Risk Factors Comparison 2023-11-14 to 2022-11-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

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 inflation and a rising interest rate environment, have (and in the future, could further) adversely affect our business, results of operations and financial condition and those of our portfolio companies. • 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 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 ~~. • There are risks related to the Mergers that could adversely impact us or our stockholders~~. • 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. • 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 Our Business and Structure Global economic, political and market conditions, including those caused by inflation and a rising interest rate environment have (and in the future, could further) adversely affect our business, results of operations and financial condition and those of our portfolio companies. Any disruptions in the capital markets, as a result of inflation and a rising interest environment 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 during the initial onset of the COVID- 19 pandemic 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. More recently, the fair value of our investments has been adversely affected by increasing market yields. In addition, market conditions (including inflation, supply chain issues and decreased consumer demand) have adversely impacted, and could in the future further impact, the operations of certain of our portfolio companies. If the financial results of middle- market companies, like those in which we invest, experience deterioration, it 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. We have acquired, and may in the future opportunistically acquire the securities and obligations of distressed companies. 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. 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 ~~. 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 Secured Overnight Financing Rate, or SOFR** , the federal funds rate or prime rate. Increases in interest rates ~~tend~~ **have made and will continue** to 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. All of these risks may be exacerbated when interest rates rise rapidly and / or significantly. 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 were to 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, the recent significant changes in market interest rates have increased our interest expense **as has the incurrence of additional fixed rate borrowings** . In periods of rising interest rates, such as in the current market, our cost of funds increases, which tends to 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. **In addition, our interest expense may not decrease at the same rate as overall interest rates because of our fixed rate borrowings, which could lead to greater declines in our net investment income.** 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~~ **Most U. S. dollar London Interbank Offered Rate, or** LIBOR, **loans are no longer published after** ~~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. Although~~ **although certain synthetic** ~~most U. S. dollar LIBOR~~ rates will ~~continue to~~ be published through ~~June~~ **September** 30, ~~2023~~ **2024** ~~, the FCA no longer compels panel banks to continue to contribute to LIBOR 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~~ . 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~~ - **SOR. As of September 30** , **2023, primarily all of our loan** ~~a new index calculated by short- term repurchase~~ agreements **with portfolio companies as well as** ~~, backed by Treasury securities. Although there are an increasing number of issuances utilizing SOFR or~~ **our credit facilities** ~~the Sterling Over Night Index Average, or SONIA, an~~ **and interest** ~~alternative reference~~ rate ~~that is based on transactions, these alternative reference rates may~~ **swap agreements either include fallback language to address a LIBOR replacement or such agreements have been amended to** ~~not~~ - **no** ~~attain market acceptance~~ **longer utilize LIBOR** as ~~replacements for LIBOR~~ **a factor in determining the interest rate** . The transition away from LIBOR to alternative reference rates ~~is~~ **has been** complex and **the transition of our remaining loan agreements with portfolio companies to a LIBOR replacement** 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~~ . The general increase in interest rates has had the effect of increasing our net investment income, which makes it easier for our Adviser to receive incentive fees. The general increase in interest rates has had the effect of increasing the interest rate that we receive on many of our debt investments. Accordingly, it has become easier for our Adviser to meet the quarterly hurdle rate for payment of income incentive fees under the Investment Advisory Agreement and has resulted in an increase in the amount of the income- based incentive fee payable to our Adviser. 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 by our Adviser in its capacity as our valuation designee. 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, our Adviser values these securities quarterly at fair value under the oversight of our Board of Directors. The fair value of such securities may change, potentially materially, between the date of the fair value determination 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 Adviser' s 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 Adviser' s 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 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 **are** ~~will be~~ based, in part, on unrealized gains and losses. 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. 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 **(or be deemed 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 **U. S.** corporate **income tax** 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. **If additional funds are not available to us, we**

could be forced to curtail or cease new investment activities. 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. 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. **Our sustainability initiatives, specifically relating to ESG matters, may impose additional costs and expose us to emerging areas of risk. Sustainability risk means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, or Sustainability Risk. While Sustainability Risks are only some of the many factors the Adviser will consider in making an investment, there is no guarantee that Oaktree will successfully identify and mitigate all Sustainability Risks. The act of selecting and evaluating Sustainability Risks is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Oaktree, its affiliates or a third-party ESG advisor will reflect the beliefs or values, internal policies or preferred practices of any particular stockholder or other asset managers or market trends. To the extent that Oaktree or a third- party advisor engages with underlying investments on sustainability- related and ESG- related practices, potential enhancements and risk mitigants, such steps may not achieve the desired financial results, or the market or society may not view any such changes as desirable. Successful engagement on the part of Oaktree will depend on Oaktree' s skill in properly identifying and analyzing Sustainability Risks and other factors (which may involve qualitative and subjective judgements) and their related value, together with the quality of the data provided in respect of the impact of Sustainability Risks in respect of the relevant investment and there can be no assurance that the strategy or techniques employed will be successful. The materiality of sustainability and ESG risks on an individual asset and on a portfolio as a whole depends on many factors, including the relevant industry, location, investment strategy, asset class and investment style. Sustainability Risks and ESG factors, issues and considerations do not apply in every instance or with respect to each investment held, or proposed to be made by us, and will vary greatly based on numerous criteria, including location, asset class, industry, investment strategy, and issuer- specific and investment- specific characteristics. Considering Sustainability Risks when evaluating an investment may result in the selection or exclusion of certain investments based on Oaktree' s view of certain sustainability- related and other factors and carries the risk that we may underperform compared to other funds that do not take sustainability- related factors into account. Although Oaktree considers the application of its sustainability framework to be an opportunity to enhance or protect the performance of its investments over the long- term, Oaktree cannot guarantee that its sustainability program, which depends in part on qualitative judgments, will positively impact the financial performance of any individual investment or us as a whole. In assessing a particular investment, Oaktree may be dependent upon information and data obtained through third parties that may be incomplete, inaccurate or unavailable, which could cause Oaktree to incorrectly identify, prioritize, assess or analyze the investment' s sustainability and ESG practices and / or Sustainability Risks and opportunities. Oaktree does not intend to independently verify certain of the sustainability and ESG- related information reported by our investments, and may decide in its discretion not to utilize, report on, or consider certain information provided by such investments. To the extent that Oaktree provides reports of material sustainability and ESG issues to investors, such reports will be based on Oaktree' s or the applicable investment management team' s sole and subjective determination of whether and how to report on whether any material sustainability or ESG issue has occurred in respect of an investment and Oaktree makes no representations that all Sustainability Risks or ESG issues will or should be discussed in such reports. Sustainability-related practices differ by region, industry and issue and are evolving accordingly, and an investment' s sustainability-related practices or Oaktree' s assessment of such practices may change over time. Oaktree in certain circumstances**

could determine in its discretion that it is not feasible or practical to implement or complete certain of its sustainability and ESG initiatives based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for the Adviser to adhere to all elements of our investment strategy, including with respect to sustainability and ESG risk management, whether with respect to one or more individual Investments or to our portfolio generally. We ~~are subject~~ and / or our portfolio companies may be materially and adversely impacted by global climate change. Global climate change is widely considered to be a significant threat to the global economy. Real estate and similar assets in particular may face risks associated with ~~communications~~ climate change, including risks related to the impact of climate- related legislation and regulation (both domestically and internationally), risks related to climate- related business trends, and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events and rising sea levels and temperatures. The market' s focus on climate change may not have a positive impact on our investments. Financial resources and public and private investment into business activities seeking to address climate change, reduce emissions and promote adaptation to climate change- related impacts are increasing. While financial and non- financial benefits may flow from these types of investments, Oaktree cannot guarantee that such activities will improve the financial or environmental, social and governance- related performance of the investment, reduce emissions or promote adaptation to climate change- related impacts and Oaktree may also not find itself in a position to maximize opportunities presented by such business activities whether in respect of financial or non- financial returns. We may face a breach of our cyber security, which could result in adverse consequences to our operations and exposure of confidential information . Cybersecurity incidents and cyber- attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency and severity in the future. The information and technology systems ~~. We depend on the communications and information systems~~ of Oaktree, ~~our Adviser and~~ its affiliates , portfolio companies, issuers and service providers may be vulnerable to damage or interruption from cybersecurity breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors or malfeasance by their respective professionals or service providers, power, communications or other service outages, and catastrophic events such as ~~well~~ fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they may be able to steal, publish, delete or modify private and sensitive information, including non- public personal information related to our stockholders (and their beneficial owners) and material non- public information. Although Oaktree ~~as~~ has ~~certain~~ implemented, and portfolio companies, issuers and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Oaktree does not control the cybersecurity plans and systems put in place by third- party service providers , and such third- party service providers may have limited indemnification obligations to Oaktree, its affiliates, us, our stockholders and / or a portfolio company or issuer, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified in a timely manner or at all, even with sophisticated prevention and detection systems. This could potentially result in further harm and prevent such breaches from being addressed appropriately . The ~~risks posed to these communications and information systems have continued to increase over time. Any~~ failure of ~~or interruption in~~ these systems and / or of disaster recovery plans for any reason could cause significant ~~disruptions~~ - interruptions in Oaktree' s, its affiliates', our and / ~~our~~ - or ~~activities. In addition,~~ a portfolio company' s or issuer' s operations and result in a failure to maintain ~~these~~ -- the ~~systems are subject to attacks~~ security, confidentiality or privacy of sensitive data , including ~~through~~ personal information relating to stockholders (and their beneficial owners), material non- public information and the intellectual property and trade secrets and other sensitive information of Oaktree and / or portfolio companies or issuers. We, Oaktree and / or a portfolio company could be required to make a significant investment to remedy the effects of any such failures, harm to our reputations, legal claims that we or our respective affiliates may be subjected to regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, and other events that may affect ~~threaten the confidentiality, integrity or~~ our business and financial performance ~~availability of our information resources~~ . We and ~~These attacks, which may include cyber incidents, could involve a third party gaining unauthorized access to our communications or~~ our ~~information systems for purposes of misappropriating assets, stealing confidential information related to our operations or~~ portfolio companies will be subject to regulations related to privacy , ~~corrupting~~ data ~~or causing operational disruption. Any such attack~~ protection and information securities, and any failure to comply with these requirements could result in ~~disruption to~~ fines, sanctions ~~our~~ - or ~~business~~ other penalties , ~~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 and our reputation. The adoption , interpretation and application of consumer protection, data protection and / or privacy laws and regulations in the United States, Europe or other jurisdictions, or Privacy Laws, could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Oaktree and us and / or our portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and our performance. As Privacy Laws are implemented, interpreted and applied, compliance costs are likely to increase,

particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. For example, California has passed the California Consumer Privacy Act of 2018 and the California Privacy Rights Act of 2020, each of which broadly impacts businesses that handle various types of personal data. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties. Other jurisdictions, including other U. S. states, already have, have proposed or are considering similar Privacy Laws, which impose, or could impose if enacted, similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Oaktree, the Adviser and us and / or our portfolio companies. We are subject to risks associated with artificial intelligence and machine learning technology. Recent technological advances in artificial intelligence and machine learning technology, or Machine Learning Technology, including OpenAI' s release of its ChatGPT application, pose risks to us, Oaktree and our portfolio investments. While Oaktree may utilize Machine Learning Technology in connection with its business activities, including investment activities, Oaktree intends to periodically evaluate and / or adjust internal policies governing use of Machine Learning Technology by its personnel. Notwithstanding any such policies, Oaktree personnel, portfolio managers, senior executives, Industry Specialists and other associated persons of Oaktree or any affiliates of Oaktree could, unbeknownst to Oaktree, utilize Machine Learning Technology in contravention of such policies. We, Oaktree and our portfolio investments could be further exposed to the risks of Machine Learning Technology if third- party service providers or any counterparties, whether or not known to Oaktree, also use Machine Learning Technology in their business activities. Oaktree will not be in a position to control the use of Machine Learning Technology in third- party products or services, including those provided by Oaktree' s and its affiliates service providers. Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non- public information) — either by third parties in contravention of non- disclosure agreements, or by Oaktree personnel or the aforementioned Oaktree advisors and affiliates in contravention of Oaktree' s policies, contractual or other obligations or restrictions to which any of the foregoing or any of their affiliates or representatives are subject, or otherwise in violation of applicable laws or regulations relating to treatment of confidential and / or personally identifiable information (including material non- public information) — into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third- party Machine Learning Technology applications and users. Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that we, Oaktree or our portfolio investments are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on us, Oaktree or our portfolio investments. Conversely, to the extent competitors of Oaktree and its portfolio companies utilize Machine Learning Technology more extensively than Oaktree and its portfolio companies, there is a possibility that such competitors will gain a competitive advantage. Machine Learning Technology and its applications, including in the private investment and financial ~~condition~~ **sectors, continue to develop rapidly,** and ~~results of operations~~ **it is impossible to predict the future risks that may arise from such developments** . 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 may be conflicts of interest related to obligations that Oaktree' s senior management and investment team have to Other Oaktree Funds. Actual and potential conflicts between Oaktree and its affiliates, on one hand, and us and our portfolio companies, on the other hand, are expected to occur. Oaktree manages or sub-advises other funds and accounts, or collectively, the Other Oaktree Funds, which present the possibility of overlapping investments, and thus the potential for conflicts of interest. Many of the investments targeted by us will be appropriate for certain Other Oaktree Funds, and in retrospect or at different points in the market cycle, investments that were made by us may seem more appropriate for an Other Oaktree Fund, and vice versa. Many of the investments targeted by us may be appropriate for Other Oaktree Funds within those strategies. Our stockholders have no ability to challenge such allocation. Such procedures give Oaktree broad authority to allocate investment opportunities, notwithstanding the potential conflicts of interest that may exist. For example, management fees or incentive allocations and fees and liquidity provisions may differ significantly between us and the Other Oaktree Funds, creating an economic incentive for Oaktree to allocate investments that may be appropriate for a lower fee or more liquid strategy to a higher fee or less liquid strategy. In addition, there are potential conflicts of interests between the interests of us and our stockholders, on the one hand, and the business interests of Oaktree, on the other hand. Potential conflicts of interests include, but are not limited to, the fact that Oaktree serves as our investment adviser. If any matter arises that Oaktree determines in its good faith judgment constitutes an actual conflict of interest, Oaktree may take such actions as may be necessary or appropriate to prevent or reduce the conflict.** 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 **OLPG** ~~OSI 2~~ , a private Business Development Company, and OSCF, a continuously offered Business Development Company. All of our executive officers serve in substantially similar capacities for **OLPG** ~~OSI 2~~ , and one of our independent directors serves as an independent director of ~~OSI 2 and~~ OSCF. **OLPG** ~~OSI 2~~ and OSCF invest 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 **OLPG** ~~OSI 2~~ , OSCF and us as well as other Business Development Companies ~~, registered investment companies~~ and **Other** ~~private investment funds and accounts advised or sub- advised by~~ Oaktree **Funds** ~~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. 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 **OLPG** ~~OSI 2~~ , OSCF or us 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. **In addition, we may make investments in different parts of the capital structure of companies in which Other Oaktree Funds already hold an investment. Generally speaking, Oaktree expects that we will make such investments only when, at the time of investment, Oaktree believes such investment is in our best interests and either the possibility of actual adversity is remote, our investment is small and non- controlling or the Adviser believes that such investment is appropriate for us in light of the particular circumstances, notwithstanding the potential for conflict. If any conflict were to arise, however, Oaktree will be permitted to take certain actions that, in the absence of such conflict, it would not take, such as causing us to remain passive, investing in the same class of securities to align interests, divesting investments or taking other actions to reduce adversity, which may have the effect of benefiting certain Other Oaktree Funds, and not us. Given that we generally intend to invest higher in the capital structure, it is likely we will remain passive in the event of a conflict, meaning that we must rely on other investors holding the same types of securities or obligations to advocate on behalf of our class. Oaktree has no obligation to advise these other holders of any potential claims they may have of which Oaktree may be aware or to consider their interests when advocating on behalf of the Other Oaktree Funds that hold investments in lower parts of the capital structure. Under certain circumstances, we potentially will be offered an opportunity to make an investment in a transaction in which one or more Other Oaktree Funds is expected to make an investment, or in a company in which one or more Other Oaktree Funds already has made, or concurrently will make, an investment. The Investment Company Act and the exemptive relief also impose restrictions on our ability to participate in certain transactions with other Oaktree Funds. As a result, we and the Other Oaktree Fund potentially will have conflicting interests in negotiating the terms of such investments. In negotiating the purchase of such investments, the nature of the covenants, and other terms and conditions of such securities, the Other Oaktree Funds potentially will have interests that conflict with ours. In that regard, subject to the requirements of the Investment Company Act and the exemptive relief, actions may be taken for the Other Oaktree Funds that are adverse to us. Such conflicts also have the potential to arise in the negotiations of amendments or waivers or in a workout or bankruptcy. It is possible that in a bankruptcy proceeding, our interests would be subordinated or otherwise adversely affected by virtue of such Other Oaktree Funds' involvement and actions relating to its investment. Oaktree will seek to manage such conflicts in good faith and in a manner it believes is consistent with its duties to us and the Other Oaktree Funds and under the Investment Company Act and the exemptive relief, if applicable.** 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 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~~ **January 23** , ~~2021~~ **2023** , we became party to a revolving credit facility, or as amended and / or restated from time to time, the **OSI2** Citibank Facility, with ~~OCSL~~ **OSI 2** Senior ~~Funding II~~ **Lending SPV,** LLC **, or OSI 2 SPV** , our wholly- owned **and consolidated** ~~, 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 **Deutsche** ~~Wells Fargo~~ Bank ~~, National Association~~ **Trust Company Americas** , as collateral agent ~~and custodian~~ . In addition, we have ~~two~~ **three** 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, and our 7. 100 % Notes due 2029, or the 2029** 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, ~~2022~~ **2023** , we had $ ~~700~~ **710** . 0 million of outstanding indebtedness under our credit facilities, $ 300. 0 million of outstanding 2025 Notes ~~and~~ **,** $ 350. 0 million of outstanding 2027 **Notes and $ 300. 0 million of outstanding 2029** Notes. These debt instruments require periodic payments of interest. The weighted average interest rate charged on our borrowings as of September 30, ~~2022~~ **2023** was ~~4~~ **7** . ~~4~~ **0** % (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, ~~2022~~ **2023** total assets of at least ~~2~~ **3** . ~~33~~ **70** %. 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 or 2029** 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. The Small Business Credit Availability Act, or 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. When we incur additional leverage, our net asset value will decline more sharply if the value of our assets declines 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- ~~25~~ **28** . ~~21~~ **18** %- ~~14~~ **17** . ~~99~~ **90** %- ~~4~~ **7** . ~~77~~ **61** % ~~5~~ **2** . ~~45~~ **67** % ~~15~~ **12** . ~~68~~ **95** % For purposes of this table, we have assumed $ ~~2~~ **3** , ~~546~~ **116** . ~~6~~ **5** million in total assets (less all liabilities and indebtedness not represented by senior securities), $ 1, ~~350~~ **660** . 0 million in debt outstanding, $ 1, ~~245~~ **515** . ~~6~~ **8** million in net assets as of September 30, ~~2022~~ **2023** , and a weighted average interest rate of ~~4~~ **7** . ~~4~~ **0** % as of September 30, ~~2022~~ **2023** (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, ~~2022~~ **2023** , 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 **(or be demed 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 **U. S.** corporate **income tax** 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 **(or be deemed 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 **(or deemed 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 **(or deemed 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 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 be more susceptible to rising interest rates and inflation, 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, 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. 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 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. 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. Some of our portfolio companies are highly leveraged. Our investments 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 increases 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. 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. We may incur greater risk with respect to investments we acquire through assignments or participations of interests. 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, ~~2022~~ **2023** , 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 ~~the Mergers Sales of shares of our common stock after the completion of the Mergers may cause the trading price of our common stock to decline. At the effective time of the Merger, or the Effective Time, each share of common stock, par value $ 0. 001 per share, of OSI 2, or the OSI 2 Common Stock, issued and outstanding immediately prior to the Effective Time (other than shares owned by us or any of our consolidated subsidiaries, or the Cancelled Shares), will be converted into the right to receive a number of shares of our common stock equal to the Exchange Ratio (as defined below), plus any cash (without interest) in lieu of fractional shares. For illustrative purposes, based on June 30, 2022 net asset values and excluding transaction costs and other tax- related distributions, we would issue approximately 2. 71 shares of our common stock for each share of OSI 2 Common Stock outstanding, resulting in pro forma ownership of 79. 5 % for our current stockholders and 20. 5 % for current OSI 2 stockholders. Former OSI 2 stockholders may be required to or decide to sell the shares of our common stock that they receive pursuant to the Merger Agreement, particularly because they have not previously held liquid securities. In addition, our stockholders may decide not to hold their shares of our common stock after completion of the Mergers. In each case, such sales of our common stock could have the effect of depressing the trading price for our common stock and may take place promptly following the completion of the Mergers. If this occurs, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so. Most of our stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Mergers. Our stockholders will experience a reduction in their percentage ownership interests and effective voting power in respect of the combined company relative to their percentage ownership interests in us prior to the Mergers unless they hold a comparable or greater percentage ownership in OSI 2 as they do in us prior to the Mergers. Consequently, our stockholders should generally expect to exercise less influence over the management and policies of the combined company following the Mergers than they currently exercise over our management and policies. In addition, prior to completion of the Mergers, subject to certain restrictions in the Merger Agreement, we and OSI 2 may issue additional shares of our common stock and OSI 2~~

~~Common Stock, respectively, which would further reduce the percentage ownership of the combined company to be held by our current stockholders. We may be unable to realize the benefits anticipated by the Mergers, including estimated cost savings, or it may take longer than anticipated to achieve such benefits. The realization of certain benefits anticipated as a result of the Mergers will depend in part on the integration of OSI 2' s investment portfolio with our investment portfolio and the integration of OSI 2' s business with our business. There can be no assurance that OSI 2' s investment portfolio or business can be operated profitably going forward or integrated successfully into our operations in a timely fashion or at all. The dedication of management resources to such integration may detract attention from the day- to- day business of the combined company and there can be no assurance that there will not be substantial costs associated with the transition process or there will not be other material adverse effects as a result of these integration efforts. Such effects, including incurring unexpected costs or delays in connection with such integration and failure of OSI 2' s investment portfolio to perform as expected, could have a material adverse effect on the financial results of the combined company. We also expect to achieve certain synergies and cost savings from the Mergers when the two companies have fully integrated their portfolios. It is possible that the estimates of these synergies and potential cost savings could ultimately be incorrect. The cost savings estimates also assume we will be able to combine our operations and OSI 2' s operations in a manner that permits those cost savings to be fully realized. If the estimates turn out to be incorrect or if we are not able to successfully combine the OSI 2 investment portfolio or business with our operations, the anticipated synergies and cost savings may not be fully realized or realized at all or may take longer to realize than expected. If the Mergers do not close, we will not benefit from the expenses incurred in pursuit of the Mergers. If the Mergers do not close, we will have incurred substantial expenses for which no ultimate benefit will have been received. We have incurred out- of- pocket expenses in connection with the Mergers for investment banking, legal and accounting fees and financial printing and other related charges, much of which will be incurred even if the Mergers are not completed. The termination of the Merger Agreement could negatively impact us. If the Merger Agreement is terminated, there may be various consequences, including: • our business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Mergers, without realizing any of the anticipated benefits of completing the Mergers; and • the market price of our common stock might decline to the extent that the market price prior to termination reflects a market assumption that the Mergers will be completed. The Merger Agreement limits our ability to pursue alternatives to the Mergers. The Merger Agreement contains provisions that limit our ability to discuss, facilitate or commit to competing third party proposals to acquire all or a significant part of us. These provisions, which are typical for transactions of this type, include a termination fee of $ 37. 9 million payable by third parties to OSI 2 under certain circumstances, might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of us from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the Mergers or might result in a potential competing acquirer proposing to pay a lower per share price to acquire us than it might otherwise have proposed to pay. The Mergers are subject to closing conditions, including stockholder approvals, that, if not satisfied or (to the extent legally allowed) waived, will result in the Mergers not being completed, which may result in material adverse consequences to our business and operations. The Mergers are subject to closing conditions, including certain approvals of our and OSI 2' s respective stockholders that, if not satisfied, will prevent the Mergers from being completed. The closing condition that OSI 2' s stockholders adopt the Merger Agreement and approve the Mergers may not be waived under applicable law and must be satisfied for the Mergers to be completed. If OSI 2 stockholders do not adopt the Merger Agreement and approve the Mergers and the Mergers are not completed, the resulting failure of the Mergers could have a material adverse impact on our business and operations. In addition, the closing condition that our stockholders approve the issuance of shares of our common stock pursuant to the Merger Agreement may not be waived and must be satisfied for the Mergers to be completed. If our stockholders do not approve the issuance of shares of our common stock pursuant to the Merger Agreement and the Mergers are not completed, the resulting failure of the Mergers could have a material adverse impact on our business and operations. In addition to the required approvals of our and OSI 2' s stockholders, the Mergers are subject to a number of other conditions beyond our control that may prevent, delay or otherwise materially adversely affect completion of the Mergers. We cannot predict whether and when these other conditions will be satisfied. We may, to the extent legally allowed, waive one or more conditions to the Mergers without resoliciting stockholder approval. Certain conditions to our obligations to complete the Mergers may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by agreement with OSI 2. In the event that any such waiver does not require resolicitation of stockholders, we will have the discretion to complete the Mergers without seeking further stockholder approval. The conditions requiring the approval of our and OSI 2' s stockholders, however, cannot be waived. We will be subject to operational uncertainties and contractual restrictions while the Mergers are pending. Uncertainty about the effect of the Mergers may have an adverse effect on us and, consequently, on the combined company following completion of the Mergers. These uncertainties may cause those that deal with us to seek to change their existing business relationships with us. In addition, the Merger Agreement restricts us from taking actions that we might otherwise consider to be in our best interests. These restrictions may prevent us from pursuing certain business opportunities that may arise prior to the completion of the Mergers. The market price of our common stock after the Mergers may be affected by factors different from those affecting our common stock currently. Our business and OSI 2' s business differ in some respects and, accordingly, the results of operations of the combined company and the market price of our common stock after the Mergers may be affected by factors different from those currently affecting the independent results of operations and trading price of each of us and OSI 2, such as a larger stockholder base, a different portfolio composition and a different capital structure. Accordingly, our historical trading prices and financial results may not be indicative of these matters for the combined company following the Mergers. Risks Relating to~~ Our Common Stock 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 traded both above and 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 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. 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 stockholder approval, within one year prior, of any such sales of common stock. On March ~~4~~ **17** , ~~2022~~ **2023** , our stockholders approved a proposal to authorize us, with the approval of our Board of Directors, to sell or otherwise issue shares of our common stock at a price below its then current net asset value per share, provided that the number of shares issued does not exceed 25 % of our then outstanding common stock. Such authorization will expire on March ~~3~~ **16** , ~~2023~~ **2024** , but we expect to seek similar authorizations from our stockholders in the future. Any decision to sell common stock at a price below its then current net asset value will be subject to the determination by the Board of Directors that such issuance is in our and our stockholders' best interests. If we were to sell shares of our common stock below net asset value per share, such sales would result in an immediate dilution to the net asset value per share. This dilution would occur as a result of the sale of shares at a price below the then current net asset value per share of our common stock and a proportionately greater decrease in a stockholder' s interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. The greater the difference between the sales price and the net asset value per share at the time of the offering, the more significant the dilutive impact would be. 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, if any, cannot be currently predicted. However, if, for example, we sold an additional 10 % of our common stock at a 5 % discount from net asset value, an existing stockholder who did not participate in that offering for its proportionate interest would suffer net asset value dilution of up to 0. 5 % or $ 5 per $ 1, 000 of net asset value. Another 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 PriceNet Asset Value Per SharePrior To ExerciseNet Asset Value Per ShareAfter Exercise10 % 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 and the 2029** 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, ~~2022~~ **2023** , we had $ ~~700~~ **710** 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, ~~2022~~ **2023** , our subsidiaries had $ ~~160~~ **280. 0** million of outstanding borrowings under the **OSI2** 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 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, 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. 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. In addition, the fiscal policy of large foreign nations, 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 global 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. 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. 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 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 whether as a result of the Mergers or otherwise. 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.