securities; and no more than 25% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain “qualified publicly traded partnerships.” Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could cause us to incur substantial losses.

If we fail to be subject to tax as a RIC and are subject to corporate-level U.S. federal corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

We may have difficulty paying our required distributions if we are required to recognize income for U.S. federal income tax purposes before or without receiving cash representing such income.

For U.S. federal income tax purposes, we generally are required to include in income certain amounts that we have not yet received in cash, such as OID or certain income accruals on contingent payment debt instruments, which may occur if we receive warrants in connection with the origination of a loan or possibly in other circumstances. Such OID is generally required to be included in income before we receive any corresponding cash payments. In addition, our loans typically contain PIK interest provisions. Any PIK interest, computed at the contractual rate specified in each loan agreement, is generally required to be added to the principal balance of the loan and recorded as interest income. We also may be required to include in income certain other amounts that we do not receive, and may never receive, in cash. To avoid the imposition of corporate-level tax on us, this non-cash source of income may need to be distributed to our stockholders in cash or, in the event that we determine to do so, in shares of our common stock, even though we may have not yet collected and may never collect the cash relating to such income.

Since, in certain cases, we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the Annual Distribution Requirement necessary to be relieved of corporate-level U.S. federal taxes on income and gains distributed to our stockholders. Accordingly, we may have to sell or otherwise dispose of some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to satisfy the Annual Distribution Requirement and thus become subject to corporate-level U.S. federal income tax.

We may in the future choose to pay distributions partly in our own stock, in which case you may be subject to tax in excess of the cash you receive.

We may distribute taxable distributions that are payable in part in our stock. In accordance with certain applicable Treasury Regulations and other related administrative pronouncements or interpretations therefore issued by the Internal Revenue Service, or the IRS, a RIC may be eligible to treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder is permitted to elect to receive his or her entire distribution in either cash or stock of the RIC, subject to the satisfaction of certain guidelines. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in stock). If these and certain other requirements are met, the amount of the distribution paid in stock for U.S. federal income tax purposes generally will be equal to the amount of cash that could have been received instead of stock. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of their share of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be subject to tax with respect to such distributions in excess of any cash received. If a U.S. stockholder sells the stock it receives as a distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distribution, including in respect of all or a portion of such distribution that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on a distribution, such sales may put downward pressure on the trading price of our stock.

Risks Relating to Our Investments

Our investments in portfolio companies may be risky, and we could lose all or parts of our investments.

The companies in which we invest are typically highly leveraged, and, in most cases, our investments in such companies are not rated by any rating agency. If such investments were rated, we believe that they would likely receive a rating from a nationally recognized statistical rating organization of below investment grade (i.e., below BBB- or Baa), which is often referred to as "high yield" and “junk.” Exposure to below investment grade securities involves certain risks, and those securities are viewed as having predominately speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Investing in small and mid-sized companies involves a number of significant risks.

Certain of our debt investments consist of debt securities for which issuers are not required to make principal payments until the maturity of such debt securities, which could result in a substantial loss to us if such issuers are unable to refinance or repay their debt at maturity. Increases in interest rates may affect the ability of our portfolio companies to repay debt or pay interest, which may in turn affect the value of our portfolio investments, and our business, financial condition and results of operations.

Among other things, our portfolio companies:

- may have limited financial resources, may have limited or negative EBITDA and may be unable to meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investments, as well as a corresponding decrease in the value of the equity components of our investments;
- may have shorter operating histories, narrower product lines, smaller market shares and/or significant customer concentrations than larger businesses, which tend to render them more vulnerable to competitors’ actions and market conditions, as well as general economic downturns;
- may operate in regulated industries and/or provide services to federal, state or local governments, or operate in industries that provide services to regulated industries or federal, state or local governments, any of which could lead to delayed payments for services or subject the company to changing payment and reimbursement rates or other terms;
- may not have collateral sufficient to pay any outstanding interest or principal due to us in the event of a default by these companies;
- are more likely to depend on the management talents and efforts of a small group of people; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- may have difficulty accessing the capital markets to fund capital needs, which may limit their ability to grow or repay outstanding indebtedness at maturity;
- may not have audited financial statements or be subject to the Sarbanes-Oxley Act and other rules that govern public companies;
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- generally have less publicly available information about their businesses, operations and financial condition.

These factors may make certain of our portfolio companies more susceptible to the adverse events in the economy. As a result of the limitations associated with certain of our portfolio companies, we must therefore rely on the ability of our Adviser to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. In addition, certain of our officers and directors may serve as directors on the boards of such companies. To the extent that litigation arises out of our investments in these companies, our officers and directors may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of management time and resources.

Finally, as noted above, little public information generally exists about privately owned companies, and these companies may not have third-party debt ratings or audited financial statements. We must therefore rely on the ability of our Adviser to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. Additionally, these companies and their financial information will not generally be subject to the Sarbanes-Oxley Act and other rules that govern public companies.

We may be exposed to higher risks with respect to our investments that include OID or PIK interest.

Our investments may include OID and contractual PIK interest, which typically represents contractual interest added to a loan balance and due at the end of such loan's term. To the extent OID or PIK interest constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- OID and PIK instruments may have higher yields, which reflect the payment deferral and credit risk associated with these instruments;
- OID and PIK accruals may create uncertainty about the source of our distributions to stockholders;
- OID and PIK instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of the collateral; and
- OID and PIK instruments may represent a higher credit risk than coupon loans.

If we acquire the securities and obligations of distressed or bankrupt companies, such investments may be 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 may acquire the securities and other obligations of distressed or bankrupt companies. 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, to the extent 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 will be subject to significant uncertainty as to when and in what manner and for what value the distressed debt we invest in will eventually be satisfied whether through a 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.

Our portfolio companies may prepay loans, which may reduce our yields if capital returned cannot be invested in transactions with equal or greater expected yields.

The loans in our investment portfolio may be prepaid at any time, generally with little advance notice. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that allow such company the ability to replace existing financing with less expensive capital. As market conditions change, we do not know when, and if, prepayment may be possible for each portfolio company. In some cases, the prepayment of a loan may reduce our achievable yield if the capital returned cannot be invested in transactions with equal or greater expected yields, which could have a material adverse effect on our business, financial condition and results of operations.

The lack of liquidity in our investments may adversely affect our business.

We invest, and will continue to invest, in companies whose securities are not publicly traded, and whose securities are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. In fact, all of our assets may be invested in illiquid securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments and suffer losses. Our investments may be subject to contractual or legal restrictions on resale or are otherwise illiquid because there is usually no established trading market for such investments. In addition, we may also face restrictions on our ability to liquidate our investments if our Adviser or any of its affiliates have material nonpublic information regarding the portfolio company.

We may not have the funds or ability to make additional investments in our portfolio companies.

After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through a follow-on investment. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation, may reduce the expected yield on the investment or impair the value of our investment in any such portfolio company.

Our portfolio companies may be highly leveraged.

Our investments may include companies with significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors, such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by us may be the most junior in what will typically be a complex capital structure, and thus subject to the greatest risk of loss.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We invest primarily in first lien, second lien and subordinated debt issued by middle-market companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payments of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

The disposition of our investments may result in contingent liabilities.

In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to certain potential liabilities. These arrangements may result in contingent liabilities that ultimately yield funding obligations that must be satisfied through our return of certain distributions previously made to us.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Even though we have structured some of our investments as senior loans, if one of our portfolio companies were to enter bankruptcy proceedings, a bankruptcy court might re-characterize our debt investment and subordinate all or a portion of our claim to that of other creditors, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company. We may also be subject to lender liability claims for actions taken by us with respect to a borrower’s business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender’s liability claim, including as a result of actions taken in rendering significant managerial assistance.

Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain loans that we make to portfolio companies are secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral secures the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more inter-creditor agreements that we enter into with the holders of senior debt. Under such an inter-creditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions may be taken with respect to the collateral and will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected.

If we make unsecured debt investments, we may lack adequate protection in the event our portfolio companies become distressed or insolvent and will likely experience a lower recovery than more senior debtholders in the event such portfolio companies default on their indebtedness.

We have made, and may in the future make, unsecured debt investments in portfolio companies. Unsecured debt investments are unsecured and junior to other indebtedness of the portfolio company. As a consequence, the holder of an unsecured debt investment may lack adequate protection in the event the portfolio company becomes distressed or insolvent and will likely experience a lower recovery than more senior debtholders in the event the portfolio company defaults on its indebtedness. In addition, unsecured debt investments of small and mid-sized companies are often highly illiquid and in adverse market conditions may experience steep declines in valuation even if they are fully performing.

Our investments may include "covenant-lite" loans, which may give us fewer rights and subject us to greater risk of loss than loans with financial maintenance covenants.

Although the loans in which we expect to invest will generally have financial maintenance covenants, which are used to proactively address materially adverse changes in a portfolio company's financial performance, we do invest to a lesser extent in "covenant-lite" loans. We use the term "covenant-lite" to refer generally to loans that do not have financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition or operating results. Accordingly, to the extent we invest in "covenant-lite" loans, we may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

Inflation may adversely affect the business, results of operations and financial condition of our portfolio companies.

Certain of our portfolio companies may be impacted by inflation. If such portfolio companies are unable pass any increases in their costs along to their customers, it could adversely affect their results and their ability to impacting their ability to pay interest and principal on our loans. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations.

We may incur greater risk with respect to investments we acquire through assignments or participations of interests.

Although we originate a substantial portion of our loans, we may acquire loans through assignments or participations of interests in such loans. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to such debt obligation. However, the purchaser's rights can be more restricted than those of the assigning institution, and we may not be able to unilaterally enforce all rights and remedies under an assigned debt obligation and with regard to any associated collateral. A participation typically results in a contractual relationship only with the institution participating out the interest and not directly with the borrower. Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. In purchasing participations, we generally will have no right to enforce compliance by the borrower with the terms of the loan agreement against the borrower, and we may not directly benefit from the collateral supporting the debt obligation in which we have purchased the participation. As a result, we will be exposed to the credit risk of both the borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, we will not be able to conduct the same level of due diligence on a borrower or the quality of the loan with respect to which we are buying a participation as we would conduct if we were investing directly in the loan. This difference may result in us being exposed to greater credit or fraud risk with respect to such loans than we expected when initially purchasing the participation.

We generally do not, and do not expect to, control our portfolio companies.

We do not, and do not expect to, control most of our portfolio companies. As a result, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as a debt investor, including actions that could decrease the value of our investment. Due to the lack of liquidity for the majority of our investments, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation.

Defaults by our portfolio companies would harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company. In addition, we may write-down the value of a portfolio company investment upon the worsening of the financial condition of the portfolio company or in anticipation of a default, which could also have a material adverse effect on our business, financial condition and results of operations.

Our portfolio companies may experience financial distress and our investments in such companies may be restructured.

Our portfolio companies may experience financial distress from time to time. Debt investments in such companies may cease to be income-producing, may require us to bear certain expenses to protect our investment and may subject us to uncertainty as to when, in what manner and for what value such distressed debt will eventually be satisfied, including through liquidation, reorganization or bankruptcy. Any restructuring can fundamentally alter the nature of the related investment, and restructurings may not be subject to the same underwriting standards that our Adviser employs in connection with the origination of an investment. In addition, we may write-down the value of our investment in any such company to reflect the status of financial distress and future prospects of the business. Any restructuring could alter, reduce or delay the payment of interest or principal on any investment, which could delay the timing and reduce the amount of payments made to us. For example, if an exchange offer is made or plan of reorganization is adopted with respect to the debt securities we currently hold, 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 have a value or income potential similar to what we anticipated when our original investment was made or even at the time of restructuring. Restructurings of investments might also result in extensions of the term thereof, which could delay the timing of payments made to us, or we may receive equity securities, which may require significantly more of our management's time and attention or carry restrictions on their disposition. We cannot assure you that any particular restructuring strategy pursued by our Adviser will maximize the value of or recovery on any investment.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include warrants or other equity securities. In addition, we have made in the past and may make in the future direct equity investments in companies. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We may seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress.

We are subject to certain risks associated with foreign investments.

We have made in the past and may make in the future investments in foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in foreign exchange rates, exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. In addition, our foreign investments generally do not constitute "qualifying assets" under the Investment Company Act.

Our success will depend, in part, on our ability to anticipate and effectively manage these and other risks. We cannot assure you that these and other factors will not have a material adverse effect on our business as a whole.

We may have foreign currency risks related to our investments denominated in currencies other than the U.S. dollar.

As of September 30, 2021, a portion of our investments are, and may continue to be, denominated in currencies other than the U.S. dollar. Changes in the rates of exchange between the U.S. dollar and other currencies will have an effect, which could be adverse, on our performance, amounts available for withdrawal and the value of securities distributed by us. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Additionally, a particular foreign country may impose exchange controls, devalue its currency or take other measures relating to its currency which could adversely affect us. Finally, we could incur costs in connection with conversions between various currencies.

We may expose ourselves to risks if we engage in hedging transactions.

Subject to applicable provisions of the Investment Company Act and applicable regulations promulgated by the Commodity Futures Trading Commission, we have in the past and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. Such hedging may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions and amounts due under any credit facility from changes in currency exchange rates and market interest rates. Use of these hedging instruments may include counterparty credit risk. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions and amounts due under our credit facilities or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price.

The success of any hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rate or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to (or be able to) establish a perfect correlation between such hedging instruments and the portfolio holdings or credit facilities being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

We are a non-diversified investment company within the meaning of the Investment Company Act, and therefore have few restrictions with respect to the proportion of our assets that may be invested in securities of a single industry or issuer.

We are classified as a non-diversified investment company within the meaning of the Investment Company Act, which means that we are not limited by the Investment Company Act with respect to the proportion of our assets that we may invest in securities of a single industry or issuer, excluding limitations on investments in other investment companies. We cannot predict the industries or sectors in which our investment strategy may cause us to concentrate and cannot predict the level of our diversification among industries or issuers. To the extent that we assume large positions in a certain type of security or the securities of a small number of industries or issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the security, industry or issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond RIC diversification requirements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few industries or issuers.

Our portfolio may be concentrated in a limited number of portfolio companies and industries, which will subject us to a risk of significant loss if any of these companies defaults on its obligations under any of its debt instruments or if there is a downturn in a particular industry.

Our portfolio may be concentrated in a limited number of portfolio companies and industries. As a result, the aggregate returns we realize may be significantly and adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. Additionally, while we are not targeting any specific industries, our investments may be concentrated in relatively few industries. As a result, a downturn in any particular industry in which we are invested could also significantly impact the aggregate returns we realize.

Risks Relating to Our Common Stock

Shares of closed-end investment companies, including Business Development Companies, may trade at a discount to their net asset value.

Shares of closed-end investment companies, including Business Development Companies, may trade at a discount from net asset value. This characteristic of closed-end investment companies and Business Development Companies is separate and distinct from the risk that our net asset value per share may decline. During the last two years, shares of our common stock have regularly traded below our net asset value. We cannot predict whether our common stock will trade at, above or below net asset value.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies involve higher levels of risk, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of Business Development Companies or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- inability to obtain any exemptive relief that may be required by us from the SEC;
- changes in regulatory policies, accounting pronouncements or tax guidelines, particularly with respect to RICs and Business Development Companies;
- loss of our Business Development Company or RIC status;
- changes in earnings or variations in operating results or distributions that exceed our net investment income;
- increases in expenses associated with defense of litigation and responding to SEC inquiries;
- changes in accounting guidelines governing valuation of our investments;
- changes in the value of our portfolio of investments and any derivative instruments, including as a result of general economic conditions, interest rate shifts and changes in the performance of our portfolio companies;

- any shortfall in investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- departure of our Adviser's key personnel; and
- general economic trends and other external factors, including those related to the COVID-19 pandemic.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, including by large stockholders, or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues for a sustained period of time, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

Certain provisions of our restated certificate of incorporation and fourth amended and restated bylaws as well as the Delaware General Corporation Law could deter takeover attempts and have an adverse impact on the price of our common stock.

Our restated certificate of incorporation and our fourth amended and restated bylaws as well as the Delaware General Corporation Law contain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. These anti-takeover provisions may inhibit a change in control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price for our common stock.

Stockholders may incur dilution if we issue securities to subscribe to, convert to or purchase shares of our common stock.

The Investment Company Act prohibits us from selling shares of our common stock at a price below the current net asset value per share of such stock with certain exceptions. One such exception is prior stockholder approval of issuances of securities to subscribe to, convert to or purchase shares of our common stock even if the subscription, conversion or purchase price per share of our common stock is below the net asset value per share of our common stock at the time of any such subscription, conversion or purchase. At our 2011 annual meeting of stockholders, our stockholders approved a proposal to authorize us to issue securities to subscribe to, convert to, or purchase shares of our common stock in one or more offerings, including under such circumstance. Such authorization has no expiration. Any decision to sell securities to subscribe to, convert to, or purchase shares of our common stock will be subject to the determination by our Board of Directors that such issuance is in our and our stockholders' best interests. If we issue securities to subscribe to, convert to or purchase shares of common stock, the exercise or conversion of such securities would increase the number of outstanding shares of our common stock. Any such exercise or conversion would be dilutive on the voting power of existing stockholders, and could be dilutive with regard to distributions and our net asset value, and other economic aspects of the common stock.

Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted; however, the table below illustrates the impact on the net asset value per common share of a Business Development Company that would be experienced upon the exercise of a subscription right to acquire shares of common stock of the Business Development Company.

Example of Impact of Exercise of Subscription Right to Acquire Common Stock on Net Asset Value Per Share

The example assumes that the Business Development Company has 1,000,000 shares of common stock outstanding, $15,000,000 in total assets and $5,000,000 in total liabilities at the time of the exercise of the subscription right. As a result, the net asset value and net asset value per common share of the Business Development Company are $10,000,000 and $10.00, respectively.

Further, the example assumes that the subscription right permits the holder thereof to acquire 250,000 common shares under the following three different scenarios: (i) with an exercise price equal to a 10% premium to the Business Development Company's net asset value per share at the time of exercise, or $11.00 per share, (ii) with an exercise price equal to the Business Development Company's net asset value per share at the time of exercise, or $10.00 per share, and (iii) with an exercise price equal to a 10% discount to the Business Development Company's net asset value per share at the time of exercise, or $9.00 per share.

Subscription Rights Exercise Price	Net Asset Value Per Share Prior To Exercise	Net Asset Value Per Share After Exercise
10% premium to net asset value per common share	$ 10.00	$ 10.20
Net asset value per common share	$ 10.00	$ 10.00
10% discount to net asset value per common share	$ 10.00	$ 9.80

Although have we chosen to demonstrate the impact on the net asset value per common share of a Business Development Company that would be experienced by existing stockholders of the Business Development Company upon the exercise of a subscription right to acquire shares of common stock of the Business Development Company, the results noted above would be similar in connection with the exercise or conversion of other securities exercisable or convertible into shares of the Business Development Company's common stock. In addition, the example does not take into account the impact of other securities that may be issued in connection with the issuance of exercisable or convertible securities (e.g., the issuance of shares of common stock in conjunction with the issuance of subscription rights to acquire shares of common stock).

Risks Related to Our Notes

The Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we have currently incurred or may incur in the future.

The 2025 Notes and the 2027 Notes, which we refer to collectively as the "Notes", are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes. As of September 30, 2021, we had $630 million of outstanding borrowings under our credit facilities, all of which is secured.

The Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries

The Notes are obligations exclusively of Oaktree Specialty Lending Corporation and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Notes and the Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. The assets of such subsidiaries are not directly available to satisfy the claims of our creditors, including holders of the Notes.

Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including trade creditors) and holders of preferred stock, if any, of our subsidiaries have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims are effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. As of September 30, 2021, our subsidiaries had $135.0 million of outstanding borrowings under the Citibank Facility, all of which is structurally senior to the Notes.

In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Notes.

The indentures under which the Notes are issued contains limited protection for holders of the Notes.

The indentures under which the Notes are issued offers limited protection to holders of the Notes. The terms of the indentures and the Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on investments in the Notes. In particular, the terms of the indenture and the Notes do not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) of the Investment Company Act as modified by Section 61(a)(1) and (2) of the Investment Company Act or any successor provisions, whether or not we continue to be subject to such provisions of the Investment Company Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC;
- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes;

- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

Furthermore, the terms of the indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Notes may have important consequences for holders of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Certain of our current debt instruments include more protections for their holders than the indenture and the Notes. In addition, other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Notes.

An active trading market for the Notes may not exist, which could limit your ability to sell the Notes or affect the market price of the Notes.

We cannot provide any assurances that an active trading market for the Notes will exist in the future or that holders will be able to sell their Notes. Even if an active trading market does exist, the Notes may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, if any, general economic conditions, our financial condition, performance and prospects and other factors. To the extent an active trading market does not exist, the liquidity and trading price for the Notes may be harmed. Accordingly, holder of the Notes may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Notes.

Any default under the agreements governing our indebtedness, including our credit facilities and our Notes or other indebtedness to which we may be a party that is not waived by the required lenders or holders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the Notes and substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our credit facilities or other debt we may incur in the future could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to seek to obtain waivers from the required lenders under our credit facilities or the required holders of our Notes or other debt that we may incur in the future to avoid being in default. If we breach our covenants under our credit facilities, our Notes or other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders. If this occurs, we would be in default and our lenders or debt holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations, including the lenders under our credit facilities, could proceed against the collateral securing the debt. Because our credit facilities and our Notes have, and any future credit facilities will likely have, customary cross-default provisions, if the indebtedness thereunder or under any future credit facility is accelerated, we may be unable to repay or finance the amounts due. In the event holders of any debt securities we have outstanding exercise their rights to accelerate following a cross-default, those holders would be entitled to receive the principal amount of their investment, subject to any subordination arrangements that may be in place. We cannot assure you that we will have sufficient liquidity to be able to repay such amounts, in which case we would be in default under the accelerated debt and holders would have the ability to sue us to recover amounts then owing.

General Risk Factors

Economic recessions or downturns, such as the current recession, may have a material adverse effect on our business, financial condition and results of operations, and could impair the ability of our portfolio companies to repay debt or pay interest.

Economic recessions or downturns may result in a prolonged period of market illiquidity which could have a material adverse effect on our business, financial condition and results of operations. Unfavorable economic conditions also 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 could limit our investment originations, limit our ability to grow and negatively impact our operating results. In addition, uncertainty with regard to economic recovery from recessions or downturns could also have a negative impact on our business, financial condition and results of operations.

When recessionary conditions exist, such as current recession, the financial results of middle-market companies, like those in which we invest, typically experience deterioration, which could ultimately lead to difficulty in meeting debt service requirements and an increase in defaults. Additionally, there can be reduced demand for certain of our portfolio companies' products and services and/or other economic consequences, such as decreased margins or extended payment terms. Further, adverse economic conditions may decrease the value of collateral securing some of our loans and the value of our equity investments. Such conditions may 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 may 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.

Global economic, political and market conditions, including downgrades of the U.S. credit rating, may adversely affect our business, results of operations and financial condition.

The current global financial market situation, as well as various social and political tensions in the United States and around the world, may contribute to increased market volatility, may have long-term effects on the United States and worldwide financial markets and may cause economic uncertainties or deterioration in the U.S. and worldwide. The impact of downgrades by rating agencies to the U.S. government's sovereign credit rating or its perceived creditworthiness as well as potential government shutdowns and uncertainty surrounding transfers of power could adversely affect the U.S. and global financial markets and economic conditions. Since 2010, several European Union, or EU, countries have faced budget issues, some of which may have negative long-term effects for the economies of those countries and other EU countries. There is concern about national-level support for the Euro and the accompanying coordination of fiscal and wage policy among European Economic and Monetary Union member countries. In addition, the fiscal policy of foreign nations, such as Russia and China, may have a severe impact on the worldwide and U.S. financial markets. Additionally, trade wars and volatility in the U.S. repo market, the U.S. high yield bond markets, the Chinese stock markets and global markets for commodities may affect other financial markets worldwide. In addition, while governments worldwide have used stimulus measures recently to reduce volatility in the financial markets, volatility has returned as such measures are phased out, and the long-term impacts of such stimulus on fiscal policy and inflation remain unknown. We cannot predict the effects of these or similar events in the future on the U.S. and global economies and securities markets or on our investments. We monitor developments in economic, political and market conditions and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so.

Future control deficiencies could prevent us from accurately and timely reporting our financial results.

We may identify deficiencies in our internal control over financial reporting in the future, including significant deficiencies and material weaknesses. A "significant deficiency" is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of a company's financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Our failure to identify deficiencies in our internal control over financial reporting in a timely manner or remediate any deficiencies, or the identification of material weaknesses or significant deficiencies in the future could prevent us from accurately and timely reporting our financial results.

We may experience fluctuations in our quarterly originations and results.

We could experience fluctuations in our quarterly originations and results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, changes in accrual status of our portfolio company investments, distributions, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our market and general economic conditions. In addition, expected originations for a given quarter may be delayed past quarter-end and into the next quarter as a result of factors outside of our control. As a result of these factors, originations or results for any period should not be relied upon as being indicative of performance in future periods.

We incur significant costs as a result of being a publicly traded company.

As a publicly-traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act, and other rules implemented by the SEC and the listing standards of the Nasdaq Global Select Market.

We may be the target of litigation or similar proceedings in the future.

We could generally be subject to litigation or similar proceedings in the future, including securities litigation and derivative actions by our stockholders. Any litigation or similar proceedings could result in substantial costs, divert management's attention and resources from our business or otherwise have a material adverse effect on our business, financial condition and results of operations.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

We do not own any real estate or other physical properties material to our operations. Our administrative and principal executive offices are located at 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071. We believe that our office facilities are suitable and adequate for our business as it is presently conducted.

Item 3. *Legal Proceedings*

We are currently not a party to any pending material legal proceedings.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Price Range of Common Stock

Our common stock trades on the Nasdaq Global Select Market under the symbol "OCSL." The following table sets forth, for each fiscal quarter during the last two most recently completed fiscal years and for the current fiscal year, the range of high and low sales prices of our common stock as reported on the Nasdaq Global Select Market, the premium (discount) of sales price to our net asset value, or NAV, and the distributions declared by us for each fiscal quarter.

		Sale Price				
	NAV (1)	High	Low	Premium (Discount) of High Sales Price to NAV (2)	Premium (Discount) of Low Sales Price to NAV (2)	Cash Distribution per Share (3)
Year ended September 30, 2020						
First quarter	$ 6.61	$ 5.52	$ 5.00	(16.5)%	(24.4)%	$ 0.095
Second quarter	$ 5.34	$ 5.65	$ 2.33	5.8 %	(56.4)%	$ 0.095
Third quarter	$ 6.09	$ 4.90	$ 3.00	(19.5)%	(50.7)%	$ 0.095
Fourth quarter	$ 6.49	$ 5.23	$ 4.29	(19.4)%	(33.9)%	$ 0.105
Year ended September 30, 2021						
First quarter	$ 6.85	$ 5.66	$ 4.52	(17.4)%	(34.0)%	$ 0.110
Second quarter	$ 7.09	$ 6.36	$ 5.47	(10.3)%	(22.8)%	$ 0.120
Third quarter	$ 7.22	$ 6.92	$ 6.19	(4.2)%	(14.3)%	$ 0.130
Fourth quarter	$ 7.28	$ 7.40	$ 6.58	1.6 %	(9.6)%	$ 0.145
Year ending September 30, 2022						
First quarter (through November 12, 2021)	*	$ 7.57	$ 7.03	*	*	$0.155(4)

* Not determinable at the time of filing.

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Calculated as the respective high or low sales price less NAV, divided by NAV.

(3) Represents the distribution declared in the specified quarter. We have adopted an "opt out" dividend reinvestment plan for our common stockholders. Distributions by us are generally taxable to U.S. stockholders as ordinary income or capital gains.

(4) On October 13, 2021, our Board of Directors declared a distribution of $0.155 per share payable on December 31, 2021 to stockholders of record on December 15, 2021.

The last reported price for our common stock on November 12, 2021 was $7.43 per share, which represented a 2.1 % premium to our NAV as of September 30, 2021. As of November 12, 2021, we had 59 stockholders of record, which did not include stockholders for whom shares are held in nominee or "street" name.

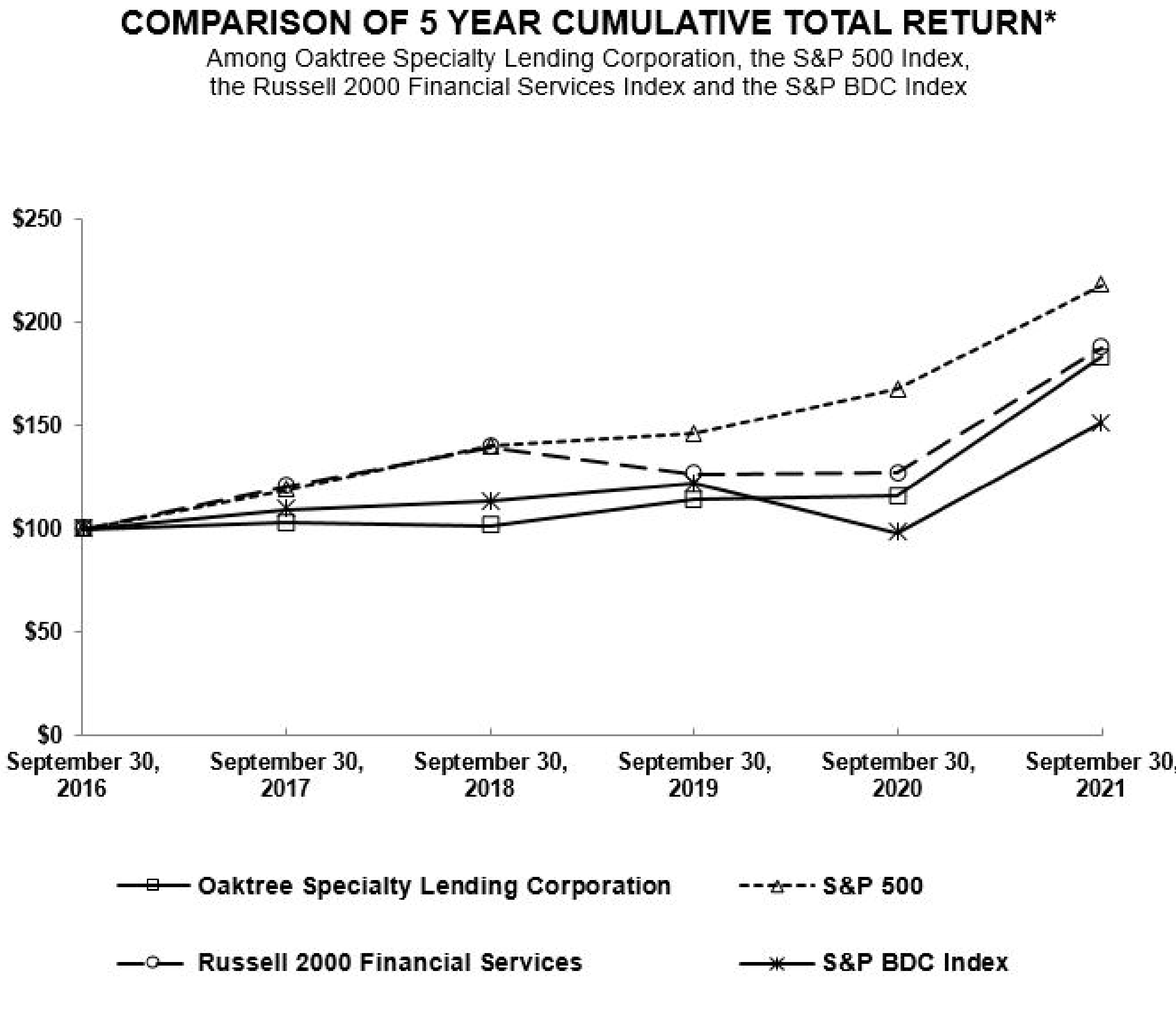
Sales of Unregistered Securities

We did not engage in any sales of unregistered securities during the fiscal year ended September 30, 2021.

Stock Performance Graph

The following graph compares the cumulative 5-year total return provided to shareholders on Oaktree Specialty Lending Corporation's common stock relative to the cumulative total returns of the Standard & Poor's 500 Index, the Russell 2000 Financial Services Index and the S&P BDC Index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each index on September 30, 2016 and its relative performance is tracked through September 30, 2021. The stock performance graph shows returns during management by Fifth Street Management LLC, or the Former Adviser, for the periods from September 30, 2016 through October 16, 2017 and during management by Oaktree and its affiliates for the period from October 17, 2017 through September 30, 2021.

For the fiscal year ended September 30, 2020, we included a comparison to the Wells Fargo BDC Total Return Index, which had a total return of $94.54 for the period from September 30, 2016 to September 30, 2020 (based on $100 invested on September 30, 2016). For the fiscal year ended September 30, 2021, we have switched to a comparison to the S&P BDC Index, which had a total return of $97.89 for the period from September 30, 2016 to September 30, 2020 (based on $100 invested on September 30, 2016) due to the termination of the Wells Fargo BDC Total Return Index during the 2021 fiscal year.



*$100 invested on 9/30/16 in stock or index, including reinvestment of dividends.
Fiscal year ending September 30.

	September 30, 2016		September 30, 2017		September 30, 2018		September 30, 2019		September 30, 2020		September 30, 2021
Oaktree Specialty Lending Corporation	**$**	**100.00**	**$**	**102.82**	**$**	**101.41**	**$**	**114.18**	**$**	**116.02**	**$**	**182.99**
S&P 500	**$**	**100.00**	**$**	**118.61**	**$**	**139.85**	**$**	**145.80**	**$**	**167.89**	**$**	**218.27**
Russell 2000 Financial Services	**$**	**100.00**	**$**	**120.74**	**$**	**139.14**	**$**	**126.77**	**$**	**127.27**	**$**	**187.94**
S&P BDC Index	**$**	**100.00**	**$**	**108.84**	**$**	**113.27**	**$**	**121.96**	**$**	**97.89**	**$**	**151.09**

Stock Repurchase Program

We did not repurchase shares of our common stock during the years ended September 30, 2021 and 2020.

Fee and Expenses

The following table is intended to assist stockholders in understanding the costs and expenses that an investor in shares of our common stock will bear directly or indirectly. **We caution you that some of the percentages indicated in the table below are estimates and may vary.** Except where the context suggests otherwise, whenever this Form 10-K contains a reference to fees or expenses paid by "you" or "us", or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in us. Such expenses also include those of our consolidated subsidiaries.

Stockholder transaction expenses:		
Sales load (as a percentage of offering price)	—%	(1)
Offering expenses (as a percentage of offering price)	—%	(2)
Dividend reinvestment plan fees	Up to $15	(3)
Total stockholder transaction expenses (as a percentage of offering price)	—%	(4)
Annual expenses (as a percentage of net assets attributable to common stock):		
Base management fees	2.98%	(5)
Incentive fees (17.5%)	2.65%	(6)
Interest payments on borrowed funds (including other costs of servicing and offering debt securities)	2.77%	(7)
Other expenses	0.76%	(8)
Acquired fund fees and expenses	0.76%	(9)
Total annual expenses	9.92%	(10)

(1) If applicable, the prospectus or prospectus supplement relating to an offering of our common stock will disclose the applicable sales load.
(2) In the event that we conduct an offering of our securities, the related prospectus or prospectus supplement will disclose the estimated offering expenses.
(3) The expenses of administering our dividend reinvestment plan are included in "Other expenses." The plan administrator's fees under the plan are paid by us. If a participant elects by notice to the plan administrator in advance of termination to have the plan administrator sell part or all of the shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a transaction fee of up to $15 plus a $0.10 per share fee from the proceeds.
(4) Total stockholder transaction expenses may include sales load and will be disclosed in a future prospectus supplement, if any.
(5) Under the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 1.50% of our total gross assets at the end of each quarter, including any investments made with borrowings, but excluding cash and cash equivalents; provided, however, the base management fee will be calculated at an annual rate of 1.00% of the value of our total gross assets, including any investments made with borrowings, but excluding cash and cash equivalents, that exceeds the product of (i) 200% (calculated in accordance with the Investment Company Act and giving effect to exemptive relief we have received with respect to debentures issued by a small business investment company subsidiary) and (ii) our net assets. For purposes of this table, we have assumed $2.6 billion of total gross assets (excluding cash and cash equivalents), which was the actual amount of our total gross assets as of September 30, 2021 and does not reflect the waiver by Oaktree of $750,000 of base management fees in each quarter. The base management fee net of such waiver would be 2.75% of net assets attributable to common stock. See "Item 1. Business - Investment Advisory Agreement - Management and Incentive Fee."

(6) The incentive fee consists of two parts. Under the Investment Advisory Agreement, the incentive fee on income is calculated and payable quarterly in arrears based upon our pre-incentive fee net investment income 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 our net assets at the end of the most recently completed quarter, of 1.50%, subject to a "catch up" feature. In addition, pre-incentive fee net investment income does not include any amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from merger-related accounting adjustments in connection with the assets acquired in the Mergers, including any premium or discount paid for the acquisition of such assets, solely to the extent that the inclusion of such merger-related accounting adjustments, in the aggregate, would result in an increase in pre-incentive fee net investment income. See *"Item 1. Business - Investment Advisory Agreement - Management and Incentive Fee"* for additional information.

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 our 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 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 or losses and unrealized capital depreciation with respect to our 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. In addition, the calculation of realized capital gains, realized capital losses and unrealized capital depreciation does (1) not include any such amounts resulting solely from merger-related accounting adjustments in connection with the assets acquired in the Mergers, including any premium or discount paid for the acquisition of such assets, solely to the extent that the inclusion of such merger-related accounting adjustments, in the aggregate, would result in an increase in the capital gains incentive fee and (2) include any such amounts associated with the investments acquired in the Mergers for the period from October 1, 2018 to the date of closing of the Mergers, solely to the extent that the exclusion of such amounts, in the aggregate, would result in an increase in the capital gains incentive fee. See *"Item 1. Business - Investment Advisory Agreement - Management and Incentive Fee"* for additional information.

The incentive fee referenced in the table above is based on annualized actual amounts of the incentive fee on income incurred during the three months ended June 30, 2021 and September 30, 2021, which are the first two full quarters subsequent to the closing of the Mergers, and the capital gains incentive fee payable under the Investment Advisory Agreement as of September 30, 2021.

(7) "Interest payments on borrowed funds (including other costs of servicing and offering debt securities)" is calculated as (1) the weighted average interest rate in effect as of September 30, 2021 multiplied by the actual debt outstanding as of September 30, 2021 of $1,280.0 million plus (2) unused fees and the expected amortization of deferred financing costs and discounts based on the unamortized financing costs and discounts as of September 30, 2021. The weighted average interest rate for our borrowings as of September 30, 2021 was 2.4% (exclusive of deferred financing costs and inclusive of the impact of an interest rate swap designated as a hedging instrument). The amount of leverage that we employ at any particular time will depend on, among other things, our Board of Directors' assessment of market and other factors at the time of any proposed borrowing.

(8) "Other expenses" are based on estimated amounts for the current fiscal year. These expenses include certain expenses allocated to us under the Investment Advisory Agreement, including travel expenses incurred by the Adviser's personnel in connection with investigating and monitoring our investments, such as investment due diligence.

(9) Our stockholders indirectly bear the expenses of underlying funds or other investment vehicles that would be an investment company under section 3(a) of the Investment Company Act but for the exceptions to that definition provided for in sections 3(c)(1) and 3(c)(7) of the Investment Company Act ("Acquired Funds") in which we invest. This amount includes the annual expenses of SLF JV I and the Glick JV, which we refer to collectively as the "JVs". There are no fees paid by the JVs to the Adviser. See Note 3 to our Consolidated Financial Statements in this Form 10-K for more information on the JVs. The annual expenses of the JVs include interest payments on the subordinated notes held by Kemper and GF Debt Funding 2014 LLC, or GF Debt Funding, an entity advised by affiliates of GF Equity Funding, as applicable, which represented 13.8% of such expenses, and exclude interest payments on the subordinated notes held by us.

(10) "Total annual expenses" is presented as a percentage of net assets attributable to common stockholders because our common stockholders bear all of our fees and expenses and includes all fees and expenses of our consolidated subsidiaries. "Total annual expenses" does not reflect any potential provision (benefit) for income taxes because of the uncertainties associated with determining such amounts in future periods.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock assuming that we hold no cash or liabilities other than debt. In calculating the following expense amounts, we have assumed that our annual operating expenses remain at the levels set forth in the table above. The example does not include any sales load or offering expenses.

An investor would pay the following expenses on a $1,000 investment	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Assuming a 5% annual return (assumes no return from net realized capital gains)	$ 72	$ 218	$ 368	$ 760
Assuming a 5% annual return (assumes return entirely from net realized capital gains)	$ 88	$ 266	$ 446	$ 901

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. The incentive fee based on pre-incentive fee net investment income under the Investment Advisory Agreement, which, assuming a 5% annual return, would either not be payable or would have an insignificant impact on the expense amounts shown above, is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger a greater incentive fee, our expenses, and returns to our investors, would be higher. For purposes of this example, we have assumed that as of October 1, 2021, the sum of our realized capital losses and unrealized capital depreciation on a cumulative basis since October 1, 2018 equaled zero. In addition, while the example assumes reinvestment of all distributions at NAV, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the cash distribution payable to a participant by either (i) the greater of (a) the current NAV per share of our common stock and (b) 95% of the market price per share of our common stock at the close of trading on the payment date fixed by our Board of Directors in the event that we use newly issued shares to satisfy the share requirements of the dividend reinvestment plan or (ii) the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased by the administrator of the dividend reinvestment plan in the event that shares are purchased in the open market to satisfy the share requirements of the dividend reinvestment plan, which may be at, above or below NAV.

Financial Highlights

(Share amounts in thousands)	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019	Year ended September 30, 2018 (1)	Year ended September 30, 2017
Net asset value per share at beginning of period	$6.49	$6.60	$6.09	$6.16	$7.97
Net investment income (2)	0.60	0.51	0.48	0.43	0.51
Net unrealized appreciation (depreciation) (2)(3)	0.73	(0.14)	0.27	0.73	(0.69)
Net realized gains (losses) (2)	0.16	(0.10)	0.14	(0.83)	(1.21)
(Provision) benefit for taxes on realized and unrealized gains (losses) (2)	—	0.01	—	—	—
Distributions of net investment income to stockholders	(0.51)	(0.39)	(0.38)	(0.27)	(0.47)
Tax return of capital	—	—	—	(0.13)	—
Issuance of common stock	(0.19)	—	—	—	0.05
Net asset value per share at end of period	**$7.28**	**$6.49**	**$6.60**	**$6.09**	**$6.16**
Per share market value at beginning of period	$4.84	$5.18	$4.96	$5.47	$5.81
Per share market value at end of period	$7.06	$4.84	$5.18	$4.96	$5.47
Total return (4)	57.61%	2.10%	12.56%	(1.49)%	2.84%
Common shares outstanding at beginning of period	140,961	140,961	140,961	140,961	143,259
Common shares outstanding at end of period	180,361	140,961	140,961	140,961	140,961
Net assets at beginning of period	$914,879	$930,630	$858,035	$867,657	$1,142,288
Net assets at end of period	$1,312,823	$914,879	$930,630	$858,035	$867,657
Average net assets (5)	$1,150,662	$871,305	$909,264	$841,583	$1,018,498
Ratio of net investment income to average net assets (5)	8.44%	8.26%	7.47%	7.13%	7.13%
Ratio of total expenses to average net assets (5)	9.65%	7.57%	9.65%	9.51%	10.49%
Ratio of net expenses to average net assets (5)	9.51%	8.16%	8.78%	9.35%	10.35%
Ratio of portfolio turnover to average investments at fair value	39.66%	38.99%	32.50%	67.66%	39.06%
Weighted average outstanding debt (6)	$964,390	$647,080	$573,891	$608,553	$982,372
Average debt per share (2)	$5.95	$4.59	$4.07	$4.32	$6.95
Asset coverage ratio at end of period (7)	201.68%	227.22%	294.91%	232.98%	227.40%

(1) Beginning on October 17, 2017, the Company is externally managed by Oaktree or its affiliates. Prior to October 17, 2017, the Company was externally managed by the Former Adviser.

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

(3) For the year ended September 30, 2021, the amount shown for net unrealized appreciation (depreciation) includes the effect of the timing of common stock issuances in connection with the Mergers.

(4) 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.

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

(6) Calculated based upon the weighted average of principal debt outstanding for the period.

(7) Based on outstanding senior securities of $1,280.0 million, $714.8 million, $476.1 million, $643.4 million, and $680.7 million as of September 30, 2021, 2020, 2019, 2018 and 2017, respectively.

	Year ended September 30, 2016	Year Ended September 30, 2015	Year Ended September 30, 2014	Year Ended September 30, 2013	Year Ended September 30, 2012
Net asset value at beginning of period	$9.00	$9.64	$9.85	$9.92	$10.07
Net investment income (4)	0.72	0.75	1.00	1.04	1.11
Net unrealized appreciation (depreciation) on investments and secured borrowings (4)	(0.33)	(0.46)	(0.23)	0.12	0.70
Net realized gain (loss) on investments, interest rate swap and secured borrowings (4)	(0.84)	(0.19)	0.02	(0.24)	(0.81)
Distributions of net investment income to stockholders (4)	(0.67)	(0.79)	(0.94)	(0.90)	(1.04)
Tax return of capital (4)	(0.05)	—	(0.06)	(0.25)	(0.14)
Net issuance/repurchase of common stock (4)	0.14	0.05	—	0.16	0.03
Net asset value at end of period	**$7.97**	**$9.00**	**$9.64**	**$9.85**	**$9.92**
Per share market value at beginning of period	$6.17	$9.18	$10.29	$10.98	$9.32
Per share market value at end of period	$5.81	$6.17	$9.18	$10.29	$10.98
Total return (1)	7.02%	(27.18)%	(0.97)%	4.89%	32.59%
Common shares outstanding at beginning of period	150,263	153,340	139,041	91,048	72,376
Common shares outstanding at end of period	143,259	150,263	153,340	139,041	91,048
Net assets at beginning of period	$1,353,094	$1,478,475	$1,368,872	$903,570	$728,627
Net assets at end of period	$1,142,288	$1,353,094	$1,478,475	$1,368,872	$903,570
Average net assets (2)	$1,229,639	$1,413,357	$1,393,635	$1,095,225	$790,921
Ratio of net investment income to average net assets	8.68%	8.13%	10.23%	10.50%	11.13%
Ratio of total expenses to average net assets	13.09%	10.69%	10.91%	9.95%	9.95%
Ratio of net expenses to average net assets	11.48%	10.65%	10.86%	9.74%	9.95%
Ratio of portfolio turnover to average investments at fair value	23.39%	23.02%	25.50%	38.22%	29.74%
Weighted average outstanding debt (3)	$1,190,105	$1,228,413	$1,110,021	$597,596	$421,366
Average debt per share (4)	$8.07	$8.02	$7.82	$5.42	$5.30
Asset coverage ratio at end of period (5)	220.84%	238.95%	259.50%	394.86%	385.71%

(1) 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.

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

(3) Calculated based upon the weighted average of loans payable for the period.

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

(5) Based on outstanding senior securities of $946.5 million, $975.3 million, $928.4 million, $464.3 million and $316.3 million as of September 30, 2016, 2015, 2014, 2013 and 2012, respectively.

Item 6. *Selected Financial Data*

Not applicable.

Item 7. ***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 annual report on Form 10-K.

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

- our future operating results and distribution projections;
- the ability of 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 annual report on Form 10-K 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 this annual report on Form 10-K.

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 RICs;
- general considerations associated with the COVID-19 pandemic;
- the ability to realize the anticipated benefits of the Mergers; and
- other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this annual report on Form 10-K on information available to us on the date of this annual 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 SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

All dollar amounts in tables are in thousands, except share and per share amounts and as otherwise indicated.

Business Overview

We are a specialty finance company dedicated to providing customized, one-stop credit solutions to companies with limited access to public or syndicated capital 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. In addition, we have qualified and elected to be treated as a RIC under the Code for U.S. federal income tax purposes.

We are externally managed by Oaktree pursuant to the Investment Advisory Agreement. Oaktree Administrator, an affiliate of Oaktree, provides certain administrative and other services necessary for us to operate pursuant to the Administration Agreement.

Our investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. We may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions. Our portfolio may also include certain structured finance and other non-traditional structures. We invest in companies that typically possess resilient business models with strong underlying fundamentals. We intend to deploy capital across credit and economic cycles with a focus on long-term results, which we believe will enable us to build lasting partnerships with financial sponsors and management teams, and we may seek to opportunistically take advantage of dislocations in the financial markets and other situations that may benefit from Oaktree's credit and structuring expertise, including during the COVID-19 pandemic. Sponsors may include financial sponsors, such as an institutional investor or a private equity firm, or a strategic entity seeking to invest in a portfolio company. 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.

In the current market environment, Oaktree intends to focus on the following areas, in which Oaktree believes there is less competition and thus potential for greater returns, for our new investment opportunities: (1) situational lending, which we define to include directly originated loans to non-sponsor companies that are hard to understand and value using traditional underwriting techniques, (2) select sponsor lending, which we define to include financing to support leveraged buyouts of companies with specialized sponsors that have expertise in certain industries, and (3) stressed sector and rescue lending, which we define to include opportunistic private loans in industries experiencing stress or limited access to capital.

Oaktree intends to continue to rotate our portfolio into investments that are better aligned with Oaktree's overall approach to credit investing and that it believes have the potential to generate attractive returns across market cycles (which we call "core investments"). Oaktree has performed a comprehensive review of our portfolio and categorized our portfolio into core investments, non-core performing investments and underperforming investments. Certain additional information on such categorization and our portfolio composition is included in investor presentations that we file with the SEC. Since an Oaktree affiliate became our investment adviser in October 2017, Oaktree and its affiliates have reduced the investments identified as non-core by over $700 million at fair value. Over time, Oaktree intends to rotate us out of the remaining non-core investments, which were approximately $134 million at fair value as of September 30, 2021. Oaktree periodically reviews designations of investments as core and non-core and may change such designations over time.

On March 19, 2021, we acquired OCSI pursuant to the Merger Agreement. Pursuant to the Merger Agreement, Merger Sub was first merged with and into OCSI, with OCSI as the surviving corporation, and, immediately following the Merger, OCSI was then merged with and into us, with us as the surviving company. In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of OCSI's common stock was converted into the right to receive 1.3371 shares of our common stock (with OCSI's stockholders receiving cash in lieu of fractional shares of our common stock). As a result of the Mergers, we issued an aggregate of 39,400,011 shares of our common stock to former OCSI stockholders.

Business Environment and Developments

The rapid spread of COVID-19 in early 2020 led to disruptions in the U.S. and global financial markets. While several countries, including the U.S., have eased certain travel restrictions, business closures and social distancing measures, the U.S. and global economies continue to rapidly evolve and experience uncertainty, particularly due to recurring COVID-19 outbreaks, vaccine hesitancy and potential re-imposition of certain restrictions. The general uncertainty surrounding the dangers and long-term impact of COVID-19 have created significant disruption in supply chains and economic activity and have had a particularly adverse impact on transportation, oil-related, hospitality, tourism, entertainment and other industries. These uncertainties can ultimately impact the overall supply and demand of the market through changing spreads, deal terms and structures and equity purchase price multiples.

We are unable to predict the full effects of the COVID-19 pandemic or how long any further outbreaks, market disruptions or volatility might last. We continue to closely monitor the impact that this has had on our business, industry and portfolio companies, which we believe may help us identify vulnerabilities and allow us to address potential problems early and provide constructive solutions if necessary.

Despite the ongoing uncertainty surrounding the COVID-19 pandemic, 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 and decades of credit investing experience 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.

As of September 30, 2021, 91.5% of our debt investment portfolio (at fair value) and 91.8% of our debt investment portfolio (at cost) bore interest at floating rates indexed to the 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 of our incentive fee on income. In July 2017, the head of the United Kingdom Financial Conduct Authority, or the FCA, announced the desire to phase out the use of LIBOR by the end of 2021. However, in March 2021 the FCA announced that most U.S. dollar LIBOR would continue to be published through June 30, 2023 effectively extending the LIBOR transition period to June 30, 2023. However, the FCA has indicated it will not compel panel banks to continue to contribute to LIBOR after the end of 2021 and the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate no later than December 31, 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, supports 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 is unknown whether these alternative reference rates will attain market acceptance as replacements for LIBOR. In anticipation of the cessation of LIBOR, we may need to renegotiate any credit agreements extending beyond the applicable phase out date with our prospective portfolio companies that utilize LIBOR as a factor in determining the interest rate. 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. Certain of the loan agreements with our portfolio companies do not include any fallback language providing a mechanism for the parties to negotiate a new reference interest rate and will instead revert to the base rate in the event LIBOR ceases to exist.

Critical Accounting Estimates

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. Under the EV technique, the significant unobservable input used in the fair value measurement of our investments in debt or equity securities is the 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. 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. 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.

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 certain 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 fair value of our investments as of September 30, 2021 and September 30, 2020 was determined in good faith by our Board of Directors. Our Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of our portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. As of September 30, 2021, 88.4% 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.

Certain factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly-traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to these uncertainties, our fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize upon the sale of one or more of our investments.

As of September 30, 2021, we held $2,556.6 million of investments at fair value, up from $1,573.9 million held at September 30, 2020, primarily driven by new originations, investment acquired in the Mergers and unrealized appreciation. As of September 30, 2021 and September 30, 2020, approximately 97.0% and 95.9%, respectively, of our total assets represented investments at fair value.

Revenue Recognition

Interest Income

Interest income, adjusted for accretion of 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.

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.

Portfolio Composition

Our investments principally consist of loans, common and preferred equity and warrants in privately-held companies, and the JVs. Our loans are typically secured by a first, second or subordinated lien on the assets of the portfolio company and generally have terms of up to ten years (but an expected average life of between three and four years).

During the fiscal year ended September 30, 2021, we originated $1,167.4 million of investment commitments in 55 new and 16 existing portfolio companies and funded $1,125.0 million of investments.

During the fiscal year ended September 30, 2021, we received $762.0 million of proceeds from prepayments, exits, other paydowns and sales and exited 46 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:

	September 30, 2021	September 30, 2020
Cost:		
Senior secured debt	85.85 %	80.58 %
Debt investments in the JVs	5.79	5.77
Preferred equity	2.60	2.37
Common equity and warrants	2.15	3.69
LLC equity interests of the JVs	1.94	2.95
Subordinated debt	1.67	4.64
Total	**100.00 %**	**100.00 %**

	September 30, 2021	September 30, 2020
Fair value:		
Senior secured debt	86.72 %	84.06 %
Debt investments in the JVs	5.94	6.12
Preferred equity	2.49	1.90
Common equity and warrants	1.71	2.40
Subordinated debt	1.67	4.17
LLC equity interests of the JVs	1.47	1.35
Total	**100.00 %**	**100.00 %**

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

	September 30, 2021	September 30, 2020
Cost:		
Application Software	14.49 %	9.71 %
Multi-Sector Holdings (1)	7.73	8.87
Pharmaceuticals	5.44	5.96
Data Processing & Outsourced Services	4.74	6.57
Biotechnology	4.41	5.36
Personal Products	4.08	3.00
Industrial Machinery	3.47	0.90
Health Care Services	3.34	4.26
Specialized Finance	2.70	3.11
Aerospace & Defense	2.66	1.68
Fertilizers & Agricultural Chemicals	2.63	2.02
Internet & Direct Marketing Retail	2.45	0.89
Construction & Engineering	2.44	0.80
Integrated Telecommunication Services	1.85	2.67
Internet Services & Infrastructure	1.85	1.72
Specialty Chemicals	1.84	2.68
Home Improvement Retail	1.83	—
Automotive Retail	1.65	—
Airport Services	1.64	1.34
Diversified Support Services	1.60	1.13
Real Estate Services	1.59	2.34
Oil & Gas Storage & Transportation	1.44	1.59
Oil & Gas Refining & Marketing	1.42	1.87
Soft Drinks	1.32	—
Electrical Components & Equipment	1.27	1.25
Health Care Supplies	1.17	1.30
Advertising	1.13	0.82
Real Estate Operating Companies	1.08	—
Cable & Satellite	1.05	—
Movies & Entertainment	1.02	2.68
Insurance Brokers	1.00	1.05
Leisure Facilities	0.99	0.11
Health Care Equipment	0.93	—
Independent Power Producers & Energy Traders	0.92	1.29
Airlines	0.88	0.63
Health Care Distributors	0.78	0.77
Commercial Printing	0.78	0.47
Home Furnishings	0.77	—
Managed Health Care	0.73	1.65
Metal & Glass Containers	0.69	0.68
Other Diversified Financial Services	0.63	0.01
Thrifts & Mortgage Finance	0.63	0.06
Health Care Technology	0.55	1.29
Auto Parts & Equipment	0.49	2.02
Electronic Components	0.40	1.53
Property & Casualty Insurance	0.39	2.88
Restaurants	0.37	0.61
IT Consulting & Other Services	0.30	0.89
Research & Consulting Services	0.29	1.49
Systems Software	0.26	1.24
Leisure Products	0.26	—
Alternative Carriers	0.26	—
Apparel, Accessories & Luxury Goods	0.20	0.82
Air Freight & Logistics	0.19	—
Integrated Oil & Gas	0.19	—
Food Distributors	0.18	—
Food Retail	0.15	0.41
Diversified Banks	0.14	—
Technology Distributors	0.12	—
Construction Materials	0.09	0.13
Housewares & Specialties	0.07	—
Education Services	0.04	1.37
General Merchandise Stores	—	1.15
Hotels, Resorts & Cruise Lines	—	0.92
Diversified Real Estate Activities	—	0.92
Trading Companies & Distributors	—	0.61
Oil & Gas Equipment & Services	—	0.20
Health Care Facilities	—	0.19
Specialty Stores	—	0.08
Specialized REITs	—	0.01
Total	**100.00 %**	**100.00 %**

	September 30, 2021	September 30, 2020
Fair value:		
Application Software	14.58 %	10.21 %
Multi-Sector Holdings (1)	7.41	7.74
Pharmaceuticals	5.56	6.55
Data Processing & Outsourced Services	4.46	6.33
Biotechnology	4.44	6.14
Personal Products	4.13	3.24
Industrial Machinery	3.53	0.74
Health Care Services	3.31	3.81
Aerospace & Defense	2.72	1.56
Specialized Finance	2.69	3.08
Internet & Direct Marketing Retail	2.68	0.97
Fertilizers & Agricultural Chemicals	2.64	2.14
Construction & Engineering	2.47	0.86
Integrated Telecommunication Services	1.94	2.61
Internet Services & Infrastructure	1.87	1.69
Specialty Chemicals	1.82	2.48
Home Improvement Retail	1.82	—
Automotive Retail	1.65	—
Real Estate Services	1.61	2.40
Diversified Support Services	1.60	1.12
Airport Services	1.59	1.35
Oil & Gas Refining & Marketing	1.43	1.90
Oil & Gas Storage & Transportation	1.35	1.64
Soft Drinks	1.31	—
Electrical Components & Equipment	1.26	1.30
Advertising	1.19	0.85
Health Care Supplies	1.18	1.37
Real Estate Operating Companies	1.11	—
Insurance Brokers	1.08	1.15
Cable & Satellite	1.06	—
Movies & Entertainment	1.06	2.77
Airlines	0.96	0.83
Health Care Equipment	0.93	—
Independent Power Producers & Energy Traders	0.92	1.32
Leisure Facilities	0.90	—
Commercial Printing	0.79	0.47
Home Furnishings	0.77	—
Health Care Distributors	0.77	0.78
Managed Health Care	0.74	1.70
Metal & Glass Containers	0.68	0.75
Thrifts & Mortgage Finance	0.62	0.02
Other Diversified Financial Services	0.62	—
Health Care Technology	0.55	1.40
Auto Parts & Equipment	0.48	1.99
Electronic Components	0.40	1.69
Property & Casualty Insurance	0.39	2.97
Restaurants	0.37	0.50
Research & Consulting Services	0.30	1.54
IT Consulting & Other Services	0.29	0.88
Alternative Carriers	0.27	—
Systems Software	0.26	1.30
Leisure Products	0.26	—
Air Freight & Logistics	0.19	—
Integrated Oil & Gas	0.19	—
Food Distributors	0.18	—
Food Retail	0.15	0.44
Diversified Banks	0.14	—
Technology Distributors	0.12	—
Construction Materials	0.09	0.13
Housewares & Specialties	0.08	—
Education Services	0.04	0.45
Apparel, Accessories & Luxury Goods	—	0.50
General Merchandise Stores	—	1.14
Hotels, Resorts & Cruise Lines	—	1.09
Diversified Real Estate Activities	—	1.07
Trading Companies & Distributors	—	0.64
Health Care Facilities	—	0.23
Oil & Gas Equipment & Services	—	0.16
Specialized REITs	—	0.01
Total	**100.00 %**	**100.00 %**

(1) This industry includes our investments in the JVs and certain limited partnership interests.

Loans and Debt Securities on Non-Accrual Status

As of September 30, 2021, there were no investments on non-accrual status. As of September 30, 2020, there were two investments on which we had stopped accruing cash and/or PIK interest or OID income. During the year ended September 30, 2021, we exited the two investments previously on non-accrual status as of September 30, 2020.

The percentages of our debt investments at cost and fair value by accrual status as of September 30, 2020 were as follows:

	September 30, 2020			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	$ 1,500,364	98.79 %	$ 1,483,284	99.89 %
PIK non-accrual (1)	12,661	0.83	—	—
Cash non-accrual (2)	5,712	0.38	1,571	0.11
Total	**$ 1,518,737**	**100.00 %**	**$ 1,484,855**	**100.00 %**

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

The Joint Ventures

Senior Loan Fund JV I, LLC

In May 2014, we entered into an LLC agreement with Kemper to form SLF JV I. We co-invest in senior secured loans of middle-market companies and other corporate debt securities with Kemper through our investment in SLF JV I. SLF JV I is managed by a four person Board of Directors, two of whom are selected by us and two of whom are selected by Kemper. All portfolio decisions and investment decisions in respect of SLF JV I must be approved by the SLF JV I investment committee, which consists of one representative selected by us and one representative selected by Kemper (with approval from a representative of each required). Since we do not have a controlling financial interest in SLF JV I, we do not consolidate SLF JV I. SLF JV I is not an "eligible portfolio company" as defined in section 2(a)(46) of the Investment Company Act. SLF JV I is capitalized pro rata with LLC equity interests as transactions are completed and may be capitalized with additional subordinated notes issued to us and Kemper by SLF JV I. The SLF JV I Notes are senior in right of payment to SLF JV I LLC equity interests and subordinated in right of payment to SLF JV I's secured debt.

As of September 30, 2021 and September 30, 2020, we and Kemper owned, in the aggregate, 87.5% and 12.5%, respectively, of the LLC equity interests of SLF JV I and the outstanding SLF JV I Notes. As of each of September 30, 2021 and September 30, 2020, we and Kemper had funded approximately $165.5 million to SLF JV I, of which $144.8 million was from us. As of September 30, 2021, we had aggregate commitments to fund SLF JV I of $35.0 million, of which approximately $26.2 million was to fund additional SLF JV I Notes and approximately $8.8 million was to fund LLC equity interests in SLF JV I. As of September 30, 2020, we had commitments to fund LLC equity interests in SLF JV I of $17.5 million, of which $1.3 million was unfunded.

Both the cost and fair value of our SLF JV I Notes were $96.3 million as of each of September 30, 2021 and September 30, 2020. We earned interest income of $7.4 million, $8.1 million and $9.8 million on our investment in the SLF JV I Notes for the years ended September 30, 2021, 2020 and 2019, respectively. The cost and fair value of the LLC equity interests in SLF JV I held by us was $49.3 million and $37.7 million, respectively, as of September 30, 2021 and $49.3 million and $21.2 million, respectively, as of September 30, 2020. We earned $0.9 million in dividend income for the year ended September 30, 2021 with respect to our investment in the LLC equity interests of SLF JV I. We did not earn dividend income for the years ended September 30, 2020 and 2019 with respect to our investment in the LLC equity interests of SLF JV I. The LLC equity interests of SLF JV I are dividend producing to the extent SLF JV I has residual cash to be distributed on a quarterly basis.

Below is a summary of SLF JV I's portfolio as of September 30, 2021:

	September 30, 2021
Senior secured loans (1)	$344,196
Weighted average interest rate on senior secured loans (2)	5.60%
Number of borrowers in SLF JV I	55
Largest exposure to a single borrower (1)	$9,875
Total of five largest loan exposures to borrowers (1)	$46,984

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

See "*Note 3. Portfolio Investments"* in the notes to the accompanying financial statements for more information on SLF JV I and its portfolio.

OCSI Glick JV LLC

On March 19, 2021, as a result of the consummation of the Mergers, we became party to the LLC agreement of the Glick JV. The Glick JV invests primarily in senior secured loans of middle-market companies. We co-invest in these securities with GF Equity Funding through the Glick JV. The 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. All portfolio decisions and investment decisions in respect of the Glick JV must be approved by the 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). Since we do not have a controlling financial interest in the Glick JV, we do not consolidate the Glick JV. The Glick JV is not an "eligible portfolio company" as defined in section 2(a)(46) of the Investment Company Act. The Glick JV is capitalized as transactions are completed. The members provide capital to the 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 Glick JV in exchange for subordinated notes issued by the Glick JV, or the Glick JV Notes. The Glick JV Notes are junior in right of payment to the repayment of temporary contributions made by us to fund investments of the Glick JV that are repaid when GF Equity Funding and GF Debt Funding make their capital contributions and fund their Glick JV Notes, respectively.

As of September 30, 2021, 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 Glick JV Notes. Approximately $84.0 million in aggregate commitments was funded as of September 30, 2021, of which $73.5 million was from us. As of September 30, 2021, we had commitments to fund Glick JV Notes of $78.8 million, of which $12.4 million was unfunded. As of September 30, 2021, we had commitments to fund LLC equity interests in the Glick JV of $8.7 million, of which $1.6 million was unfunded as of each such date.

The cost and fair value of our aggregate investment in the Glick JV was $50.7 million and $55.6 million, respectively, as of September 30, 2021. For the period from March 19, 2021 to September 30, 2021, our investment in the Glick JV Notes earned interest income of $2.4 million. We did not earn any dividend income for the period from March 19, 2021 to September 30, 2021 with respect to our investment in the LLC equity interests of the Glick JV. The LLC equity interests of the Glick JV are income producing to the extent there is residual cash to be distributed on a quarterly basis.

Below is a summary of the Glick JV's portfolio as of September 30, 2021:

	September 30, 2021
Senior secured loans (1)	$126,512
Weighted average current interest rate on senior secured loans (2)	5.86%
Number of borrowers in the Glick JV	37
Largest loan exposure to a single borrower (1)	$6,907
Total of five largest loan exposures to borrowers (1)	$28,324

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

See "*Note 3. Portfolio Investments"* in the notes to the accompanying financial statements for more information on the Glick JV and its portfolio.

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 net 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.

On March 19, 2021, we completed our previously announced acquisition of OCSI pursuant to the Merger Agreement. We were the accounting survivor of the Mergers. The Mergers were accounted for as an asset acquisition in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations—Related Issues*, or ASC 805. We determined the fair value of the shares of our common stock that were issued to former OCSI stockholders pursuant to the Merger Agreement plus transaction costs to be the consideration paid in connection with the Mergers under ASC 805. The consideration paid to OCSI stockholders was less than the aggregate fair values of the assets acquired and liabilities assumed, which resulted in a purchase discount (the "purchase discount"). The consideration paid was allocated to the individual assets acquired and liabilities assumed based on the relative fair values of net identifiable assets acquired other than "non-qualifying" assets (for example, cash) and did not give rise to goodwill. As a result, the purchase discount was allocated to the cost basis of the OCSI investments acquired by us on a pro-rata basis based on their relative fair values as of the effective time of the Mergers. Immediately following the Mergers, the investments were marked to their respective fair values in accordance with ASC 820, which resulted in $34.1 million of unrealized appreciation in the Consolidated Statement of Operations as a result of the Mergers. The purchase discount allocated to the debt investments acquired will accrete over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation on such investment acquired through its ultimate disposition. The purchase discount allocated to equity investments acquired will not amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, we will recognize a realized gain with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired. The Mergers were considered a tax-free reorganization and we have elected to carry forward the historical cost basis of the acquired OCSI investments for tax purposes.

Comparison of Years ended September 30, 2021 and September 30, 2020

Total Investment Income

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

Total investment income for the years ended September 30, 2021 and 2020 was $209.4 million and $143.1 million, respectively. For the year ended September 30, 2021, this amount consisted of $190.8 million of interest income from portfolio investments (which included $16.4 million of PIK interest), $14.1 million of fee income and $4.5 million of dividend income. For the year ended September 30, 2020, this amount consisted of $133.4 million of interest income from portfolio investments (which included $7.9 million of PIK interest), $8.5 million of fee income and $1.2 million of dividend income. The increase of $66.3 million, or 46.3%, in our total investment income for the year ended September 30, 2021, as compared to the year ended September 30, 2020, was due primarily to (1) a $57.4 million increase in interest income, which was primarily driven by a larger investment portfolio primarily due to the increase in assets resulting from the Mergers and new originations, OID accretion that resulted from merger-related accounting adjustments and higher OID acceleration resulting from exits of investments, (2) a $5.6 million increase in fee income primarily due to higher prepayment fees and amendment fees and (3) a $3.3 million increase in dividend income mainly driven by dividends received from two investments that did not pay dividends in the prior year.

Expenses

Net expenses (expenses net of fee waivers) for the years ended September 30, 2021 and 2020 were $109.5 million and $71.1 million, respectively. Net expenses increased for the year ended September 30, 2021, as compared to the year ended September 30, 2020, by $38.3 million, or 53.9%, primarily due to (1) $18.0 million of higher accrued Part II incentive fees (net of waivers) as a result of higher cumulative capital gains earned and the impact of the waiver reversal in the prior year, (2) $7.8 of higher base management fees (net of management fee waivers) primarily as a result of a larger investment portfolio, including due to the Mergers, (3) a $6.4 million increase in Part I incentive fees mainly due to increased total investment income and (4) a $4.2 million increase in interest expense due to higher borrowings outstanding.

Net Investment Income

Primarily as a result of the $66.3 million increase in total investment income and the $38.3 million increase in net expenses, net investment income for the year ended September 30, 2021 increased by $25.1 million, or 34.9%, compared to the year ended September 30, 2020.

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 years ended September 30, 2021, 2020 and 2019, we recorded aggregate net realized gains (losses) of $26.4 million, $(13.9) million and $20.8 million, respectively, in connection with the exits or restructurings 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 years ended September 30, 2021, 2020 and 2019.

Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation or depreciation is the net change in the 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.

During the years ended September 30, 2021, 2020 and 2019, we recorded net unrealized appreciation (depreciation) of $114.5 million, $(20.6) million and $38.5 million, respectively. For the year ended September 30, 2021, this consisted of $70.0 million of net unrealized appreciation on debt investments, $36.3 million of net unrealized appreciation on equity investments, $6.6 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses) and $1.7 million of net unrealized appreciation of foreign currency forward contracts. For the year ended September 30, 2020, this consisted of $35.3 million of net unrealized depreciation on equity investments, $12.0 million of net unrealized depreciation on debt investments and $0.3 million of net unrealized depreciation of foreign currency forward contracts, partially offset by $26.9 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses). For the year ended September 30, 2019, this consisted of $57.0 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses), $10.6 million of net unrealized appreciation on equity investments and $0.3 million net unrealized appreciation of foreign currency forward contracts, partially offset by $26.8 million of net unrealized depreciation on debt investments and $2.7 million of net unrealized depreciation of secured borrowings (which results in a reclassification to realized gains).

For the year ended September 30, 2021, there were $22.8 million of net realized and unrealized gains (losses) that resulted solely from accounting adjustments related to the Mergers.

Comparison of Years ended September 30, 2020 and September 30, 2019

The comparison of the fiscal years ended September 30, 2020 and 2019 can be found within Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our annual report on Form 10-K for the fiscal year ended September 30, 2020 which is incorporated by reference herein.

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. We may also from time to time repurchase or redeem some or all of our outstanding notes. At a special meeting of our stockholders held on June 28, 2019, 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 June 29, 2019. As a result of the reduced asset coverage requirement, we can incur $2 of debt for each $1 of equity as compared to $1 of debt for each $1 of equity. As of September 30, 2021, we had $1,280.0 million in senior securities and our asset coverage ratio was 201.7%. As of September 30, 2021, our debt to equity ratio was 0.97x. Our target debt to equity ratio is 0.85x to 1.0x (i.e., one dollar of equity for each $0.85 to $1.00 of debt outstanding) as we plan to continue to opportunistically deploy capital into the markets.

For the year ended September 30, 2021, we experienced a net decrease in cash and cash equivalents (including restricted cash) of $7.5 million. During that period, we used $230.5 million of net cash from operating activities, primarily from funding $1,120.2 million of investments, partially offset by $792.2 million of principal payments and sale proceeds received, $20.9 million of cash acquired in the Mergers, the cash activities related to $97.1 million of net investment income and $10.1 million of net increases in payables and net decreases in receivables from unsettled transactions. During the same period, net cash provided by financing activities was $224.2 million, primarily consisting of $349.0 million of borrowings of unsecured notes (net of OID), partially offset by $24.6 million of net repayments under the credit facilities, $79.9 million of cash distributions paid to our stockholders, $9.3 million of repayments of secured borrowings, $2.2 million of repurchases of common stock under our dividend reinvestment plan, or DRIP, and $8.9 million of deferred financing costs paid.

For the year ended September 30, 2020, we experienced a net increase in cash and cash equivalents of $23.7 million. During that period, we used $152.9 million of net cash from operating activities, primarily from funding $727.2 million of investments, a $63.7 million of net decrease in payables from unsettled transactions, partially offset by $579.6 million of principal payments and sale proceeds received and the cash activities related to $72.0 million of net investment income. During the same period, net cash provided by financing activities was $176.3 million, primarily consisting of $100.0 million of net borrowings under the Credit Facility (as defined below) and $136.2 million net incurrence of unsecured notes, partially offset by $53.1 million of cash distributions paid to our stockholders, $4.8 million of deferred financing costs paid and $1.9 million of repurchases of common stock under our dividend reinvestment plan, or DRIP.

For the year ended September 30, 2019, we experienced a net increase in cash and cash equivalents and restricted cash of $1.9 million. During that period, we received $215.8 million of net cash from operating activities, primarily from $606.3 million of principal payments and sale proceeds received, $44.5 million of a net increase in payables from unsettled transactions and the cash activities related to $67.9 million of net investment income, partially offset by funding $478.0 million of investments. During the same period, net cash used in financing activities was $214.1 million, primarily consisting of $228.8 million of repayments of unsecured notes, $2.7 million of repayments of secured borrowings, $52.2 million of cash distributions paid to our stockholders, $2.9 million of deferred financing costs paid and $1.3 million of repurchases of common stock under our DRIP, partially offset by $73.8 million of net borrowings under the Credit Facility.

As of September 30, 2021, we had $31.6 million in cash and cash equivalents (including $2.3 million of restricted cash), portfolio investments (at fair value) of $2.6 billion, $22.1 million of interest, dividends and fees receivable, $470.0 million of undrawn capacity on our credit facilities (subject to borrowing base and other limitations), $0.1 million of net receivables from unsettled transactions, $630.0 million of borrowings outstanding under our credit facilities and $638.7 million of unsecured notes payable (net of unamortized financing costs, unaccreted discount and interest rate swap fair value adjustment).

As of September 30, 2020, we had $39.1 million in cash and cash equivalents, portfolio investments (at fair value) of $1.6 billion, $6.9 million of interest, dividends and fees receivable, $285.2 million of undrawn capacity on the Syndicated Facility (as defined below) (subject to borrowing base and other limitations), $8.6 million of net receivables from unsettled transactions, $414.8 million of borrowings outstanding under our Syndicated Facility and $294.5 million of unsecured notes payable (net of unamortized financing costs and unaccreted discount).

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 September 30, 2021, our only off-balance sheet arrangements consisted of $264.9 million of unfunded commitments, which was comprised of $212.4 million to provide debt and equity financing to certain of our portfolio companies, $49.0 million to provide financing to the JVs and $3.5 million related to unfunded limited partnership interests. As of September 30, 2020, our only off-balance sheet arrangements consisted of $157.5 million of unfunded commitments, which was comprised of $152.7 million to provide debt financing to certain of our portfolio companies, $1.3 million to provide equity financing to SLF JV I and $3.5 million related to unfunded limited partnership interests. 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.

As of September 30, 2021, 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.

Contractual Obligations

The following table reflects information pertaining to our principal debt outstanding under the Syndicated Facility, Citibank Facility, Deutsche Bank Facility, 2025 Notes, 2027 Notes and secured borrowings:

	Debt Outstanding as of September 30, 2020	Debt Outstanding as of September 30, 2021	Weighted average debt outstanding for the year ended September 30, 2021	Maximum debt outstanding for the year ended September 30, 2021
Syndicated Facility	$ 414,825	$ 495,000	$ 455,292	$ 700,025
Citibank Facility	—	135,000	65,478	149,057
Deutsche Bank Facility	—	—	13,107	115,700
2025 Notes	300,000	300,000	300,000	300,000
2027 Notes	—	350,000	130,411	350,000
Secured borrowings	—	—	102	9,341
Total debt	**$ 714,825**	**$ 1,280,000**	**$ 964,390**	

The following table reflects our contractual obligations arising from the Syndicated Facility, Citibank Facility, 2025 Notes and 2027 Notes:

	Payments due by period as of September 30, 2021				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Syndicated Facility	$ 495,000	$ —	$ —	$ 495,000	$ —
Interest due on Syndicated Facility	49,305	10,731	21,462	17,112	—
Citibank Facility	135,000	—	135,000	—	—
Interest due on Citibank Facility	7,311	2,611	4,700	—	—
2025 Notes	300,000	—	—	300,000	—
Interest due on 2025 Notes	35,786	10,500	21,000	4,286	—
2027 Notes	350,000	—	—	—	350,000
Interest due on 2027 Notes (a)	33,607	6,346	12,692	12,692	1,877
Total	**$ 1,406,009**	**$ 30,188**	**$ 194,854**	**$ 829,090**	**$ 351,877**

(a) The interest due on the 2027 Notes was calculated net of the interest rate swap.

Equity Issuances

On March 19, 2021, in connection with the Mergers, we issued an aggregate of 39,400,011 shares of our common stock to former OCSI stockholders. There were no other common stock issuances during the year ended September 30, 2021, 2020 and 2019.

Significant Capital Transactions

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

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 19, 2018	December 17, 2018	December 28, 2018	$ 0.095	$ 13.0 million	87,429	$ 0.4 million
February 1, 2019	March 15, 2019	March 29, 2019	0.095	13.1 million	59,603	0.3 million
May 3, 2019	June 14, 2019	June 28, 2019	0.095	13.1 million	61,093	0.3 million
August 2, 2019	September 13, 2019	September 30, 2019	0.095	13.1 million	61,205	0.3 million
November 12, 2019	December 13, 2019	December 31, 2019	0.095	12.9 million	87,747	0.5 million
January 31, 2020	March 13, 2020	March 31, 2020	0.095	12.9 million	157,523	0.5 million
April 30, 2020	June 15, 2020	June 30, 2020	0.095	13.0 million	87,351	0.4 million
July 31, 2020	September 15, 2020	September 30, 2020	0.105	14.3 million	102,404	0.5 million
November 13, 2020	December 15, 2020	December 31, 2020	0.11	15.0 million	93,964	0.5 million
January 29, 2021	March 15, 2021	March 31, 2021	0.12	16.4 million	81,702	0.5 million
April 30, 2021	June 15, 2021	June 30, 2021	0.13	22.9 million	76,979	0.5 million
July 30, 2021	September 15, 2021	September 30, 2021	0.145	25.5 million	85,075	0.6 million

(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.

Syndicated Facility

As of September 30, 2021, (i) the size of the Syndicated Facility was $950 million (with an "accordion" feature that permits us, under certain circumstances, to increase the size of the facility to up to the greater of $1.25 billion and our net worth (as defined in the Syndicated Facility) on the date of such increase), (ii) the period during which we may make drawings will expire on May 4, 2025 and the maturity date was May 4, 2026 and (iii) the interest rate margin for (a) LIBOR loans (which may be 1-, 2-, 3- or 6-month, at our option) was 2.00% and (b) alternate base rate loans was 1.00%.

Each loan or letter of credit originated or assumed under the Syndicated Facility is subject to the satisfaction of certain conditions. Borrowings under the Syndicated Facility are subject to the facility's various covenants and the leverage restrictions contained in the Investment Company Act. We cannot assure you that we will be able to borrow funds under the Syndicated Facility at any particular time or at all.

The following table describes significant financial covenants, as of September 30, 2021, with which we must comply under the Syndicated Facility on a quarterly basis:

Financial Covenant	Description	Target Value	June 30, 2021 Reported Value (1)
Minimum shareholders' equity	Net assets shall not be less than the sum of (x) $600 million, plus (y) 50% of the aggregate net proceeds of all sales of equity interests after May 6, 2020	$600 million	$1,302 million
Asset coverage ratio	Asset coverage ratio shall not be less than the greater of 1.50:1 and the statutory test applicable to us	1.50:1	2.16:1
Interest coverage ratio	Interest coverage ratio shall not be less than 2.25:1	2.25:1	4.18:1
Minimum net worth	Net worth shall not be less than $550 million	$550 million	$1,121 million

(1) As contractually required, we report financial covenants based on the last filed quarterly or annual report, in this case our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021. We were in compliance with all financial covenants under the Syndicated Facility based on the financial information contained in this Annual Report on Form 10-K.

As of September 30, 2021 and September 30, 2020, we had $495.0 million and $414.8 million of borrowings outstanding under the Syndicated Facility, respectively, which had a fair value of $495.0 million and $414.8 million, respectively. Our borrowings under the Syndicated Facility bore interest at a weighted average interest rate of 2.197%, 3.028% and 4.550% for the years ended September 30, 2021, 2020 and 2019, respectively. For the years ended September 30, 2021, 2020 and 2019, we recorded interest expense (inclusive of fees) of $13.8 million, $14.9 million and $17.1 million, respectively, related to the Syndicated Facility.

Citibank Facility

On March 19, 2021, as a result of the consummation of the Mergers, we became party to the Citibank Facility. As of September 30, 2021, we were able to borrow up to $150 million under the Citibank Facility (subject to borrowing base and other limitations). As of September 30, 2021, the reinvestment period under the Citibank Facility was scheduled to expire on July 18, 2023 and the maturity date for the Citibank Facility was July 18, 2024.

As of September 30, 2021, borrowings under the Citibank Facility are subject to certain customary advance rates and accrue interest at a rate equal to LIBOR plus between 1.25% and 2.20% per annum on broadly syndicated loans, subject to observable market depth and pricing, and LIBOR plus 2.25% per annum on all other eligible loans during the reinvestment period. In addition, as of September 30, 2021, 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. 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. Borrowings under the Citibank Facility are secured by all of the assets of OCSL Senior Funding II LLC and all of our equity interests in OCSL Senior Funding II LLC. We may use the Citibank Facility to fund a portion of our loan origination activities and for general corporate purposes. Each loan origination under the Citibank Facility is subject to the satisfaction of certain conditions.

As of September 30, 2021, we had $135.0 million outstanding under the Citibank Facility, which had a fair value of $135.0 million. Our borrowings under the Citibank Facility bore interest at a weighted average interest rate of 2.086% for the period from March 19, 2021 to September 30, 2021. For the period from March 19, 2021 to September 30, 2021, we recorded interest expense (inclusive of fees) of $1.9 million related to the Citibank Facility.

Deutsche Bank Facility

On March 19, 2021, as a result of the consummation of the Mergers, we became party to a loan financing and servicing agreement, or, as amended, the Deutsche Bank Facility, with OCSI Senior Funding Ltd., our wholly-owned, special purpose financing subsidiary, as borrower, us, as equityholder and as servicer, the lenders from time to time party thereto, Deutsche Bank AG, New York Branch, as facility agent, and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian.

On May 4, 2021, we repaid all outstanding borrowings under the Deutsche Bank Facility using borrowings under the Syndicated Facility, following which the Deutsche Bank Facility was terminated. For the period from March 19, 2021 to May 4, 2021, our borrowings under the Deutsche Bank Facility bore interest at a weighted average interest rate of 2.900%. For the period from March 19, 2021 to September 30, 2021, we recorded interest expense (inclusive of fees) of $0.3 million related to the Deutsche Bank Facility.

2025 Notes

On February 25, 2020, we issued $300.0 million in aggregate principal amount of the 2025 Notes for net proceeds of $293.8 million after deducting OID of $2.5 million, underwriting commissions and discounts of $3.0 million and offering costs of $0.7 million. The OID on the 2025 Notes is amortized based on the effective interest method over the term of the notes.

2027 Notes

On May 18, 2021, we issued $350.0 million in aggregate principal amount of the 2027 Notes for net proceeds of $344.8 million after deducting OID of $1.0 million, underwriting commissions and discounts of $3.5 million and offering costs of $0.7 million. The OID on the 2027 Notes is amortized based on the effective interest method over the term of the notes.

In connection with the 2027 Notes, we entered into an interest rate swap to more closely align the interest rates of our liabilities with our investment portfolio, which consists of predominately floating rate loans. Under the interest rate swap agreement, we receive a fixed interest rate of 2.7% and pay a floating interest rate of the three-month LIBOR plus 1.658% on a notional amount of $350 million. We designated the interest rate swap as the hedging instrument in an effective hedge accounting relationship.

The below table presents the components of the carrying value of the 2025 Notes and the 2027 Notes as of September 30, 2021:

	As of September 30, 2021	
($ in millions)	2025 Notes	2027 Notes
Principal	$ 300.0	$ 350.0
Unamortized financing costs	(2.6)	(4.0)
Unaccreted discount	(1.7)	(0.9)
Interest rate swap fair value adjustment	—	(2.1)
Net carrying value	**$ 295.7**	**$ 343.0**
Fair Value	**$ 314.5**	**$ 351.1**

The below table presents the components of the carrying value of the 2025 Notes as of September 30, 2020:

	As of September 30, 2020
($ in millions)	2025 Notes
Principal	$ 300.0
Unamortized financing costs	(3.3)
Unaccreted discount	(2.2)
Net carrying value	**$ 294.5**
Fair Value	**$ 301.4**

The below table presents the components of interest and other debt expenses related to the 2025 Notes and the 2027 Notes for the year ended September 30, 2021:

($ in millions)	2025 Notes	2027 Notes
Coupon interest	$ 10.5	$ 3.5
Amortization of financing costs and discount	1.3	0.3
Effect of interest rate swap	—	(1.1)
Total interest expense	**$ 11.8**	**$ 2.7**
Coupon interest rate (net of effect of interest rate swap for 2027 Notes)	3.500 %	1.813 %

The below table presents the components of interest and other debt expenses related to the 2025 Notes for the year ended September 30, 2020:

($ in millions)	2025 Notes
Coupon interest	$ 6.3
Amortization of financing costs and discount	0.7
Total interest expense	**$ 7.0**
Coupon interest rate	3.500 %

2024 Notes

For the years ended September 30, 2020 and 2019, we recorded interest expense of $1.9 million and $4.6 million (inclusive of fees), respectively, related to our 5.875% notes due 2024, or the 2024 Notes.

On March 2, 2020, we redeemed 100%, or $75.0 million aggregate principal amount, of the issued and outstanding 2024 Notes. The redemption price per 2024 Note was $25 plus accrued and unpaid interest. We recognized a loss of $1.0 million in connection with the redemption of the 2024 Notes during the year ended September 30, 2020. As of September 30, 2021 and September 30, 2020, there were no 2024 Notes outstanding.

2028 Notes

For the year ended September 30, 2020 and 2019, we recorded interest expense of $2.5 million and $5.5 million (inclusive of fees), respectively, related to our 6.125% notes due 2028, or the 2028 Notes.

On March 13, 2020, we redeemed 100%, or $86.3 million aggregate principal amount, of the issued and outstanding 2028 Notes. The redemption price per 2028 Note was $25 plus accrued and unpaid interest. We recognized a loss of $1.5 million in connection with the redemption of the 2028 Notes during the year ended September 30, 2020. As of September 30, 2021 and September 30, 2020, there were no 2028 Notes outstanding.

Secured Borrowings

As of September 30, 2021 and September 30, 2020, we did not have any secured borrowings outstanding. On March 19, 2021, as a result of the consummation of the Mergers, we became party to a secured borrowing arrangement under which certain securities were sold and simultaneously repurchased at a premium. The amounts due under the secured borrowing arrangement were settled prior to September 30, 2021. For the period from March 19, 2021 to September 30, 2021, we recorded less than $0.1 million of interest expense in connection with secured borrowings. Our secured borrowings bore interest at a weighted average rate of 3.123% for the period from March 19, 2021 to September 30, 2021.

During the year ended September 30, 2019, $7.2 million of secured borrowings were extinguished in exchange for $7.2 million of preferred stock in C5 Technology Holdings, LLC, which was restructured during the year. For the year ended September 30, 2019, we recorded interest expense of $0.1 million related to the secured borrowings. For the year ended September 30, 2019, we recorded unrealized depreciation on secured borrowings of $2.7 million. For the year ended September 30, 2019, we recorded a realized gain of $2.6 million as a result of the extinguishment of secured borrowings in connection with the C5 Technology Holdings, LLC restructuring.

Regulated Investment Company Status and Distributions

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

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

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

We intend to distribute at least 90% of our annual taxable income (which includes our taxable interest and fee income) to our stockholders. The covenants contained in our credit facilities may prohibit us from making distributions to our stockholders, and, as a result, could 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 dividend 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, 2021.

Year Ended	Qualified Net Interest Income	Qualified Short-Term Capital Gains
September 30, 2021	89.8 %	—

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 OCG. 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 October 13, 2021, our Board of Directors declared a quarterly distribution of $0.155 per share, payable in cash on December 31, 2021 to stockholders of record on December 15, 2021.

Election of Chief Financial Officer and Treasurer

On November 12, 2021, our Board of Directors elected Christopher McKown, age 40, as its Chief Financial Officer and Treasurer effective as of November 30, 2021. Mr. McKown is also expected to succeed Mel Carlisle as Chief Financial Officer and Treasurer of OSI II as of December 31, 2021. Mr. McKown joined OCM in 2011 and currently serves as a Managing Director responsible for fund accounting and reporting for Oaktree's Strategic Credit strategy and as the Assistant Treasurer of the Company and OSI II. Prior to joining OCM., he worked in the audit practice at KPMG LLP. Mr. McKown received a B.A. degree in business economics with a minor in accounting cum laude from the University of California, Los Angeles and is a Certified Public Accountant (inactive).

Mr. McKown has no family relationships with any current director, executive officer, or person nominated to become a director or executive officer, of us, and there are no transactions or proposed transactions, to which we are a party, or intended to be a party, in which Mr. McKown has, or will have, a material interest subject to disclosure under Item 404(a) of Regulation S-K.

Election of Chief Compliance Officer

On November 12, 2021, our Board of Directors, including a majority of our independent directors, elected Ashley Pak, age 43, as its Chief Compliance Officer effective as of the close of business on November 12, 2021. Ms. Pak was also elected as Chief Compliance Officer of OSI II as of the close of business on November 12, 2021. Ms. Pak joined OCM in 2007 and currently serves as a Senior Vice President in the Compliance Department. Prior to joining OCM, she was a Compliance/Legal Specialist at Associated Securities Corp. Ms. Pak received a B.A. in Business Administration from Seattle University and an MBA from the University of Massachusetts, Amherst – Isenberg School of Management.

Ms. Pak has no family relationships with any current director, executive officer, or person nominated to become a director or executive officer, of us, and there are no transactions or proposed transactions, to which we are a party, or intended to be a party, in which Ms. Pak has, or will have, a material interest subject to disclosure under Item 404(a) of Regulation S-K.

Election of Independent Director

On November 12, 2021, the Board of Directors elected Phyllis R. Caldwell to the Board of Directors and each of its committees effective as of December 31, 2021. Ms. Caldwell is founder and has served since 2012 as the managing member of Wroxton Civic Ventures, which provides advisory services on various financial, housing and economic development matters. Previously, Ms. Caldwell was Chief Homeownership Preservation Officer at the U.S. Department of the Treasury, responsible for oversight of the U.S. housing market stabilization, economic recovery and foreclosure prevention initiatives established through the Troubled Asset Relief Program. In addition, Ms. Caldwell held various leadership roles during eleven years at Bank of America, including serving as President of Community Development Banking. Ms. Caldwell has served as Chair of the board of directors of Ocwen Financial Corporation since March 2016 and has served as a director of the company since January 2015. In June 2021, Ms. Caldwell became a member of the board of directors of OneMain Holdings, Inc., the country's largest nonprime installment lender. In March 2021, Ms. Caldwell was appointed as a member of the board of trustees of JBG SMITH, an owner and developer of mixed-use properties in the Washington, D.C. market. From December 2020 to July 2021, Ms. Caldwell served as a member of the board of directors of Revolution Acceleration Acquisition Corp., a special purpose acquisition company, and from January 2014 through September 2018, she served as an independent director of American Capital Senior Floating, Ltd., a Business Development Company. Ms. Caldwell also serves or has served on the boards of other public and private businesses and numerous non-profit organizations engaged in housing and community development finance. Ms. Caldwell received her Master of Business Administration from the Robert H. Smith School of Business at the University of Maryland, College Park and holds a Bachelor of Arts in Sociology, also from the University of Maryland.

Ms. Caldwell has no family relationships with any current director, executive officer, or person nominated to become a director or executive officer, of us, and there are no transactions or proposed transactions, to which we are a party, or intended to be a party, in which Ms. Caldwell has, or will have, a material interest subject to disclosure under Item 404(a) of Regulation S-K.

Item 7A. *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 procedures are designed to identify and analyze our risk, to set appropriate policies and to continually monitor these risks. 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 September 30, 2021, 91.5% of our debt investment portfolio (at fair value) and 91.8% of our debt investment portfolio (at cost) bore interest at floating rates. As of September 30, 2020, 88.3% of our debt investment portfolio (at fair value) and 88.8% of our debt investment portfolio (at cost) bore interest at floating rates. The composition of our floating rate debt investments by interest rate floor as of September 30, 2021 and September 30, 2020, was as follows:

	September 30, 2021		September 30, 2020	
($ in thousands)	**Fair Value**	**% of Floating Rate Portfolio**	**Fair Value**	**% of Floating Rate Portfolio**
0%	$ 322,222	14.6 %	$ 553,829	42.2 %
>0% and <1%	283,065	12.8 %	39,789	3.0 %
1%	1,507,977	68.4 %	672,529	51.3 %
>1%	92,384	4.2 %	45,362	3.5 %
Total Floating Rate Investments	**$ 2,205,648**	**100.0 %**	**$ 1,311,509**	**100.0 %**

Based on our Consolidated Statement of Assets and Liabilities as of September 30, 2021, 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.

($ in thousands)

Basis point increase	**Increase in Interest Income**	**(Increase) in Interest Expense**	**Net increase (decrease) in net assets resulting from operations**
250	$ 38,500	$ (24,500)	$ 14,000
200	27,660	(19,600)	8,060
150	16,905	(14,700)	2,205
100	6,338	(9,800)	(3,462)
50	1,744	(4,900)	(3,156)

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

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on this review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. The following table shows a comparison of the interest rate base for our interest-bearing cash and outstanding investments, at principal, and our outstanding borrowings as of September 30, 2021 and September 30, 2020:

	September 30, 2021		September 30, 2020	
($ in thousands)	**Interest Bearing Cash and Investments**	**Borrowings**	**Interest Bearing Cash and Investments**	**Borrowings**
Money market rate	$ 23,600	$ —	$ 35,248	$ —
Prime rate	305	10,000	305	—
LIBOR				
30 day	674,613	485,000	717,576	414,825
60 day	—	—	6,861	—
90 day (a)	1,037,019	485,000	362,141	—
180 day	323,869	—	201,699	—
360 day	96,095	—	23,351	—
EURIBOR				
30 day	28,786	—	29,126	—
90 day	19,599	—	—	—
180 day	18,516	—	1,689	—
UK LIBOR				
30 day	28,991	—	23,270	—
180 day	25,128	—	14,612	—
Fixed rate	200,599	300,000	171,976	300,000
Total	**$ 2,477,120**	**$ 1,280,000**	**$ 1,587,854**	**$ 714,825**

(a) Borrowings include the 2027 Notes, which pay interest at a floating rate under the terms of the interest rate swap.

Item 8. ***Consolidated Financial Statements.***

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Oaktree Specialty Lending Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of Oaktree Specialty Lending Corporation (the Company), including the consolidated schedules of investments, as of September 30, 2021 and 2020, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended September 30, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2021 and 2020, and the results of its operations, changes in its net assets, and its cash flows for each of the three years in the period ended September 30, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2021, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated November 15, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of investments owned as of September 30, 2021 and 2020 by correspondence with the custodians, syndication agents and underlying investee companies, and by other appropriate auditing procedures where confirmation was not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Valuation of investments using significant unobservable inputs

Description of the Matter	As described in Note 3 to the consolidated financial statements, the Company classified $2,161,581 thousand of its investments as Level 3 within the fair value hierarchy (Level 3 investments) as of September 30, 2021. As described in Note 2 and Note 3 to the consolidated financial statements, the Company's Board of Directors determined the fair value of the Company's Level 3 investments by using valuation techniques such as broker quotations, precedent transactions, enterprise value analyses or market yield techniques. These techniques require management to make judgments about the significant unobservable inputs including, among others, comparable EBITDA, revenue or asset multiples, market yields and broker quoted prices. Auditing the fair value of the Company's Level 3 investments involved a high degree of auditor judgment and extensive audit effort, as changes in the valuation techniques or significant unobservable inputs could have resulted in significant changes in fair value measurements.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related to the Company's investment valuation process, including controls related to the Company's assessment of valuation techniques and significant unobservable inputs used in determining the fair value measurements of the Level 3 investments. Our audit procedures included, among others, evaluating the Company's valuation techniques and significant unobservable inputs used. Our audit procedures also included, for a sample of Level 3 investments, validating the mathematical accuracy of the fair value calculations and validating the accuracy of other relevant inputs used in estimating fair value measurement, such as investment terms and portfolio company financial information. For example, we compared publicly available information in the Company's valuation models (e.g., market yields, EBITDA, revenue, and asset multiples of comparable public companies and comparable public transactions) to information available from third-party market research providers. We also compared the significant company-specific inputs in the Company's valuation models to source documents, such as portfolio company financial statements and covenant certificates provided by the Company. To evaluate the reasonableness of significant unobservable inputs, we assessed whether these inputs were developed in a manner consistent with the Company's valuation policies and in some instances, we involved our valuation specialists to independently develop ranges using portfolio company and available market information to estimate the fair value of selected investments and we compared these ranges to the Company's fair value measurements. We also evaluated subsequent events and transactions and considered whether they corroborated or contradicted the Company's fair value measurements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Los Angeles, CA
November 15, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Oaktree Specialty Lending Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Oaktree Specialty Lending Corporation's internal control over financial reporting as of September 30, 2021, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Oaktree Specialty Lending Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of assets and liabilities of the Company, including the consolidated schedules of investments, as of September 30, 2021 and 2020, the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended September 30, 2021, and the related notes and our report dated November 15, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California
November 15, 2021

Oaktree Specialty Lending Corporation
Consolidated Statements of Assets and Liabilities
(in thousands, except per share amounts)

	September 30, 2021	September 30, 2020
ASSETS		
Investments at fair value:		
Control investments (cost September 30, 2021: $283,599; cost September 30, 2020: $245,950)	$ 270,765	$ 201,385
Affiliate investments (cost September 30, 2021: $18,763; cost September 30, 2020: $7,551)	18,289	6,509
Non-control/Non-affiliate investments (cost September 30, 2021: $2,236,759; cost September 30, 2020: $1,415,669)	2,267,575	1,365,957
Total investments at fair value (cost September 30, 2021: $2,539,121; cost September 30, 2020: $1,669,170)	**2,556,629**	**1,573,851**
Cash and cash equivalents	29,334	39,096
Restricted cash	2,301	—
Interest, dividends and fees receivable	22,125	6,935
Due from portfolio companies	1,990	2,725
Receivables from unsettled transactions	8,150	9,123
Due from broker	1,640	—
Deferred financing costs	9,274	5,947
Deferred offering costs	34	67
Deferred tax asset, net	714	847
Derivative assets at fair value	1,912	223
Other assets	2,284	1,898
Total assets	**$ 2,636,387**	**$ 1,640,712**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	$ 3,024	$ 1,072
Base management fee and incentive fee payable	32,649	11,212
Due to affiliate	4,357	2,130
Interest payable	4,597	1,626
Payables from unsettled transactions	8,086	478
Derivative liability at fair value	2,108	—
Credit facilities payable	630,000	414,825
Unsecured notes payable (net of $6,501 and $3,272 of unamortized financing costs as of September 30, 2021 and September 30, 2020, respectively)	638,743	294,490
Total liabilities	**1,323,564**	**725,833**
Commitments and contingencies (Note 14)		
Net assets:		
Common stock, $0.01 par value per share, 250,000 shares authorized; 180,361 and 140,961 shares issued and outstanding as of September 30, 2021 and September 30, 2020, respectively	1,804	1,409
Additional paid-in-capital	1,804,354	1,487,774
Accumulated overdistributed earnings	(493,335)	(574,304)
Total net assets (equivalent to $7.28 and $6.49 per common share as of September 30, 2021 and September 30, 2020, respectively) (Note 12)	**1,312,823**	**914,879**
Total liabilities and net assets	**$ 2,636,387**	**$ 1,640,712**

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts)

	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Interest income:			
Control investments	$ 11,792	$ 9,832	$ 11,886
Affiliate investments	716	467	206
Non-control/Non-affiliate investments	161,864	114,947	120,888
Interest on cash and cash equivalents	9	322	690
Total interest income	**174,381**	**125,568**	**133,670**
PIK interest income:			
Control investments	—	—	67
Non-control/Non-affiliate investments	16,447	7,863	5,430
Total PIK interest income	**16,447**	**7,863**	**5,497**
Fee income:			
Control investments	59	42	25
Affiliate investments	20	20	19
Non-control/Non-affiliate investments	14,019	8,457	6,666
Total fee income	**14,098**	**8,519**	**6,710**
Dividend income:			
Control investments	4,459	1,180	1,825
Non-control/Non-affiliate investments	—	3	—
Total dividend income	**4,459**	**1,183**	**1,825**
Total investment income	**209,385**	**143,133**	**147,702**
Expenses:			
Base management fee	32,288	22,895	22,343
Part I incentive fee	21,598	15,194	14,873
Part II incentive fee	17,615	(5,557)	10,194
Professional fees	4,231	2,532	2,906
Directors fees	607	570	570
Interest expense	30,518	26,289	32,426
Administrator expense	1,510	1,524	1,941
General and administrative expenses	2,725	2,494	2,530
Total expenses	**111,092**	**65,941**	**87,783**
Reversal of fees waived (fees waived)	(1,608)	5,200	(7,990)
Net expenses	**109,484**	**71,141**	**79,793**
Net investment income before taxes	**99,901**	**71,992**	**67,909**
(Provision) benefit for taxes on net investment income	(2,795)	—	—
Net investment income	**97,106**	**71,992**	**67,909**
Unrealized appreciation (depreciation):			
Control investments	31,731	(29,488)	1,519
Affiliate investments	568	(1,763)	(360)
Non-control/Non-affiliate investments	80,531	10,904	39,689
Secured borrowings	—	—	(2,719)
Foreign currency forward contracts	1,689	(267)	328
Net unrealized appreciation (depreciation)	**114,519**	**(20,614)**	**38,457**
Realized gains (losses):			
Control investments	—	(4,155)	—
Non-control/Non-affiliate investments	27,094	(4,615)	15,300
Extinguishment of unsecured notes payable	—	(2,541)	—
Secured borrowings	—	—	2,625
Foreign currency forward contracts	(674)	(2,613)	2,880
Net realized gains (losses)	**26,420**	**(13,924)**	**20,805**
(Provision) benefit for taxes on realized and unrealized gains (losses)	**(785)**	**1,770**	**(1,011)**
Net realized and unrealized gains (losses), net of taxes	**140,154**	**(32,768)**	**58,251**
Net increase (decrease) in net assets resulting from operations	**$ 237,260**	**$ 39,224**	**$ 126,160**
Net investment income per common share — basic and diluted	**$ 0.60**	**$ 0.51**	**$ 0.48**
Earnings (loss) per common share — basic and diluted (Note 5)	**$ 1.46**	**$ 0.28**	**$ 0.89**
Weighted average common shares outstanding — basic and diluted	162,118	140,961	140,961

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Statements of Changes in Net Assets
(in thousands, except per share amounts)
(unaudited)

	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Operations:			
Net investment income	$ 97,106	$ 71,992	$ 67,909
Net unrealized appreciation (depreciation)	114,519	(20,614)	38,457
Net realized gains (losses)	26,420	(13,924)	20,805
(Provision) benefit for taxes on realized and unrealized gains (losses)	(785)	1,770	(1,011)
Net increase (decrease) in net assets resulting from operations	**237,260**	**39,224**	**126,160**
Stockholder transactions:			
Distributions to stockholders	(82,020)	(54,975)	(53,565)
Net increase (decrease) in net assets from stockholder transactions	**(82,020)**	**(54,975)**	**(53,565)**
Capital share transactions:			
Issuance of common stock in connection with the Mergers	242,704	—	—
Issuance of common stock under dividend reinvestment plan	2,170	1,878	1,344
Repurchases of common stock under dividend reinvestment plan	(2,170)	(1,878)	(1,344)
Net increase (decrease) in net assets from capital share transactions	**242,704**	—	—
Total increase (decrease) in net assets	**397,944**	**(15,751)**	**72,595**
Net assets at beginning of period	914,879	930,630	858,035
Net assets at end of period	**$ 1,312,823**	**$ 914,879**	**$ 930,630**
Net asset value per common share	**$ 7.28**	**$ 6.49**	**$ 6.60**
Common shares outstanding at end of period	180,361	140,961	140,961

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation

Consolidated Statements of Cash Flows

(in thousands)

	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Operating activities:			
Net increase (decrease) in net assets resulting from operations	$ 237,260	$ 39,224	$ 126,160
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Net unrealized (appreciation) depreciation	(114,519)	20,614	(38,457)
Net realized (gains) losses	(26,420)	13,924	(20,805)
PIK interest income	(16,447)	(7,863)	(5,497)
Accretion of original issue discount on investments	(29,391)	(12,305)	(17,982)
Accretion of original issue discount on unsecured notes payable	572	302	107
Amortization of deferred financing costs	4,151	2,187	2,471
Deferred taxes	133	(1,551)	282
Purchases of investments	(1,120,168)	(727,161)	(477,967)
Proceeds from the sales and repayments of investments	792,161	579,550	606,270
Cash acquired in the Mergers	20,945	—	—
Changes in operating assets and liabilities:			
(Increase) decrease in interest, dividends and fees receivable	(8,495)	4,232	(895)
(Increase) decrease in due from portfolio companies	1,360	(109)	(1,259)
(Increase) decrease in receivables from unsettled transactions	2,514	(4,537)	22,174
(Increase) decrease in due from broker	(1,640)	—	—
(Increase) decrease in other assets	(1,427)	437	673
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(426)	(517)	(1,992)
Increase (decrease) in base management fee and incentive fee payable	19,516	1,045	1,944
Increase (decrease) in due to affiliate	1,119	(559)	(585)
Increase (decrease) in interest payable	1,163	(670)	(1,069)
Increase (decrease) in payables from unsettled transactions	7,608	(59,118)	22,360
Increase (decrease) in director fees payable	(90)	—	—
Increase (decrease) in amounts payable to syndication partners	—	—	(109)
Net cash provided by (used in) operating activities	**(230,521)**	**(152,875)**	**215,824**
Financing activities:			
Distributions paid in cash	(79,850)	(53,097)	(52,221)
Borrowings under credit facilities	505,000	286,000	298,825
Repayments of borrowings under credit facilities	(529,582)	(186,000)	(225,000)
Repayments of unsecured notes	—	(161,250)	(228,825)
Issuance of unsecured notes	349,020	297,459	—
Repayments of secured borrowings	(9,341)	—	(2,659)
Repurchases of common stock under dividend reinvestment plan	(2,170)	(1,878)	(1,344)
Deferred financing costs paid	(8,890)	(4,835)	(2,883)
Deferred offering costs paid	—	(67)	—
Net cash provided by (used in) financing activities	**224,187**	**176,332**	**(214,107)**
Effect of exchange rate changes on foreign currency	(1,127)	233	200
Net increase (decrease) in cash and cash equivalents and restricted cash	**(7,461)**	**23,690**	**1,917**
Cash and cash equivalents and restricted cash, beginning of period	39,096	15,406	13,489
Cash and cash equivalents and restricted cash, end of period	**$ 31,635**	**$ 39,096**	**$ 15,406**
Supplemental information:			
Cash paid for interest	$ 24,006	$ 24,470	$ 31,025
Non-cash financing activities:			
Issuance of shares of common stock under dividend reinvestment plan	$ 2,170	$ 1,878	$ 1,344
Deferred financing costs	(162)	—	—
Issuance of shares in connection with the Mergers	242,704	—	—
Extinguishment of secured borrowings	—	—	(7,163)
Reconciliation to the Consolidated Statements of Assets and Liabilities	**September 30, 2021**	**September 30, 2020**	**September 30, 2019**
Cash and cash equivalents	$ 29,334	$ 39,096	$ 15,406
Restricted cash	2,301	—	—
Total cash and cash equivalents and restricted cash	$ 31,635	$ 39,096	$ 15,406

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Schedule of Investments
September 30, 2021
(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Control Investments						(8)(9)
C5 Technology Holdings, LLC		Data Processing & Outsourced Services				
829 Common Units				$ —	$ —	(15)
34,984,460.37 Preferred Units				34,984	27,638	(15)
				34,984	**27,638**	
Dominion Diagnostics, LLC		Health Care Services				
First Lien Term Loan, LIBOR+5.00% cash due 2/28/2024	6.00 %		$ 27,381	27,381	27,381	(6)(15)
First Lien Revolver, LIBOR+5.00% cash due 2/28/2024			—	—	—	(6)(15)(19)
30,030.8 Common Units in DD Healthcare Services Holdings, LLC				18,625	18,065	(12)(15)
				46,006	**45,446**	
First Star Speir Aviation Limited		Airlines				(10)
First Lien Term Loan, 9.00% cash due 12/15/2025			7,500	—	7,500	(11)(15)
100% equity interest				6,332	698	(11)(12)(15)
				6,332	**8,198**	
OCSI Glick JV LLC		Multi-Sector Holdings				(14)
Subordinated Debt, LIBOR+4.50% cash due 10/20/2028	4.60 %		61,709	50,705	55,582	(6)(11)(15)(19)
87.5% equity interest				—	—	(11)(16)(19)
				50,705	**55,582**	
Senior Loan Fund JV I, LLC		Multi-Sector Holdings				(14)
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	8.00 %		96,250	96,250	96,250	(6)(11)(15)(19)
87.5% LLC equity interest				49,322	37,651	(11)(12)(16)(19)
				145,572	**133,901**	
Total Control Investments (20.6% of net assets)				**$ 283,599**	**$ 270,765**	
Affiliate Investments						(17)
Assembled Brands Capital LLC		Specialized Finance				
First Lien Revolver, LIBOR+6.00% cash due 10/17/2023	7.00 %		$ 15,899	$ 15,900	$ 15,712	(6)(15)(19)
1,609,201 Class A Units				764	587	(15)
1,019,168.80 Preferred Units, 6%				1,019	1,152	(15)
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	(15)
				17,683	**17,451**	
Caregiver Services, Inc.		Health Care Services				
1,080,399 shares of Series A Preferred Stock, 10%				1,080	838	(15)
				1,080	**838**	
Total Affiliate Investments (1.4% of net assets)				**$ 18,763**	**$ 18,289**	
Non-Control/Non-Affiliate Investments						(18)
4 Over International, LLC		Commercial Printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.00 %		$ 10,927	$ 10,524	$ 10,484	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 6/7/2022			—	(24)	(93)	(6)(15)(19)
				10,500	**10,391**	
109 Montgomery Owner LLC		Real Estate Operating Companies				
First Lien Delayed Draw Term Loan, LIBOR+7.00% cash due 2/2/2023	7.50 %		3,102	2,984	3,153	(6)(15)(19)
				2,984	**3,153**	
A.T. Holdings II SÀRL		Biotechnology				
First Lien Term Loan, 9.50% cash due 12/22/2022			37,158	36,930	36,972	(11)(15)
				36,930	**36,972**	
Access CIG, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.83 %		5,352	5,021	5,332	(6)
Second Lien Term Loan, LIBOR+7.75% cash due 2/27/2026	7.83 %		17,000	16,923	17,028	(6)
				21,944	**22,360**	

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Accupac, Inc.		Personal Products							
First Lien Term Loan, LIBOR+6.00% cash due 1/17/2026	7.00 %		$	16,140	$	15,758	$	16,140	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 1/17/2026				—		(29)		—	(6)(15)(19)
First Lien Revolver, LIBOR+6.00% cash due 1/17/2026	7.00 %			1,838		1,789		1,838	(6)(15)(19)
						17,518		**17,978**	
Acquia Inc.		Application Software							
First Lien Term Loan, LIBOR+7.00% cash due 10/31/2025	8.00 %			27,349		26,936		27,295	(6)(15)
First Lien Revolver, LIBOR+7.00% cash due 10/31/2025	8.00 %			179		148		175	(6)(15)(19)
						27,084		**27,470**	
ADB Companies, LLC		Construction & Engineering							
First Lien Term Loan, LIBOR+6.25% cash due 12/18/2025	7.25 %			15,463		14,817		15,287	(6)(15)
						14,817		**15,287**	
Aden & Anais Merger Sub, Inc.		Apparel, Accessories & Luxury Goods							
51,645 Common Units in Aden & Anais Holdings, Inc.						5,165		—	(15)
						5,165		**—**	
AI Sirona (Luxembourg) Acquisition S.a.r.l.		Pharmaceuticals							
Second Lien Term Loan, EURIBOR+7.25% cash due 9/28/2026	7.25 %		€	24,838		27,720		28,738	(6)(11)(15)
						27,720		**28,738**	
AirStrip Technologies, Inc.		Application Software							
5,715 Common Stock Warrants (exercise price $139.99) expiration date 5/11/2025						90		—	(15)
						90		**—**	
All Web Leads, Inc.		Advertising							
First Lien Term Loan, LIBOR+6.50% cash due 12/29/2023	7.50 %		$	23,899		21,512		22,992	(6)(15)
						21,512		**22,992**	
Alvogen Pharma US, Inc.		Pharmaceuticals							
First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25 %			13,825		13,329		13,383	(6)
						13,329		**13,383**	
Alvotech Holdings S.A.		Biotechnology							(13)
Fixed Rate Bond 15% PIK Tranche A due 6/24/2025				20,967		20,576		20,967	(11)(15)
Fixed Rate Bond 15% PIK Tranche B due 6/24/2025				20,512		20,169		20,512	(11)(15)
27,308 Common Shares						6,322		6,322	(15)
						47,067		**47,801**	
Amplify Finco Pty Ltd.		Movies & Entertainment							
First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	5.00 %			15,376		13,814		14,985	(6)(11)(15)
Second Lien Term Loan, LIBOR+8.00% cash due 11/26/2027	8.75 %			12,500		12,188		12,063	(6)(11)(15)
						26,002		**27,048**	
Ankura Consulting Group LLC		Research & Consulting Services							
Second Lien Term Loan, LIBOR+8.00% cash due 3/19/2029	8.75 %			7,466		7,354		7,606	(6)(15)
						7,354		**7,606**	
Apptio, Inc.		Application Software							
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %			34,458		33,420		33,922	(6)(15)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025	8.25 %			892		849		858	(6)(15)(19)
						34,269		**34,780**	
Ardonagh Midco 3 PLC		Insurance Brokers							
First Lien Term Loan, EURIBOR+7.25% cash due 7/14/2026	8.25 %		€	1,964		2,179		2,283	(6)(11)(15)
First Lien Term Loan, UK LIBOR+7.25% cash due 7/14/2026	8.00 %		£	18,636		23,336		25,329	(6)(11)(15)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 7/14/2026			$	—		—		—	(6)(11)(15)(19)
First Lien Delayed Draw Term Loan, SONIA+6.00% cash due 7/14/2026			£	—		—		—	(6)(11)(15)(19)
						25,515		**27,612**	

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Associated Asphalt Partners, LLC		Construction Materials				
First Lien Term Loan, LIBOR+5.25% cash due 4/5/2024	6.25 %		$ 2,531	$ 2,245	$ 2,350	(6)
				2,245	**2,350**	
Athenex, Inc.		Pharmaceuticals				
First Lien Term Loan, 11.00% cash due 6/19/2026			42,145	40,475	41,845	(11)(15)
First Lien Delayed Draw Term Loan, 11.00% cash due 6/19/2026			—	(274)	(150)	(11)(15)(19)
328,149 Common Stock Warrants (exercise price $12.63) expiration date 6/19/2027				973	95	(11)(15)
				41,174	**41,790**	
Aurora Lux Finco S.À.R.L.		Airport Services				
First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %		22,655	22,232	21,318	(6)(11)(15)
				22,232	**21,318**	
The Avery		Real Estate Operating Companies				
First Lien Delayed Draw Term Loan in T8 Urban Condo Owner, LLC, LIBOR+7.30% cash due 2/17/2023	7.55 %		20,287	19,933	20,490	(6)(15)(19)
Subordinated Delayed Draw Debt in T8 Senior Mezz LLC, LIBOR+12.50% cash due 2/17/2023	12.75 %		4,692	4,614	4,698	(6)(15)(19)
				24,547	**25,188**	
BAART Programs, Inc.		Health Care Services				
Second Lien Term Loan, LIBOR+8.50% cash due 6/11/2028	9.50 %		7,166	7,059	7,130	(6)(15)
Second Lien Delayed Draw Term Loan, LIBOR+8.50% cash due 6/11/2028			—	(52)	(18)	(6)(15)(19)
				7,007	**7,112**	
Berner Food & Beverage, LLC		Soft Drinks				
First Lien Term Loan, LIBOR+6.50% cash due 7/30/2027	7.50 %		33,412	32,844	32,844	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 7/30/2027	7.50 %		619	566	566	(6)(15)(19)
				33,410	**33,410**	
Blackhawk Network Holdings, Inc.		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	7.13 %		30,625	30,181	30,523	(6)
				30,181	**30,523**	
Blumenthal Temecula, LLC		Automotive Retail				
First Lien Term Loan, 9.00% cash due 9/24/2023			3,979	3,980	3,979	(15)
1,293,324 Preferred Units in Unstoppable Automotive AMV, LLC				1,293	1,293	(15)
298,460 Preferred Units in Unstoppable Automotive VMV, LLC				298	298	(15)
298,460 Common Units in Unstoppable Automotive AMV, LLC				298	298	(15)
99,486 Common Units in Unstoppable Automotive VMV, LLC				100	99	(15)
				5,969	**5,967**	
Cadence Aerospace, LLC		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash 2.00% PIK due 11/14/2023	7.50 %		14,146	12,574	12,992	(6)(15)
				12,574	**12,992**	
Chief Power Finance II, LLC		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	7.50 %		23,850	23,458	23,552	(6)(15)
				23,458	**23,552**	
CircusTrix Holdings, LLC		Leisure Facilities				
First Lien Term Loan, LIBOR+5.50% cash 2.50% PIK due 7/16/2023	6.50 %		10,686	9,793	8,816	(6)(15)(19)
				9,793	**8,816**	
CITGO Holding, Inc.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+7.00% cash due 8/1/2023	8.00 %		11,635	11,517	11,512	(6)
Fixed Rate Bond, 9.25% cash due 8/1/2024			10,672	10,672	10,765	
				22,189	**22,277**	

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CITGO Petroleum Corp.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+6.25% cash due 3/28/2024	7.25 %		$ 14,221	$ 13,855	$ 14,269	(6)
				13,855	**14,269**	
Clear Channel Outdoor Holdings Inc.		Advertising				
Fixed Rate Bond, 7.50% cash due 6/1/2029			7,137	7,137	7,431	(11)
				7,137	**7,431**	
Continental Intermodal Group LP		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+9.50% PIK due 1/28/2025			38,876	36,668	32,628	(6)(15)
Common Stock Warrants expiration date 7/28/2025				648	1,909	(15)
				37,316	**34,537**	
Convergeone Holdings, Inc.		IT Consulting & Other Services				
First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	5.08 %		7,024	6,848	7,003	(6)
				6,848	**7,003**	
Conviva Inc.		Application Software				
517,851 Shares of Series D Preferred Stock				605	894	(15)
				605	**894**	
CorEvitas, LLC		Health Care Services				
First Lien Term Loan, LIBOR+5.50% cash due 12/13/2025	6.50 %		10,196	10,071	10,109	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 12/13/2025	6.50 %		1,943	1,894	1,912	(6)(15)(19)
First Lien Revolver, PRIME+4.50% cash due 12/13/2025	7.75 %		305	283	290	(6)(15)(19)
1,099 Class A2 Common Units in CorEvitas Holdings, L.P.				1,038	1,177	(15)
				13,286	**13,488**	
Coty Inc.		Personal Products				
First Lien Revolver, LIBOR+1.75% cash due 4/5/2023			—	(712)	(395)	(6)(11)(15)(19)
				(712)	**(395)**	
Coyote Buyer, LLC		Specialty Chemicals				
First Lien Term Loan, LIBOR+6.00% cash due 2/6/2026	7.00 %		18,387	17,887	18,225	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 2/6/2025			—	(13)	(12)	(6)(15)(19)
				17,874	**18,213**	
Curium Bidco S.à.r.l.		Biotechnology				
Second Lien Term Loan, LIBOR+7.75% cash due 10/27/2028	8.50 %		16,787	16,535	17,070	(6)(11)(15)
				16,535	**17,070**	
Delta Topco, Inc.		Systems Software				
Second Lien Term Loan, LIBOR+7.25% cash due 12/1/2028	8.00 %		6,680	6,647	6,769	(6)
				6,647	**6,769**	
Dialyze Holdings, LLC		Health Care Equipment				
First Lien Term Loan, LIBOR+7.00% cash 2.00% PIK due 8/4/2026	8.00 %		24,093	22,439	22,467	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+7.00% cash 2.00% PIK due 8/4/2026			—	(170)	(163)	(6)(15)(19)
5,403,823 Class A Warrants (exercise price $1.00) expiration date 8/4/2028				1,405	1,459	(15)
				23,674	**23,763**	
Digital.AI Software Holdings, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 2/10/2027	8.00 %		10,003	9,627	9,783	(6)(15)
First Lien Revolver, LIBOR+7.00% cash due 2/10/2027	8.00 %		180	151	156	(6)(15)(19)
				9,778	**9,939**	
DirecTV Financing, LLC		Cable & Satellite				
First Lien Term Loan, LIBOR+5.00% cash due 8/2/2027	5.75 %		27,000	26,730	27,048	(6)
				26,730	**27,048**	
Eagleview Technology Corporation		Application Software				
Second Lien Term Loan, LIBOR+7.50% cash due 8/14/2026	8.50 %		8,974	8,884	8,918	(6)(15)
				8,884	**8,918**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
EHR Canada, LLC		Food Retail				
First Lien Term Loan, LIBOR+8.00% cash due 12/31/2021	9.00 %		$ 3,750	$ 3,745	$ 3,750	(6)(15)
				3,745	**3,750**	
EOS Fitness Opco Holdings, LLC		Leisure Facilities				
487.5 Class A Preferred Units, 12%				488	274	(15)
12,500 Class B Common Units				—	—	(15)
				488	**274**	
Firstlight Holdco, Inc.		Alternative Carriers				
First Lien Term Loan, LIBOR+3.50% cash due 7/23/2025	3.58 %		7,012	6,578	6,939	(6)
				6,578	**6,939**	
Fortress Biotech, Inc.		Biotechnology				
First Lien Term Loan, 11.00% cash due 8/27/2025			11,359	10,722	11,075	(11)(15)
331,200 Common Stock Warrants (exercise price $3.20) expiration date 8/27/2030				405	341	(11)(15)
				11,127	**11,416**	
GI Chill Acquisition LLC		Managed Health Care				
First Lien Term Loan, LIBOR+3.75% cash due 8/6/2025	3.90 %		12,653	12,442	12,621	(6)(15)
Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	7.63 %		6,250	6,212	6,219	(6)(15)
				18,654	**18,840**	
GKD Index Partners, LLC		Specialized Finance				
First Lien Term Loan, LIBOR+8.50% cash due 6/29/2023	9.50 %		26,360	25,837	25,931	(6)(15)
First Lien Revolver, LIBOR+8.50% cash due 6/29/2023	9.50 %		1,280	1,251	1,252	(6)(15)(19)
				27,088	**27,183**	
Global Medical Response, Inc.		Health Care Services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25 %		8,630	8,399	8,674	(6)
				8,399	**8,674**	
Gulf Operating, LLC		Oil & Gas Storage & Transportation				
First Lien Revolver, LIBOR+4.00% cash due 12/27/2021			—	(704)	(75)	(6)(15)(19)
				(704)	**(75)**	
Houghton Mifflin Harcourt Publishers Inc.		Education Services				
First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25 %		1,007	981	1,009	(6)(11)
				981	**1,009**	
iCIMs, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	7.50 %		25,635	25,024	25,525	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024	7.50 %		1,176	1,147	1,171	(6)(15)
				26,171	**26,696**	
Immucor, Inc.		Health Care Supplies				
First Lien Term Loan, LIBOR+5.75% cash due 7/2/2025	6.75 %		8,657	8,425	8,570	(6)(15)
Second Lien Term Loan, LIBOR+8.00% cash 3.50% PIK due 10/2/2025	9.00 %		21,834	21,225	21,616	(6)(15)
				29,650	**30,186**	
Integral Development Corporation		Other Diversified Financial Services				
1,078,284 Common Stock Warrants (exercise price $0.9274) expiration date 7/10/2024				113	—	(15)
				113	**—**	
Inventus Power, Inc.		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+5.00% cash due 3/29/2024	6.00 %		18,849	18,693	18,708	(6)(15)
Second Lien Term Loan, LIBOR+8.50% cash due 9/29/2024	9.50 %		13,674	13,434	13,434	(6)(15)
				32,127	**32,142**	

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INW Manufacturing, LLC		Personal Products				
First Lien Term Loan, LIBOR+5.75% cash due 5/7/2027	6.50 %		$ 37,031	$ 35,988	$ 36,291	(6)(15)
				35,988	**36,291**	
Itafos Inc.		Fertilizers & Agricultural Chemicals				
First Lien Term Loan, LIBOR+8.25% cash due 8/25/2024	9.25 %		22,506	21,636	21,651	(6)(15)
				21,636	**21,651**	
Ivanti Software, Inc.		Application Software				
Second Lien Term Loan, LIBOR+8.50% cash due 12/1/2028	9.50 %		17,346	16,864	17,368	(6)(15)
				16,864	**17,368**	
Jazz Acquisition, Inc.		Aerospace & Defense				
First Lien Term Loan, LIBOR+7.50% cash due 1/29/2027	8.50 %		36,603	35,292	36,531	(6)(15)
				35,292	**36,531**	
Latam Airlines Group S.A.		Airlines				
First Lien Delayed Draw Term Loan, LIBOR+11.00% PIK due 3/29/2022			16,239	16,085	16,356	(6)(11)(15)(19)
				16,085	**16,356**	
Lift Brands Holdings, Inc.		Leisure Facilities				
2,000,000 Class A Common Units in Snap Investments, LLC				1,399	—	(15)
				1,399	**—**	
Lightbox Intermediate, L.P.		Real Estate Services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.13 %		41,432	40,445	41,225	(6)(15)
				40,445	**41,225**	
LogMeIn, Inc.		Application Software				
First Lien Term Loan, LIBOR+4.75% cash due 8/31/2027	4.83 %		3,970	3,720	3,973	(6)
				3,720	**3,973**	
LTI Holdings, Inc.		Electronic Components				
Second Lien Term Loan, LIBOR+6.75% cash due 9/6/2026	6.83 %		10,140	10,080	10,127	(6)
				10,080	**10,127**	
Marinus Pharmaceuticals, Inc.		Pharmaceuticals				
First Lien Term Loan, 11.50% cash due 5/11/2026			3,441	3,377	3,389	(11)(15)
First Lien Delayed Draw Term Loan, 11.50% cash due 5/11/2026			6,881	6,755	6,778	(11)(15)(19)
				10,132	**10,167**	
Mayfield Agency Borrower Inc.		Property & Casualty Insurance				
First Lien Term Loan, LIBOR+4.50% cash due 2/28/2025	4.58 %		9,949	9,884	9,949	(6)
				9,884	**9,949**	
MedAssets Software Intermediate Holdings, Inc.		Health Care Technology				
Second Lien Term Loan, LIBOR+7.75% cash due 1/29/2029	8.50 %		14,137	13,877	13,960	(6)(15)
				13,877	**13,960**	
MHE Intermediate Holdings, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+5.75% cash due 7/21/2027	6.75 %		16,429	16,111	16,100	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.75% cash due 7/21/2027	6.75 %		106	84	83	(6)(15)(19)
First Lien Revolver, LIBOR+5.75% cash due 7/21/2027			—	(27)	(28)	(6)(15)(19)
				16,168	**16,155**	
Mindbody, Inc.		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+7.00% cash 1.50% PIK due 2/14/2025	8.00 %		38,774	37,513	38,038	(6)(15)
First Lien Revolver, LIBOR+8.00% cash due 2/14/2025			—	(75)	(76)	(6)(15)(19)
				37,438	**37,962**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Ministry Brands, LLC		Application Software				
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022			$ —	$ (9)	$ (9)	(6)(15)(19)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25 %		11,000	10,844	10,906	(6)(15)
				10,835	**10,897**	
Mosaic Companies, LLC		Home Improvement Retail				
First Lien Term Loan, LIBOR+6.75% cash due 7/2/2026	7.75 %		47,388	46,487	46,488	(6)(15)
				46,487	**46,488**	
MRI Software LLC		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50 %		27,352	26,815	27,335	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026			—	(25)	—	(6)(15)(19)
First Lien Revolver, LIBOR+5.50% cash due 2/10/2026			—	(13)	(1)	(6)(15)(19)
				26,777	**27,334**	
Navisite, LLC		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+8.50% cash due 12/30/2026	9.50 %		22,560	22,165	22,176	(6)(15)
				22,165	**22,176**	
NeuAG, LLC		Fertilizers & Agricultural Chemicals				
First Lien Term Loan, LIBOR+5.50% cash 7.00% PIK due 9/11/2024	7.00 %		47,031	45,279	45,996	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash 7.00% PIK due 9/11/2024			—	(202)	(120)	(6)(15)(19)
				45,077	**45,876**	
NN, Inc.		Industrial Machinery				
First Lien Term Loan, LIBOR+6.88% cash due 9/19/2026	7.88 %		59,309	57,971	58,419	(6)(11)(15)
				57,971	**58,419**	
OEConnection LLC		Application Software				
First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.08 %		3,355	3,152	3,351	(6)
				3,152	**3,351**	
Olaplex, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.25% cash due 1/8/2026	7.25 %		52,122	50,906	51,731	(6)(15)
First Lien Revolver, LIBOR+6.25% cash due 1/8/2025			—	(58)	(75)	(6)(15)(19)
				50,848	**51,656**	
OmniSYS Acquisition Corporation		Diversified Support Services				
100,000 Common Units in OSYS Holdings, LLC				1,000	729	(15)
				1,000	**729**	
Onvoy, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+4.50% cash due 2/10/2024	5.50 %		3,601	3,410	3,603	(6)
Second Lien Term Loan, LIBOR+10.50% cash due 2/10/2025	11.50 %		9,277	9,277	9,277	(6)(15)
19,666.67 Class A Units in GTCR Onvoy Holdings, LLC				1,967	2,372	(15)
13,664.73 Series 3 Class B Units in GTCR Onvoy Holdings, LLC				—	—	(15)
				14,654	**15,252**	
OTG Management, LLC		Airport Services				
First Lien Term Loan, LIBOR+10.00% cash due 9/1/2025	11.00 %		19,894	19,504	19,496	(6)(15)
First Lien Delayed Draw Term Loan, LIBOR+10.00% cash due 9/1/2025			—	(37)	(38)	(6)(15)(19)
				19,467	**19,458**	
P & L Development, LLC		Pharmaceuticals				
Fixed Rate Bond, 7.75% cash due 11/15/2025			7,776	7,832	8,089	
				7,832	**8,089**	
Park Place Technologies, LLC		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+5.00% cash due 11/10/2027	6.00 %		9,950	9,479	9,961	(6)
				9,479	**9,961**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Performance Health Holdings, Inc.		Health Care Distributors				
First Lien Term Loan, LIBOR+6.00% cash due 7/12/2027	7.00 %		$ 20,085	$ 19,698	$ 19,683	(6)(15)
				19,698	**19,683**	
Pingora MSR Opportunity Fund I-A, LP		Thrifts & Mortgage Finance				
1.86% limited partnership interest				752	112	(11)(16)(19)
				752	**112**	
Planview Parent, Inc.		Application Software				
Second Lien Term Loan, LIBOR+7.25% cash due 12/18/2028	8.00 %		28,627	28,198	28,699	(6)(15)
				28,198	**28,699**	
PLNTF Holdings, LLC		Leisure Facilities				
First Lien Term Loan, LIBOR+8.00% cash due 3/22/2026	9.00 %		13,729	13,482	13,798	(6)(15)
				13,482	**13,798**	
Pluralsight, LLC		Application Software				
First Lien Term Loan, LIBOR+8.00% cash due 4/6/2027	9.00 %		48,689	47,788	47,763	(6)(15)
First Lien Revolver, LIBOR+8.00% cash due 4/6/2027			—	(65)	(67)	(6)(15)(19)
				47,723	**47,696**	
PRGX Global, Inc.		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+6.75% cash due 3/3/2026	7.75 %		34,118	33,016	33,547	(6)(15)
First Lien Revolver, LIBOR+6.75% cash due 3/3/2026			—	(44)	(42)	(6)(15)(19)
80,515 Class B Common Units				79	81	(15)
				33,051	**33,586**	
ProFrac Services, LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+8.50% cash due 9/15/2023	9.75 %		30,910	29,146	30,600	(6)(15)
				29,146	**30,600**	
Project Boost Purchaser, LLC		Application Software				
Second Lien Term Loan, LIBOR+8.00% cash due 5/31/2027	8.08 %		5,250	5,151	5,224	(6)(15)
				5,151	**5,224**	
Quantum Bidco Limited		Food Distributors				
First Lien Term Loan, UK LIBOR+6.00% cash due 1/29/2028	6.11 %		£ 3,501	4,625	4,673	(6)(11)
				4,625	**4,673**	
QuorumLabs, Inc.		Application Software				
64,887,669 Junior-2 Preferred Stock				375	—	(15)
				375	**—**	
Relativity ODA LLC		Application Software				
First Lien Term Loan, LIBOR+7.50% PIK due 5/12/2027			$ 22,856	22,337	22,376	(6)(15)
First Lien Revolver, LIBOR+6.50% cash due 5/12/2027			—	(52)	(47)	(6)(15)(19)
				22,285	**22,329**	
Renaissance Holding Corp.		Diversified Banks				
Second Lien Term Loan, LIBOR+7.00% cash due 5/29/2026	7.08 %		3,542	3,515	3,562	(6)
				3,515	**3,562**	
RevSpring, Inc.		Commercial Printing				
First Lien Term Loan, LIBOR+4.25% cash due 10/11/2025	4.38 %		9,725	9,185	9,709	(6)
				9,185	**9,709**	
RumbleOn, Inc.		Automotive Retail				
First Lien Term Loan, LIBOR+8.25% cash due 8/31/2026	9.25 %		38,036	35,651	35,640	(6)(11)(15)
First Lien Delayed Draw Term Loan, LIBOR+8.25% cash due 8/31/2026			—	(1,022)	(1,027)	(6)(11)(15)(19)
164,660 Class B Common Stock Warrants (exercise price $33.00) expiration date 2/28/2023				1,202	1,553	(15)
				35,831	**36,166**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Sabert Corporation		Metal & Glass Containers				
First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50 %		$ 1,818	$ 1,711	$ 1,825	(6)
				1,711	**1,825**	
Scilex Pharmaceuticals Inc.		Pharmaceuticals				
Fixed Rate Zero Coupon Bond due 8/15/2026			7,692	6,512	7,169	(15)
				6,512	**7,169**	
ShareThis, Inc.		Application Software				
345,452 Series C Preferred Stock Warrants (exercise price $3.0395) expiration date 3/4/2024				367	—	(15)
				367	**—**	
SIO2 Medical Products, Inc.		Metal & Glass Containers				
Subordinated Debt, 11.25% cash due 2/28/2022			15,896	15,161	15,022	(15)
Subordinated Delayed Draw Debt, 11.25% cash due 2/28/2022			—	(110)	(119)	(15)(19)
Common Stock Warrants (exercise price $0.75) expiration date 7/31/2028				681	685	(15)
				15,732	**15,588**	
Sirva Worldwide, Inc.		Diversified Support Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.58 %		1,739	1,554	1,644	(6)
				1,554	**1,644**	
SM Wellness Holdings, Inc.		Health Care Services				
Second Lien Term Loan, LIBOR+8.00% cash due 4/16/2029	8.75 %		9,109	8,972	9,177	(6)(15)
				8,972	**9,177**	
SonicWall US Holdings Inc.		Technology Distributors				
Second Lien Term Loan, LIBOR+7.50% cash due 5/18/2026	7.63 %		3,195	3,163	3,178	(6)
				3,163	**3,178**	
Sorrento Therapeutics, Inc.		Biotechnology				
50,000 Common Stock Units				197	382	(11)
				197	**382**	
Star US Bidco LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25 %		1,194	1,114	1,199	(6)
				1,114	**1,199**	
SumUp Holdings Luxembourg S.À.R.L.		Other Diversified Financial Services				
First Lien Delayed Draw Term Loan, EURIBOR+8.50% cash due 3/10/2026	10.00 %		€ 13,980	15,991	15,908	(6)(11)(15)(19)
				15,991	**15,908**	
Sunland Asphalt & Construction, LLC		Construction & Engineering				
First Lien Term Loan, LIBOR+6.00% cash due 1/13/2026	7.00 %		$ 43,052	41,782	42,450	(6)(15)
First Lien Revolver, LIBOR+6.00% cash due 1/13/2022	7.00 %		203	150	169	(6)(15)(19)
				41,932	**42,619**	
Supermoose Borrower, LLC		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.88 %		8,576	7,581	7,996	(6)
				7,581	**7,996**	
SVP-Singer Holdings Inc.		Home Furnishings				
First Lien Term Loan, LIBOR+6.75% cash due 7/28/2028	7.50 %		20,976	19,537	19,735	(6)(15)
				19,537	**19,735**	
Swordfish Merger Sub LLC		Auto Parts & Equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 2/2/2026	7.75 %		12,500	12,466	12,365	(6)(15)
				12,466	**12,365**	
Tacala, LLC		Restaurants				
Second Lien Term Loan, LIBOR+7.50% cash due 2/4/2028	8.25 %		9,448	9,317	9,451	(6)
				9,317	**9,451**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Tecta America Corp.		Construction & Engineering				
Second Lien Term Loan, LIBOR+8.50% cash due 4/9/2029	9.25 %		$ 5,203	$ 5,125	$ 5,203	(6)(15)
				5,125	**5,203**	
Telestream Holdings Corporation		Application Software				
First Lien Term Loan, LIBOR+8.75% cash due 10/15/2025	9.75 %		18,510	18,017	18,250	(6)(15)
First Lien Revolver, LIBOR+8.75% cash due 10/15/2025	9.75 %		492	464	468	(6)(15)(19)
				18,481	**18,718**	
TerSera Therapeutics LLC		Pharmaceuticals				
Second Lien Term Loan, LIBOR+9.50% cash due 3/30/2026	10.50 %		29,663	29,359	29,371	(6)(15)
668,879 Common Units of TerSera Holdings LLC				2,192	3,487	(15)
				31,551	**32,858**	
TGNR HoldCo LLC		Integrated Oil & Gas				
Subordinated Debt, 11.50% cash due 5/14/2026			4,984	4,842	4,884	(11)(15)(20)
				4,842	**4,884**	
Thermacell Repellents, Inc.		Leisure Products				
First Lien Term Loan, LIBOR+5.75% cash due 12/4/2026	6.75 %		6,636	6,603	6,603	(6)(15)
First Lien Revolver, LIBOR+5.75% cash due 12/4/2026			—	(4)	(4)	(6)(15)(19)
				6,599	**6,599**	
Thrasio, LLC		Internet & Direct Marketing Retail				
First Lien Term Loan, LIBOR+7.00% cash due 12/18/2026	8.00 %		37,876	36,736	37,686	(6)(15)
8,434 Shares of Series C-3 Preferred Stock in Thrasio Holdings, Inc.				101	171	(15)
284,650.32 Shares of Series C-2 Preferred Stock in Thrasio Holdings, Inc.				2,410	5,764	(15)
23,201 Shares of Series X Preferred Stock in Thrasio Holdings, Inc.				22,986	24,803	(15)(19)
				62,233	**68,424**	
TIBCO Software Inc.		Application Software				
Second Lien Term Loan, LIBOR+7.25% cash due 3/3/2028	7.34 %		16,788	16,681	17,002	(6)
				16,681	**17,002**	
TigerConnect, Inc.		Application Software				
299,110 Series B Preferred Stock Warrants (exercise price $1.3373) expiration date 12/8/2024				60	525	(15)
				60	**525**	
Transact Holdings Inc.		Application Software				
First Lien Term Loan, LIBOR+4.75% cash due 4/30/2026	4.83 %		6,860	6,757	6,809	(6)(15)
				6,757	**6,809**	
Velocity Commercial Capital, LLC		Thrifts & Mortgage Finance				
First Lien Term Loan, LIBOR+8.00% cash due 2/5/2026	9.00 %		15,909	15,327	15,830	(6)(15)
				15,327	**15,830**	
Veritas US Inc.		Application Software				
First Lien Term Loan, LIBOR+5.00% cash due 9/1/2025	6.00 %		5,940	5,599	5,975	(6)
				5,599	**5,975**	
Vitalyst Holdings, Inc.		IT Consulting & Other Services				
675 Series A Preferred Stock Units				675	440	(15)
7,500 Class A Common Stock Units				75	—	(15)
				750	**440**	
Win Brands Group LLC		Housewares & Specialties				
First Lien Term Loan, LIBOR+9.00% cash 5.00% PIK due 1/22/2026	10.00 %		1,894	1,875	1,884	(6)(15)
181 Class F Warrants in Brand Value Growth LLC (exercise price $0.01) expiration date 1/25/2027				—	119	(15)
				1,875	**2,003**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Windstream Services II, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25 %		$ 31,598	$ 30,347	$ 31,793	(6)
18,032 Shares of Common Stock in Windstream Holdings II, LLC				216	363	(15)
109,420 Warrants in Windstream Holdings II, LLC				1,842	2,199	(15)
				32,405	**34,355**	
WP CPP Holdings, LLC		Aerospace & Defense				
First Lien Term Loan, LIBOR+3.75% cash due 4/30/2025	4.75 %		4,369	4,005	4,264	(6)
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %		16,000	15,758	15,815	(6)(15)
				19,763	**20,079**	
WPEngine, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 3/27/2026	7.50 %		40,536	39,778	40,013	(6)(15)
				39,778	**40,013**	
WWEX Uni Topco Holdings, LLC		Air Freight & Logistics				
Second Lien Term Loan, LIBOR+7.00% cash due 7/26/2029	7.75 %		5,000	4,925	4,981	(6)
				4,925	**4,981**	
Zep Inc.		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.00 %		6,495	6,165	6,353	(6)
Second Lien Term Loan, LIBOR+8.25% cash due 8/11/2025	9.25 %		22,748	22,692	21,993	(6)(15)
				28,857	**28,346**	
Zephyr Bidco Limited		Specialized Finance				
Second Lien Term Loan, UK LIBOR+7.50% cash due 7/23/2026	7.55 %		£ 18,000	23,783	24,210	(6)(11)
				23,783	**24,210**	
Total Non-Control/Non-Affiliate Investments (172.7% of net assets)				**$ 2,236,759**	**$ 2,267,575**	
Total Portfolio Investments (194.7% of net assets)				**$ 2,539,121**	**$ 2,556,629**	
Cash and Cash Equivalents and Restricted Cash						
JP Morgan Prime Money Market Fund, Institutional Shares				$ 23,600	$ 23,600	
Other cash accounts				8,035	8,035	
Total Cash and Cash Equivalents and Restricted Cash (2.4% of net assets)				**$ 31,635**	**$ 31,635**	
Total Portfolio Investments and Cash and Cash Equivalents and Restricted Cash (197.2% of net assets)				**$ 2,570,756**	**$ 2,588,264**	

Derivative Instrument	**Notional Amount to be Purchased**	**Notional Amount to be Sold**	**Maturity Date**	**Counterparty**	**Cumulative Unrealized Appreciation / (Depreciation)**
Foreign currency forward contract	$ 52,186	£ 37,709	11/12/2021	JPMorgan Chase Bank, N.A.	$ 1,339
Foreign currency forward contract	$ 46,663	€ 39,736	11/12/2021	JPMorgan Chase Bank, N.A.	573
					$ 1,912

Derivative Instrument	**Company Receives**	**Company Pays**	**Counterparty**	**Maturity Date**	**Notional Amount**	**Fair Value**
Interest rate swap	Fixed 2.7%	Floating 3-month LIBOR +1.658%	Royal Bank of Canada	1/15/2027	$350,000	$(2,108)

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

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

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

(4) 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.

(5) 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.

(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 September 30, 2021, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 0.08%, the 60-day LIBOR at 0.11%, the 90-day LIBOR at 0.13%, the 180-day LIBOR at 0.16%, the 360-day LIBOR at 0.24%, the PRIME at 3.25%, the 30-day UK LIBOR at 0.05%, the 180-day UK LIBOR at 0.09%, the 30-day EURIBOR at (0.57)%, the 90-day EURIBOR at (0.56)% and the 180-day EURIBOR at (0.53)%. Most loans include an interest floor, which generally ranges from 0% to 1%.

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

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

(9) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" these portfolio companies as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the accompanying notes to the Consolidated Financial Statements for transactions during the year ended September 30, 2021 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.

(10) First Star Speir Aviation 1 Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with Accounting Standards Update ("ASU") 2013-08, the Company has deemed the holding company to be an investment company under accounting principles generally accepted in the United States ("GAAP") and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.

(11) 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, 2021, qualifying assets represented 75.7% of the Company's total assets and non-qualifying assets represented 24.3% of the Company's total assets.

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

(13) PIK interest income for this investment accrues at an annualized rate of 15%, however, the PIK interest is not contractually capitalized on the investment subsequent to a restructure that occurred during the year ended September 30, 2021. As a result, the principal amount of the investment does not increase over time for accumulated PIK interest. As of September 30, 2021, the accumulated PIK interest balance for the A notes and the B notes was $0.9 million and $0.8 million, respectively.

(14) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition.

(15) As of September 30, 2021, these investments were categorized as Level 3 within the fair value hierarchy established by Financial Accounting Standards Board ("FASB") guidance under Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820").

(16) 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.

(17) 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.

(18) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.

(19) 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.

(20) This investment represents a participation interest in the underlying securities shown.

See notes to Consolidated Financial Statements.

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Control Investments						(8)(9)
C5 Technology Holdings, LLC		Data Processing & Outsourced Services				
829 Common Units				$ —	$ —	(20)
34,984,460.37 Preferred Units				34,984	27,638	(20)
				34,984	**27,638**	
Dominion Diagnostics, LLC		Health Care Services				
First Lien Term Loan, LIBOR+5.00% cash due 2/28/2024	6.00 %		$ 27,660	27,660	27,660	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 2/28/2024	6.00 %		5,260	5,260	5,260	(6)(19)(20)
30,030.8 Common Units in DD Healthcare Services Holdings, LLC				18,626	7,667	(20)
				51,546	**40,587**	
First Star Speir Aviation Limited		Airlines				(10)
First Lien Term Loan, 9.00% cash due 12/15/2020			11,510	2,035	11,510	(11)(20)
100% equity interest				8,500	1,622	(11)(12)(20)
				10,535	**13,132**	
New IPT, Inc.		Oil & Gas Equipment & Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %		2,304	2,304	1,800	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	6.00 %		1,009	1,009	788	(6)(19)(20)
50.087 Class A Common Units in New IPT Holdings, LLC				—	—	(20)
				3,313	**2,588**	
Senior Loan Fund JV I, LLC		Multi-Sector Holdings				(14)
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	7.17 %		96,250	96,250	96,250	(6)(11)(20)
87.5% LLC equity interest				49,322	21,190	(11)(16)(19)
				145,572	**117,440**	
Total Control Investments (22.0% of net assets)				**$ 245,950**	**$ 201,385**	
Affiliate Investments						(17)
Assembled Brands Capital LLC		Specialized Finance				
First Lien Revolver, LIBOR+6.00% cash due 10/17/2023	7.00 %		$ 4,688	$ 4,688	$ 4,194	(6)(19)(20)
1,609,201 Class A Units				764	483	(20)
1,019,168.80 Preferred Units, 6%				1,019	1,091	(20)
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	(20)
				6,471	**5,768**	
Caregiver Services, Inc.		Health Care Services				
1,080,399 shares of Series A Preferred Stock, 10%				1,080	741	(20)
				1,080	**741**	
Total Affiliate Investments (0.7% of net assets)				**$ 7,551**	**$ 6,509**	
Non-Control/Non-Affiliate Investments						(18)
4 Over International, LLC		Commercial Printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.00 %		$ 5,676	$ 5,654	$ 5,264	(6)(20)
First Lien Revolver, LIBOR+6.00% cash due 6/7/2021	7.00 %		2,232	2,214	2,070	(6)(20)
				7,868	**7,334**	
99 Cents Only Stores LLC		General Merchandise Stores				
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	6.00 %		19,431	19,220	17,877	(6)
				19,220	**17,877**	
A.T. Holdings II SÀRL		Biotechnology				
First Lien Term Loan, 12.00% cash due 4/27/2023			22,619	22,619	26,464	(11)(20)
First Lien Delayed Draw Term Loan, 12.00% cash due 4/27/2023			1,508	1,508	1,780	(11)(19)(20)
				24,127	**28,244**	

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Access CIG, LLC		Diversified Support Services				
Second Lien Term Loan, LIBOR+7.75% cash due 2/27/2026	7.91 %		$ 15,000	$ 14,909	$ 14,250	(6)
				14,909	**14,250**	
Accupac, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.00% cash due 1/17/2026	7.00 %		12,487	12,294	12,487	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 1/17/2026			—	(36)	—	(6)(19)(20)
First Lien Revolver, LIBOR+6.00% cash due 1/17/2026	7.00 %		1,564	1,540	1,564	(6)(20)
				13,798	**14,051**	
Acquia Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 10/31/2025	8.00 %		20,950	20,594	20,499	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 10/31/2025			—	(39)	(48)	(6)(19)(20)
				20,555	**20,451**	
Aden & Anais Merger Sub, Inc.		Apparel, Accessories & Luxury Goods				
51,645 Common Units in Aden & Anais Holdings, Inc.				5,165	—	(20)
				5,165	**—**	
AdVenture Interactive, Corp.		Advertising				
9,073 shares of common stock				13,611	13,440	(20)
				13,611	**13,440**	
AI Ladder (Luxembourg) Subco S.a.r.l.		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65 %		21,374	20,934	20,465	(6)(11)
				20,934	**20,465**	
AI Sirona (Luxembourg) Acquisition S.a.r.l.		Pharmaceuticals				
Second Lien Term Loan, EURIBOR+7.25% cash due 9/28/2026	7.25 %		€ 24,838	27,668	28,435	(6)(11)(20)
				27,668	**28,435**	
Airbnb, Inc.		Hotels, Resorts & Cruise Lines				
First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50 %		$ 15,743	15,378	17,081	(6)
				15,378	**17,081**	
AirStrip Technologies, Inc.		Application Software				
5,715 Common Stock Warrants (exercise price $139.99) expiration date 5/11/2025				90	—	(20)
				90	**—**	
Aldevron, L.L.C.		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 10/12/2026	5.25 %		7,960	7,880	7,977	(6)
				7,880	**7,977**	
Algeco Scotsman Global Finance Plc		Construction & Engineering				
Fixed Rate Bond, 8.00% cash due 2/15/2023			13,524	13,277	13,465	(11)
				13,277	**13,465**	
Alvotech Holdings S.A.		Biotechnology				(13)
Fixed Rate Bond 15% PIK Note A due 12/13/2023			14,800	18,849	19,968	(11)(20)
Fixed Rate Bond 15% PIK Note B due 12/13/2023			14,800	18,849	19,196	(11)(20)
				37,698	**39,164**	
Amplify Finco Pty Ltd.		Movies & Entertainment				
First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75 %		995	909	856	(6)(11)(20)
Second Lien Term Loan, LIBOR+8.00% cash due 11/26/2027	8.75 %		12,500	12,188	9,438	(6)(11)(20)
				13,097	**10,294**	

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Ancile Solutions, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00 %		$ 8,181	$ 8,150	$ 8,124	(6)(20)
				8,150	**8,124**	
Apptio, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %		23,764	23,420	23,297	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(22)	(30)	(6)(19)(20)
				23,398	**23,267**	
Ardonagh Midco 3 PLC		Insurance Brokers				
First Lien Term Loan, EURIBOR+7.50% cash due 7/14/2026	8.50 %		€ 1,440	1,594	1,640	(6)(11)(20)
First Lien Term Loan, UK LIBOR+7.50% cash due 7/14/2026	8.25 %		£ 11,303	13,752	14,188	(6)(11)(20)
First Lien Delayed Draw Term Loan, UK LIBOR+7.50% cash due 7/14/2026			£ —	—	—	(6)(11)(19)(20)
Fixed Rate Bond, 11.50% cash due 1/15/2027			$ 2,222	2,200	2,255	(11)
				17,546	**18,083**	
Associated Asphalt Partners, LLC		Construction Materials				
First Lien Term Loan, LIBOR+5.25% cash due 4/5/2024	6.25 %		2,554	2,150	2,073	(6)
				2,150	**2,073**	
Asurion, LLC		Property & Casualty Insurance				
Second Lien Term Loan, LIBOR+6.50% cash due 8/4/2025	6.65 %		19,985	19,950	20,058	(6)
				19,950	**20,058**	
Athenex, Inc.		Pharmaceuticals				
First Lien Term Loan, 11.00% cash due 6/19/2026			28,475	27,252	28,261	(11)(20)
First Lien Delayed Draw Term Loan, 11.00% cash due 6/19/2026			—	(321)	(171)	(11)(19)(20)
266,052 Common Stock Warrants (exercise price $12.63) expiration date 6/19/2027				915	785	(11)(20)
				27,846	**28,875**	
Aurora Lux Finco S.À.R.L.		Airport Services				
First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %		22,885	22,376	21,283	(6)(11)(20)
				22,376	**21,283**	
Blackhawk Network Holdings, Inc.		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	7.19 %		26,250	26,049	24,150	(6)
				26,049	**24,150**	
Boxer Parent Company Inc.		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.40 %		13,775	13,666	13,407	(6)
				13,666	**13,407**	
BX Commercial Mortgage Trust 2020-VIVA		Diversified Real Estate Activities				
Class D Variable Notes due 3/9/2044	3.67 %		12,556	10,482	11,451	(6)(11)(20)
Class E Variable Notes due 3/9/2044	3.67 %		6,221	4,806	5,395	(6)(11)(20)
				15,288	**16,846**	
California Pizza Kitchen, Inc.		Restaurants				
First Lien Term Loan, LIBOR+8.00% cash due 8/23/2022			3,222	3,081	983	(6)(21)
				3,081	**983**	
Chief Power Finance II, LLC		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	7.50 %		21,850	21,462	20,812	(6)(20)
				21,462	**20,812**	
CITGO Holding, Inc.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+7.00% cash due 8/1/2023	8.00 %		11,753	11,570	11,081	(6)
Fixed Rate Bond, 9.25% cash due 8/1/2024			10,672	10,672	10,192	
				22,242	**21,273**	

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CITGO Petroleum Corp.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00 %		$ 8,979	$ 8,890	$ 8,553	(6)
				8,890	**8,553**	
Continental Intermodal Group LP		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+9.50% PIK due 1/28/2025			24,741	24,741	21,753	(6)(20)
Common Stock Warrants expiration date 7/28/2025				—	1,672	(20)
				24,741	**23,425**	
Convergeone Holdings, Inc.		IT Consulting & Other Services				
First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	5.15 %		14,621	14,169	13,465	(6)
				14,169	**13,465**	
Conviva Inc.		Application Software				
417,851 Series D Preferred Stock Warrants (exercise price $1.1966) expiration date 2/28/2021				105	395	(20)
				105	**395**	
Corrona, LLC		Health Care Services				
First Lien Term Loan, LIBOR+5.50% cash due 12/13/2025	6.50 %		10,300	10,144	10,152	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 12/13/2025			—	(32)	(52)	(6)(19)(20)
First Lien Revolver, PRIME+4.50% cash due 12/13/2025	7.75 %		305	277	279	(6)(19)(20)
1,099 Class A2 Common Units in Corrona Group Holdings, L.P.				1,038	1,038	(20)
				11,427	**11,417**	
Coyote Buyer, LLC		Specialty Chemicals				
First Lien Term Loan, LIBOR+6.00% cash due 2/6/2026	7.00 %		13,123	12,992	12,992	(6)(20)
First Lien Revolver, LIBOR+6.00% cash due 2/6/2025			—	(9)	(9)	(6)(19)(20)
				12,983	**12,983**	
CTOS, LLC		Trading Companies & Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 4/18/2025	4.40 %		10,139	10,228	10,069	(6)
				10,228	**10,069**	
Eagleview Technology Corporation		Application Software				
Second Lien Term Loan, LIBOR+7.50% cash due 8/14/2026	8.50 %		12,000	11,880	10,440	(6)(20)
				11,880	**10,440**	
EHR Canada, LLC		Food Retail				
First Lien Term Loan, LIBOR+8.00% cash due 12/4/2020	9.00 %		6,861	6,851	6,998	(6)(20)
				6,851	**6,998**	
EOS Fitness Opco Holdings, LLC		Leisure Facilities				
487.5 Class A Preferred Units, 12%				488	49	(20)
12,500 Class B Common Units				—	—	(20)
				488	**49**	
ExamSoft Worldwide, Inc.		Application Software				
180,707 Class C Units in ExamSoft Investor LLC				181	500	(20)
				181	**500**	
Fortress Biotech, Inc.		Biotechnology				
First Lien Term Loan, 11.00% cash due 8/27/2025			8,346	7,842	7,908	(11)(20)
243,348 Common Stock Warrants (exercise price $3.20) expiration date 8/27/2030				258	419	(11)(20)
				8,100	**8,327**	
GI Chill Acquisition LLC		Managed Health Care				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	4.22 %		17,640	17,552	17,331	(6)(20)
Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	7.72 %		10,000	9,927	9,350	(6)(20)
				27,479	**26,681**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
GKD Index Partners, LLC		Specialized Finance				
First Lien Term Loan, LIBOR+7.00% cash due 6/29/2023	8.00 %		$ 20,933	$ 20,818	$ 20,577	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 6/29/2023	8.00 %		924	915	904	(6)(19)(20)
				21,733	**21,481**	
Global Medical Response		Health Care Services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25 %		6,256	6,152	6,084	(6)
				6,152	**6,084**	
Guidehouse LLP		Research & Consulting Services				
First Lien Term Loan, LIBOR+4.50% cash due 5/1/2025	4.65 %		4,949	4,907	4,912	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15 %		20,000	19,930	19,300	(6)(20)
				24,837	**24,212**	
Gulf Operating, LLC		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+5.25% cash due 8/25/2023	6.25 %		3,275	1,874	2,324	(6)
				1,874	**2,324**	
Houghton Mifflin Harcourt Publishers Inc.		Education Services				
First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25 %		6,738	6,508	6,300	(6)(11)
				6,508	**6,300**	
I Drive Safely, LLC		Education Services				
125,079 Class A Common Units of IDS Investments, LLC				1,000	200	(20)
				1,000	**200**	
IBG Borrower LLC		Apparel, Accessories & Luxury Goods				
First Lien Term Loan, LIBOR+7.00% cash due 8/2/2022	7.25 %		9,056	8,569	7,856	(6)(20)
				8,569	**7,856**	
iCIMs, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	7.50 %		16,718	16,493	16,584	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(15)	(7)	(6)(19)(20)
				16,478	**16,577**	
Immucor, Inc.		Health Care Supplies				
First Lien Term Loan, LIBOR+5.75% cash due 7/2/2025	6.75 %		6,477	6,354	6,347	(6)(20)
First Lien Revolver, LIBOR+5.75% cash due 7/2/2025			—	(10)	(11)	(6)(19)(20)
Second Lien Term Loan, LIBOR+8.00% cash 3.50% PIK due 10/2/2025	9.00 %		15,611	15,316	15,298	(6)(20)
				21,660	**21,634**	
Integral Development Corporation		Other Diversified Financial Services				
1,078,284 Common Stock Warrants (exercise price $0.9274) expiration date 7/10/2024				113	—	(20)
				113	**—**	
L Squared Capital Partners LLC		Multi-Sector Holdings				
2.00% limited partnership interest				887	2,192	(11)(16)
				887	**2,192**	
Lanai Holdings III, Inc.		Health Care Distributors				
First Lien Term Loan, LIBOR+4.75% cash due 8/29/2022	5.75 %		12,948	12,810	12,260	(6)
				12,810	**12,260**	
Lannett Company, Inc.		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.00% cash due 11/25/2020	6.00 %		460	460	456	(6)(11)
				460	**456**	

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Lift Brands Holdings, Inc.		Leisure Facilities				
2,000,000 Class A Common Units in Snap Investments, LLC				$ 1,399	$ —	(20)
				1,399	**—**	
Lightbox Intermediate, L.P.		Real Estate Services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.15 %		$ 39,500	39,023	37,723	(6)(20)
				39,023	**37,723**	
LogMeIn, Inc.		Application Software				
Second Lien Term Loan, LIBOR+9.00% cash due 8/31/2028	9.16 %		9,293	8,831	9,247	(6)
				8,831	**9,247**	
LTI Holdings, Inc.		Electronic Components				
First Lien Term Loan, LIBOR+4.75% cash due 7/24/2026	4.90 %		1,794	1,513	1,685	(6)
First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.65 %		18,082	15,087	16,884	(6)
Second Lien Term Loan, LIBOR+6.75% cash due 9/6/2026	6.90 %		9,000	9,000	7,983	(6)
				25,600	**26,552**	
Maravai Intermediate Holdings, LLC		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 8/1/2025	5.25 %		11,760	11,642	11,789	(6)(20)
				11,642	**11,789**	
Mauser Packaging Solutions Holding Company		Metal & Glass Containers				
Fixed Rate Bond, 8.50% cash due 4/15/2024			11,378	11,273	11,833	
				11,273	**11,833**	
Mayfield Agency Borrower Inc.		Property & Casualty Insurance				
First Lien Term Loan, LIBOR+4.50% cash due 2/28/2025	4.65 %		28,823	28,045	26,679	(6)
				28,045	**26,679**	
McAfee, LLC		Systems Software				
Second Lien Term Loan, LIBOR+8.50% cash due 9/29/2025	9.50 %		7,000	7,028	7,074	(6)
				7,028	**7,074**	
MHE Intermediate Holdings, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.00 %		2,910	2,888	2,832	(6)(20)
				2,888	**2,832**	
Mindbody, Inc.		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00 %		29,097	28,675	26,828	(6)(20)
First Lien Revolver, LIBOR+8.00% cash due 2/14/2025			—	(44)	(241)	(6)(19)(20)
				28,631	**26,587**	
Ministry Brands, LLC		Application Software				
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	6.00 %		575	566	566	(6)(19)(20)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25 %		9,000	8,934	8,923	(6)(20)
				9,500	**9,489**	
MRI Software LLC		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50 %		14,369	14,242	14,022	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026			—	(59)	(144)	(6)(19)(20)
First Lien Revolver, LIBOR+5.50% cash due 2/10/2026			—	(13)	(31)	(6)(19)(20)
				14,170	**13,847**	

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NeuAG, LLC		Fertilizers & Agricultural Chemicals				
First Lien Term Loan, LIBOR+5.50% cash 7.00% PIK due 9/11/2024	7.00 %		$ 35,306	$ 33,918	$ 33,894	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash 7.00% PIK due 9/11/2024			—	(175)	(175)	(6)(19)(20)
				33,743	**33,719**	
NuStar Logistics, L.P.		Oil & Gas Refining & Marketing				
Unsecured Delayed Draw Term Loan, 12.00% cash due 4/19/2023			—	—	—	(19)(20)
				—	**—**	
Olaplex, Inc.		Personal Products				
First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50 %		35,056	34,441	35,056	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50 %		1,917	1,852	1,917	(6)(19)(20)
				36,293	**36,973**	
OmniSYS Acquisition Corporation		Diversified Support Services				
100,000 Common Units in OSYS Holdings, LLC				1,000	607	(20)
				1,000	**607**	
Onvoy, LLC		Integrated Telecommunication Services				
Second Lien Term Loan, LIBOR+10.50% cash due 2/10/2025	11.50 %		16,750	16,750	15,142	(6)(20)
19,666.67 Class A Units in GTCR Onvoy Holdings, LLC				1,967	268	(20)
13,664.73 Series 3 Class B Units in GTCR Onvoy Holdings, LLC				—	—	(20)
				18,717	**15,410**	
OZLM Funding III, Ltd.		Multi-Sector Holdings				
Class DR Notes, LIBOR+7.77% cash due 1/22/2029	8.03 %		2,312	1,657	2,119	(6)(11)
				1,657	**2,119**	
PaySimple, Inc.		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	5.65 %		49,535	48,711	47,801	(6)(20)
				48,711	**47,801**	
Pingora MSR Opportunity Fund I-A, LP		Thrifts & Mortgage Finance				
1.86% limited partnership interest				938	353	(11)(16)(19)
				938	**353**	
PLATO Learning Inc.		Education Services				
Unsecured Senior PIK Note, 8.50% PIK due 12/9/2021			3,099	2,434	—	(15)(20)
Unsecured Junior PIK Note, 10.00% PIK due 12/9/2021			15,010	10,227	—	(15)(20)
Unsecured Revolver, 5.00% cash due 12/9/2021			2,938	2,631	588	(20)(21)
126,127.80 Class A Common Units of Edmentum				126	—	(20)
				15,418	**588**	
ProFrac Services, LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+7.50% cash due 9/15/2023	8.75 %		15,170	15,081	11,643	(6)(20)
				15,081	**11,643**	
Project Boost Purchaser, LLC		Application Software				
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	8.15 %		3,750	3,750	3,375	(6)(20)
				3,750	**3,375**	

Oaktree Specialty Lending Corporation

Consolidated Schedule of Investments
September 30, 2020
(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Pug LLC		Internet & Direct Marketing Retail				
First Lien Term Loan, LIBOR+8.00% cash due 2/12/2027	8.75 %		$ 15,740	$ 14,802	$ 15,307	(6)
				14,802	**15,307**	
QuorumLabs, Inc.		Application Software				
64,887,669 Junior-2 Preferred Stock				375	—	(20)
				375	**—**	
Refac Optical Group		Specialty Stores				
1,550.9435 Shares of Common Stock in Refac Holdings, Inc.				1	—	(20)
550.9435 Series A-2 Preferred Stock in Refac Holdings, Inc., 10%				305	—	(20)
1,000 Series A-1 Preferred Stock in Refac Holdings, Inc., 10%				999	—	(20)
				1,305	**—**	
Salient CRGT, Inc.		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.50 %		2,955	2,938	2,748	(6)(20)
				2,938	**2,748**	
Scilex Pharmaceuticals Inc.		Pharmaceuticals				
Fixed Rate Zero Coupon Bond due 8/15/2026			15,585	12,069	12,468	(20)
				12,069	**12,468**	
ShareThis, Inc.		Application Software				
345,452 Series C Preferred Stock Warrants (exercise price $3.0395) expiration date 3/4/2024				367	—	(20)
				367	**—**	
Sorrento Therapeutics, Inc.		Biotechnology				
125,000 Common Stock Warrants (exercise price $3.94) expiration date 11/3/2029				—	1,123	(11)(20)
				—	**1,123**	
Supermoose Borrower, LLC		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.90 %		10,196	8,925	9,193	(6)
				8,925	**9,193**	
Surgery Center Holdings, Inc.		Health Care Facilities				
First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25 %		3,850	3,133	3,640	(6)(11)
				3,133	**3,640**	
Swordfish Merger Sub LLC		Auto Parts & Equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 2/2/2026	7.75 %		12,500	12,458	10,563	(6)(20)
				12,458	**10,563**	
Tacala, LLC		Restaurants				
Second Lien Term Loan, LIBOR+7.50% cash due 2/4/2028	7.65 %		7,276	7,167	6,903	(6)
				7,167	**6,903**	
TerSera Therapeutics LLC		Pharmaceuticals				
Second Lien Term Loan, LIBOR+9.50% cash due 3/30/2024	10.50 %		29,663	29,236	29,371	(6)(20)
668,879 Common Units of TerSera Holdings LLC				2,192	3,487	(20)
				31,428	**32,858**	
TIBCO Software Inc.		Application Software				
Second Lien Term Loan, LIBOR+7.25% cash due 3/3/2028	7.40 %		15,000	14,925	14,766	(6)
				14,925	**14,766**	
TigerConnect, Inc.		Application Software				
299,110 Series B Preferred Stock Warrants (exercise price $1.3373) expiration date 12/8/2024				60	525	(20)
				60	**525**	
Transact Holdings Inc.		Application Software				
First Lien Term Loan, LIBOR+4.75% cash due 4/30/2026	4.90 %		6,930	6,826	6,553	(6)(20)
				6,826	**6,553**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Truck Hero, Inc.		Auto Parts & Equipment				
Second Lien Term Loan, LIBOR+8.25% cash due 4/21/2025	9.25 %		$ 21,500	$ 21,191	$ 20,819	(6)(20)
				21,191	**20,819**	
U.S. Renal Care, Inc.		Health Care Services				
First Lien Term Loan, LIBOR+5.00% cash due 6/26/2026	5.15 %		1,122	934	1,096	(6)
				934	**1,096**	
Uniti Group Inc.		Specialized REITs				
21,072 Common Units			—	133	222	(11)(12)
				133	**222**	
Verscend Holding Corp.		Health Care Technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65 %		14,525	14,479	14,429	(6)
Fixed Rate Bond, 9.75% cash due 8/15/2026			7,000	7,020	7,629	
				21,499	**22,058**	
Vertex Aerospace Services Corp.		Aerospace & Defense				
First Lien Term Loan, LIBOR+4.50% cash due 6/29/2025	4.65 %		10,168	10,133	10,073	(6)
				10,133	**10,073**	
Vitalyst Holdings, Inc.		IT Consulting & Other Services				
675 Series A Preferred Stock Units				675	440	(20)
7,500 Class A Common Stock Units				75	—	(20)
				750	**440**	
William Morris Endeavor Entertainment, LLC		Movies & Entertainment				
First Lien Term Loan, LIBOR+8.50% cash due 5/18/2025	9.50 %		33,298	31,594	33,298	(6)(20)
				31,594	**33,298**	
Windstream Services II, LLC		Integrated Telecommunication Services				
First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25 %		25,935	24,900	25,168	(6)
6,129 Shares of Common Stock in Windstream Holdings II, LLC				53	69	(20)
37,215 Warrants in Windstream Holdings II, LLC				913	444	(20)
				25,866	**25,681**	
WP CPP Holdings, LLC		Aerospace & Defense				
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %		15,000	14,893	11,700	(6)(20)
				14,893	**11,700**	
WPEngine, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 3/27/2026	7.50 %		14,188	13,863	13,949	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+6.50% cash due 3/27/2026			—	(602)	(443)	(6)(19)(20)
				13,261	**13,506**	
xMatters, Inc.		Application Software				
600,000 Common Stock Warrants (exercise price $0.593333) expiration date 2/26/2025				709	336	(20)
				709	**336**	
Zep Inc.		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.00 %		1,955	1,895	1,845	(6)
Second Lien Term Loan, LIBOR+8.25% cash due 8/11/2025	9.25 %		30,000	29,908	24,180	(6)(20)
				31,803	**26,025**	
Zephyr Bidco Limited		Specialized Finance				
Second Lien Term Loan, UK LIBOR+7.50% cash due 7/23/2026	7.55 %		£ 18,000	23,705	21,176	(6)(11)
				23,705	**21,176**	
Total Non-Control/Non-Affiliate Investments (149.3% of net assets)				**$ 1,415,669**	**$ 1,365,957**	

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(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Total Portfolio Investments (172.0% of net assets)				**$ 1,669,170**	**$ 1,573,851**	
Cash and Cash Equivalents						
JP Morgan Prime Money Market Fund, Institutional Shares				$ 35,248	$ 35,248	
Other cash accounts				3,848	3,848	
Total Cash and Cash Equivalents (4.3% of net assets)				**$ 39,096**	**$ 39,096**	
Total Portfolio Investments and Cash and Cash Equivalents (176.3% of net assets)				**$ 1,708,266**	**$ 1,612,947**	

Derivative Instrument	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Counterparty	Cumulative Unrealized Appreciation / (Depreciation)
Foreign currency forward contract	$ 35,577	£ 27,494	11/12/2020	JPMorgan Chase Bank, N.A.	$ 25
Foreign currency forward contract	$ 30,260	€ 25,614	11/12/2020	JPMorgan Chase Bank, N.A.	198
					$ 223

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

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

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

(4) 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.

(5) Each of the Company's investments is pledged as collateral under the Syndicated Facility (as defined in Note 6 to the accompanying notes to the Consolidated Financial Statements).

(6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of September 30, 2020, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.22%, the 180-day LIBOR at 0.27%, the 360-day LIBOR at 0.37%, the PRIME at 3.25%, the 30-day UK LIBOR at 0.05%, the 180-day UK LIBOR at 0.22%, the 30-day EURIBOR at (0.57)% and the 180-day EURIBOR at (0.36)%. Most loans include an interest floor, which generally ranges from 0% to 1%.

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

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

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

(10) First Star Speir Aviation 1 Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.

(11) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of September 30, 2020, qualifying assets represented 75.4% of the Company's total assets and non-qualifying assets represented 24.6% of the Company's total assets.

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

(13) PIK interest income for this investment accrues at an annualized rate of 15%, however, the PIK interest is not contractually capitalized on the investment. As a result, the principal amount of the investment does not increase over time for accumulated PIK interest. As of September 30, 2020, the accumulated PIK interest balance for each of the A notes and the B notes was $4.3 million. The fair value of this investment is inclusive of PIK.

(14) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition.

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

(16) 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.

(17) 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.

(18) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.

(19) 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.

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

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

See notes to Consolidated Financial Statements.

Note 1. Organization

Oaktree Specialty Lending Corporation (together with its consolidated subsidiaries, the "Company") is a specialty finance company that looks to provide customized, one-stop credit solutions to companies with limited access to public or syndicated capital markets. The Company was formed in late 2007 and operates as a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a Business Development Company under the Investment Company Act. The Company has qualified and elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"), for U.S. federal income tax purposes.

The Company's investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. The Company may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions.

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

On March 19, 2021, the Company acquired Oaktree Strategic Income Corporation (“OCSI”), pursuant to that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of October 28, 2020, by and among OCSI, the Company, Lion Merger Sub, Inc., a wholly-owned subsidiary of the Company (“Merger Sub”), and, solely for the limited purposes set forth therein, Oaktree. Pursuant to the Merger Agreement, Merger Sub was first merged with and into OCSI, with OCSI as the surviving corporation (the “Merger”), and, immediately following the Merger, OCSI was then merged with and into the Company, with the Company as the surviving company (together with the Merger, the “Mergers”). In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of OCSI’s common stock was converted into the right to receive 1.3371 shares of the Company’s common stock (with OCSI’s stockholders receiving cash in lieu of fractional shares of the Company’s common stock). As a result of the Mergers, the Company issued an aggregate of 39,400,011 shares of its common stock to former OCSI stockholders. See Note 15. "Merger with OCSI".

Note 2. Significant Accounting Policies

Basis of Presentation:

The Consolidated Financial Statements of the Company have been prepared in accordance with GAAP and pursuant to the requirements for reporting on Form 10-K and Regulation S-X. All intercompany balances and transactions have been eliminated. The Company is an investment company following the accounting and reporting guidance in 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 Specialty Lending 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 U.S. federal income tax purposes. The assets of certain of the consolidated subsidiaries are not directly available to satisfy the claims of the creditors of Oaktree Specialty Lending Corporation or any of its other subsidiaries.

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

Fair Value Measurements:

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

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

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

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

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

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

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

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

The Company estimates the fair value of certain 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 September 30, 2021 and September 30, 2020 was determined in good faith by the Board of Directors. The Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of the Company's portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. However, the Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to the Company's valuation policy and a consistently applied valuation process.

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

With the exception of the line items entitled "deferred financing costs," "deferred offering costs," "other assets," "deferred tax asset, net," "credit facilities payable" and "unsecured notes 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," "due from broker," "accounts payable, accrued expenses and other liabilities," "base management fee and incentive fee payable," "due to affiliate," "interest payable" and "payables from unsettled transactions" approximate fair value due to their short maturities.

Foreign Currency Translation:

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

Derivative Instruments:

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts to reduce the Company's exposure to fluctuations in the value of foreign currencies. In a foreign currency forward contract, the Company agrees to receive or deliver a fixed quantity of one currency for another at a pre-determined price at a future date. Foreign currency forward contracts are marked-to-market at the applicable forward rate. Unrealized appreciation (depreciation) on foreign currency forward contracts are recorded within derivative assets or derivative liabilities on the Consolidated Statements of Assets and Liabilities by counterparty on a net basis, not taking into account collateral posted which is recorded separately, if applicable. Purchases and settlements of foreign currency forward contracts having the same settlement date and counterparty are generally settled net and any realized gains or losses are recognized on the settlement date. The Company does not utilize hedge accounting with respect to foreign currency forward contracts and as such, the Company recognizes its foreign currency forward contracts at fair value with changes included in the net unrealized appreciation (depreciation) on the Consolidated Statements of Operations.

Interest Rate Swaps

The Company uses an interest rate swap to hedge some of the Company's fixed rate debt. The Company designated the interest rate swap as the hedging instrument in an effective hedge accounting relationship, and therefore the periodic payments are recognized as components of interest expense in the Consolidated Statements of Operations. Depending on the nature of the balance at period end, the fair value of the interest rate swap is either included as a derivative asset or derivative liability on the Company's Consolidated Statements of Assets and Liabilities. The change in fair value of the interest rate swap is offset by a change in the carrying value of the fixed rate debt. Any amounts paid to the counterparty to cover collateral obligations under the terms of the interest rate swap agreement are included in due from broker on the Company's Consolidated Statements of Assets and Liabilities.

Secured Borrowings:

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

Investment Income:

Interest Income

Interest income, adjusted for accretion of original issue discount ("OID"), is recorded on an accrual basis to the extent that such amounts are expected to be collected. The Company stops accruing interest on investments when it is determined that interest is no longer collectible. Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when there is reasonable doubt that principal or interest cash payments will be collected. Cash interest payments received on investments may be recognized as income or a return of capital depending upon management’s judgment.

A non-accrual investment is restored to accrual status if past due principal and interest are paid in cash and the portfolio company, in management's judgment, is likely to continue timely payment of its remaining obligations.

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

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

PIK Interest Income

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

Fee Income

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

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

Dividend Income

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

Cash and Cash Equivalents and Restricted Cash:

Cash and cash equivalents 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 are included on the Company's Consolidated Schedule of Investments and cash equivalents are classified as Level 1 assets.

As of September 30, 2021, included in restricted cash was $2.3 million that was held at Wells Fargo Bank, N.A. in connection with the Citibank Facility (as defined in Note 6. Borrowings). Pursuant to the terms of the Citibank Facility, the Company was restricted in terms of access to $2.3 million 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 Citibank 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. For extinguishments of the Company's unsecured notes payable, any unamortized deferred financing costs are deducted from the carrying amount of the debt in determining the gain or loss from the extinguishment.

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 U.S. 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 2019 and 2020 and does not expect to incur a U.S. federal excise tax for calendar year 2021.

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

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

Note 3. Portfolio Investments

As of September 30, 2021, 194.7% of net assets at fair value, or $2.6 billion, was invested in 138 portfolio companies, including (i) $133.9 million in subordinated notes and limited liability company ("LLC") equity interests of Senior Loan Fund JV I, LLC ("SLF JV I"), a joint venture through which the Company and Trinity Universal Insurance Company, a subsidiary of Kemper Corporation ("Kemper"), co-invest in senior secured loans of middle-market companies and other corporate debt securities and (ii) $55.6 million in subordinated notes and LLC equity interests of OCSI Glick JV LLC ("Glick JV" and, together with SLF JV I, the "JVs"), 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. As of September 30, 2021, 2.4% of net assets at fair value, or $31.6 million, was invested in cash and cash equivalents (including $2.3 million of restricted cash). In comparison, as of September 30, 2020, 172.0% of net assets at fair value, or $1.6 billion, was invested in 113 portfolio investments, including $117.4 million in subordinated notes and LLC equity interests of SLF JV I. As of September 30, 2020, 4.3% of net assets at fair value, or $39.1 million, was invested in cash and cash equivalents. As of September 30, 2021, 86.7% of the Company's portfolio at fair value consisted of senior secured debt investments and 7.6% consisted of subordinated debt investments, including the debt investments in the JVs. As of September 30, 2020, 84.1% of the Company's portfolio at fair value consisted of senior secured debt investments and 10.3% consisted of subordinated debt investments, including the debt investment in SLF JV I.

The Company also held equity investments in certain of its portfolio companies consisting of common stock, preferred stock, warrants, limited partnership interests or LLC equity interests. These instruments generally do not produce a current return but are held for potential investment appreciation and capital gain.

During the years ended September 30, 2021, 2020 and 2019, the Company recorded net realized gains (losses) of $26.4 million, $(13.9) million and $20.8 million, respectively. During the years ended September 30, 2021, 2020 and 2019, the Company recorded net unrealized appreciation (depreciation) of $114.5 million, $(20.6) million and $38.5 million, respectively.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

The composition of the Company's investments as of September 30, 2021 and September 30, 2020 at cost and fair value was as follows:

	September 30, 2021		September 30, 2020	
	Cost	Fair Value	Cost	Fair Value
Investments in debt securities	$ 2,222,223	$ 2,259,924	$ 1,422,487	$ 1,388,605
Investments in equity securities	120,621	107,222	101,111	67,806
Debt investments in the JVs	146,955	151,832	96,250	96,250
Equity investments in the JVs	49,322	37,651	49,322	21,190
Total	**$ 2,539,121**	**$ 2,556,629**	**$ 1,669,170**	**$ 1,573,851**

The following table presents the composition of the Company's debt investments as of September 30, 2021 and September 30, 2020 at fixed rates and floating rates:

	September 30, 2021		September 30, 2020	
	Fair Value	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Floating rate debt securities, including the debt investments in the JVs	$ 2,205,648	91.45 %	$ 1,311,509	88.33 %
Fixed rate debt securities	206,108	8.55	173,346	11.67
Total	**$ 2,411,756**	**100.00 %**	**$ 1,484,855**	**100.00 %**

The following table presents the financial instruments carried at fair value as of September 30, 2021 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	Measured at Net Asset Value (a)	Total
Investments in debt securities (senior secured)	$ —	$ 338,707	$ 1,878,536	$ —	$ 2,217,243
Investments in debt securities (subordinated, including the debt investments in the JVs)	—	18,196	176,317	—	194,513
Investments in equity securities (preferred)	—	—	63,565	—	63,565
Investments in equity securities (common and warrants, including LLC equity interests of the JVs)	382	—	43,163	37,763	81,308
Total investments at fair value	**382**	**356,903**	**2,161,581**	**37,763**	**2,556,629**
Cash equivalents	23,600	—	—	—	23,600
Derivative assets	—	1,912	—	—	1,912
Total assets at fair value	**$ 23,982**	**$ 358,815**	**$ 2,161,581**	**$ 37,763**	**$ 2,582,141**
Derivative liability	$ —	$ 2,108	$ —	$ —	$ 2,108
Total liabilities at fair value	**$ —**	**$ 2,108**	**$ —**	**$ —**	**$ 2,108**

(a) In accordance with ASC 820-10, certain investments that are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value have not been classified in the fair value hierarchy. These investments are generally not redeemable. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

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

	Level 1	Level 2	Level 3	Measured at Net Asset Value (a)	Total
Investments in debt securities (senior secured)	$ —	$ 418,806	$ 904,237	$ —	$ 1,323,043
Investments in debt securities (subordinated, including the debt investment in SLF JV I)	—	35,660	126,152	—	161,812
Investments in equity securities (preferred)	—	—	29,959	—	29,959
Investments in equity securities (common and warrants, including LLC equity interests of SLF JV I)	222	—	35,080	23,735	59,037
Total investments at fair value	**222**	**454,466**	**1,095,428**	**23,735**	**1,573,851**
Cash equivalents	35,248	—	—	—	35,248
Derivative assets	—	223	—	—	223
Total assets at fair value	**$ 35,470**	**$ 454,689**	**$ 1,095,428**	**$ 23,735**	**$ 1,609,322**

(a) In accordance with ASC 820-10, certain investments that are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value have not been classified in the fair value hierarchy. These investments are generally not redeemable. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities.

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

The following table provides a roll-forward in the changes in fair value from September 30, 2020 to September 30, 2021 for all investments for which the Company determined fair value using unobservable (Level 3) factors:

	Investments				
	Senior Secured Debt	Subordinated Debt (including debt investments in the JVs)	Preferred Equity	Common Equity and Warrants	Total
Fair value as of September 30, 2020	$ 904,237	$ 126,152	$ 29,959	$ 35,080	$ 1,095,428
Purchases (a)	1,237,783	66,537	27,692	5,665	1,337,677
Sales and repayments	(352,237)	(45,353)	(31)	(28,629)	(426,250)
Transfers in (b)(c)(d)	18,458	—	—	6,759	25,217
Transfers out (b)(d)	(6,228)	—	—	—	(6,228)
PIK interest income	14,700	—	—	—	14,700
Accretion of OID	19,642	2,069	—	—	21,711
Net unrealized appreciation (depreciation)	43,736	18,177	7,218	13,953	83,084
Net realized gains (losses)	(1,555)	8,735	(1,273)	10,335	16,242
Fair value as of September 30, 2021	**$ 1,878,536**	**$ 176,317**	**$ 63,565**	**$ 43,163**	**$ 2,161,581**
Net unrealized appreciation (depreciation) relating to Level 3 investments still held as of September 30, 2021 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the year ended September 30, 2021	$ 46,340	$ 4,857	$ 5,913	$ 13,763	$ 70,873

(a) Includes the Level 3 investments acquired in connection with the Mergers during the year ended September 30, 2021.
(b) There were transfers into/out of Level 3 from/to Level 2 for certain investments during the year ended September 30, 2021 as a result of a change in the number of market quotes available and/or a change in market liquidity.
(c) There was a transfer into Level 3 from Level 2 as a result of an investment restructuring in which Level 2 senior secured debt was exchanged for Level 3 senior secured debt and common equity.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

(d) There was one transfer from senior secured debt to common equity and warrants during the year ended September 30, 2021 as a result of an investment restructuring, in which $6.3 million of senior secured debt was exchanged for $6.3 million of common equity.

The following table provides a roll-forward in the changes in fair value from September 30, 2019 to September 30, 2020 for all investments for which the Company determined fair value using unobservable (Level 3) factors:

	Investments				
	Senior Secured Debt	Subordinated Debt (including debt investment in SLF JV I)	Preferred Equity	Common Equity and Warrants	Total
Fair value as of September 30, 2019	$ 653,334	$ 110,309	$ 40,578	$ 41,006	$ 845,227
Purchases	423,545	50,534	—	1,485	475,564
Sales and repayments	(207,898)	(40,630)	(1,388)	(13,838)	(263,754)
Transfers in (a)(b)	67,939	5,113	—	19,229	92,281
Transfers out (a)(b)	(33,625)	(605)	—	—	(34,230)
PIK interest income	7,568	—	—	—	7,568
Accretion of OID	6,042	2,856	—	—	8,898
Net unrealized appreciation (depreciation)	15,944	12,917	(9,726)	(14,981)	4,154
Net realized gains (losses)	(28,612)	(14,342)	495	2,179	(40,280)
Fair value as of September 30, 2020	**$ 904,237**	**$ 126,152**	**$ 29,959**	**$ 35,080**	**$ 1,095,428**
Net unrealized appreciation (depreciation) relating to Level 3 investments still held as of September 30, 2020 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the year ended September 30, 2020	$ (11,757)	$ 1,777	$ (9,125)	$ (17,277)	$ (36,382)

(a) There were transfers into/out of Level 3 from/to Level 2 for certain investments during the year ended September 30, 2020 as a result of a change in the number of market quotes available and/or a change in market liquidity.
(b) There was a transfer from senior secured debt to common equity and warrants during the year ended September 30, 2020 as a result of an investment restructuring, in which $46.5 million of senior secured debt was exchanged for new senior secured debt of $27.9 million and common equity of $18.6 million. There was also a transfer from subordinated debt to common equity and warrants during the year ended September 30, 2020 as a result of an investment restructuring, in which $0.6 million of subordinated debt was exchanged for common equity and warrants.

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 September 30, 2021:

Asset	Fair Value	Valuation Technique	Unobservable Input		Range			Weighted Average (a)
Senior Secured Debt	$ 1,413,373	Market Yield	Market Yield	(b)	4.0%	-	30.0%	10.4%
	36,197	Enterprise Value	EBITDA Multiple	(c)	3.0x	-	9.0x	4.5x
	7,500	Enterprise Value	Asset Multiple	(c)	0.9x	-	1.1x	1.0x
	421,466	Broker Quotations	Broker Quoted Price	(e)	N/A	-	N/A	N/A
Subordinated Debt	24,485	Market Yield	Market Yield	(b)	12.0%	-	14.0%	12.6%
Debt Investments in the JVs	151,832	Enterprise Value	N/A	(f)	N/A	-	N/A	N/A
Preferred & Common Equity	6,188	Enterprise Value	Revenue Multiple	(c)	0.9x	-	11.2x	2.5x
	93,520	Enterprise Value	EBITDA Multiple	(c)	3.0x	-	35.0x	15.9x
	698	Enterprise Value	Asset Multiple	(c)	0.9x	-	1.1x	1.0x
	6,322	Transactions Precedent	Transaction Price	(d)	N/A	-	N/A	N/A
Total	**$ 2,161,581**							

(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) Used when market participants would use such multiples when pricing the investment.
(d) Used when there is an observable transaction or pending event for the investment.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

(e) 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.

(f) The Company determined the value of its subordinated notes of each JV based on the total assets less the total liabilities senior to the subordinated notes held at such JV in an amount not exceeding par under the EV technique.

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

Asset	Fair Value	Valuation Technique	Unobservable Input		Range			Weighted Average (a)
Senior Secured Debt	$ 542,354	Market Yield	Market Yield	**(b)**	6.6%	-	30.0%	12.5%
	35,508	Enterprise Value	EBITDA Multiple	**(c)**	0.6x	-	6.3x	5.9x
	11,510	Enterprise Value	Asset Multiple	**(c)**	0.9x	-	1.1x	1.0x
	314,865	Broker Quotations	Broker Quoted Price	**(e)**	N/A	-	N/A	N/A
Subordinated Debt	29,314	Market Yield	Market Yield	**(b)**	4.8%	-	15.0%	9.3%
	588	Enterprise Value	EBITDA Multiple	**(c)**	7.6x	-	8.6x	8.1x
SLF JV I Debt Investment	96,250	Enterprise Value	N/A	**(f)**	N/A	-	N/A	N/A
Preferred & Common Equity	16,470	Enterprise Value	Revenue Multiple	**(c)**	0.9x	-	7.0x	3.1x
	45,934	Enterprise Value	EBITDA Multiple	**(c)**	0.6x	-	15.0x	7.6x
	1,622	Enterprise Value	Asset Multiple	**(c)**	0.9x	-	1.1x	1.0x
	1,013	Transactions Precedent	Transaction Price	**(d)**	N/A	-	N/A	N/A
Total	**$ 1,095,428**							

(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) Used when market participants would use such multiples when pricing the investment.
(d) Used when there is an observable transaction or pending event for the investment.
(e) 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.
(f) The Company determined the value of its subordinated notes of SLF JV I based on the total assets less the total liabilities senior to the subordinated notes held at SLF JV I 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.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

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 September 30, 2021 and the level of each financial liability within the fair value hierarchy:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Syndicated Facility payable	$ 495,000	$ 495,000	$ —	$ —	$ 495,000
Citibank Facility payable	135,000	135,000	—	—	135,000
2025 Notes payable (carrying value is net of unamortized financing costs and unaccreted discount)	295,740	314,541	—	314,541	—
2027 Notes payable (carrying value is net of unamortized financing costs, unaccreted discount and interest rate swap fair value adjustment)	343,003	351,134	—	351,134	—
Total	**$ 1,268,743**	**$1,295,675**	**$ —**	**$ 665,675**	**$ 630,000**

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

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Syndicated Facility payable	$ 414,825	$ 414,825	$ —	$ —	$ 414,825
2025 Notes payable (carrying value is net of unamortized financing costs and unaccreted discount)	294,490	301,431	—	301,431	—
Total	**$ 709,315**	**$ 716,256**	**$ —**	**$ 301,431**	**$ 414,825**

The principal values of the credit facilities payable approximate fair value due to their variable interest rates and are included in Level 3 of the hierarchy. The Company used market quotes as of the valuation date to estimate the fair value of its 3.500% notes due 2025 (the "2025 Notes") and 2.700% notes due 2027 (the "2027 Notes"), which are included in Level 2 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:

	September 30, 2021		September 30, 2020	
Cost:		% of Total Investments		% of Total Investments
Senior secured debt	$ 2,179,907	85.85 %	$ 1,345,012	80.58 %
Debt investments in the JVs	146,955	5.79 %	96,250	5.77 %
Preferred equity	65,939	2.60 %	39,550	2.37 %
Common equity and warrants	54,682	2.15 %	61,561	3.69 %
LLC equity interests of the JVs	49,322	1.94 %	49,322	2.95 %
Subordinated debt	42,316	1.67 %	77,475	4.64 %
Total	**$ 2,539,121**	**100.00 %**	**$ 1,669,170**	**100.00 %**

	September 30, 2021			September 30, 2020		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Senior secured debt	$ 2,217,243	86.72 %	168.89 %	$ 1,323,043	84.06 %	144.61 %
Debt investments in the JVs	151,832	5.94 %	11.56 %	96,250	6.12 %	10.52 %
Preferred equity	63,565	2.49 %	4.84 %	29,959	1.90 %	3.27 %
Common equity and warrants	43,657	1.71 %	3.33 %	37,847	2.40 %	4.14 %
Subordinated debt	42,681	1.67 %	3.25 %	65,562	4.17 %	7.17 %
LLC equity interests of the JVs	37,651	1.47 %	2.87 %	21,190	1.35 %	2.32 %
Total	**$ 2,556,629**	**100.00 %**	**194.74 %**	**$ 1,573,851**	**100.00 %**	**172.03 %**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

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:

	September 30, 2021		September 30, 2020	
Cost:		**% of Total Investments**		**% of Total Investments**
Northeast	$ 720,781	28.39 %	$ 495,440	29.69 %
Midwest	385,846	15.20 %	285,674	17.11 %
West	365,471	14.39 %	330,468	19.80 %
Southeast	294,339	11.59 %	171,330	10.26 %
International	268,817	10.59 %	210,963	12.64 %
Southwest	256,227	10.09 %	67,867	4.07 %
South	156,764	6.17 %	72,150	4.32 %
Northwest	90,876	3.58 %	35,278	2.11 %
Total	**$ 2,539,121**	**100.00 %**	**$ 1,669,170**	**100.00 %**

	September 30, 2021			September 30, 2020		
Fair Value:		**% of Total Investments**	**% of Net Assets**		**% of Total Investments**	**% of Net Assets**
Northeast	$ 721,647	28.24 %	54.97 %	$ 446,499	28.38 %	48.81 %
Midwest	382,475	14.96 %	29.13 %	252,482	16.04 %	27.60 %
West	371,257	14.52 %	28.28 %	325,708	20.69 %	35.60 %
Southeast	299,486	11.71 %	22.81 %	165,516	10.52 %	18.09 %
International	275,904	10.79 %	21.02 %	213,741	13.58 %	23.36 %
Southwest	258,940	10.13 %	19.72 %	65,647	4.17 %	7.18 %
South	155,526	6.08 %	11.85 %	70,551	4.48 %	7.71 %
Northwest	91,394	3.57 %	6.96 %	33,707	2.14 %	3.68 %
Total	**$ 2,556,629**	**100.00 %**	**194.74 %**	**$ 1,573,851**	**100.00 %**	**172.03 %**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

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 September 30, 2021 and September 30, 2020:

	September 30, 2021		September 30, 2020	
Cost:		% of Total Investments		% of Total Investments
Application Software	$ 367,265	14.49 %	$ 162,536	9.71 %
Multi-Sector Holdings (1)	196,277	7.73	148,116	8.87
Pharmaceuticals	138,250	5.44	99,471	5.96
Data Processing & Outsourced Services	120,381	4.74	109,744	6.57
Biotechnology	111,856	4.41	89,447	5.36
Personal Products	103,642	4.08	50,091	3.00
Industrial Machinery	88,231	3.47	15,081	0.90
Health Care Services	84,750	3.34	71,139	4.26
Specialized Finance	68,554	2.70	51,909	3.11
Aerospace & Defense	67,629	2.66	27,964	1.68
Fertilizers & Agricultural Chemicals	66,713	2.63	33,743	2.02
Internet & Direct Marketing Retail	62,233	2.45	14,802	0.89
Construction & Engineering	61,874	2.44	13,277	0.80
Integrated Telecommunication Services	47,059	1.85	44,583	2.67
Internet Services & Infrastructure	46,917	1.85	28,631	1.72
Specialty Chemicals	46,731	1.84	44,786	2.68
Home Improvement Retail	46,487	1.83	—	—
Automotive Retail	41,800	1.65	—	—
Airport Services	41,699	1.64	22,376	1.34
Diversified Support Services	40,666	1.60	18,797	1.13
Real Estate Services	40,445	1.59	39,023	2.34
Oil & Gas Storage & Transportation	36,612	1.44	26,615	1.59
Oil & Gas Refining & Marketing	36,044	1.42	31,132	1.87
Soft Drinks	33,410	1.32	—	—
Electrical Components & Equipment	32,127	1.27	20,934	1.25
Health Care Supplies	29,650	1.17	21,660	1.30
Advertising	28,649	1.13	13,611	0.82
Real Estate Operating Companies	27,531	1.08	—	—
Cable & Satellite	26,730	1.05	—	—
Movies & Entertainment	26,002	1.02	44,691	2.68
Insurance Brokers	25,515	1.00	17,546	1.05
Leisure Facilities	25,162	0.99	1,887	0.11
Health Care Equipment	23,674	0.93	—	—
Independent Power Producers & Energy Traders	23,458	0.92	21,462	1.29
Airlines	22,417	0.88	10,535	0.63
Health Care Distributors	19,698	0.78	12,810	0.77
Commercial Printing	19,685	0.78	7,868	0.47
Home Furnishings	19,537	0.77	—	—
Managed Health Care	18,654	0.73	27,479	1.65
Metal & Glass Containers	17,443	0.69	11,273	0.68
Other Diversified Financial Services	16,104	0.63	113	0.01
Thrifts & Mortgage Finance	16,079	0.63	938	0.06
Health Care Technology	13,877	0.55	21,499	1.29
Auto Parts & Equipment	12,466	0.49	33,649	2.02
Electronic Components	10,080	0.40	25,600	1.53
Property & Casualty Insurance	9,884	0.39	47,995	2.88
Restaurants	9,317	0.37	10,248	0.61
IT Consulting & Other Services	7,598	0.30	14,919	0.89
Research & Consulting Services	7,354	0.29	24,837	1.49
Systems Software	6,647	0.26	20,694	1.24
Leisure Products	6,599	0.26	—	—
Alternative Carriers	6,578	0.26	—	—
Apparel, Accessories & Luxury Goods	5,165	0.20	13,734	0.82
Air Freight & Logistics	4,925	0.19	—	—
Integrated Oil & Gas	4,842	0.19	—	—
Food Distributors	4,625	0.18	—	—
Food Retail	3,745	0.15	6,851	0.41
Diversified Banks	3,515	0.14	—	—
Technology Distributors	3,163	0.12	—	—
Construction Materials	2,245	0.09	2,150	0.13
Housewares & Specialties	1,875	0.07	—	—
Education Services	981	0.04	22,926	1.37
General Merchandise Stores	—	—	19,220	1.15
Hotels, Resorts & Cruise Lines	—	—	15,378	0.92
Diversified Real Estate Activities	—	—	15,288	0.92
Trading Companies & Distributors	—	—	10,228	0.61
Oil & Gas Equipment & Services	—	—	3,313	0.20
Health Care Facilities	—	—	3,133	0.19
Specialty Stores	—	—	1,305	0.08
Specialized REITs	—	—	133	0.01
Total	**$ 2,539,121**	**100.00 %**	**$ 1,669,170**	**100.00 %**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

	September 30, 2021			September 30, 2020		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Application Software	$ 372,606	14.58 %	28.39 %	$ 160,591	10.21 %	17.57 %
Multi-Sector Holdings (1)	189,483	7.41	14.43	121,751	7.74	13.31
Pharmaceuticals	142,194	5.56	10.83	103,092	6.55	11.27
Data Processing & Outsourced Services	113,923	4.46	8.68	99,589	6.33	10.89
Biotechnology	113,641	4.44	8.66	96,624	6.14	10.56
Personal Products	105,530	4.13	8.04	51,024	3.24	5.58
Industrial Machinery	90,218	3.53	6.87	11,643	0.74	1.27
Health Care Services	84,735	3.31	6.45	59,925	3.81	6.55
Aerospace & Defense	69,602	2.72	5.30	24,521	1.56	2.68
Specialized Finance	68,844	2.69	5.24	48,425	3.08	5.29
Internet & Direct Marketing Retail	68,424	2.68	5.21	15,307	0.97	1.67
Fertilizers & Agricultural Chemicals	67,527	2.64	5.14	33,719	2.14	3.69
Construction & Engineering	63,109	2.47	4.81	13,465	0.86	1.47
Integrated Telecommunication Services	49,607	1.94	3.78	41,091	2.61	4.49
Internet Services & Infrastructure	47,923	1.87	3.65	26,587	1.69	2.91
Specialty Chemicals	46,559	1.82	3.55	39,008	2.48	4.26
Home Improvement Retail	46,488	1.82	3.54	—	—	—
Automotive Retail	42,133	1.65	3.21	—	—	—
Real Estate Services	41,225	1.61	3.14	37,723	2.40	4.12
Diversified Support Services	40,888	1.60	3.11	17,689	1.12	1.93
Airport Services	40,776	1.59	3.11	21,283	1.35	2.33
Oil & Gas Refining & Marketing	36,546	1.43	2.78	29,826	1.90	3.26
Oil & Gas Storage & Transportation	34,462	1.35	2.63	25,749	1.64	2.81
Soft Drinks	33,410	1.31	2.54	—	—	—
Electrical Components & Equipment	32,142	1.26	2.45	20,465	1.30	2.24
Advertising	30,423	1.19	2.32	13,440	0.85	1.47
Health Care Supplies	30,186	1.18	2.30	21,634	1.37	2.36
Real Estate Operating Companies	28,341	1.11	2.16	—	—	—
Insurance Brokers	27,612	1.08	2.10	18,083	1.15	1.98
Cable & Satellite	27,048	1.06	2.06	—	—	—
Movies & Entertainment	27,048	1.06	2.06	43,592	2.77	4.76
Airlines	24,554	0.96	1.87	13,132	0.83	1.44
Health Care Equipment	23,763	0.93	1.81	—	—	—
Independent Power Producers & Energy Traders	23,552	0.92	1.79	20,812	1.32	2.27
Leisure Facilities	22,888	0.90	1.74	—	—	—
Commercial Printing	20,100	0.79	1.53	7,334	0.47	0.80
Home Furnishings	19,735	0.77	1.50	—	—	—
Health Care Distributors	19,683	0.77	1.50	12,260	0.78	1.34
Managed Health Care	18,840	0.74	1.44	26,681	1.70	2.92
Metal & Glass Containers	17,413	0.68	1.33	11,833	0.75	1.29
Thrifts & Mortgage Finance	15,942	0.62	1.21	353	0.02	0.04
Other Diversified Financial Services	15,908	0.62	1.21	—	—	—
Health Care Technology	13,960	0.55	1.06	22,058	1.40	2.41
Auto Parts & Equipment	12,365	0.48	0.94	31,382	1.99	3.43
Electronic Components	10,127	0.40	0.77	26,552	1.69	2.90
Property & Casualty Insurance	9,949	0.39	0.76	46,737	2.97	5.11
Restaurants	9,451	0.37	0.72	7,886	0.50	0.86
Research & Consulting Services	7,606	0.30	0.58	24,212	1.54	2.65
IT Consulting & Other Services	7,443	0.29	0.57	13,905	0.88	1.52
Alternative Carriers	6,939	0.27	0.53	—	—	—
Systems Software	6,769	0.26	0.52	20,481	1.30	2.24
Leisure Products	6,599	0.26	0.50	49	—	0.01
Air Freight & Logistics	4,981	0.19	0.38	—	—	—
Integrated Oil & Gas	4,884	0.19	0.37	—	—	—
Food Distributors	4,673	0.18	0.36	—	—	—
Food Retail	3,750	0.15	0.29	6,998	0.44	0.76
Diversified Banks	3,562	0.14	0.27	—	—	—
Technology Distributors	3,178	0.12	0.24	—	—	—
Construction Materials	2,350	0.09	0.18	2,073	0.13	0.23
Housewares & Specialties	2,003	0.08	0.15	—	—	—
Education Services	1,009	0.04	0.08	7,088	0.45	0.77
Apparel, Accessories & Luxury Goods	—	—	—	7,856	0.50	0.86
General Merchandise Stores	—	—	—	17,877	1.14	1.95
Hotels, Resorts & Cruise Lines	—	—	—	17,081	1.09	1.87
Diversified Real Estate Activities	—	—	—	16,846	1.07	1.84
Trading Companies & Distributors	—	—	—	10,069	0.64	1.10
Health Care Facilities	—	—	—	3,640	0.23	0.40
Oil & Gas Equipment & Services	—	—	—	2,588	0.16	0.28
Specialized REITs	—	—	—	222	0.01	0.02
Total	**$ 2,556,629**	**100.00 %**	**194.74 %**	**$ 1,573,851**	**100.00 %**	**172.03 %**

(1) This industry includes the Company's investments in the JVs and certain limited partnership interests.

As of September 30, 2021 and September 30, 2020, the Company had no single investment 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.

Senior Loan Fund JV I, LLC

In May 2014, the Company entered into an LLC agreement with Kemper to form SLF JV I. The Company co-invests in senior secured loans of middle-market companies and other corporate debt securities with Kemper through its investment in SLF JV I. SLF JV I is managed by a four person Board of Directors, two of whom are selected by the Company and two of whom are selected by Kemper. All portfolio decisions and investment decisions in respect of SLF JV I must be approved by the SLF JV I investment committee, which consists of one representative selected by the Company and one representative selected by Kemper (with approval from a representative of each required). Since the Company does not have a controlling financial interest in SLF JV I, the Company does not consolidate SLF JV I.

SLF JV I is capitalized pro rata with LLC equity interests as transactions are completed and may be capitalized with additional subordinated notes issued to the Company and Kemper by SLF JV I. The subordinated notes issued by SLF JV I (the "SLF JV I Notes") are senior in right of payment to SLF JV I LLC equity interests and subordinated in right of payment to SLF JV I's secured debt. As of September 30, 2021 and September 30, 2020, the Company and Kemper owned, in the aggregate, 87.5% and 12.5%, respectively, of the LLC equity interests of SLF JV I and the outstanding SLF JV I Notes. SLF JV I is not an "eligible portfolio company" as defined in section 2(a)(46) of the Investment Company Act.

SLF JV I has a senior revolving credit facility with Deutsche Bank AG, New York Branch (as amended, the "SLF JV I Deutsche Bank Facility"), which permitted up to $260.0 million and $250.0 million of borrowings (subject to borrowing base and other limitations) as of September 30, 2021 and September 30, 2020, respectively. Borrowings under the SLF JV I Deutsche Bank Facility are secured by all of the assets of SLF JV I Funding LLC, a special purpose financing subsidiary of SLF JV I. As of September 30, 2021, the reinvestment period of the SLF JV I Deutsche Bank Facility was scheduled to expire May 3, 2023 and the maturity date for the SLF JV I Deutsche Bank Facility was May 3, 2028. As of September 30, 2021, borrowings under the SLF JV I Deutsche Bank Facility accrued interest at a rate equal to 3-month LIBOR plus 2.00% per annum during the reinvestment period, 3-month LIBOR plus 2.15% per annum for the first year after the reinvestment period, 3-month LIBOR plus 2.25% for the following year and plus 2.50% thereafter, in each case with a 0.125% LIBOR floor. Under the SLF JV I Deutsche Bank Facility, $215.6 million and $167.9 million of borrowings were outstanding as of September 30, 2021 and September 30, 2020, respectively.

As of September 30, 2021 and September 30, 2020, SLF JV I had total assets of $379.2 million and $313.5 million, respectively. SLF JV I's portfolio primarily consisted of senior secured loans to 55 portfolio companies as of September 30, 2021 and September 30, 2020. The portfolio companies in SLF JV I are in industries similar to those in which the Company may invest directly. As of September 30, 2021, the Company's investment in SLF JV I consisted of LLC equity interests and SLF JV I Notes of $133.9 million in aggregate, at fair value. As of September 30, 2020, the Company's investment in SLF JV I consisted of LLC equity interests and SLF JV I Notes of $117.4 million in aggregate, at fair value.

As of each of September 30, 2021 and September 30, 2020, the Company and Kemper had funded approximately $165.5 million to SLF JV I, of which $144.8 million was from the Company. As of September 30, 2021, the Company had aggregate commitments to fund SLF JV I of $35.0 million, of which approximately $26.2 million was to fund additional SLF JV I Notes and approximately $8.8 million was to fund LLC equity interests in SLF JV I. As of September 30, 2020, the Company had commitments to fund LLC equity interests in SLF JV I of $17.5 million, of which $1.3 million was unfunded.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Below is a summary of SLF JV I's portfolio, followed by a listing of the individual loans in SLF JV I's portfolio as of September 30, 2021 and September 30, 2020:

	September 30, 2021	September 30, 2020
Senior secured loans (1)	$344,196	$307,579
Weighted average interest rate on senior secured loans (2)	5.60%	5.44%
Number of borrowers in SLF JV I	55	56
Largest exposure to a single borrower (1)	$9,875	$10,487
Total of five largest loan exposures to borrowers (1)	$46,984	$49,097

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

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

SLF JV I Portfolio as of September 30, 2021

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.83 %	Diversified Support Services	$ 9,111	$ 9,084	$ 9,078	(4)
ADB Companies, LLC	First Lien Term Loan, LIBOR+6.25% cash due 12/18/2025	7.25 %	Construction & Engineering	7,732	7,566	7,644	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	4.12 %	Integrated Telecommunication Services	2,596	2,468	2,591	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25 %	Pharmaceuticals	9,755	9,580	9,443	(4)
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	5.00 %	Movies & Entertainment	7,880	7,801	7,680	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025	3.88 %	Personal Products	2,799	2,211	2,378	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %	Application Software	4,615	4,565	4,544	(4)
Apptio, Inc.	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025	8.25 %	Application Software	154	150	148	(4)(5)
Total Apptio, Inc.				**4,769**	**4,715**	**4,692**	
Asurion, LLC	Second Lien Term Loan, LIBOR+5.25% cash due 1/20/2029	5.33 %	Property & Casualty Insurance	6,000	5,940	5,980	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %	Airport Services	6,403	6,283	6,025	(4)
BAART Programs, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 6/11/2027	6.00 %	Health Care Services	5,985	5,925	5,970	
BAART Programs, Inc.	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 6/11/2027	6.00 %	Health Care Services	450	436	446	(5)
Total BAART Programs, Inc.				**6,435**	**6,361**	**6,416**	
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	3.08 %	Data Processing & Outsourced Services	9,675	9,662	9,615	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+3.75% cash due 10/2/2025	3.88 %	Systems Software	6,643	6,570	6,615	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.08 %	Oil & Gas Equipment & Services	7,253	7,234	7,158	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
C5 Technology Holdings, LLC	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	5,683	(4)
Total C5 Technology Holdings, LLC					**7,194**	**5,683**	
Centerline Communications, LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/10/2027	6.50 %	Wireless Telecommunication Services	2,000	1,961	1,960	
Centerline Communications, LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/10/2023	6.50 %	Wireless Telecommunication Services	1,920	1,890	1,889	(5)
Centerline Communications, LLC	First Lien Revolver, LIBOR+5.50% cash due 8/10/2027		Wireless Telecommunication Services	—	(12)	(12)	(5)
Total Centerline Communications, LLC				**3,920**	**3,839**	**3,837**	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+6.25% cash due 3/28/2024	7.25 %	Oil & Gas Refining & Marketing	7,111	7,040	7,134	(4)
City Football Group Limited	First Lien Term Loan, LIBOR+3.50% cash due 7/21/2028	4.00 %	Movies & Entertainment	6,500	6,468	6,492	
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+3.50% cash due 12/11/2026	4.50 %	Alternative Carriers	7,362	7,204	7,376	
Convergeone Holdings, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	5.08 %	IT Consulting & Other Services	7,449	7,229	7,427	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	4.13 %	Biotechnology	5,880	5,836	5,884	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/16/2026	4.08 %	Internet Services & Infrastructure	5,885	5,870	5,893	
DirecTV Financing, LLC	First Lien Term Loan, LIBOR+5.00% cash due 8/2/2027	5.75 %	Cable & Satellite	6,000	5,940	6,011	(4)
Enviva Holdings, LP	First Lien Term Loan, LIBOR+5.50% cash due 2/17/2026	6.50 %	Forest Products	5,878	5,819	5,893	

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50 %	Application Software	$ 7,406	$ 7,332	$ 7,451	
GI Chill Acquisition LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/6/2025	3.90 %	Managed Health Care	3,721	3,737	3,712	(4)
GI Chill Acquisition LLC	Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	7.63 %	Managed Health Care	3,750	3,674	3,731	(4)
Total GI Chill Acquisition LLC				**7,471**	**7,411**	**7,443**	
Gibson Brands, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 8/11/2028	5.75 %	Leisure Products	7,500	7,425	7,463	
Global Medical Response, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 10/2/2025	5.75 %	Health Care Services	2,214	2,178	2,226	
Global Medical Response, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25 %	Health Care Services	1,995	1,995	2,004	(4)
Total Global Medical Response, Inc.				**4,209**	**4,173**	**4,230**	
Grab Holdings Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/29/2026	5.50 %	Interactive Media & Services	2,985	2,907	3,025	
Indivior Finance S.À.R.L.	First Lien Term Loan, LIBOR+5.25% cash due 6/30/2026	6.00 %	Pharmaceuticals	7,481	7,336	7,456	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, PRIME+4.75% cash due 11/27/2023	8.00 %	Alternative Carriers	3,568	3,550	3,622	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+4.75% cash due 7/13/2022	5.75 %	Alternative Carriers	5,000	4,935	5,044	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, LIBOR+4.75% cash due 7/13/2022		Alternative Carriers	—	(13)	9	(5)
Total Intelsat Jackson Holdings S.A.				**8,568**	**8,472**	**8,675**	
INW Manufacturing, LLC	First Lien Term Loan, LIBOR+5.75% cash due 5/7/2027	6.50 %	Personal Products	9,875	9,597	9,678	(4)
Lightbox Intermediate, L.P.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.13 %	Real Estate Services	7,443	7,377	7,405	(4)
LogMeIn, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 8/31/2027	4.83 %	Application Software	7,940	7,812	7,946	(4)
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.58 %	Electronic Components	7,442	7,329	7,354	
Maravai Intermediate Holdings, LLC	First Lien Term Loan, LIBOR+3.75% cash due 10/19/2027	4.75 %	Biotechnology	6,819	6,751	6,846	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash 1.50% PIK due 2/14/2025	8.00 %	Internet Services & Infrastructure	4,616	4,565	4,528	(4)
Mindbody, Inc.	First Lien Revolver, LIBOR+8.00% cash due 2/14/2025		Internet Services & Infrastructure	—	(6)	(9)	(4)(5)
Total Mindbody, Inc.				**4,616**	**4,559**	**4,519**	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50 %	Application Software	3,877	3,843	3,875	(4)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(6)	(1)	(4)(5)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(3)	—	(4)(5)
Total MRI Software LLC				**3,877**	**3,834**	**3,874**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	5.50 %	Electrical Components & Equipment	6,755	6,738	6,738	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.08 %	Application Software	7,852	7,816	7,842	(4)
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 1/8/2026	7.25 %	Personal Products	6,273	6,189	6,226	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.25% cash due 1/8/2025		Personal Products	—	(7)	(8)	(4)(5)
Total Olaplex, Inc.				**6,273**	**6,182**	**6,218**	
Park Place Technologies, LLC	First Lien Term Loan, LIBOR+5.00% cash due 11/10/2027	6.00 %	Internet Services & Infrastructure	4,975	4,801	4,981	(4)
Planview Parent, Inc.	Second Lien Term Loan, LIBOR+7.25% cash due 12/18/2028	8.00 %	Application Software	4,503	4,435	4,514	(4)

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Pluralsight, LLC	First Lien Term Loan, LIBOR+8.00% cash due 4/6/2027	9.00 %	Application Software	$ 6,796	$ 6,669	$ 6,667	(4)
Pluralsight, LLC	First Lien Revolver, LIBOR+8.00% cash due 4/6/2027		Application Software	—	(8)	(8)	(4)(5)
Total Pluralsight, LLC				**6,796**	**6,661**	**6,659**	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50 %	Metal & Glass Containers	2,728	2,700	2,738	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.25% cash due 4/27/2024	6.25 %	Footwear	8,288	8,277	7,874	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.23% cash due 4/27/2024	6.23 %	Footwear	138	138	131	
Total SHO Holding I Corporation				**8,426**	**8,415**	**8,005**	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.58 %	Diversified Support Services	1,087	1,071	1,027	(4)
Sorenson Communications, LLC	First Lien Term Loan, LIBOR+5.50% cash due 3/17/2026	6.25 %	Communications Equipment	2,854	2,825	2,877	
Star US Bidco LLC	First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25 %	Industrial Machinery	8,255	8,075	8,289	(4)
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.88 %	Application Software	7,823	7,465	7,294	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 8/31/2026	4.50 %	Health Care Facilities	4,911	4,895	4,925	
Trench Plate Rental, Co.	First Lien Term Loan, LIBOR+4.75% cash due 12/3/2026	5.75 %	Construction Materials	3,942	3,882	3,881	
Trench Plate Rental, Co.	First Lien Delayed Draw Term Loan, LIBOR+4.75% cash due 12/3/2026		Construction Materials	—	(11)	(12)	(5)
Trench Plate Rental, Co.	First Lien Revolver, LIBOR+4.75% cash due 12/3/2026	5.75 %	Construction Materials	24	15	15	(5)
Total Trench Plate Rental, Co.				**3,966**	**3,886**	**3,884**	
Veritas US Inc.	First Lien Term Loan, LIBOR+5.00% cash due 9/1/2025	6.00 %	Application Software	6,435	6,333	6,473	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.00% cash due 8/27/2025	4.08 %	Health Care Technology	4,080	4,052	4,091	
Waystar Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.08 %	Health Care Technology	5,910	5,880	5,921	
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25 %	Integrated Telecommunication Services	7,899	7,629	7,948	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %	Aerospace & Defense	6,000	5,964	5,931	(4)
Total Portfolio Investments				**$ 344,196**	**$ 346,052**	**$ 346,665**	

(1) Represents the interest rate as of September 30, 2021. 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 the LIBOR shown above is in U.S. dollars. As of September 30, 2021, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 0.08%, the 60-day LIBOR at 0.11%, the 90-day LIBOR at 0.13%, the 180-day LIBOR at 0.16%, the 360-day LIBOR at 0.24% and the PRIME at 3.25%. 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, 2021 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and SLF JV I as of September 30, 2021.
(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.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

SLF JV I Portfolio as of September 30, 2020

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.91 %	Diversified Support Services	$ 9,206	$ 9,170	$ 9,029	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,373	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.65 %	Electrical Components & Equipment	6,038	5,914	5,781	(4)
Airbnb, Inc.	First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50 %	Hotels, Resorts & Cruise Lines	3,051	2,981	3,311	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	4.15 %	Integrated Telecommunication Services	4,643	4,450	4,527	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25 %	Pharmaceuticals	9,879	9,623	9,566	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75 %	Movies & Entertainment	7,960	7,880	6,846	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	2,828	2,282	1,248	(6)
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %	Application Software	4,615	4,550	4,526	(4)
Apptio, Inc.	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application Software	—	(5)	(8)	(4)(5)
Total Apptio, Inc.				**4,615**	**4,545**	**4,518**	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %	Airport Services	6,468	6,324	6,015	(4)
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	3.15 %	Data Processing & Outsourced Services	9,775	9,758	9,251	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.40 %	Systems Software	7,532	7,448	7,331	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.16 %	Oil & Gas Equipment & Services	7,331	7,306	5,600	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
C5 Technology Holdings, LLC	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	5,683	(4)
Total C5 Technology Holdings, LLC					**7,194**	**5,683**	
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25 %	Restaurants	3,990	3,792	3,960	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00 %	Oil & Gas Refining & Marketing	7,184	7,112	6,842	(4)
Clear Channel Outdoor Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 8/21/2026	3.76 %	Advertising	331	290	302	
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50 %	Alternative Carriers	7,437	7,262	7,228	
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+3.75% cash due 7/9/2026	3.97 %	Biotechnology	5,940	5,895	5,895	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/16/2026	4.15 %	Internet Services & Infrastructure	7,960	7,940	7,879	
Dealer Tire, LLC	First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.40 %	Distributors	943	902	924	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50 %	Application Software	7,481	7,406	7,461	
Frontier Communications Corporation	First Lien Term Loan, PRIME+2.75% cash due 6/15/2024	6.00 %	Integrated Telecommunication Services	3,939	3,901	3,887	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25 %	Systems Software	7,781	7,734	7,684	
Global Medical Response, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 10/2/2025	5.75 %	Health Care Services	2,231	2,187	2,185	
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.15 %	Research & Consulting Services	6,000	5,979	5,790	(4)

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	4.52 %	Systems Software	$ 3,970	$ 3,930	$ 3,923	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, PRIME+4.75% cash due 11/27/2023	8.00 %	Alternative Carriers	3,568	3,541	3,598	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 7/13/2022	6.50 %	Alternative Carriers	971	801	1,011	(5)
Total Intelsat Jackson Holdings S.A.				**4,539**	**4,342**	**4,609**	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.00 %	Household Products	5,322	5,308	5,302	
LogMeIn, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 8/31/2027	4.91 %	Application Software	5,000	4,876	4,842	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00 %	Internet Services & Infrastructure	4,546	4,481	4,192	(4)
Mindbody, Inc.	First Lien Revolver, LIBOR+8.00% cash due 2/14/2025		Internet Services & Infrastructure	—	(7)	(38)	(4)(5)
Total Mindbody, Inc.				**4,546**	**4,474**	**4,154**	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50 %	Application Software	3,830	3,795	3,737	(4)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1)	(4)	(4)(5)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(3)	(8)	(4)(5)
Total MRI Software LLC				**3,830**	**3,791**	**3,725**	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.15 %	Health Care Technology	5,970	5,940	5,849	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %	Oil & Gas Equipment & Services	1,006	1,006	786	(4)
New IPT, Inc.	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & Gas Equipment & Services		—	—	(4)
Total New IPT, Inc.				**1,006**	**1,006**	**786**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.75% cash due 3/31/2025	5.75 %	Electrical Components & Equipment	6,825	6,803	6,518	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 4/30/2027	5.66 %	Integrated Telecommunication Services	2,400	2,314	2,403	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00 %	Application Software	5,931	5,909	5,827	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.15 %	Application Software	7,455	7,418	7,371	
OEConnection LLC	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(2)	(5)	(5)
Total OEConnection LLC				**7,455**	**7,416**	**7,366**	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50 %	Personal Products	4,938	4,851	4,938	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50 %	Personal Products	270	261	270	(4)(5)
Total Olaplex, Inc.				**5,208**	**5,112**	**5,208**	
PetVet Care Centers, LLC	First Lien Term Loan, LIBOR+4.25% cash due 2/14/2025	5.25 %	Specialized Consumer Services	2,743	2,736	2,747	
PG&E Corporation	First Lien Term Loan, LIBOR+4.50% cash due 6/23/2025	5.50 %	Electric Utilities	5,985	5,899	5,875	
Recorded Books, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 8/31/2025	4.75 %	Publishing	6,000	5,940	5,940	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50 %	Metal & Glass Containers	2,828	2,800	2,791	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.50 %	Aerospace & Defense	2,111	2,099	1,963	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+3.00% cash PIK 2.25% due 4/27/2024	4.00 %	Footwear	8,396	8,380	5,898	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50 %	Health Care Services	9,750	9,690	9,409	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.65 %	Diversified Support Services	4,781	4,709	3,992	

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Star US Bidco LLC	First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25 %	Industrial Machinery	$ 3,718	$ 3,532	$ 3,551	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.25 %	Personal Products	7,940	7,900	7,911	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.90 %	Application Software	4,888	4,575	4,407	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25 %	Health Care Facilities	4,962	4,943	4,691	(4)
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	5.00 %	Application Software	2,997	2,959	2,980	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25 %	Movies & Entertainment	2,856	2,816	2,814	
Veritas US Inc.	First Lien Term Loan, LIBOR+5.50% cash due 9/1/2025	6.50 %	Application Software	6,500	6,371	6,375	
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.65 %	Health Care Technology	4,112	4,080	4,084	(4)
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.40 %	Data Processing & Outsourced Services	10,487	10,495	10,291	
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25 %	Integrated Telecommunication Services	7,980	7,662	7,744	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %	Aerospace & Defense	6,000	5,956	4,680	(4)
Total Portfolio Investments				**$ 307,579**	**$ 311,428**	**$ 298,771**	

(1) Represents the interest rate as of September 30, 2020. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of September 30, 2020, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 0.15%, the 60-day LIBOR at 0.19%, the 90-day LIBOR at 0.22%, the 180-day LIBOR at 0.27% and the PRIME at 3.25%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of September 30, 2020 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and SLF JV I as of September 30, 2020.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.
(6) This investment was on cash non-accrual status as of September 30, 2020. Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

Both the cost and fair value of the Company's SLF JV I Notes were $96.3 million as of each of September 30, 2021 and September 30, 2020. The Company earned interest income of $7.4 million, $8.1 million and $9.8 million on the SLF JV I Notes for the years ended September 30, 2021, 2020 and 2019, respectively. As of September 30, 2021, the SLF JV I Notes bore interest at a rate of one-month LIBOR plus 7.00% per annum with a LIBOR floor of 1.00% and will mature on December 29, 2028.

The cost and fair value of the LLC equity interests in SLF JV I held by the Company were $49.3 million and $37.7 million, respectively, as of September 30, 2021, and $49.3 million and $21.2 million, respectively, as of September 30, 2020. The Company earned $0.9 million in dividend income for the year ended September 30, 2021 with respect to its investment in the LLC equity interests of SLF JV I. The Company did not earn dividend income for the years ended September 30, 2020 and 2019 with respect to its investment in the LLC equity interests of SLF JV I. The LLC equity interests of SLF JV I are generally dividend producing to the extent SLF JV I has residual cash to be distributed on a quarterly basis.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Below is certain summarized financial information for SLF JV I as of September 30, 2021 and September 30, 2020 and for the years ended September 30, 2021, 2020 and 2019:

	September 30, 2021	September 30, 2020
Selected Balance Sheet Information:		
Investments at fair value (cost September 30, 2021: $346,052; cost September 30, 2020: $311,428)	$ 346,665	$ 298,771
Cash and cash equivalents	23,446	5,389
Restricted cash	4,517	4,211
Other assets	4,529	5,093
Total assets	**$ 379,157**	**$ 313,464**
Senior credit facility payable	$ 215,620	$ 167,910
SLF JV I Notes payable at fair value (proceeds September 30, 2021: $110,000; proceeds September 30, 2020: $110,000)	110,000	110,000
Other liabilities	10,507	11,336
Total liabilities	**$ 336,127**	**$ 289,246**
Members' equity	43,030	24,218
Total liabilities and members' equity	**$ 379,157**	**$ 313,464**

	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Selected Statements of Operations Information:			
Interest income	$ 20,018	$ 19,808	$ 22,727
Other income	565	338	153
Total investment income	**20,583**	**20,146**	**22,880**
Senior credit facility interest expense	5,706	7,432	8,705
SLF JV I Notes interest expense	8,444	9,205	11,153
Other expenses	260	244	358
Total expenses (1)	**14,410**	**16,881**	**20,216**
Net unrealized appreciation (depreciation)	13,270	(9,704)	2,257
Net realized gains (losses)	399	(3,691)	(8,507)
Net income (loss)	**$ 19,842**	**$ (10,130)**	**$ (3,586)**

(1) There are no management fees or incentive fees charged at SLF JV I.

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

During the year ended September 30, 2021, the Company sold $48.0 million of senior secured debt investments to SLF JV I for $47.2 million cash consideration, which represented the fair value at the time of sale. A gain of $2.5 million was recognized by the Company on these transactions. During the year ended September 30, 2020, the Company did not sell any debt investments to SLF JV I. During the year ended September 30, 2019, the Company sold $8.4 million of senior secured debt investments to SLF JV I at fair value in exchange for $8.3 million cash consideration. A loss of $0.1 million was recognized by the Company on these transactions.

OCSI Glick JV LLC

On March 19, 2021, as a result of the consummation of the Mergers, the Company became party to the LLC agreement of Glick JV. The Glick JV invests primarily in senior secured loans of middle-market companies. The Company co-invests in these securities with GF Equity Funding through the Glick JV. The 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 Glick JV is capitalized as transactions are completed, and portfolio decisions and investment decisions in respect of the Glick JV must be approved by the 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 Glick JV, the Company does not consolidate the Glick JV.

The members provide capital to the 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 Glick JV in exchange for subordinated notes issued by the Glick JV (the "Glick JV Notes"). As of September 30, 2021, 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 Glick JV Notes. The Glick JV is not an "eligible portfolio company" as defined in section 2(a)(46) of the Investment Company Act.

The Glick JV has a senior revolving credit facility with Deutsche Bank AG, New York Branch (the "Glick JV Deutsche Bank Facility"), which, as of September 30, 2021, had a reinvestment period end date and maturity date of May 3, 2023 and May 3, 2028, respectively, and permitted borrowings of up to $90.0 million (subject to borrowing base and other limitations). Borrowings under the Glick JV Deutsche Bank Facility are secured by all of the assets of the Glick JV and all of the equity interests in the Glick JV and, as of September 30, 2021, bore interest at a rate equal to 3-month LIBOR plus 2.25% per annum during the reinvestment period, 3-month LIBOR plus 2.40% for the first year after the end of the reinvestment period, 3-month LIBOR plus 2.50% for the following year and 2.75% thereafter, in each case with a 0.125% LIBOR floor. Under the Glick JV Deutsche Bank Facility, $71.9 million of borrowings were outstanding as of September 30, 2021.

As of September 30, 2021, the Glick JV had total assets of $141.0 million. The Glick JV's portfolio consisted of middle-market and other corporate debt securities of 37 portfolio companies as of September 30, 2021. The portfolio companies in the Glick JV are in industries similar to those in which the Company may invest directly. The Company's investment in the Glick JV consisted of LLC equity interests and Glick JV Notes of $55.6 million in the aggregate at fair value as of September 30, 2021. The Glick JV Notes are junior in right of payment to the repayment of temporary contributions made by the Company to fund investments of the Glick JV that are repaid when GF Equity Funding and GF Debt Funding make their capital contributions and fund their Glick JV Notes, respectively.

As of September 30, 2021, the 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 September 30, 2021, of which $73.5 million was from the Company. As of September 30, 2021, the Company had commitments to fund Glick JV Notes of $78.8 million, of which $12.4 million were unfunded as of such date. As of September 30, 2021, the Company had commitments to fund LLC equity interests in the Glick JV of $8.7 million, of which $1.6 million were unfunded.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Below is a summary of the Glick JV's portfolio, followed by a listing of the individual loans in the Glick JV's portfolio as of September 30, 2021:

	September 30, 2021
Senior secured loans (1)	$126,512
Weighted average current interest rate on senior secured loans (2)	5.86%
Number of borrowers in the Glick JV	37
Largest loan exposure to a single borrower (1)	$6,907
Total of five largest loan exposures to borrowers (1)	$28,324

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

Glick JV Portfolio as of September 30, 2021

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
ADB Companies, LLC	First Lien Term Loan, LIBOR+6.25% cash due 12/18/2025	7.25%	Construction & Engineering	$ 3,866	$ 3,783	$ 3,822	(4)
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.25%	Pharmaceuticals	6,907	6,780	6,687	(4)
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	5.00%	Movies & Entertainment	2,955	2,925	2,880	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025	3.88%	Personal Products	1,667	1,310	1,416	
Asurion, LLC	Second Lien Term Loan, LIBOR+5.25% cash due 1/20/2029	5.33%	Property & Casualty Insurance	3,000	2,970	2,990	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00%	Airport Services	3,694	3,625	3,476	(4)
BAART Programs, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 6/11/2027	6.00%	Health Care Services	3,192	3,160	3,184	
BAART Programs, Inc.	First Lien Delayed Draw Term Loan, LIBOR+5.00% cash due 6/11/2027	6.00%	Health Care Services	240	232	238	(5)
Total BAART Programs, Inc.				**3,432**	**3,392**	**3,422**	
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.08%	Oil & Gas Equipment & Services	4,835	4,823	4,772	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+6.25% cash due 3/28/2024	7.25%	Oil & Gas Refining & Marketing	3,555	3,520	3,567	(4)
City Football Group Limited	First Lien Term Loan, LIBOR+3.50% cash due 7/21/2028	4.00%	Movies & Entertainment	2,500	2,488	2,497	
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	4.13%	Biotechnology	4,900	4,863	4,903	
DirecTV Financing, LLC	First Lien Term Loan, LIBOR+5.00% cash due 8/2/2027	5.75%	Cable & Satellite	3,000	2,970	3,005	(4)
Enviva Holdings, LP	First Lien Term Loan, LIBOR+5.50% cash due 2/17/2026	6.50%	Forest Products	3,919	3,879	3,928	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50%	Application Software	2,469	2,444	2,484	
Gibson Brands, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 8/11/2028	5.75%	Leisure Products	4,000	3,960	3,981	
Houghton Mifflin Harcourt Publishers Inc.	First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25%	Education Services	431	420	433	(4)
Indivior Finance S.À.R.L.	First Lien Term Loan, LIBOR+5.25% cash due 6/30/2026	6.00%	Pharmaceuticals	3,990	3,913	3,977	
Integro Parent, Inc.	First Lien Term Loan, LIBOR+5.75% cash due 10/31/2022	6.75%	Insurance Brokers	3,229	3,221	3,173	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+4.75% cash due 7/13/2022	5.75%	Alternative Carriers	4,167	4,112	4,203	
Intelsat Jackson Holdings S.A.	First Lien Delayed Draw Term Loan, LIBOR+4.75% cash due 7/13/2022		Alternative Carriers	—	(11)	7	(5)
Total Intelsat Jackson Holdings S.A.				**4,167**	**4,101**	**4,210**	
INW Manufacturing, LLC	First Lien Term Loan, LIBOR+5.75% cash due 5/7/2027	6.50%	Personal Products	2,469	2,399	2,419	(4)

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Lightstone Holdco LLC	First Lien Term Loan, LIBOR+3.75% cash due 1/30/2024	4.75%	Electric Utilities	$ 3,439	$ 3,115	$ 2,855	
LTI Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.58%	Electronic Components	1,372	1,147	1,356	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.50%	Application Software	1,635	1,621	1,634	(4)
MRI Software LLC	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1)	—	(4)(5)
MRI Software LLC	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(1)	—	(4)(5)
Total MRI Software LLC				**1,635**	**1,619**	**1,634**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	5.50%	Electrical Components & Equipment	5,308	5,294	5,294	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	4.08%	Application Software	3,926	3,908	3,921	(4)
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 1/8/2026	7.25%	Personal Products	3,502	3,454	3,475	(4)
Olaplex, Inc.	First Lien Revolver, LIBOR+6.25% cash due 1/8/2025		Personal Products	—	(4)	(5)	(4)(5)
Total Olaplex, Inc.				**3,502**	**3,450**	**3,470**	
Planview Parent, Inc.	Second Lien Term Loan, LIBOR+7.25% cash due 12/18/2028	8.00%	Application Software	2,842	2,799	2,849	(4)
Pluralsight, LLC	First Lien Term Loan, LIBOR+8.00% cash due 4/6/2027	9.00%	Application Software	4,465	4,383	4,380	(4)
Pluralsight, LLC	First Lien Revolver, LIBOR+8.00% cash due 4/6/2027		Application Software	—	(6)	(6)	(4)(5)
Total Pluralsight, LLC				**4,465**	**4,377**	**4,374**	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50%	Metal & Glass Containers	1,819	1,800	1,825	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.25% cash due 4/27/2024	6.25%	Footwear	6,159	6,140	5,851	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.23% cash due 4/27/2024	6.23%	Footwear	102	102	97	
Total SHO Holding I Corporation				**6,261**	**6,242**	**5,948**	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.88%	Application Software	2,850	2,703	2,657	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 8/31/2026	4.50%	Health Care Facilities	4,911	4,895	4,925	
Tribe Buyer LLC	First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	5.50%	Human Resource & Employment Services	1,599	1,598	1,354	
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.00% cash due 8/27/2025	4.08%	Health Care Technology	1,721	1,709	1,725	
Waystar Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.08%	Health Care Technology	3,940	3,920	3,947	
Windstream Services II, LLC	First Lien Term Loan, LIBOR+6.25% cash due 9/21/2027	7.25%	Integrated Telecommunication Services	4,937	4,768	4,967	(4)
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75%	Aerospace & Defense	3,000	2,982	2,965	(4)
Total Portfolio Investments				**$ 126,512**	**$ 124,112**	**$ 124,108**	

(1) Represents the interest rate as of September 30, 2021. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars. As of September 30, 2021, the reference rates for the Glick JV's variable rate loans were the 30-day LIBOR at 0.08%, the 60-day LIBOR at 0.11%, the 90-day LIBOR at 0.13%, the 180-day LIBOR at 0.16% and the 360-day LIBOR at 0.24%. 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, 2021 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and the Glick JV as of September 30, 2021.

(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 Glick JV was $50.7 million and $55.6 million, respectively, as of September 30, 2021. For the period from March 19, 2021 to September 30, 2021, the Company's investment in the Glick JV Notes earned interest income of $2.4 million. The Company did not earn any dividend income for the period from March 19, 2021 to September 30, 2021 with respect to its investment in the LLC equity interests of the Glick JV. The LLC equity interests of the Glick JV are income producing to the extent there is residual cash to be distributed on a quarterly basis. As of September 30, 2021, the Glick JV Notes bore interest at a rate of one-month LIBOR plus 4.50% per annum and will mature on October 20, 2028.

Below is certain summarized financial information for the Glick JV as of September 30, 2021 and for the period from March 19, 2021 to September 30, 2021:

		September 30, 2021
Selected Balance Sheet Information:		
Investments at fair value (cost September 30, 2021: $124,112)	$	124,108
Cash and cash equivalents		14,087
Restricted cash		1,055
Other assets		1,750
Total assets	**$**	**141,000**
Senior credit facility payable	$	71,882
Glick JV Notes payable at fair value (proceeds September 30, 2021: $70,525)		63,522
Other liabilities		5,596
Total liabilities	**$**	**141,000**
Members' equity		—
Total liabilities and members' equity	**$**	**141,000**

		For the period from March 19, 2021 to September 30, 2021
Selected Statements of Operations Information:		
Interest income	$	4,643
Fee income		67
Total investment income		**4,710**
Senior credit facility interest expense		1,157
Glick JV Notes interest expense		1,780
Other expenses		95
Total expenses (1)		**3,032**
Net unrealized appreciation (depreciation)		(1,710)
Realized gain (loss)		32
Net income (loss)	**$**	**—**

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

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

During the period from March 19, 2021 to September 30, 2021, the Company did not sell any debt investments to the Glick JV.

Note 4. Fee Income

For the years ended September 30, 2021, 2020 and 2019, the Company recorded total fee income of $14.1 million, $8.5 million and $6.7 million, respectively, of which $0.6 million, $0.7 million and $0.6 million, respectively, was recurring in nature. Recurring fee income primarily consisted of servicing fees and exit fees.

Note 5. Share Data and Net Assets

Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share, pursuant to ASC Topic 260-10, *Earnings per Share*, for the years ended September 30, 2021, 2020 and 2019:

(Share amounts in thousands)	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Earnings (loss) per common share — basic and diluted:			
Net increase (decrease) in net assets resulting from operations	$ 237,260	$ 39,224	$ 126,160
Weighted average common shares outstanding — basic and diluted	162,118	140,961	140,961
Earnings (loss) per common share — basic and diluted	**$ 1.46**	**$ 0.28**	**$ 0.89**

Changes in Net Assets

The following table presents the changes in net assets for the years ended September 30, 2021, 2020 and 2019:

	Common Stock				
	Shares	Par Value	Additional paid-in-capital	Accumulated Overdistributed Earnings	Total Net Assets
Balance at September 30, 2018	140,961	$ 1,409	$ 1,492,739	$ (636,113)	$ 858,035
Net investment income	—	—	—	67,909	67,909
Net unrealized appreciation (depreciation)	—	—	—	38,457	38,457
Net realized gains (losses)	—	—	—	20,805	20,805
(Provision) benefit for taxes on realized and unrealized gains (losses)	—	—	—	(1,011)	(1,011)
Distributions to stockholders	—	—	—	(53,565)	(53,565)
Reclassification of additional paid-in capital	—	—	(4,965)	4,965	—
Issuance of common stock under dividend reinvestment plan	269	3	1,341	—	1,344
Repurchases of common stock under dividend reinvestment plan	(269)	(3)	(1,341)	—	(1,344)
Balance at September 30, 2019	140,961	$ 1,409	$ 1,487,774	$ (558,553)	$ 930,630
Net investment income	—	—	—	71,992	71,992
Net unrealized appreciation (depreciation)	—	—	—	(20,614)	(20,614)
Net realized gains (losses)	—	—	—	(13,924)	(13,924)
(Provision) benefit for taxes on realized and unrealized gains (losses)	—	—	—	1,770	1,770
Distributions to stockholders	—	—	—	(54,975)	(54,975)
Issuance of common stock under dividend reinvestment plan	435	4	1,874	—	1,878
Repurchases of common stock under dividend reinvestment plan	(435)	(4)	(1,874)	—	(1,878)
Balance at September 30, 2020	140,961	$ 1,409	$ 1,487,774	$ (574,304)	$ 914,879
Net investment income	—	—	—	97,106	97,106
Net unrealized appreciation (depreciation)	—	—	—	114,519	114,519
Net realized gains (losses)	—	—	—	26,420	26,420
(Provision) benefit for taxes on realized and unrealized gains (losses)	—	—	—	(785)	(785)
Distributions to stockholders	—	—	—	(82,020)	(82,020)
Reclassification of additional paid-in capital	—	—	74,271	(74,271)	—
Issuance of common stock in connection with the Mergers	39,400	395	242,309	—	242,704
Issuance of common stock under dividend reinvestment plan	338	3	2,167	—	2,170
Repurchases of common stock under dividend reinvestment plan	(338)	(3)	(2,167)	—	(2,170)
Balance at September 30, 2021	180,361	$ 1,804	$ 1,804,354	$ (493,335)	$ 1,312,823

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.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

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 U.S. federal income tax purposes, the Company estimates its distributions for the 2021 calendar year will be composed primarily of ordinary income. The character of such distributions will be appropriately reported to the Internal Revenue Service and stockholders for the 2020 calendar year. To the extent the Company's taxable earnings for a fiscal and taxable year fall below the amount of distributions paid for the fiscal and taxable year, a portion of the total amount of the Company's distributions for the fiscal and taxable year is deemed a return of capital for U.S. federal income tax purposes to the Company's stockholders. For the year ended September 30, 2021, no portion of the distributions was deemed a return of capital for tax purposes.

The following table reflects the distributions per share that the Company has paid, including shares issued under the DRIP, on its common stock during the years ended September 30, 2021, 2020 and 2019:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value (2)
November 13, 2020	December 15, 2020	December 31, 2020	$ 0.11	$ 15.0 million	93,964	$ 0.5 million
January 29, 2021	March 15, 2021	March 31, 2021	0.12	16.4 million	81,702	0.5 million
April 30, 2021	June 15, 2021	June 30, 2021	0.13	22.9 million	76,979	0.5 million
July 30, 2021	September 15, 2021	September 30, 2021	0.145	25.5 million	85,075	0.6 million
Total for the year ended September 30, 2021			**$ 0.505**	**$ 79.8 million**	**337,720**	**$ 2.2 million**

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 12, 2019	December 13, 2019	December 31, 2019	$ 0.095	$ 12.9 million	87,747	$ 0.5 million
January 31, 2020	March 13, 2020	March 31, 2020	0.095	12.9 million	157,523	0.5 million
April 30, 2020	June 15, 2020	June 30, 2020	0.095	13.0 million	87,351	0.4 million
July 31, 2020	September 15, 2020	September 30, 2020	0.105	14.3 million	102,404	0.5 million
Total for the year ended September 30, 2020			**$ 0.390**	**$ 53.1 million**	**435,025**	**$ 1.9 million**

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	$ 0.095	$ 13.0 million	87,429	$ 0.4 million
February 1, 2019	March 15, 2019	March 29, 2019	0.095	13.1 million	59,603	0.3 million
May 3, 2019	June 14, 2019	June 28, 2019	0.095	13.1 million	61,093	0.3 million
August 2, 2019	September 13, 2019	September 30, 2019	0.095	13.1 million	61,205	0.3 million
Total for the year ended September 30, 2019			**$ 0.380**	**$ 52.3 million**	**269,330**	**$ 1.3 million**

(1) Shares were purchased on the open market and distributed.
(2) Rounded balance may not sum to the total.

Common Stock Issuances

On March 19, 2021, in connection with the Mergers, the Company issued an aggregate of 39,400,011 shares of common stock to former OCSI stockholders. There were no other common stock issuances during the years ended September 30, 2021, 2020 and 2019.

Note 6. Borrowings

Syndicated Facility

On November 30, 2017, the Company entered into a senior secured revolving credit facility (as amended and restated, the "Syndicated Facility") pursuant to a Senior Secured Revolving Credit Agreement with the lenders party thereto, ING Capital

LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A., BofA Securities, Inc. and MUFG Union Bank, N.A. as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents. The Syndicated Facility provides that the Company may use the proceeds of the loans and issuances of letters of credit under the Syndicated Facility for general corporate purposes, including acquiring and funding leveraged loans, mezzanine loans, high-yield securities, convertible securities, preferred stock, common stock and other investments. The Syndicated Facility further allows the Company to request letters of credit from ING Capital LLC, as the issuing bank.

On October 28, 2020, the Company entered into an incremental commitment and assumption agreement in connection with the Company's exercise of $75 million of the accordion feature under the Syndicated Facility. On December 28, 2020, the Company entered into an incremental commitment agreement pursuant to which a lender under the Syndicated Facility increased its commitment amount under the Syndicated Facility by $25 million. On May 4, 2021, the Company amended the Syndicated Credit Facility to, among other things, increase the size of the facility by $150 million (and increase the "accordion" feature to permit the Company, under certain circumstances, to increase the size of the facility to up to the greater of $1.25 billion and the Company's net worth, as defined in the facility). As a result of such agreements, as of September 30, 2021, the size of the Syndicated Facility was $950 million.

As of September 30, 2021, (i) the period during which the Company may make drawings will expire on May 4, 2025 and the maturity date is May 4, 2026 and (ii) the interest rate margin for (a) LIBOR loans (which may be 1-, 2-, 3- or 6-month, at the Company's option) was 2.00% and (b) alternate base rate loans was 1.00%.

The Syndicated Facility is secured by substantially all of the Company's assets (excluding, among other things, investments held in and by certain subsidiaries of the Company (including OCSL Senior Funding II LLC) or investments in certain portfolio companies of the Company) and guaranteed by certain subsidiaries of the Company. As of September 30, 2021, except for assets that were held by OCSL Senior Funding II LLC and certain immaterial subsidiaries, substantially all of the Company's assets are pledged as collateral under the Syndicated Facility.

The Syndicated Facility requires the Company to, among other things, (i) make representations and warranties regarding the collateral as well as each of the Company's portfolio companies' businesses, (ii) agree to certain indemnification obligations, and (iii) comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar revolving credit facilities, including covenants related to: (A) limitations on the incurrence of additional indebtedness and liens, (B) limitations on certain investments, (C) limitations on certain asset transfers and restricted payments, (D) maintaining a certain minimum stockholders' equity, (E) maintaining a ratio of total assets (less total liabilities) to total indebtedness, of the Company and its subsidiaries (subject to certain exceptions), of not less than 1.50 to 1.00, (F) maintaining a ratio of consolidated EBITDA to consolidated interest expense, of the Company and its subsidiaries (subject to certain exceptions), of not less than 2.25 to 1.00, (G) maintaining a minimum liquidity and net worth, and (H) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. The Syndicated Facility also includes usual and customary default provisions such as the failure to make timely payments under the facility, the occurrence of a change in control, and the failure by the Company to materially perform under the agreements governing the facility, which, if not complied with, could accelerate repayment under the facility. As of September 30, 2021, the Company was in compliance with all financial covenants under the Syndicated Facility. In addition to the asset coverage ratio described above, borrowings under the Syndicated Facility (and the incurrence of certain other permitted debt) are subject to compliance with a borrowing base that will apply different advance rates to different types of assets in the Company's portfolio. Each loan or letter of credit originated or assumed under the Syndicated Facility is subject to the satisfaction of certain conditions.

As of September 30, 2021 and September 30, 2020, the Company had $495.0 million and $414.8 million of borrowings outstanding under the Syndicated Facility, respectively, which had a fair value of $495.0 million and $414.8 million, respectively. The Company's borrowings under the Syndicated Facility bore interest at a weighted average interest rate of 2.197%, 3.028% and 4.550% for the years ended September 30, 2021, 2020 and 2019, respectively. For the years ended September 30, 2021, 2020 and 2019, the Company recorded interest expense (inclusive of fees) of $13.8 million, $14.9 million and $17.1 million, respectively, related to the Syndicated Facility.

Citibank Facility

On March 19, 2021, as a result of the consummation of the Mergers, the Company became party to a revolving credit facility (as amended and/or restated from time to time, the "Citibank Facility") with OCSL Senior Funding II LLC (formerly OCSI Senior Funding II LLC), the Company's wholly-owned, special purpose financing subsidiary, as the borrower, the Company, as collateral manager and seller, each of the lenders from time to time party thereto, Citibank, N.A., as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and custodian.

As of September 30, 2021, the Company was able to borrow up to $150 million under the Citibank Facility (subject to borrowing base and other limitations). As of September 30, 2021, the reinvestment period under the Citibank Facility was scheduled to expire on July 18, 2023 and the maturity date for the Citibank Facility was July 18, 2024.

As of September 30, 2021, borrowings under the Citibank Facility are subject to certain customary advance rates and accrue interest at a rate equal to LIBOR plus between 1.25% and 2.20% per annum on broadly syndicated loans, subject to observable market depth and pricing, and LIBOR plus 2.25% per annum on all other eligible loans during the reinvestment period. In addition, as of September 30, 2021, 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. 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. Borrowings under the Citibank Facility are secured by all of the assets of OCSL Senior Funding II LLC and all of the Company’s equity interests in OCSL Senior Funding II LLC. The Company may use the Citibank Facility to fund a portion of its loan origination activities and for general corporate purposes. Each loan origination under the Citibank Facility is subject to the satisfaction of certain conditions.

As of September 30, 2021, the Company had $135.0 million outstanding under the Citibank Facility, which had a fair value of $135.0 million. The Company's borrowings under the Citibank Facility bore interest at a weighted average interest rate of 2.086% for the period from March 19, 2021 to September 30, 2021. For the period from March 19, 2021 to September 30, 2021, the Company recorded interest expense (inclusive of fees) of $1.9 million related to the Citibank Facility.

Deutsche Bank Facility

On March 19, 2021, as a result of the consummation of the Mergers, the Company became party to a loan financing and servicing agreement (as amended, the “Deutsche Bank Facility”) with OCSI Senior Funding Ltd., the Company’s wholly-owned, special purpose financing subsidiary, as borrower, the Company, as equityholder and as servicer, the lenders from time to time party thereto, Deutsche Bank AG, New York Branch, as facility agent, and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian. On May 4, 2021, the Company repaid all outstanding borrowings under the Deutsche Bank Facility using borrowings under the Syndicated Credit Facility, following which the Deutsche Bank Facility was terminated. For the period from March 19, 2021 to May 4, 2021, the Company’s borrowings under the Deutsche Bank Facility bore interest at a weighted average interest rate of 2.900%. For the period from March 19, 2021 to September 30, 2021, the Company recorded interest expense (inclusive of fees) of $0.3 million related to the Deutsche Bank Facility.

2025 Notes

On February 25, 2020, the Company issued $300.0 million in aggregate principal amount of the 2025 Notes for net proceeds of $293.8 million after deducting OID of $2.5 million, underwriting commissions and discounts of $3.0 million and offering costs of $0.7 million. The OID on the 2025 Notes is amortized based on the effective interest method over the term of the 2025 Notes.

The 2025 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the fifth supplemental indenture, dated February 25, 2020 (collectively, the "2025 Notes Indenture"), between the Company and Deutsche Bank Trust Company Americas (the "Trustee"). The 2025 Notes are the Company's general unsecured obligations that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2025 Notes. The 2025 Notes rank equally in right of payment with all of the Company's existing and future liabilities that are not so subordinated. The 2025 Notes effectively rank junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness. The 2025 Notes rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

Interest on the 2025 Notes is paid semi-annually on February 25 and August 25 at a rate of 3.500% per annum. The 2025 Notes mature on February 25, 2025 and may be redeemed in whole or in part at any time or from time to time at the Company's option prior to maturity at par plus a “make-whole” premium, if applicable. In addition, holders of the 2025 Notes can require the Company to repurchase the 2025 Notes at 100% of their principal amount upon the occurrence of certain change of control events as described in the 2025 Notes Indenture. The 2025 Notes were issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. During the year ended September 30, 2021, the Company did not repurchase any of the 2025 Notes in the open market.

The 2025 Notes Indenture contains certain covenants, including covenants requiring the Company's compliance with the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the Investment Company Act or any successor provisions (but giving effect to any exemptive relief granted to the Company by the U.S. Securities and Exchange Commission ("SEC")), as well as covenants requiring the Company to provide financial information to the holders of the 2025 Notes and the Trustee if the Company ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These covenants are subject to limitations and exceptions that are described in the 2025 Notes Indenture.

2027 Notes

On May 18, 2021, the Company issued $350.0 million in aggregate principal amount of the 2027 Notes for net proceeds of $344.8 million after deducting OID of $1.0 million, underwriting commissions and discounts of $3.5 million and offering costs of $0.7 million. The OID on the 2027 Notes is amortized based on the effective interest method over the term of the 2027 Notes.

The 2027 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the sixth supplemental indenture, dated May 18, 2021 (collectively, the "2027 Notes Indenture"), between the Company and the Trustee. The 2027 Notes are the Company's general unsecured obligations that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2027 Notes. The 2027 Notes rank equally in right of payment with all of the Company's existing and future liabilities that are not so subordinated. The 2027 Notes effectively rank junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness. The 2027 Notes rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

Interest on the 2027 Notes is paid semi-annually on January 15 and July 15, beginning on January 15, 2022, at a rate of 2.700% per annum. The 2027 Notes mature on January 15, 2027 and may be redeemed in whole or in part at any time or from time to time at the Company's option prior to maturity at par plus a “make-whole” premium, if applicable. In addition, holders of the 2027 Notes can require the Company to repurchase the 2027 Notes at 100% of their principal amount upon the occurrence of certain change of control events as described in the 2027 Notes Indenture. The 2027 Notes were issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. During the year ended September 30, 2021, the Company did not repurchase any of the 2027 Notes in the open market.

The 2027 Notes Indenture contains certain covenants, including covenants requiring the Company's compliance with the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the Investment Company Act or any successor provisions (but giving effect to any exemptive relief granted to the Company by the SEC), as well as covenants requiring the Company to provide financial information to the holders of the 2027 Notes and the Trustee if the Company ceases to be subject to the reporting requirements of the Exchange Act. These covenants are subject to limitations and exceptions that are described in the 2027 Notes Indenture.

In connection with the 2027 Notes, the Company entered into an interest rate swap to more closely align the interest rates of its liabilities with its investment portfolio, which consists of predominately floating rate loans. Under the interest rate swap agreement, the Company receives a fixed interest rate of 2.700% and pays a floating interest rate of the three-month LIBOR plus 1.658% on a notional amount of $350 million. The Company designated the interest rate swap as the hedging instrument in an effective hedge accounting relationship. See Note 13 for more information regarding the interest rate swaps.

The below table presents the components of the carrying value of the 2025 Notes and the 2027 Notes as of September 30, 2021:

	As of September 30, 2021	
($ in millions)	**2025 Notes**	**2027 Notes**
Principal	$ 300.0	$ 350.0
Unamortized financing costs	(2.6)	(4.0)
Unaccreted discount	(1.7)	(0.9)
Interest rate swap fair value adjustment	—	(2.1)
Net carrying value	**$ 295.7**	**$ 343.0**
Fair Value	**$ 314.5**	**$ 351.1**

The below table presents the components of the carrying value of the 2025 Notes as of September 30, 2020:

	As of September 30, 2020
($ in millions)	2025 Notes
Principal	$ 300.0
Unamortized financing costs	(3.3)
Unaccreted discount	(2.2)
Net carrying value	**$ 294.5**
Fair Value	**$ 301.4**

The below table presents the components of interest and other debt expenses related to the 2025 Notes and the 2027 Notes for the year ended September 30, 2021:

($ in millions)	2025 Notes	2027 Notes
Coupon interest	$ 10.5	$ 3.5
Amortization of financing costs and discount	1.3	0.3
Effect of interest rate swap	—	(1.1)
Total interest expense	**$ 11.8**	**$ 2.7**
Coupon interest rate (net of effect of interest rate swap for 2027 Notes)	3.500 %	1.813 %

The below table presents the components of interest and other debt expenses related to the 2025 Notes for the year ended September 30, 2020:

($ in millions)	2025 Notes
Coupon interest	$ 6.3
Amortization of financing costs and discount	0.7
Total interest expense	**$ 7.0**
Coupon interest rate	3.500 %

2024 Notes

On October 18, 2012, the Company issued $75.0 million in aggregate principal amount of the 5.875% notes due 2024 (the "2024 Notes") for net proceeds of $72.5 million after deducting underwriting commissions of $2.2 million and offering costs of $0.3 million. The 2024 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the first supplemental indenture, dated October 18, 2012, between the Company and the Trustee.

Interest on the 2024 Notes was paid quarterly in arrears on January 30, April 30, July 30 and October 30 at a rate of 5.875% per annum. On March 2, 2020, the Company redeemed 100%, or $75.0 million aggregate principal amount, of the issued and outstanding 2024 Notes, following which they were delisted from the New York Stock Exchange. The redemption price per 2024 Note was $25 plus accrued and unpaid interest. The Company recognized a loss of $1.0 million in connection with the redemption of the 2024 Notes during the year ended September 30, 2020.

For the years ended September 30, 2020 and 2019, the Company recorded interest expense of $1.9 million and $4.6 million (inclusive of fees), respectively, related to the 2024 Notes. As of September 30, 2021 and September 30, 2020, there were no 2024 Notes outstanding.

2028 Notes

In April and May 2013, the Company issued $86.3 million in aggregate principal amount of the 6.125% notes due 2028 (the "2028 Notes") for net proceeds of $83.4 million after deducting underwriting commissions of $2.6 million and offering costs of $0.3 million. The 2028 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the second supplemental indenture, dated April 4, 2013, between the Company and the Trustee.

Interest on the 2028 Notes was paid quarterly in arrears on January 30, April 30, July 30 and October 30 at a rate of 6.125% per annum. On March 13, 2020, the Company redeemed 100%, or $86.3 million aggregate principal amount, of the issued and outstanding 2028 Notes, following which they were delisted from the Nasdaq Global Select Market. The redemption price per 2028 Note was $25 plus accrued and unpaid interest. The Company recognized a loss of $1.5 million in connection with the redemption of the 2028 Notes during the year ended September 30, 2020.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

For the year ended September 30, 2020 and 2019, the Company recorded interest expense of $2.5 million and $5.5 million (inclusive of fees), respectively, related to the 2028 Notes. As of September 30, 2021 and September 30, 2020, there were no 2028 Notes outstanding.

Secured Borrowings

As of September 30, 2021 and September 30, 2020, the Company did not have any secured borrowings outstanding. On March 19, 2021, as a result of the consummation of the Mergers, the Company became party to a secured borrowing arrangement under which certain securities were sold and simultaneously repurchased at a premium. The amounts due under the secured borrowing arrangement were settled prior to September 30, 2021. For the period from March 19, 2021 to September 30, 2021, the Company recorded less than $0.1 million of interest expense in connection with secured borrowings. The Company's secured borrowings bore interest at a weighted average rate of 3.123% for the period from March 19, 2021 to September 30, 2021.

During the year ended September 30, 2019, $7.2 million of secured borrowings were extinguished in exchange for $7.2 million of preferred stock in C5 Technology Holdings, LLC, which was restructured during the year. For the year ended September 30, 2019, the Company recorded interest expense of $0.1 million related to the secured borrowings. For the year ended September 30, 2019, the Company recorded unrealized depreciation on secured borrowings of $2.7 million. For the year ended September 30, 2019, the Company recorded a realized gain of $2.6 million as a result of the extinguishment of secured borrowings in connection with the C5 Technology Holdings, LLC restructuring.

Principal Payments

Scheduled principal payments for debt obligations as of September 30, 2021 are as follows:

	Payments due during fiscal years ended September 30,					
	Total	2022	2023	2024	2025	2026 and Thereafter
Syndicated Facility	$ 495,000	$ —	$ —	$ —	$ —	$ 495,000
Citibank Facility	135,000	—	—	135,000	—	—
2025 Notes	300,000	—	—	—	300,000	—
2027 Notes	350,000	—	—	—	—	350,000
Total	**$ 1,280,000**	**$ —**	**$ —**	**$ 135,000**	**$ 300,000**	**$ 845,000**

Note 7. Interest Income

As of September 30, 2021, there were no investments on non-accrual status. As of September 30, 2020, there were two investments on which the Company had stopped accruing cash and/or PIK interest or OID income. The percentages of the Company's debt investments at cost and fair value by accrual status as of September 30, 2020 were as follows:

	September 30, 2020			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	$ 1,500,364	98.79 %	$ 1,483,284	99.89 %
PIK non-accrual (1)	12,661	0.83	—	—
Cash non-accrual (2)	5,712	0.38	1,571	0.11
Total	**$ 1,518,737**	**100.00 %**	**$ 1,484,855**	**100.00 %**

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

Note 8. Taxable/Distributable Income and Dividend Distributions

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

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

As of September 30, 2021, the Company had net capital loss carryforwards of 547.9 million to offset net capital gains that will not expire, to the extent available and permitted by U.S. federal income tax law, of which $69.1 million are available to offset future short-term capital gains and $478.8 million are available to offset future long-term capital gains. A portion of such net capital loss carryfowards represented a realized loss under IRC 382-383, which is carried forward to future years to offset future gains subject to certain limitations.

Listed below is a reconciliation of "net increase (decrease) in net assets resulting from operations" to taxable income for the years ended September 30, 2021 and 2020.

	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019
Net increase (decrease) in net assets resulting from operations	$ 237,260	$ 39,224	$ 126,160
Net unrealized (appreciation) depreciation	(114,519)	20,614	(38,457)
Book/tax difference due to organizational costs	(87)	(87)	(87)
Book/tax difference due to interest income on certain loans	—	1,214	3,330
Book/tax difference due to capital losses utilized	(41,625)	(545)	(18,571)
Other book/tax differences	11,863	(6,058)	(8,111)
Taxable/Distributable Income (1)	**$ 92,892**	**$ 54,362**	**$ 64,264**

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

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 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.

When assessing the realizability of deferred tax assets, the Company considers whether it is probable that some or all of the deferred tax assets will not be realized. In determining whether the deferred tax assets are realizable, the Company considers the period of expiration of the tax asset, historical and projected taxable income and tax liabilities for the tax jurisdiction in which the tax asset is located. The deferred tax asset recognized by the Company, as it relates to the higher tax basis in the carrying value of certain assets compared to the book basis of those assets, will be recognized in future years by these taxable entities. Deferred tax assets are based on the amount of the tax benefit that the Company’s management has determined is more likely than not to be realized in future periods. In determining the realizability of this tax benefit, management considered numerous factors that will give rise to pre-tax income in future periods. Among these are the historical and expected future book and tax basis pre-tax income of the Company and unrealized gains in the Company’s assets at the determination date. Based on these and other factors, the Company determined that, as of September 30, 2021, $0.3 million of the $1.0 million deferred tax assets would not more likely than not be realized in future periods. As of September 30, 2021, the Company recorded a net deferred tax asset of $0.7 million on the Consolidated Statements of Assets and Liabilities.

For the year ended September 30, 2021, the Company recognized a total provision for income tax related to realized and unrealized gains of $0.8 million, which was composed of (i) a current income tax expense of approximately $0.7 million, and (ii) a deferred income tax expense of approximately $0.1 million, which resulted from unrealized appreciation on investments held by the Company’s wholly-owned taxable subsidiaries. For the year ended September 30, 2021, the Company recognized a provision for income tax related to net investment income of $2.8 million, which was all current income tax expense.

For the year ended September 30, 2020, the Company recognized a total provision for income tax benefit of $1.8 million, which was comprised of (i) a current income tax benefit of approximately $0.2 million, and (ii) a deferred income tax benefit of approximately $1.6 million, which resulted from unrealized depreciation on investments held by the Company’s wholly-owned taxable subsidiaries.

For the year ended September 30, 2019, the Company recognized a total provision for income taxes of $1.0 million, which was comprised of (i) current income tax expense of approximately $0.7 million, primarily as a result of realized gains on investments held by the Company's wholly-owned taxable subsidiaries, net of return to provision adjustments, and (ii) deferred income tax expense of approximately $0.3 million, which resulted from unrealized appreciation on investments held by the Company’s wholly-owned taxable subsidiaries.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

For the year ended September 30, 2021, the Company reclassified $74.3 million, respectively, of accumulated overdistributed earnings to additional paid-in-capital on the Consolidated Statement of Assets and Liabilities related to the merger with OCSI. These reclassification entries did not impact total net assets.

As of September 30, 2021, the Company's last tax year end, the components of accumulated overdistributed earnings on a tax basis were as follows:

Undistributed ordinary income, net	$	(20,260)
Net realized capital losses		497,255
Unrealized losses, net		16,340
Accumulated overdistributed earnings	**$**	**493,335**

The aggregate cost of investments for U.S. federal income tax purposes was $2.6 billion as of September 30, 2021. As of September 30, 2021, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over cost for U.S. federal income tax purposes was $409.5 million. As of September 30, 2021, the aggregate gross unrealized depreciation for all investments in which there was an excess of cost for U.S. federal income tax purposes over value was $425.8 million. Net unrealized depreciation based on the aggregate cost of investments for U.S. federal income tax purposes was $16.3 million.

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 year ended September 30, 2021, the Company recorded an aggregate net realized gain of $26.4 million, which consisted of the following:

($ in millions)

Portfolio Company	Net Realized Gain (Loss)
PLATO Learning Inc.	$ 7.8
Keypath Education Holdings, LLC	6.8
L Squared Capital Partners LLC	3.4
LTI Holdings, Inc.	2.6
BX Commercial Mortgage Trust 2020-VIVA	2.6
California Pizza Kitchen Inc.	(1.8)
Refac Optical Group	(1.3)
Other, net	6.3
Total, net	**$ 26.4**

During the year ended September 30, 2020, the Company recorded an aggregate net realized loss of $13.9 million, which consisted of the following:

($ in millions)

Portfolio Company	Net Realized Gain (Loss)
Cenegenics, LLC	$ (29.2)
Dominion Diagnostics, LLC	(15.6)
Thruline Marketing Inc.	(4.9)
Covia Holdings Corporation	(3.3)
YETI Holdings, Inc.	17.6
Sorrento Therapeutics, Inc.	11.5
Lytx Holdings, LLC	5.2
Goodrx Holdings Inc.	2.1
HealthEdge Software, Inc.	1.8
Other, net	0.9
Total, net	**$ (13.9)**

During the year ended September 30, 2019, the Company recorded an aggregate net realized gain of $20.8 million, which consisted of the following:

($ in millions)

Portfolio Company	Net Realized Gain (Loss)
Maverick Healthcare Group, LLC	$ 17.5
BeyondTrust Holdings LLC	12.4
Comprehensive Pharmacy Services LLC	7.6
Refac Optical Group	7.5
YETI Holdings, Inc.	5.3
InMotion Entertainment Group, LLC	3.0
Advanced Pain Management	(22.5)
Thing5, LLC (net of secured borrowings)	(11.1)
Weatherford International	(3.3)
Other, net	4.4
Total, net	**$ 20.8**

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 years ended September 30, 2021, 2020 and 2019, the Company recorded net unrealized appreciation (depreciation) of $114.5 million, $(20.6) million and $38.5 million, respectively. For the year ended September 30, 2021, this consisted of $70.0 million of net unrealized appreciation on debt investments, $36.3 million of net unrealized appreciation on equity investments, $6.6 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses) and $1.7 million of net unrealized appreciation of foreign currency forward contracts. For the year ended September 30, 2020, this consisted of $35.3 million of net unrealized depreciation on equity investments, $12.0 million of net unrealized depreciation on debt investments and $0.3 million of net unrealized depreciation of foreign currency forward contracts, partially offset by $26.9 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses). For the year ended September 30, 2019, this consisted of $57.0 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses), $10.6 million of net unrealized appreciation on equity investments and $0.3 million net unrealized appreciation of foreign currency forward contracts, partially offset by $26.8 million of net unrealized depreciation on debt investments and $2.7 million of net unrealized depreciation of secured borrowings (which results in a reclassification to realized gains).

For the year ended September 30, 2021, there were $22.8 million of net realized and unrealized gains (losses) that resulted solely from accounting adjustments related to the Mergers.

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 September 30, 2021 and September 30, 2020, the Company had a liability on its Consolidated Statements of Assets and Liabilities in the amount of $32.6 million and $11.2 million, respectively, reflecting the unpaid portion of the base management fees and incentive fees payable to Oaktree.

Investment Advisory Agreement

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

From October 17, 2017 through May 3, 2020, the Company was externally managed by OCM pursuant to an investment advisory agreement. On May 4, 2020, OCM effected the novation of such investment advisory agreement to Oaktree. Immediately following such novation, the Company and Oaktree entered into a new investment advisory agreement with the same terms, including fee structure, as the investment advisory agreement with OCM. The investment advisory agreement with Oaktree was subsequently amended and restated on March 19, 2021 in connection with the closing of the Mergers. The term "Investment Advisory Agreement" refers collectively to the agreements with Oaktree and, prior to its novation, with OCM.

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect from year-to-year if approved annually by the Board of Directors of the Company or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities, 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 1.50% 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. Effective May 3, 2019, the base management fee on the Company's gross assets, including any investments made with borrowings, but excluding any cash and cash equivalents, that exceed the product of (A) 200% and (B) the Company's net asset value will be 1.00%. For the avoidance of doubt, the 200% will be calculated in accordance with the Investment Company Act and will give effect to exemptive relief the Company received from the SEC with respect to debentures issued by a small business investment company subsidiary. In connection with the Mergers, the Company and Oaktree entered into an amended and restated investment advisory agreement, which among other items, waived an aggregate of $6 million of base management fees otherwise payable to Oaktree in the two years following the closing of the Mergers on March 19, 2021 at a rate of $750,000 per quarter (with such amount appropriately prorated for any partial quarter).

For the years ended September 30, 2021, 2020 and 2019, the base management fee incurred under the Investment Advisory Agreement was $30.7 million (net of waiver), $22.9 million and $22.2 million, respectively.

Incentive Fee

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

For this purpose, “pre-incentive fee net investment income” means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies, other than fees for providing managerial assistance) accrued during the fiscal quarter, minus the Company’s operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as OID debt, instruments with PIK interest and zero coupon securities), accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. In addition, pre-incentive fee net investment income does not include any amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from merger-related accounting adjustments in connection with the assets acquired in the Mergers, including any premium or discount paid for the acquisition of such assets, solely to the extent that the inclusion of such merger-related accounting adjustments, in the aggregate, would result in an increase in pre-incentive fee net investment income.

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

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

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

For the years ended September 30, 2021, 2020 and 2019, the first part of the incentive fee (incentive fee on income) incurred under the Investment Advisory Agreement was $21.6 million, $15.2 million and $14.9 million, respectively.

Under the Investment Advisory Agreement, the second part of the incentive fee (the "capital gains incentive fee") is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date) commencing with the fiscal year ended September 30, 2019 and equals 17.5% of the Company’s realized capital gains, if any, on a cumulative basis from the beginning of the fiscal year ended September 30, 2019 through the end of each subsequent fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain 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. In addition, the calculation of realized capital gains, realized capital losses and unrealized capital depreciation does (1) not include any such amounts resulting solely from merger-related accounting adjustments in connection with the assets acquired in the Mergers, including any premium or discount paid for the acquisition of such assets, solely to the extent that the inclusion of such merger-related accounting adjustments, in the aggregate, would result in an increase in the capital gains incentive fee and (2) include any such amounts associated with the investments acquired in the Mergers for the period from October 1, 2018 to the date of closing of the Mergers, solely to the extent that the exclusion of such amounts, in the aggregate, would result in an increase in the capital gains incentive fee. For the year ended September 30, 2021, the Company incurred $8.8 million of capital gains incentive fees under the Investment Advisory Agreement. For the year ended September 30, 2020, the Company did not incur any capital gains incentive fees under the Investment Advisory Agreement. For the year ended September 30, 2019, the Company incurred $4.6 million of capital gains incentive fees under the Investment Advisory Agreement (prior to waivers).

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 payable 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 year ended September 30, 2021, $17.6 million of accrued capital gains incentive fees were expensed. For the year ended September 30, 2020, the Company reversed $5.6 million of previously accrued capital gains incentive fees. For the year ended September 30, 2019, $10.2 million of accrued capital gains incentive fees were expensed (prior to waivers). As of September 30, 2021, the total accrued capital gains incentive fee liability was $17.6 million.

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 Fifth Street Management LLC (the "Former Adviser") in the aggregate under the investment advisory agreement by and between the Company and the Former Advisor. The contractual amount of fees permanently waived at the end of the two-year period was $3.9 million. Prior to the end of the two-year period, amounts potentially subject to waiver under the two-year contractual fee waiver were accrued quarterly based on a theoretical “liquidation basis.” As of September 30, 2019, the Company had accrued cumulative fee waivers of $9.1 million. During the year ended September 30, 2020, the Company reversed $5.2 million of previously accrued fee waivers since the two-year fee waiver period ended.

The following table provides a roll-forward of the accrued waiver balance and illustrates the impact of the end of the two-year contractual fee waiver period:

($ in millions)

Accrued fee waivers as of September 30, 2019 (1)	$	9.1
Reversal of previously accrued fee waivers (2)		(5.2)
Contractual fees waived under the Investment Advisory Agreement (3)		(3.9)
Accrued fee waivers as of September 30, 2020	$	—

(1) Calculated in accordance with GAAP as of September 30, 2019 and is based on a hypothetical liquidation basis.

(2) Reflects the reversal of fee waivers that were previously accrued based on a hypothetical liquidation basis when the two-year contractual fee waiver was in effect. This reversal was recognized in connection with the expiration of the two-year contractual fee waiver, which ended on October 17, 2019, and is reflected in reversal of fees waived in the Consolidated Statement of Operations for the year ended September 30, 2020.

(3) Reflects the amount of fees permanently waived pursuant to the two-year contractual fee waiver.

The following table shows the capital gains incentive fee payable under the Investment Advisory Agreement (net of waivers) for the years ended September 30, 2021, 2020 and 2019:

($ in millions)	September 30, 2019 (1)	September 30, 2020	September 30, 2021
Capital gains incentive fee payable under the Investment Advisory Agreement (prior to waivers)	$ 4.6	$ —	$ 8.8
Contractual fees waived	(3.9)	—	—
Capital gains incentive fee payable under the Investment Advisory Agreement (net of waivers)	**$ 0.8**	**$ —**	**$ 8.8**

(1) Amounts may not sum due to rounding.

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 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 years ended September 30, 2021, 2020 and 2019, the Company accrued administrative expenses of $1.7 million, $1.8 million and $2.3 million, respectively, including $0.2 million, $0.3 million and $0.3 million of general and administrative expenses, respectively.

As of September 30, 2021 and September 30, 2020, \$4.4 million and \$2.1 million, respectively, was included in "Due to affiliate" in the Consolidated Statements of Assets and Liabilities, reflecting the unpaid portion of administrative expenses and other reimbursable expenses payable to Oaktree Administrator.

Note 12. Financial Highlights

(Share amounts in thousands)	Year ended September 30, 2021	Year ended September 30, 2020	Year ended September 30, 2019	Year ended September 30, 2018 (1)	Year ended September 30, 2017
Net asset value per share at beginning of period	$6.49	$6.60	$6.09	$6.16	$7.97
Net investment income (2)	0.60	0.51	0.48	0.43	0.51
Net unrealized appreciation (depreciation) (2)(3)	0.73	(0.14)	0.27	0.73	(0.69)
Net realized gains (losses) (2)	0.16	(0.10)	0.14	(0.83)	(1.21)
(Provision) benefit for taxes on realized and unrealized gains (losses) (2)	—	0.01	—	—	—
Distributions of net investment income to stockholders	(0.51)	(0.39)	(0.38)	(0.27)	(0.47)
Tax return of capital	—	—	—	(0.13)	—
Issuance of common stock	(0.19)	—	—	—	0.05
Net asset value per share at end of period	**$7.28**	**$6.49**	**$6.60**	**$6.09**	**$6.16**
Per share market value at beginning of period	$4.84	$5.18	$4.96	$5.47	$5.81
Per share market value at end of period	$7.06	$4.84	$5.18	$4.96	$5.47
Total return (4)	57.61%	2.10%	12.56%	(1.49)%	2.84%
Common shares outstanding at beginning of period	140,961	140,961	140,961	140,961	143,259
Common shares outstanding at end of period	180,361	140,961	140,961	140,961	140,961
Net assets at beginning of period	$914,879	$930,630	$858,035	$867,657	$1,142,288
Net assets at end of period	$1,312,823	$914,879	$930,630	$858,035	$867,657
Average net assets (5)	$1,150,662	$871,305	$909,264	$841,583	$1,018,498
Ratio of net investment income to average net assets (5)	8.44%	8.26%	7.47%	7.13%	7.13%
Ratio of total expenses to average net assets (5)	9.65%	7.57%	9.65%	9.51%	10.49%
Ratio of net expenses to average net assets (5)	9.51%	8.16%	8.78%	9.35%	10.35%
Ratio of portfolio turnover to average investments at fair value	39.66%	38.99%	32.50%	67.66%	39.06%
Weighted average outstanding debt (6)	$964,390	$647,080	$573,891	$608,553	$982,372
Average debt per share (2)	$5.95	$4.59	$4.07	$4.32	$6.95
Asset coverage ratio at end of period (7)	201.68%	227.22%	294.91%	232.98%	227.40%

(1) Beginning on October 17, 2017, the Company is externally managed by Oaktree or its affiliates. Prior to October 17, 2017, the Company was externally managed by the Former Adviser.

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

(3) For the year ended September 30, 2021, the amount shown for net unrealized appreciation (depreciation) includes the effect of the timing of common stock issuances in connection with the Mergers.

(4) 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.

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

(6) Calculated based upon the weighted average of principal debt outstanding for the period.

(7) Based on outstanding senior securities of $1,280.0 million, $714.8 million, $476.1 million, $643.4 million and $680.7 million as of September 30, 2021, 2020, 2019, 2018 and 2017, respectively.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Senior Securities

Information about our senior securities (including debt securities and other indebtedness) is shown in the following table as of the fiscal years ended September 30 for the years indicated below. We had no senior securities outstanding as of September 30 of any prior fiscal years prior to those indicated below.

Class and Year(1)	Total Amount Outstanding Exclusive of Treasury Securities (2)	Asset Coverage Per Unit(3)	Involuntary Liquidating Preference Per Unit(4)	Average Market Value Per Unit(5)
Syndicated Facility and Prior ING Facility				
Fiscal 2012	$ 141,000	3,857	—	N/A
Fiscal 2013	168,000	3,949	—	N/A
Fiscal 2014	267,395	2,595	—	N/A
Fiscal 2015	383,495	2,389	—	N/A
Fiscal 2016	472,495	2,208	—	N/A
Fiscal 2017	226,495	2,274	—	N/A
Fiscal 2018	241,000	2,330	—	N/A
Fiscal 2019	314,825	2,949	—	N/A
Fiscal 2020	414,825	2,272	—	N/A
Fiscal 2021	495,000	2,017	—	N/A
Citibank Facility				
Fiscal 2021	$ 135,000	2,017		
Wells Fargo Facility				
Fiscal 2012	$ 60,251	3,857	—	N/A
Fiscal 2013	20,000	3,949	—	N/A
Sumitomo Facility				
Fiscal 2012	$ —	3,857	—	N/A
Fiscal 2013	—	3,949	—	N/A
Fiscal 2014	50,000	2,595	—	N/A
Fiscal 2015	43,800	2,389	—	N/A
Fiscal 2016	43,800	2,208	—	N/A
Fiscal 2017	29,500	2,274	—	N/A
Convertible Notes				
Fiscal 2012	$ 115,000	3,857	—	N/A
Fiscal 2013	115,000	3,949	—	N/A
Fiscal 2014	115,000	2,595	—	N/A
Fiscal 2015	115,000	2,389	—	N/A
Secured Borrowings				
Fiscal 2014	$ 84,750	2,595	—	N/A
Fiscal 2015	21,787	2,389	—	N/A
Fiscal 2016	18,929	2,208	—	N/A
Fiscal 2017	13,489	2,274	—	N/A
Fiscal 2018	12,314	2,330	—	N/A

Class and Year(1)	Total Amount Outstanding Exclusive of Treasury Securities (in thousands)(2)	Asset Coverage Per Unit(3)	Involuntary Liquidating Preference Per Unit(4)	Average Market Value Per Unit(5)
2019 Notes				
Fiscal 2014	$ 250,000	2,595	—	N/A
Fiscal 2015	250,000	2,389	—	N/A
Fiscal 2016	250,000	2,208	—	N/A
Fiscal 2017	250,000	2,274	—	N/A
Fiscal 2018	228,825	2,330	—	N/A
2024 Notes				
Fiscal 2013	$ 75,000	3,949	—	979.45
Fiscal 2014	75,000	2,595	—	966.96
Fiscal 2015	75,000	2,389	—	991.94
Fiscal 2016	75,000	2,208	—	993.70
Fiscal 2017	75,000	2,274	—	1,006.74
Fiscal 2018	75,000	2,330	—	1,010.72
Fiscal 2019	75,000	2,949	—	1,012.76
2025 Notes				
Fiscal 2020	$ 300,000	2,272	—	N/A
Fiscal 2021	300,000	2,017	—	N/A
2027 Notes				
Fiscal 2021	$ 350,000	2,017	—	N/A
2028 Notes				
Fiscal 2013	$ 86,250	3,949	—	957.21
Fiscal 2014	86,250	2,595	—	943.73
Fiscal 2015	86,250	2,389	—	988.06
Fiscal 2016	86,250	2,208	—	999.29
Fiscal 2017	86,250	2,274	—	1,007.51
Fiscal 2018	86,250	2,330	—	994.82
Fiscal 2019	86,250	2,949	—	993.33
Total Senior Securities				
Fiscal 2012	$ 316,251	3,857	—	
Fiscal 2013	464,250	3,949	—	
Fiscal 2014	928,395	2,595	—	
Fiscal 2015	975,332	2,389	—	
Fiscal 2016	946,474	2,208	—	
Fiscal 2017	680,734	2,274	—	
Fiscal 2018	643,389	2,330	—	
Fiscal 2019	476,075	2,949	—	
Fiscal 2020	714,825	2,272	—	
Fiscal 2021	1,280,000	2,017	—	

(1) This table excludes any SBA-guaranteed debentures outstanding during the relevant periods because the SEC has granted the Company exemptive relief that permits it to exclude such debentures from the definition of senior securities in the asset coverage ratio the Company is required to maintain under the Investment Company Act.
(2) Total amount of each class of senior securities outstanding at the end of the period, presented in thousands.
(3) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as the Company's consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the "Asset Coverage Per Unit."
(4) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The "-" indicates information that the Securities and Exchange Commission expressly does not require to be disclosed for certain types of senior securities.
(5) Calculated on a daily average basis.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Note 13. Derivative Instruments

The Company enters into foreign currency forward contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company entered into an International Swaps and Derivatives Association, Inc. Master Agreement (the "ISDA Master Agreement") with its derivative counterparty, JPMorgan Chase Bank, N.A. The ISDA Master Agreement permits a single net payment in the event of a default or similar event. As of September 30, 2021, 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.

During the year ended September 30, 2021, in connection with the issuance of the 2027 Notes, the Company entered into an interest rate swap agreement with the Royal Bank of Canada pursuant to an ISDA Master Agreement. As of September 30, 2021, the Company paid $1.6 million to the Royal Bank of Canada to cover collateral obligations under the terms of the interest swap agreement, which is included in due from broker on the Consolidated Statement of Assets and Liabilities.

Certain information related to the Company's foreign currency forward contracts is presented below as of September 30, 2021.

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	$ 52,186	£ 37,709	11/12/2021	$ 1,339	$ —	Derivative asset
Foreign currency forward contract	$ 46,663	€ 39,736	11/12/2021	$ 573	$ —	Derivative asset
				$ 1,912	**$ —**	

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

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	$ 35,577	£ 27,494	11/12/2020	$ 25	$ —	Derivative asset
Foreign currency forward contract	$ 30,260	€ 25,614	11/12/2020	$ 198	$ —	Derivative asset
				$ 223	**$ —**	

Certain information related to the Company's interest rate swap is presented below as of September 30, 2021.

Description	Notional Amount	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Interest rate swap	$ 350,000	1/15/2027	$ —	$ 2,108	Derivative liability
			$ —	**$ 2,108**	

There was no interest rate swap as of September 30, 2020.

Note 14. Commitments and Contingencies

Merger Litigation

On December 18, 2020, putative stockholder Oklahoma Firefighters Pension and Retirement System filed a complaint on behalf of itself and all other similarly situated holders of the Company's common stock and derivatively on behalf of the Company as nominal defendant in the Delaware Court of Chancery, captioned Oklahoma Firefighters Pension and Retirement System v. Frank, et al., No. 2020-1075-VCM (Del. Ch.). This lawsuit is referred to herein as the "Merger Litigation". The Merger Litigation alleges a direct breach of fiduciary duty claim against the Board of Directors in connection with the solicitation of the approval by the Company's stockholders of the issuance of shares of the Company's common stock to be issued pursuant to the Merger Agreement and a derivative breach of fiduciary duty claim against the Board of Directors in connection with its negotiation and approval of the Mergers. The Merger Litigation alleges, among other things, that the members of the Board of Directors had certain conflicts of interest in the negotiation and approval of the Mergers and that the initial filing of the joint proxy statement/prospectus relating to the Mergers omitted certain information that the plaintiff claims is material. The Merger Litigation, among other things, requested that the court enjoin the vote of the Company's stockholders with respect to the approval of the issuance of shares of the Company's common stock to be issued pursuant to the Merger Agreement and award attorneys' fees and damages in an unspecified amount. On February 16, 2021, the plaintiff withdrew the request that the court enjoin the vote of the Company's stockholders. On April 26, 2021, putative stockholder Oklahoma Firefighters Pension and Retirement System filed a proposed order voluntarily dismissing its claims surrounding the Mergers, with prejudice as to the plaintiff and without prejudice as to any other stockholder of the Company.

The court entered the order of dismissal on May 10, 2021. The Court retained jurisdiction solely for the purpose of adjudicating the anticipated application of plaintiff's counsel for an award of attorneys' fees and reimbursement of expenses in connection with the supplemental disclosures included in the amended joint proxy statement/prospectus. The Company subsequently agreed to pay $0.4 million to plaintiff's counsel for attorneys' fees and expenses in full satisfaction of the claim for attorneys' fees and expenses in the action.

For the year ended September 30, 2021, the Company recognized a $0.4 million loss in connection with the litigation matter described above. In connection with the lawsuit, the Company incurred professional fees of $0.8 million during the year ended September 30, 2021. Additionally, the Company determined that it is probable that it will receive $0.7 million of insurance recoveries in connection with such loss and professional fees incurred and has recognized such amount for the year ended September 30, 2021. The Company received such insurance recoveries subsequent to September 30, 2021.

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 September 30, 2021, the Company's only off-balance sheet arrangements consisted of $264.9 million of unfunded commitments, which was comprised of $212.4 million to provide debt and equity financing to certain of its portfolio companies, $49.0 million to provide financing to the JVs and $3.5 million related to unfunded limited partnership interests. As of September 30, 2020, the Company's only off-balance sheet arrangements consisted of $157.5 million of unfunded commitments, which was comprised of $152.7 million to provide debt financing to certain of its portfolio companies, $1.3 million to provide equity financing to SLF JV I and $3.5 million related to unfunded limited partnership interests. 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 Company's Consolidated Statements of Assets and Liabilities.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components, subordinated notes and LLC equity interests in the JVs, preferred stock and limited partnership interests) as of September 30, 2021 and September 30, 2020 is shown in the table below:

	September 30, 2021	September 30, 2020
Senior Loan Fund JV I, LLC	$ 35,000	$ 1,328
Assembled Brands Capital LLC	24,868	36,079
Athenex, Inc.	21,072	22,780
Marinus Pharmaceuticals, Inc.	18,349	—
RumbleOn, Inc.	16,301	—
Ardonagh Midco 3 PLC	14,892	3,007
OCSI Glick JV LLC	13,998	—
Dominion Diagnostics, LLC	11,148	5,887
Gulf Operating, LLC	10,064	—
Coty Inc.	9,886	—
Latam Airlines Group S.A.	7,267	—
Sunland Asphalt & Construction, LLC	6,492	—
NeuAG, LLC	5,441	4,382
Olaplex, Inc.	4,806	1,917
Mindbody, Inc.	4,000	3,048
OTG Management, LLC	3,789	—
BAART Programs, Inc.	3,583	—
Pluralsight, LLC	3,532	—
Pingora MSR Opportunity Fund I-A, LP	3,500	3,500
MHE Intermediate Holdings, LLC	3,466	—
Dialyze Holdings, LLC	3,431	—
SIO2 Medical Products, Inc.	3,406	—
SumUp Holdings Luxembourg S.À.R.L.	3,350	—
Accupac, Inc.	3,267	2,346
CorEvitas, LLC	3,235	5,189
MRI Software LLC	2,699	7,239
Thrasio, LLC	2,578	—
PRGX Global, Inc.	2,518	—
Berner Food & Beverage, LLC	2,475	—
4 Over International, LLC	2,300	—
Relativity ODA LLC	2,218	—
Acquia Inc.	2,061	2,240
The Avery	1,850	—
Apptio, Inc.	1,338	1,538
Coyote Buyer, LLC	1,333	942
Telestream Holdings Corporation	1,266	—
Ministry Brands, LLC	1,100	425
109 Montgomery Owner LLC	937	—
Digital.AI Software Holdings, Inc.	898	—
Thermacell Repellents, Inc.	833	—
GKD Index Partners, LLC	320	231
CircusTrix Holdings, LLC	37	—
WPEngine, Inc.	—	26,348
NuStar Logistics, L.P.	—	17,911
A.T. Holdings II SÀRL	—	7,541
New IPT, Inc.	—	2,229
iCIMs, Inc.	—	882
Immucor, Inc.	—	541
Total	**$ 264,904**	**$ 157,530**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Note 15. Merger with OCSI

On March 19, 2021, the Company completed its previously announced acquisition of OCSI. The Company was the accounting survivor of the Mergers. In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of OCSI common stock was converted into the right to receive 1.3371 shares of common stock of the Company (with OCSI stockholders receiving cash in lieu of fractional shares of the Company’s common stock). As a result of the Merger, the Company issued an aggregate of 39,400,011 shares of its common stock to former OCSI stockholders.

The Mergers were accounted for as an asset acquisition in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations—Related Issues* ("ASC 805"). The Company determined the fair value of the shares of the Company's common stock that were issued to former OCSI stockholders pursuant to the Merger Agreement plus transaction costs to be the consideration paid in connection with the Mergers under ASC 805. The consideration paid to OCSI stockholders was less than the aggregate fair values of the assets acquired and liabilities assumed, which resulted in a purchase discount (the “purchase discount”). The consideration paid was allocated to the individual assets acquired and liabilities assumed based on the relative fair values of net identifiable assets acquired other than “non-qualifying” assets (for example, cash) and did not give rise to goodwill. As a result, the purchase discount was allocated to the cost basis of the OCSI investments acquired by the Company on a pro-rata basis based on their relative fair values as of the effective time of the Mergers. Immediately following the Mergers, the investments were marked to their respective fair values in accordance with ASC 820 which resulted in $34.1 million of unrealized appreciation in the Consolidated Statement of Operations as a result of the Mergers. The purchase discount allocated to the debt investments acquired will accrete over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation on such investment acquired through its ultimate disposition. The purchase discount allocated to equity investments acquired will not amortize over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company will recognize a realized gain with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired. The Mergers were considered a tax-free reorganization and the Company has elected to carry forward the historical cost basis of the acquired OCSI investments for U.S. federal tax purposes.

The following table summarizes the allocation of the consideration paid to the assets acquired and liabilities assumed as a result of the Mergers:

Common stock issued by the Company	$	242,704
Transaction costs		1,593
Consideration paid	**$**	**244,297**
Investments	$	470,155
Cash and cash equivalents		20,945
Other assets		8,995
Total assets acquired		500,095
Debt		249,098
Other liabilities		6,700
Total liabilities assumed		255,798
Net assets acquired	**$**	**244,297**

Note 16. Subsequent Events

The Company's management evaluated subsequent events through the date of issuance of the Consolidated Financial Statements. There have been no subsequent events that occurred during such period that would require disclosure in, or would be required to be recognized in the Consolidated Financial Statements as of and for the year ended September 30, 2021, except as discussed below.

Distribution Declaration

On October 13, 2021, the Company's Board of Directors declared a quarterly distribution of $0.155 per share, payable in cash on December 31, 2021 to stockholders of record on December 15, 2021.

Oaktree Specialty Lending Corporation

Schedule of Investments in and Advances to Affiliates
(in thousands, except share and per share amounts, percentages and as otherwise indicated)
Year ended September 30, 2021

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value as of October 1, 2020	Gross Additions (3)	Gross Reductions (4)	Fair Value as of June 30, 2021	% of Total Net Assets
Control Investments										
C5 Technology Holdings, LLC		Data Processing & Outsourced Services								
829 Common Units				$ —	$ —	$ —	$ —	$ —	$ —	— %
34,984,460.37 Preferred Units				—	—	27,638	—	—	27,638	2.1 %
Dominion Diagnostics, LLC		Health Care Services								
First Lien Term Loan, LIBOR+5.00% cash due 2/28/2024	6.00 %		$ 27,381	—	1,726	27,660	—	(279)	27,381	2.1 %
First Lien Revolver, LIBOR+5.00% cash due 2/28/2024			—	—	275	5,260	2,439	(7,699)	—	— %
30,030.8 Common Units in DD Healthcare Services Holdings, LLC				—	2,795	7,667	10,398	—	18,065	1.4 %
First Star Speir Aviation Limited (5)		Airlines								
First Lien Term Loan, 9.00% cash due 12/15/2025			7,500	—	—	11,510	—	(4,010)	7,500	0.6 %
100% equity interest				—	763	1,622	1,244	(2,168)	698	0.1 %
New IPT, Inc.		Oil & Gas Equipment & Services								
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021			—	—	42	1,800	504	(2,304)	—	— %
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021			—	—	17	788	221	(1,009)	—	— %
50.087 Class A Common Units in New IPT Holdings, LLC				—	—	—	—	—	—	— %
OCSI Glick JV LLC (6)		Multi-Sector Holdings								
Subordinated Debt, LIBOR+4.50% cash due 10/20/2028	4.60 %		61,709	—	2,401	—	56,693	(1,111)	55,582	4.2 %
87.5% equity interest				—	—	—	—	—	—	— %
Senior Loan Fund JV I, LLC (7)		Multi-Sector Holdings								
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	8.00 %		96,250	—	7,388	96,250	—	—	96,250	7.3 %
87.5% LLC equity interest				—	903	21,190	16,461	—	37,651	2.9 %
Total Control Investments			**$192,840**	**$ —**	**$ 16,310**	**$ 201,385**	**$ 87,960**	**$ (18,580)**	**$ 270,765**	**20.6 %**
Affiliate Investments										
Assembled Brands Capital LLC		Specialized Finance								
First Lien Revolver, LIBOR+6.00% cash due 10/17/2023	7.00 %		$ 15,899	$ —	$ 736	$ 4,194	$ 12,435	$ (917)	$ 15,712	1.2 %
1,609,201 Class A Units				—	—	483	104	—	587	— %
1,019,168.80 Preferred Units, 6%				—	—	1,091	61	—	1,152	0.1 %
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	—	—	—	—	— %
Caregiver Services, Inc.		Health Care Services								
1,080,399 shares of Series A Preferred Stock, 10%			—	—	—	741	97	—	838	0.1 %
Total Affiliate Investments			**$ 15,899**	**$ —**	**$ 736**	**$ 6,509**	**$ 12,697**	**$ (917)**	**$ 18,289**	**1.4 %**
Total Control & Affiliate Investments			**$208,739**	**$ —**	**$ 17,046**	**$ 207,894**	**$ 100,657**	**$ (19,497)**	**$ 289,054**	**22.0 %**

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

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(1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments .

(2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, 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) First Star Speir Aviation Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.

(6) Together with GF Equity Funding, the Company co-invests through Glick JV. Glick JV is capitalized as transactions are completed and all portfolio and investment decisions in respect to Glick JV must be approved by the Glick JV investment committee consisting of representatives of the Company and GF Equity Funding (with approval from a representative of each required).

(7) Together with Kemper, the Company co-invests through SLF JV I. SLF JV I is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF JV I must be approved by the SLF JV I investment committee consisting of representatives of the Company and Kemper (with approval from a representative of each required).

Oaktree Specialty Lending Corporation

Schedule of Investments in and Advances to Affiliates
(in thousands, except share and per share amounts, percentages and as otherwise indicated)
Year ended September 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 September 30, 2020	% of Total Net Assets
Control Investments										
C5 Technology Holdings, LLC		Data Processing & Outsourced Services								
829 Common Units				$ —	$ —	$ —	$ —	$ —	$ —	— %
34,984,460.37 Preferred Units				—	—	34,984	—	(7,346)	27,638	3.0 %
Dominion Diagnostics, LLC		Health Care Services								
First Lien Term Loan, LIBOR+5.00% cash due 2/28/2024	6.00 %		$ 27,660	—	1,076	—	27,869	(209)	27,660	3.0 %
First Lien Revolver, LIBOR+5.00% cash due 2/28/2024	6.00 %		5,260	—	216	—	5,260	—	5,260	0.6 %
30,030.8 Common Units in DD Healthcare Services Holdings, LLC				—	—	—	18,627	(10,960)	7,667	0.8 %
First Star Speir Aviation Limited (5)		Airlines								
First Lien Term Loan, 9.00% cash due 12/15/2020			11,510	—	1,180	11,510	106	(106)	11,510	1.3 %
100% equity interest				—	—	4,630	—	(3,008)	1,622	0.2 %
New IPT, Inc.		Oil & Gas Equipment & Services								
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %		2,304	—	193	3,256	—	(1,456)	1,800	0.2 %
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	6.00 %		1,009	—	76	1,009	—	(221)	788	0.1 %
50.087 Class A Common Units in New IPT Holdings, LLC				—	—	2,903	—	(2,903)	—	— %
Senior Loan Fund JV I, LLC (6)		Multi-Sector Holdings								
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	7.17 %		96,250	—	8,055	96,250	—	—	96,250	10.5 %
87.5% LLC equity interest				—	—	30,052	—	(8,862)	21,190	2.3 %
Thruline Marketing, Inc.		Advertising								
First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022			—	—	257	18,146	—	(18,146)	—	— %
First Lien Revolver, LIBOR+7.75% cash due 4/3/2022			—	—	1	—	—	—	—	— %
9,073 Class A Units in FS AVI Holdco, LLC				(4,932)	—	6,438	4,210	(10,648)	—	— %
Total Control Investments			**$143,993**	**$ (4,932)**	**$ 11,054**	**$ 209,178**	**$ 56,072**	**$ (63,865)**	**$ 201,385**	**22.0 %**
Affiliate Investments										
Assembled Brands Capital LLC		Specialized Finance								
First Lien Revolver, LIBOR+6.00% cash due 10/17/2023	7.00 %		$ 4,688	$ —	$ 487	$ 5,585	$ 2,036	$ (3,427)	$ 4,194	0.5 %
1,609,201 Class A Units				—	—	782	—	(299)	483	0.1 %
1,019,168.80 Preferred Units, 6%				—	—	1,019	72	—	1,091	0.1 %
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	—	—	—	—	— %
Caregiver Services, Inc.		Health Care Services								
1,080,399 shares of Series A Preferred Stock, 10%			—	—	—	1,784	—	(1,043)	741	0.1 %
Total Affiliate Investments			**$ 4,688**	**$ —**	**$ 487**	**$ 9,170**	**$ 2,108**	**$ (4,769)**	**$ 6,509**	**0.7 %**
Total Control & Affiliate Investments			**$148,681**	**$ (4,932)**	**$ 11,541**	**$ 218,348**	**$ 58,180**	**$ (68,634)**	**$ 207,894**	**22.7 %**

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

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(1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments.

(2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, 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) First Star Speir Aviation Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.

(6) Together with Kemper, the Company co-invests through SLF JV I. SLF JV I is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF JV I must be approved by the SLF JV I investment committee consisting of representatives of the Company and Kemper (with approval from a representative of each required).

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

(a) Evaluation of Disclosure 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 September 30, 2021. 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 September 30, 2021, our 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.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. A company's internal control over financial reporting is a process designed by, or under the supervision of, its chief executive officer and chief financial officer, and effected by such company's Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of September 30, 2021, based on the framework set forth in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation, management concluded that our internal control over financial reporting was effective as of September 30, 2021.

The effectiveness of our internal control over financial reporting as of September 30, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

(c) Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth fiscal quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

None.

PART III — OTHER INFORMATION

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by Item 10 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of our fiscal year.

Item 11. *Executive Compensation*

The information required by Item 11 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of our fiscal year.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by Item 12 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of our fiscal year.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by Item 13 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of our fiscal year.

Item 14. *Principal Accountant Fees and Services*

The information required by Item 14 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2022 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of our fiscal year.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

The following documents are filed or incorporated by reference as part of this Annual Report:

1. Consolidated Financial Statements

2. Financial Statement Schedule

The following financial statement schedule is filed herewith:

3. Exhibits required to be filed by Item 601 of Regulation S-K

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

2.1^	Agreement and Plan of Merger among Oaktree Strategic Income Corporation, the Registrant, Lion Merger Sub, Inc. and Oaktree Fund Advisors LLC (for the limited purposes set forth therein), dated as of October 28, 2020 (Incorporated by reference to Exhibit 2.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on October 29, 2020).
3.1	Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 filed with Registrant's Form 8-A (File No. 001-33901) filed on January 2, 2008).
3.2	Certificate of Amendment to the Registrant's Restated Certificate of Incorporation (Incorporated by reference to Exhibit (a)(2) filed with Registrant's Registration Statement on Form N-2 (File No. 333-146743) filed on June 6, 2008).
3.3	Certificate of Correction to the Certificate of Amendment to the Registrant's Restated Certificate of Incorporation (Incorporated by reference to Exhibit (a)(3) filed with Registrant's Registration Statement on Form N-2 (File No. 333-146743) filed on June 6, 2008).
3.4	Certificate of Amendment to Registrant's Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 filed with Registrant's Quarterly Report on Form 10-Q (File No. 001-33901) filed on May 5, 2010).
3.5	Certificate of Amendment to Registrant's Certificate of Incorporation (Incorporated by reference to Exhibit (a)(5) filed with the Registrant's Registration Statement on Form N-2 (File No. 333-180267) filed on April 2, 2013).
3.6	Certificate of Amendment to the Restated Certificate of Incorporation of the Registrant, dated as of October 17, 2017 (Filed with the Registrant's Form 8-K (File No. 814-00755) filed on October 17, 2017).
3.7	Fourth Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 3.1 filed with Registrant's Form 8-K (File No. 814-00755) filed on January 29, 2018).
4.1	Form of Common Stock Certificate (Incorporated by reference to Exhibit 4.1 filed with Registrant's Form 8-A (File No. 001-33901) filed on January 2, 2008).
4.2*	Description of Securities

4.3	Indenture, dated April 30, 2012, between Registrant and Deutsche Bank Trust Company Americas, as trustee (Incorporated by reference to Exhibit (d)(4) filed with Registrant's Registration Statement on Form N-2 (File No. 333-180267) filed on July 27, 2012).
4.4	Fourth Supplemental Indenture, dated as of October 17, 2017, between Registrant and Deutsche Bank Trust Company Americas, as trustee (Incorporated by reference to Exhibit 4.1 filed with the Registrant's Form 8-K (File No. 814-00755) filed on October 17, 2017).
4.5	Fifth Supplemental Indenture, dated as of February 25, 2020, relating to the 3.500% Notes due 2025, between the Registrant and Deutsche Bank Trust Company Americas, as trustee (Incorporated by reference to Exhibit 4.1 filed with the Registrant's Form 8-K (File No. 814-00755) filed on February 25, 2020).
4.6	Form of 3.500% Notes due 2025 (included as Exhibit A to Exhibit 4.5 hereto).
4.7	Sixth Supplemental Indenture, dated as of May 18, 2021, relating to the 2.700% Notes due 2027, between the Company and Deutsche Bank Trust Company Americas, as trustee (Incorporated by reference to Exhibit 4.1 filed with the Company's Current Report on Form 8-K (File No. 814-00755) filed on May 18, 2021).
4.8	Form of 2.700% Notes due 2027 (contained in the Sixth Supplemental Indenture filed as Exhibit 4.7 hereto).
10.1	Amended and Restated Investment Advisory Agreement, dated as of March 19, 2021, between the Registrant and Oaktree Fund Advisors, LLC (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.2	Administration Agreement, dated as of September 30, 2019 between the Registrant and Oaktree Administrator (Incorporated by reference to Exhibit 10.2 filed with the Registrant's Form 8-K (File No. 814-00755) filed on October 2, 2019).
10.3	Custody Agreement (Incorporated by reference to Exhibit 10.1 filed with Registrant's Form 10-Q (File No. 001-33901) filed on January 31, 2011).
10.4	Amended and Restated Dividend Reinvestment Plan (Incorporated by reference to Exhibit 10.1 filed with Registrant's Form 8-K (File No. 001-33901) filed on October 28, 2010).
10.5	Amended and Restated Senior Secured Revolving Credit Agreement, dated as of February 25, 2019, among the Registrant, as Borrower, the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on February 26, 2019).

10.6	Amendment No. 1 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of December 13, 2019, among the Registrant, as Borrower, the lenders party thereto from time to time and ING Capital LLC, as administrative agent for the lenders thereunder (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on December 17, 2019).
10.7	Amendment No. 2 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of May 6, 2020, among the Registrant, as Borrower, the lenders party thereto from time to time and ING Capital LLC, as administrative agent for the lenders thereunder (Incorporated by reference to Exhibit 10.2 filed with the Registrant's Form 10-Q (File No. 814-00755) filed on May 7, 2020).
10.8	Incremental Commitment and Assumption Agreement, dated as of October 28, 2020, made by the Registrant, as Borrower, the assuming lender party hereto, as assuming lender, and ING Capital LLC, as administrative agent and issuing bank relating to the Amended and Restated Senior Secured Revolving Credit Agreement, dated as of February 25, 2019 among the Registrant, as Borrower, the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on October 29, 2020).
10.9	Amendment No. 3 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of December 10, 2020, among the Registrant, as Borrower, the lenders party thereto from time to time and ING Capital LLC, as administrative agent for the lenders thereunder (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on December 14, 2020).
10.10	Incremental Commitment Agreement, dated as of December 28, 2020, made by the Registrant, as Borrower, MUFG Union Bank, N.A., as increasing lender, and ING Capital LLC, as administrative agent and issuing bank relating to the Amended and Restated Senior Secured Revolving Credit Agreement, dated as of February 25, 2019 among the Registrant, as Borrower, the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on December 29, 2020).
10.11	Amendment No. 4 to Amended and Restated Senior Secured Revolving Credit Agreement and Amendment No. 1 to Amended and Restated Guarantee, Pledge and Security Agreement, dated May 4, 2021, among the Company, as borrower, OCSL SRNE, LLC, as subsidiary guarantor, FSFC Holdings, Inc., as subsidiary guarantor, the lenders party thereto, and ING Capital LLC, as administrative agent (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Form 10-Q (File No. 814-00755) filed on August 4, 2021).
10.12	Loan Sale Agreement by and between Registrant and FS Senior Funding II LLC, dated as of January 15, 2015 (Incorporated by reference to Exhibit 10.2 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.13	Amended and Restated Loan and Security Agreement, dated as of January 31, 2018, by and among Registrant, OCSI Senior Funding II LLC, the lenders referred to therein, Citibank, N.A., and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 10.3 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.14	First Amendment to the Amended and Restated Loan and Security Agreement by and among the Registrant, as collateral manager, OCSI Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of May 14, 2018 (Incorporated by reference to Exhibit 10.4 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.15	Second Amendment to the Amended and Restated Loan and Security Agreement by and among Registrant, as collateral manager, OCSI Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of July 18, 2018 (Incorporated by reference to Exhibit 10.5 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).

10.16	Third Amendment to the Amended and Restated Loan and Security Agreement by and among Registrant, as collateral manager, OCSI Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of September 17, 2018 (Incorporated by reference to Exhibit 10.6 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.17	Fourth Amendment to the Amended and Restated Loan and Security Agreement by and among Registrant, as collateral manager, OCSI Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of September 20, 2019 (Incorporated by reference to Exhibit 10.7 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.18	Fifth Amendment to the Amended and Restated Loan and Security Agreement by and among the Registrant, as collateral manager, OCSI Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of October 27, 2020 (Incorporated by reference to Exhibit 10.8 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on March 19, 2021).
10.19	Sixth Amendment to the Amended and Restated Loan and Security Agreement by and among the Company, as collateral manager, OCSL Senior Funding II LLC, as borrower, and Citibank, N.A., as administrative agent and sole lender, dated as of July 2, 2021 (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on July 9, 2021).
14.1	Joint Code of Ethics of the Registrant and Oaktree Strategic Income II, Inc. (Incorporated by reference to Exhibit 14.1 filed with the Registrant's Form 10-K (File No. 814-00755) filed on November 19, 2020).
14.2	Code of Ethics of Oaktree Fund Advisors, LLC (Incorporated by reference to Exhibit 14.2 filed with the Registrant's Form 10-K (File No. 814-00755) filed on November 29, 2017).
21	Subsidiaries of Registrant and jurisdiction of incorporation/organizations: FSFC Holdings, Inc. — Delaware OCSL Senior Funding II LLC— Delaware
23.1*	Consent of Registered Public Accounting Firm
24	Power of Attorney (included on the signature page hereto).
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

* Filed herewith.

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

SIGNATURES

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

OAKTREE SPECIALTY LENDING CORPORATION

By: /s/ Armen Panossian

Armen Panossian
Chief Executive Officer

By: /s/ Mel Carlisle

Mel Carlisle
Chief Financial Officer and Treasurer

Date: November 15, 2021

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Armen Panossian, Mel Carlisle, Mathew Pendo and Christopher McKown, and each of them (with full power to each of them to act alone), his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file this Annual Report on Form 10-K for the fiscal year ended September 30, 2021, and any or all amendments to this Report, with all exhibits and any and all documents required to be filed with respect thereto, with the Securities and Exchange Commission or any other regulatory authority, granting unto such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing appropriate or necessary to be done in order to effectuate the same, as fully to all intents and purposes as he himself might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ARMEN PANOSSIAN Armen Panossian	Chief Executive Officer (principal executive officer)	November 15, 2021
/s/ MEL CARLISLE Mel Carlisle	Chief Financial Officer and Treasurer (principal financial officer and principal accounting officer)	November 15, 2021
/s/ JOHN B. FRANK John B. Frank	Director	November 15, 2021
/s/ DEBORAH A. GERO Deborah A. Gero	Director	November 15, 2021
/s/ CRAIG JACOBSON Craig Jacobson	Director	November 15, 2021
/s/ BRUCE ZIMMERMAN Bruce Zimmerman	Director	November 15, 2021

Exhibit 4.2

DESCRIPTION OF SECURITIES

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Annual Report on Form 10-K to which this Description of Securities is an exhibit.

a. **Common Stock, $0.01 par value per share**

Our authorized capital stock consists of 250,000,000 shares of common stock, par value $0.01 per share, of which 180,360,662 shares were outstanding as of September 30, 2021.

Our common stock is listed on the Nasdaq Global Select Market under the ticker symbol "OCSL." No stock has been authorized for issuance under any equity compensation plans. Under Delaware law, our stockholders generally will not be personally liable for our debts or obligations.

Under the terms of our restated certificate of incorporation, as amended, or our certificate of incorporation, all shares of our common stock have equal rights as to earnings, assets, dividends and voting and, when they are issued, are duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when declared by our Board of Directors out of funds legally available therefore. Shares of our common stock have no preemptive, exchange, conversion or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. The holders of our common stock possess exclusive voting power. There is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock are able to elect all of our directors, and holders of less than a majority of such shares are unable to elect any director.

a. **Provisions of our Certificate of Incorporation or Bylaws that may have the effect of delaying, deferring or preventing a change of control**

Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

Under our certificate of incorporation, we will fully indemnify any person who was or is involved in any actual or threatened action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, against expenses (including attorney's fees), judgments, fines and amounts paid or to be paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. Our certificate of incorporation also provides that our directors will not be personally liable for monetary damages to us for breaches of their fiduciary duty as directors, except for a breach of their duty of loyalty to us or our stockholders, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or for any transaction from which the director derived an improper personal benefit. So long as we are regulated under the Investment Company Act, the above indemnification and limitation of liability will be limited by the Investment Company Act or by any valid rule, regulation or order of the SEC thereunder. The Investment Company Act provides, among other things, that a company may not indemnify any director or officer against liability to it or its stockholders to which he or she might otherwise be subject by reason of his or her willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office unless a determination is made by final decision of a court, by vote of a majority of a quorum of directors who are disinterested, non-party directors or by independent legal counsel that the liability for which indemnification is sought did not arise out of the foregoing conduct.

Delaware law also provides that indemnification permitted under the law shall not be deemed exclusive of any other rights to which the directors and officers may be entitled under the corporation's bylaws, any agreement, a vote of stockholders or otherwise.

Our certificate of incorporation permits us to secure insurance on behalf of any person who is or was or has agreed to become a director or officer or is or was serving at our request as a director or officer of another enterprise for any liability arising out of his or her actions, regardless of whether the Delaware General Corporation Law would permit indemnification. We have obtained liability insurance for our officers and directors.

Delaware Law and Certain Certificate of Incorporation and Bylaw Provisions; Anti-Takeover Measures

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, the statute prohibits a publicly held Delaware corporation from engaging in a "business combination" with "interested stockholders" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes certain mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. Subject to exceptions, an "interested stockholder" is a person who, together with his, her or its affiliates and associates, owns, or within three years did own, 15% or more of the corporation's voting stock.

Our certificate of incorporation and fourth amended and restated bylaws, or bylaws, provide that:

- the Board of Directors be divided into three classes, as nearly equal in size as possible, with staggered three-year terms;

- directors may be removed only for cause by the affirmative vote of the holders of two-thirds of the shares of our capital stock entitled to vote; and

- any vacancy on the Board of Directors, however the vacancy occurs, including a vacancy due to an enlargement of the Board of Directors, may only be filled by vote of the directors then in office.

The classification of our Board of Directors and the limitations on removal of directors and filling of vacancies could have the effect of making it more difficult for a third party to acquire us, or of discouraging a third party from acquiring us.

Our certificate of incorporation and bylaws also provide that:

- any action required or permitted to be taken by the stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may not be taken by written action in lieu of a meeting; and

- special meetings of the stockholders may only be called by our Board of Directors, chairman or chief executive officer.

Our bylaws provide that, in order for any matter to be considered "properly brought" before a meeting, a stockholder must comply with requirements regarding advance notice to us. These provisions could delay until the next stockholders' meeting stockholder actions which are favored by the holders of a majority of our outstanding voting securities. These provisions may also discourage another person or entity from making a tender offer for our common stock, because such person or entity, even if it acquired a majority of our outstanding voting securities, would be able to take action as a stockholder (such as electing new directors or approving a merger) only at a duly called stockholders meeting, and not by written consent.

The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws requires a greater percentage. Under our certificate of incorporation and bylaws, any amendment or repeal of the bylaws by the stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the shares of our capital stock then outstanding and entitled to vote in the election of directors. The vote of at least 66 2/3% of the shares of our capital stock then outstanding and entitled to vote in the election of directors, voting together as a single class, will be required to amend or repeal any provision of our certificate of incorporation pertaining to the Board of Directors, limitation of liability, indemnification, stockholder action or amendments to our certificate of incorporation. In addition, our certificate of incorporation permits our Board of Directors to amend or repeal our bylaws by a majority vote.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form N-2 No. 333-234798) of Oaktree Specialty Lending Corporation and in the related Prospectus of our reports dated November 15, 2021, with respect to the consolidated financial statements of Oaktree Specialty Lending Corporation, and the effectiveness of internal control over financial reporting of Oaktree Specialty Lending Corporation, included in this Annual Report (Form 10-K) for the year ended September 30, 2021.

/s/ Ernst & Young LLP

Los Angeles, CA
November 15, 2021

Exhibit 31.1

I, Armen Panossian, Chief Executive Officer of Oaktree Specialty Lending Corporation, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended September 30, 2021 of Oaktree Specialty Lending Corporation;

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

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

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

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

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

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

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

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

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

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

Dated this 15th day of November, 2021.

By: /s/ Armen Panossian

Armen Panossian
Chief Executive Officer

Exhibit 31.2

I, Mel Carlisle, Chief Financial Officer of Oaktree Specialty Lending Corporation, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended September 30, 2021 of Oaktree Specialty Lending Corporation;

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

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

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

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

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

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

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

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

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

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

Dated this 15th day of November, 2021.

By: /s/ Mel Carlisle

Mel Carlisle
Chief Financial Officer

Exhibit 32.1

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

In connection with the annual report on Form 10-K for the year ended **September 30, 2021** (the “Report”) of **Oaktree Specialty Lending Corporation** (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, **Armen Panossian**, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

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

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

/s/ Armen Panossian

Name: Armen Panossian

Date: November 15, 2021

Exhibit 32.2

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

In connection with the annual report on Form 10-K for the year ended **September 30, 2021** (the "Report") of **Oaktree Specialty Lending Corporation** (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, **Mel Carlisle**, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

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

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

/s/ Mel Carlisle
Name: Mel Carlisle

Date: November 15, 2021