

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2020

OR

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

COMMISSION FILE NUMBER: 1-33901

**Oaktree Specialty Lending Corporation**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

**DELAWARE**  
(State or jurisdiction of incorporation or organization)

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

**26-1219283**  
(I.R.S. Employer Identification No.)

**90071**  
(Zip Code)

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

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

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

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

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

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

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

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

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

The registrant had 140,960,651 shares of common stock outstanding as of August 6, 2020.

OAKTREE SPECIALTY LENDING CORPORATION  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2020

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PART I — FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

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

	June 30, 2020 (unaudited)	September 30, 2019
<b>ASSETS</b>		
<b>Investments at fair value:</b>		
Control investments (cost June 30, 2020: \$255,481; cost September 30, 2019: \$224,255)	\$ 200,799	\$ 209,178
Affiliate investments (cost June 30, 2020: \$8,367; cost September 30, 2019: \$8,449)	7,249	9,170
Non-control/Non-affiliate investments (cost June 30, 2020: \$1,432,729; cost September 30, 2019: \$1,280,310)	1,353,105	1,219,694
<b>Total investments at fair value (cost June 30, 2020: \$1,696,577; cost September 30, 2019: \$1,513,014)</b>	<b>1,561,153</b>	<b>1,438,042</b>
Cash and cash equivalents	50,728	15,406
Interest, dividends and fees receivable	8,768	11,167
Due from portfolio companies	2,719	2,616
Receivables from unsettled transactions	14,106	4,586
Deferred financing costs	6,383	6,396
Deferred offering costs	67	—
Deferred tax asset, net	766	—
Derivative assets at fair value	870	490
Other assets	2,007	2,335
<b>Total assets</b>	<b>\$ 1,647,567</b>	<b>\$ 1,481,038</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable, accrued expenses and other liabilities	\$ 903	\$ 1,589
Base management fee and incentive fee payable	12,989	10,167
Due to affiliate	2,213	2,689
Interest payable	4,225	2,296
Payables from unsettled transactions	7,172	59,596
Deferred tax liability	—	704
Credit facility payable	466,825	314,825
Unsecured notes payable (net of \$3,457 and \$2,708 of unamortized financing costs as of June 30, 2020 and September 30, 2019, respectively)	294,177	158,542
<b>Total liabilities</b>	<b>788,504</b>	<b>550,408</b>
<b>Commitments and contingencies (Note 14)</b>		
<b>Net assets:</b>		
Common stock, \$0.01 par value per share, 250,000 shares authorized; 140,961 shares issued and outstanding as of June 30, 2020 and September 30, 2019	1,409	1,409
Additional paid-in-capital	1,487,774	1,487,774
Accumulated overdistributed earnings	(630,120)	(558,553)
<b>Total net assets (equivalent to \$6.09 and \$6.60 per common share as of June 30, 2020 and September 30, 2019, respectively) (Note 12)</b>	<b>859,063</b>	<b>930,630</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,647,567</b>	<b>\$ 1,481,038</b>

See notes to Consolidated Financial Statements.

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

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Interest income:</b>				
Control investments	\$ 2,558	\$ 2,859	\$ 7,502	\$ 9,050
Affiliate investments	127	70	379	105
Non-control/Non-affiliate investments	27,406	29,850	80,214	93,248
Interest on cash and cash equivalents	21	131	320	605
<b>Total interest income</b>	<b>30,112</b>	<b>32,910</b>	<b>88,415</b>	<b>103,008</b>
<b>PIK interest income:</b>				
Control investments	—	—	—	67
Non-control/Non-affiliate investments	2,183	1,198	5,290	4,243
<b>Total PIK interest income</b>	<b>2,183</b>	<b>1,198</b>	<b>5,290</b>	<b>4,310</b>
<b>Fee income:</b>				
Control investments	13	6	27	19
Affiliate investments	5	5	15	14
Non-control/Non-affiliate investments	1,809	1,815	4,906	4,127
<b>Total fee income</b>	<b>1,827</b>	<b>1,826</b>	<b>4,948</b>	<b>4,160</b>
<b>Dividend income:</b>				
Control investments	281	735	881	1,711
<b>Total dividend income</b>	<b>281</b>	<b>735</b>	<b>881</b>	<b>1,711</b>
<b>Total investment income</b>	<b>34,403</b>	<b>36,669</b>	<b>99,534</b>	<b>113,189</b>
<b>Expenses:</b>				
Base management fee	5,988	5,548	16,890	16,847
Part I incentive fee	3,556	3,787	9,988	11,328
Part II incentive fee	—	607	(5,557)	10,597
Professional fees	545	721	1,854	2,186
Directors fees	143	143	428	428
Interest expense	6,406	7,592	20,156	25,466
Administrator expense	373	384	1,194	1,553
General and administrative expenses	622	645	1,934	1,981
<b>Total expenses</b>	<b>17,633</b>	<b>19,427</b>	<b>46,887</b>	<b>70,386</b>
Reversal of fees waived / (fees waived)	—	634	5,200	(8,831)
<b>Net expenses</b>	<b>17,633</b>	<b>20,061</b>	<b>52,087</b>	<b>61,555</b>
<b>Net investment income</b>	<b>16,770</b>	<b>16,608</b>	<b>47,447</b>	<b>51,634</b>
<b>Unrealized appreciation (depreciation):</b>				
Control investments	13,790	3,419	(39,605)	1,467
Affiliate investments	(45)	—	(1,839)	(181)
Non-control/Non-affiliate investments	87,225	20,744	(19,018)	37,068
Secured borrowings	—	—	—	(95)
Foreign currency forward contracts	(398)	(768)	380	(367)
<b>Net unrealized appreciation (depreciation)</b>	<b>100,572</b>	<b>23,395</b>	<b>(60,082)</b>	<b>37,892</b>
<b>Realized gains (losses):</b>				
Control investments	—	—	777	—
Non-control/Non-affiliate investments	2,821	(21,112)	(18,117)	21,548
Extinguishment of unsecured notes payable	—	—	(2,541)	—
Foreign currency forward contracts	—	1,268	(490)	1,783
<b>Net realized gains (losses)</b>	<b>2,821</b>	<b>(19,844)</b>	<b>(20,371)</b>	<b>23,331</b>
<b>Provision for income tax (expense) benefit</b>	<b>68</b>	<b>(173)</b>	<b>1,613</b>	<b>(668)</b>
<b>Net realized and unrealized gains (losses), net of taxes</b>	<b>103,461</b>	<b>3,378</b>	<b>(78,840)</b>	<b>60,555</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 120,231</b>	<b>\$ 19,986</b>	<b>\$ (31,393)</b>	<b>\$ 112,189</b>
<b>Net investment income per common share — basic and diluted</b>	<b>\$ 0.12</b>	<b>\$ 0.12</b>	<b>\$ 0.34</b>	<b>\$ 0.37</b>
<b>Earnings (loss) per common share — basic and diluted (Note 5)</b>	<b>\$ 0.85</b>	<b>\$ 0.14</b>	<b>\$ (0.22)</b>	<b>\$ 0.80</b>
Weighted average common shares outstanding — basic and diluted	140,961	140,961	140,961	140,961

See notes to Consolidated Financial Statements.

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

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Operations:</b>				
Net investment income	\$ 16,770	\$ 16,608	\$ 47,447	\$ 51,634
Net unrealized appreciation (depreciation)	100,572	23,395	(60,082)	37,892
Net realized gains (losses)	2,821	(19,844)	(20,371)	23,331
Provision for income tax (expense) benefit	68	(173)	1,613	(668)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>120,231</b>	<b>19,986</b>	<b>(31,393)</b>	<b>112,189</b>
<b>Stockholder transactions:</b>				
Distributions to stockholders	(13,392)	(13,392)	(40,174)	(40,174)
<b>Net increase (decrease) in net assets from stockholder transactions</b>	<b>(13,392)</b>	<b>(13,392)</b>	<b>(40,174)</b>	<b>(40,174)</b>
<b>Capital share transactions:</b>				
Issuance of common stock under dividend reinvestment plan	390	332	1,377	1,028
Repurchases of common stock under dividend reinvestment plan	(390)	(332)	(1,377)	(1,028)
<b>Net increase (decrease) in net assets from capital share transactions</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total increase (decrease) in net assets</b>	<b>106,839</b>	<b>6,594</b>	<b>(71,567)</b>	<b>72,015</b>
Net assets at beginning of period	752,224	923,456	930,630	858,035
<b>Net assets at end of period</b>	<b>\$ 859,063</b>	<b>\$ 930,050</b>	<b>\$ 859,063</b>	<b>\$ 930,050</b>
<b>Net asset value per common share</b>	<b>\$ 6.09</b>	<b>\$ 6.60</b>	<b>\$ 6.09</b>	<b>\$ 6.60</b>
Common shares outstanding at end of period	140,961	140,961	140,961	140,961

See notes to Consolidated Financial Statements.

**Oaktree Specialty Lending Corporation**  
**Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	Nine months ended June 30, 2020	Nine months ended June 30, 2019
<b>Operating activities:</b>		
Net increase (decrease) in net assets resulting from operations	\$ (31,393)	\$ 112,189
<b>Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:</b>		
Net unrealized (appreciation) depreciation	60,082	(37,892)
Net realized (gains) losses	20,371	(23,331)
PIK interest income	(5,290)	(4,310)
Accretion of original issue discount on investments	(8,378)	(15,942)
Accretion of original issue discount on unsecured notes payable	175	107
Amortization of deferred financing costs	1,565	2,008
Deferred taxes	(1,470)	297
Purchases of investments	(576,866)	(351,666)
Proceeds from the sales and repayments of investments	388,338	467,307
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in interest, dividends and fees receivable	3,267	(622)
(Increase) decrease in due from portfolio companies	(103)	(493)
(Increase) decrease in receivables from unsettled transactions	(9,520)	26,756
(Increase) decrease in other assets	328	429
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(686)	(2,503)
Increase (decrease) in base management fee and incentive fee payable	2,822	1,764
Increase (decrease) in due to affiliate	(476)	157
Increase (decrease) in interest payable	1,929	(1,098)
Increase (decrease) in payables from unsettled transactions	(52,424)	(37,236)
Increase (decrease) in amounts payable to syndication partners	—	(109)
<b>Net cash provided by (used in) operating activities</b>	<b>(207,729)</b>	<b>135,812</b>
<b>Financing activities:</b>		
Distributions paid in cash	(38,797)	(39,146)
Borrowings under credit facilities	286,000	241,825
Repayments of borrowings under credit facilities	(134,000)	(113,000)
Repayments of unsecured notes	(161,250)	(228,825)
Issuance of unsecured notes	297,459	—
Repayments of secured borrowings	—	(812)
Repurchases of common stock under dividend reinvestment plan	(1,377)	(1,028)
Deferred financing costs paid	(4,835)	(2,883)
Deferred offering costs paid	(67)	—
<b>Net cash provided by (used in) financing activities</b>	<b>243,133</b>	<b>(143,869)</b>
Effect of exchange rate changes on foreign currency	(82)	205
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>35,322</b>	<b>(7,852)</b>
Cash and cash equivalents and restricted cash, beginning of period	15,406	13,489
<b>Cash and cash equivalents and restricted cash, end of period</b>	<b>\$ 50,728</b>	<b>\$ 5,637</b>
<b>Supplemental information:</b>		
Cash paid for interest	\$ 16,487	\$ 24,557
Non-cash financing activities:		
Issuance of shares of common stock under dividend reinvestment plan	\$ 1,377	\$ 1,028

See notes to Consolidated Financial Statements.

**Oaktree Specialty Lending Corporation**  
**Consolidated Schedule of Investments**  
**June 30, 2020**  
**(dollar amounts in thousands)**  
**(unaudited)**

<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Control Investments</b>						(8)(9)
<b>C5 Technology Holdings, LLC</b>		Data Processing & Outsourced Services				
829 Common Units				\$ —	\$ —	(20)
34,984,460.37 Preferred Units				34,984	27,638	(20)
				<b>34,984</b>	<b>27,638</b>	
<b>Dominion Diagnostics, LLC</b>		Health Care Services				
First Lien Term Loan, LIBOR+5.00% cash due 2/28/2024	6.00 %		\$ 27,730	27,730	27,730	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 2/28/2024	6.00 %		5,260	5,260	5,260	(6)(19)(20)
30,030.8 Common Units in DD Healthcare Services Holdings, LLC				18,626	7,667	(20)
				<b>51,616</b>	<b>40,657</b>	
<b>First Star Speir Aviation Limited</b>		Airlines				(10)
First Lien Term Loan, 9.00% cash due 12/15/2020			11,510	2,059	11,510	(11)(20)
100% equity interest				8,500	3,165	(11)(12)(20)
				<b>10,559</b>	<b>14,675</b>	
<b>New IPT, Inc.</b>		Oil & Gas Equipment & Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %		2,454	2,454	2,454	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	6.00 %		1,009	1,009	1,009	(6)(19)(20)
50.087 Class A Common Units in New IPT Holdings, LLC				—	1,173	(20)
				<b>3,463</b>	<b>4,636</b>	
<b>Senior Loan Fund JV I, LLC</b>		Multi-Sector Holdings				(14)
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	8.02 %		96,250	96,250	96,250	(6)(11)(20)
87.5% LLC equity interest				49,322	13,796	(11)(16)(19)
				<b>145,572</b>	<b>110,046</b>	
<b>ThruLine Marketing, Inc.</b>		Advertising				
9,073 Class A Units in FS AVI Holdco, LLC				9,287	3,147	(20)
				<b>9,287</b>	<b>3,147</b>	
<b>Total Control Investments (23.4% of net assets)</b>				<b>\$ 255,481</b>	<b>\$ 200,799</b>	
<b>Affiliate Investments</b>						(17)
<b>Assembled Brands Capital LLC</b>		Specialized Finance				
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	7.00 %		\$ 5,504	\$ 5,504	\$ 4,344	(6)(19)(20)
1,609,201 Class A Units				764	1,094	(20)
1,019,168.80 Preferred Units, 6%				1,019	1,070	(20)
70,424.5641 Class A Warrants (exercise price \$3.3778) expiration date 9/9/2029				—	—	(20)
				<b>7,287</b>	<b>6,508</b>	
<b>Caregiver Services, Inc.</b>		Health Care Services				
1,080,399 shares of Series A Preferred Stock, 10%				1,080	741	(20)
				<b>1,080</b>	<b>741</b>	
<b>Total Affiliate Investments (0.8% of net assets)</b>				<b>\$ 8,367</b>	<b>\$ 7,249</b>	
<b>Non-Control/Non-Affiliate Investments</b>						(18)
<b>4 Over International, LLC</b>		Commercial Printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.00 %		\$ 5,707	\$ 5,682	\$ 5,387	(6)(20)
First Lien Revolver, LIBOR+6.00% cash due 6/7/2021	7.00 %		2,232	2,214	2,107	(6)(20)
				<b>7,896</b>	<b>7,494</b>	
<b>99 Cents Only Stores LLC</b>		General Merchandise Stores				
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	5.30 %		19,332	19,079	16,408	(6)
				<b>19,079</b>	<b>16,408</b>	

**Oaktree Specialty Lending Corporation**  
**Consolidated Schedule of Investments**  
**June 30, 2020**  
**(dollar amounts in thousands)**  
**(unaudited)**

<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>A.T. Holdings II SARL</b>						
		Biotechnology				
First Lien Term Loan, 12.00% cash due 4/27/2023			\$ 22,619	\$ 22,619	\$ 24,881	(11)(20)
First Lien Delayed Draw Term Loan, 12.00% cash due 4/27/2023			—	—	1,131	(11)(19)(20)
				<b>22,619</b>	<b>26,012</b>	
<b>Access CIG, LLC</b>						
		Diversified Support Services				
Second Lien Term Loan, LIBOR+7.75% cash due 2/27/2026	7.92 %		15,000	14,904	13,075	(6)
				<b>14,904</b>	<b>13,075</b>	
<b>Accupac, Inc.</b>						
		Personal Products				
First Lien Term Loan, LIBOR+6.00% cash due 1/17/2026	7.00 %		12,518	12,316	12,312	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 1/17/2026			—	(38)	(39)	(6)(19)(20)
First Lien Revolver, LIBOR+6.00% cash due 1/17/2026	7.00 %		1,564	1,539	1,538	(6)(20)
				<b>13,817</b>	<b>13,811</b>	
<b>Acquia Inc.</b>						
		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 10/31/2025	8.00 %		20,950	20,577	20,216	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 10/31/2025			—	(41)	(78)	(6)(19)(20)
				<b>20,536</b>	<b>20,138</b>	
<b>Aden &amp; Anais Merger Sub, Inc.</b>						
		Apparel, Accessories & Luxury Goods				
51,645 Common Units in Aden & Anais Holdings, Inc.				5,165	—	(20)
				<b>5,165</b>	<b>—</b>	
<b>AdVenture Interactive, Corp.</b>						
		Advertising				
9,073 shares of common stock				13,611	13,245	(20)
				<b>13,611</b>	<b>13,245</b>	
<b>AI Ladder (Luxembourg) Subco S.a.r.l.</b>						
		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.68 %		21,468	21,003	19,590	(6)(11)
				<b>21,003</b>	<b>19,590</b>	
<b>AI Sirona (Luxembourg) Acquisition S.a.r.l.</b>						
		Pharmaceuticals				
Second Lien Term Loan, EURIBOR+7.25% cash due 9/28/2026	7.25 %		€ 24,838	27,654	26,223	(6)(11)(20)
				<b>27,654</b>	<b>26,223</b>	
<b>Airbnb, Inc.</b>						
		Hotels, Resorts & Cruise Lines				
First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50 %		\$ 15,782	15,396	16,492	(6)
				<b>15,396</b>	<b>16,492</b>	
<b>AirStrip Technologies, Inc.</b>						
		Application Software				
5,715 Common Stock Warrants (exercise price \$139.99) expiration date 5/11/2025				90	—	(20)
				<b>90</b>	<b>—</b>	
<b>Aldevron, L.L.C.</b>						
		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 10/12/2026	5.25 %		7,980	7,900	7,890	(6)
				<b>7,900</b>	<b>7,890</b>	
<b>Algeco Scotsman Global Finance Plc</b>						
		Construction & Engineering				
Fixed Rate Bond, 8.00% cash due 2/15/2023			13,524	13,254	13,025	(11)
				<b>13,254</b>	<b>13,025</b>	
<b>Alvotech Holdings S.A.</b>						
		Biotechnology				
Fixed Rate Bond 15% PIK Note A due 12/13/2023			14,800	18,191	19,368	(11)(20)
Fixed Rate Bond 15% PIK Note B due 12/13/2023			14,800	18,191	18,425	(11)(20)
				<b>36,382</b>	<b>37,793</b>	
<b>Amplify Finco Pty Ltd.</b>						
		Movies & Entertainment				
First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75 %		998	907	873	(6)(11)(20)
Second Lien Term Loan, LIBOR+8.00% cash due 11/26/2027	8.75 %		12,500	12,188	10,188	(6)(11)(20)
				<b>13,095</b>	<b>11,061</b>	



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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Ancile Solutions, Inc.</b>						
		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.00 %		\$ 8,305	\$ 8,261	\$ 8,197	(6)(20)
				<b>8,261</b>	<b>8,197</b>	
<b>Apptio, Inc.</b>						
		Application Software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %		23,764	23,400	23,229	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(23)	(35)	(6)(19)(20)
				<b>23,377</b>	<b>23,194</b>	
<b>Ardonagh Midco 3 PLC</b>						
		Insurance Brokers				
Fixed Rate Bond, 11.50% cash due 1/15/2027			2,222	2,200	2,244	(11)
				<b>2,200</b>	<b>2,244</b>	
<b>Associated Asphalt Partners, LLC</b>						
		Construction Materials				
First Lien Term Loan, LIBOR+5.25% cash due 4/5/2024	6.25 %		2,561	2,127	1,883	(6)
				<b>2,127</b>	<b>1,883</b>	
<b>Asurion, LLC</b>						
		Property & Casualty Insurance				
Second Lien Term Loan, LIBOR+6.50% cash due 8/4/2025	6.68 %		21,274	21,235	21,221	(6)
				<b>21,235</b>	<b>21,221</b>	
<b>Athenex, Inc.</b>						
		Pharmaceuticals				
First Lien Term Loan, 11.00% cash due 6/19/2026			29,288	28,007	28,003	(11)(20)
First Lien Delayed Draw Term Loan, 11.00% cash due 6/19/2026			—	(508)	(508)	(11)(19)(20)
266,052 Common Stock Warrants (exercise price \$12.63) expiration date 6/19/2027				915	915	(11)(20)
				<b>28,414</b>	<b>28,410</b>	
<b>Aurora Lux Finco S.À.R.L.</b>						
		Airport Services				
First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %		22,943	22,412	21,359	(6)(11)(20)
				<b>22,412</b>	<b>21,359</b>	
<b>Blackhawk Network Holdings, Inc.</b>						
		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	7.25 %		26,250	26,040	24,117	(6)
				<b>26,040</b>	<b>24,117</b>	
<b>Boxer Parent Company Inc.</b>						
		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.43 %		13,810	13,699	13,119	(6)
				<b>13,699</b>	<b>13,119</b>	
<b>BX Commercial Mortgage Trust 2020-VIVA</b>						
		Diversified Real Estate Activities				
Class D Variable Notes due 3/9/2044	3.67 %		12,556	10,471	11,239	(6)(11)(20)
Class E Variable Notes due 3/9/2044	3.67 %		6,221	4,798	5,299	(6)(11)(20)
				<b>15,269</b>	<b>16,538</b>	
<b>California Pizza Kitchen, Inc.</b>						
		Restaurants				
First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022			3,106	3,081	910	(6)(21)
				<b>3,081</b>	<b>910</b>	
<b>Chief Power Finance II, LLC</b>						
		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	7.50 %		22,138	21,700	20,880	(6)(20)
				<b>21,700</b>	<b>20,880</b>	
<b>CITGO Holding, Inc.</b>						
		Oil & Gas Refining & Marketing				
Fixed Rate Bond, 9.25% cash due 8/1/2024			10,672	10,672	10,645	
First Lien Term Loan, LIBOR+7.00% cash due 8/1/2023	8.00 %		9,925	9,810	9,501	(6)
				<b>20,482</b>	<b>20,146</b>	

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<b>CITGO Petroleum Corp.</b>						
		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00 %		\$ 9,002	\$ 8,912	\$ 8,665	(6)
				<b>8,912</b>	<b>8,665</b>	
<b>Connect U.S. Finco LLC</b>						
		Alternative Carriers				
First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50 %		27,961	27,277	26,406	(6)(11)
				<b>27,277</b>	<b>26,406</b>	
<b>Continental Intermodal Group LP</b>						
		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+8.50% PIK due 1/28/2025			31,599	31,599	27,687	(6)(20)
				<b>31,599</b>	<b>27,687</b>	
<b>Convergeone Holdings, Inc.</b>						
		IT Consulting & Other Services				
First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	5.18 %		14,658	14,183	12,470	(6)
				<b>14,183</b>	<b>12,470</b>	
<b>Conviva Inc.</b>						
		Application Software				
417,851 Series D Preferred Stock Warrants (exercise price \$1.1966) expiration date 2/28/2021				105	395	(20)
				<b>105</b>	<b>395</b>	
<b>Corrona, LLC</b>						
		Health Care Services				
First Lien Term Loan, LIBOR+5.50% cash due 12/13/2025	6.50 %		10,326	10,161	10,145	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 12/13/2025			—	(32)	(64)	(6)(19)(20)
First Lien Revolver, PRIME+4.50% cash due 12/13/2025	7.75 %		305	276	273	(6)(19)(20)
1,099 Class A2 Common Units in Corrona Group Holdings, L.P.				1,038	1,038	(20)
				<b>11,443</b>	<b>11,392</b>	
<b>Coyote Buyer, LLC</b>						
		Specialty Chemicals				
First Lien Term Loan, LIBOR+6.00% cash due 2/6/2026	7.00 %		13,156	13,024	13,024	(6)(20)
First Lien Revolver, LIBOR+6.00% cash due 2/6/2025	7.35 %		565	556	556	(6)(19)(20)
				<b>13,580</b>	<b>13,580</b>	
<b>Crown Point CLO 7 Ltd.</b>						
		Multi-Sector Holdings				
Class E Notes, LIBOR+6.30% cash due 10/20/2031	7.44 %		2,745	1,977	2,127	(6)(11)
				<b>1,977</b>	<b>2,127</b>	
<b>CTOS, LLC</b>						
		Trading Companies & Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 4/18/2025	4.44 %		10,164	10,259	10,012	(6)
				<b>10,259</b>	<b>10,012</b>	
<b>Dealer Tire, LLC</b>						
		Distributors				
First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.43 %		4,276	3,732	4,097	(6)
				<b>3,732</b>	<b>4,097</b>	
<b>The Dun &amp; Bradstreet Corporation</b>						
		Research & Consulting Services				
First Lien Term Loan, LIBOR+4.00% cash due 2/6/2026	4.18 %		6,286	6,184	6,140	(6)
				<b>6,184</b>	<b>6,140</b>	
<b>Eagleview Technology Corporation</b>						
		Application Software				
Second Lien Term Loan, LIBOR+7.50% cash due 8/14/2026	8.57 %		12,000	11,880	10,440	(6)(20)
				<b>11,880</b>	<b>10,440</b>	
<b>EHR Canada, LLC</b>						
		Food Retail				
First Lien Term Loan, LIBOR+8.00% cash due 9/28/2020	9.00 %		6,861	6,845	6,930	(6)(20)
				<b>6,845</b>	<b>6,930</b>	
<b>Elevation CLO 2017-6, Ltd.</b>						
		Multi-Sector Holdings				
Class E Notes, LIBOR+6.60% cash due 7/15/2029	7.82 %		500	394	402	(6)(11)
				<b>394</b>	<b>402</b>	

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<b>Elevation CLO 2018-9, Ltd.</b>						
Class E Notes, LIBOR+6.30% cash due 7/15/2031	7.52 %	Multi-Sector Holdings	\$ 1,275	\$ 797	\$ 990	(6)(11)
				<u>797</u>	<u>990</u>	
<b>EOS Fitness Opco Holdings, LLC</b>						
487.5 Class A Preferred Units, 12%		Leisure Facilities		488	49	(20)
12,500 Class B Common Units				—	—	(20)
				<u>488</u>	<u>49</u>	
<b>ExamSoft Worldwide, Inc.</b>						
180,707 Class C Units in ExamSoft Investor LLC		Application Software		181	—	(20)
				<u>181</u>	<u>—</u>	
<b>Galaxy XXI CLO, Ltd.</b>						
Class ER Notes, LIBOR+5.25% cash due 4/20/2031	6.39 %	Multi-Sector Holdings	862	615	730	(6)(11)
				<u>615</u>	<u>730</u>	
<b>GI Chill Acquisition LLC</b>						
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	4.31 %	Managed Health Care	17,685	17,597	16,535	(6)(20)
Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	7.81 %		10,000	9,924	9,100	(6)(20)
				<u>27,521</u>	<u>25,635</u>	
<b>GKD Index Partners, LLC</b>						
First Lien Term Loan, LIBOR+7.00% cash due 6/29/2023	8.00 %	Specialized Finance	21,227	21,100	20,697	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 6/29/2023	8.00 %		924	915	893	(6)(19)(20)
				<u>22,015</u>	<u>21,590</u>	
<b>Global Medical Response</b>						
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	5.25 %	Health Care Services	6,272	6,162	6,018	(6)
				<u>6,162</u>	<u>6,018</u>	
<b>Guidehouse LLP</b>						
First Lien Term Loan, LIBOR+4.50% cash due 5/1/2025	4.68 %	Research & Consulting Services	4,962	4,917	4,826	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.18 %		20,000	19,927	18,300	(6)(20)
				<u>24,844</u>	<u>23,126</u>	
<b>Gulf Operating, LLC</b>						
First Lien Term Loan, LIBOR+5.25% cash due 8/25/2023	6.25 %	Oil & Gas Storage & Transportation	4,803	2,572	3,142	(6)
				<u>2,572</u>	<u>3,142</u>	
<b>Houghton Mifflin Harcourt Publishers Inc.</b>						
First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	7.25 %	Education Services	6,825	6,579	6,458	(6)(11)
				<u>6,579</u>	<u>6,458</u>	
<b>I Drive Safely, LLC</b>						
125,079 Class A Common Units of IDS Investments, LLC		Education Services		1,000	200	(20)
				<u>1,000</u>	<u>200</u>	
<b>IBG Borrower LLC</b>						
First Lien Term Loan, LIBOR+7.00% cash due 8/2/2022	7.31 %	Apparel, Accessories & Luxury Goods	12,909	12,119	11,166	(6)(20)
				<u>12,119</u>	<u>11,166</u>	
<b>iCIMS, Inc.</b>						
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	7.50 %	Application Software	16,718	16,478	16,564	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(16)	(8)	(6)(19)(20)
				<u>16,462</u>	<u>16,556</u>	
<b>Integral Development Corporation</b>						
1,078,284 Common Stock Warrants (exercise price \$0.9274) expiration date 7/10/2024		Other Diversified Financial Services		113	—	(20)
				<u>113</u>	<u>—</u>	

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<b>L Squared Capital Partners LLC</b>						
Multi-Sector Holdings						
2.00% limited partnership interest				\$ 860	\$ 1,980	(11)(16)
				<b>860</b>	<b>1,980</b>	
<b>Lanai Holdings III, Inc.</b>						
Health Care Distributors						
First Lien Term Loan, LIBOR+4.75% cash due 8/29/2022	5.75 %		\$ 12,982	12,825	11,668	(6)
				<b>12,825</b>	<b>11,668</b>	
<b>Lannett Company, Inc.</b>						
Pharmaceuticals						
First Lien Term Loan, LIBOR+5.00% cash due 11/25/2020	6.00 %		535	536	525	(6)(11)
				<b>536</b>	<b>525</b>	
<b>Lift Brands Holdings, Inc.</b>						
Leisure Facilities						
2,000,000 Class A Common Units in Snap Investments, LLC				1,399	—	(20)
				<b>1,399</b>	<b>—</b>	
<b>Lightbox Intermediate, L.P.</b>						
Real Estate Services						
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	5.18 %		39,600	39,100	36,630	(6)(20)
				<b>39,100</b>	<b>36,630</b>	
<b>LTI Holdings, Inc.</b>						
Electronic Components						
First Lien Term Loan, LIBOR+4.75% cash due 7/24/2026	4.93 %		1,799	1,505	1,547	(6)
First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	3.68 %		18,128	14,972	15,503	(6)
Second Lien Term Loan, LIBOR+6.75% cash due 9/6/2026	6.93 %		9,000	9,000	6,381	(6)
				<b>25,477</b>	<b>23,431</b>	
<b>Maravai Intermediate Holdings, LLC</b>						
Biotechnology						
First Lien Term Loan, LIBOR+4.25% cash due 8/1/2025	5.25 %		11,790	11,672	11,702	(6)(20)
				<b>11,672</b>	<b>11,702</b>	
<b>Mauser Packaging Solutions Holding Company</b>						
Metal & Glass Containers						
Fixed Rate Bond, 8.50% cash due 4/15/2024			11,378	11,268	11,961	
				<b>11,268</b>	<b>11,961</b>	
<b>Mayfield Agency Borrower Inc.</b>						
Property & Casualty Insurance						
First Lien Term Loan, LIBOR+4.50% cash due 2/28/2025	4.68 %		28,896	28,073	25,357	(6)
				<b>28,073</b>	<b>25,357</b>	
<b>McAfee, LLC</b>						
Systems Software						
Second Lien Term Loan, LIBOR+8.50% cash due 9/29/2025	9.50 %		7,000	7,030	7,007	(6)
				<b>7,030</b>	<b>7,007</b>	
<b>MHE Intermediate Holdings, LLC</b>						
Diversified Support Services						
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.07 %		2,917	2,894	2,839	(6)(20)
				<b>2,894</b>	<b>2,839</b>	
<b>Mindbody, Inc.</b>						
Internet Services & Infrastructure						
First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00 %		28,986	28,540	26,783	(6)(20)
First Lien Revolver, LIBOR+8.00% cash due 2/14/2025	9.07 %		3,048	3,001	2,816	(6)(20)
				<b>31,541</b>	<b>29,599</b>	
<b>Ministry Brands, LLC</b>						
Application Software						
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	6.00 %		575	566	568	(6)(19)(20)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25 %		7,056	7,009	7,004	(6)(20)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 6/2/2023	10.25 %		1,944	1,919	1,929	(6)(20)
				<b>9,494</b>	<b>9,501</b>	

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<b>Mountain View CLO XIV Ltd.</b>						
Class E Notes, LIBOR+6.71% cash due 4/15/2029	7.93 %	Multi-Sector Holdings	\$ 593	\$ 368	\$ 521	(6)(11)
				<b>368</b>	<b>521</b>	
<b>MRI Software LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.57 %		13,944	13,816	13,421	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026			—	(6)	(39)	(6)(19)(20)
First Lien Revolver, LIBOR+5.50% cash due 2/10/2026			—	(13)	(48)	(6)(19)(20)
				<b>13,797</b>	<b>13,334</b>	
<b>NuStar Logistics, L.P.</b>						
		Oil & Gas Refining & Marketing				
Unsecured Delayed Draw Term Loan, 12.00% cash due 4/19/2023			35,821	33,560	40,523	(19)(20)
				<b>33,560</b>	<b>40,523</b>	
<b>Olaplex, Inc.</b>						
		Personal Products				
First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50 %		35,278	34,629	33,867	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50 %		3,834	3,765	3,681	(6)(20)
				<b>38,394</b>	<b>37,548</b>	
<b>OmniSYS Acquisition Corporation</b>						
		Diversified Support Services				
100,000 Common Units in OSYS Holdings, LLC				1,000	641	(20)
				<b>1,000</b>	<b>641</b>	
<b>Onvoy, LLC</b>						
		Integrated Telecommunication Services				
Second Lien Term Loan, LIBOR+10.50% cash due 2/10/2025	11.50 %		16,750	16,750	14,915	(6)(20)
19,666.67 Class A Units in GTCR Onvoy Holdings, LLC				1,967	—	(20)
13,664.73 Series 3 Class B Units in GTCR Onvoy Holdings, LLC				—	—	(20)
				<b>18,717</b>	<b>14,915</b>	
<b>OZLM Funding III, Ltd.</b>						
		Multi-Sector Holdings				
Class DR Notes, LIBOR+7.77% cash due 1/22/2029	8.87 %		2,312	1,647	1,931	(6)(11)
				<b>1,647</b>	<b>1,931</b>	
<b>PaySimple, Inc.</b>						
		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	5.69 %		37,467	36,820	33,720	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/23/2025	5.69 %		11,431	11,209	10,211	(6)(19)(20)
				<b>48,029</b>	<b>43,931</b>	
<b>Pingora MSR Opportunity Fund I-A, LP</b>						
		Thriffs & Mortgage Finance				
1.86% limited partnership interest				938	370	(11)(16)(19)
				<b>938</b>	<b>370</b>	
<b>PLATO Learning Inc.</b>						
		Education Services				
Unsecured Senior PIK Note, 8.50% PIK due 12/9/2021			3,033	2,434	—	(15)(20)
Unsecured Junior PIK Note, 10.00% PIK due 12/9/2021			14,636	10,227	—	(15)(20)
Unsecured Revolver, 5.00% cash due 12/9/2021			2,901	2,631	580	(20)(21)
126,127.80 Class A Common Units of Edmentum				126	—	(20)
				<b>15,418</b>	<b>580</b>	
<b>ProFrac Services, LLC</b>						
		Industrial Machinery				
First Lien Term Loan, LIBOR+7.50% cash due 9/15/2023	8.75 %		15,444	15,344	11,969	(20)
				<b>15,344</b>	<b>11,969</b>	

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<b>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</b>	<b>Cash Interest Rate (6)</b>	<b>Industry</b>	<b>Principal (7)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Notes</b>
<b>Project Boost Purchaser, LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+3.50% cash due 6/1/2026	3.68 %		\$ 6,948	\$ 6,878	\$ 6,646	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	8.18 %		3,750	3,750	3,131	(6)(20)
				<b>10,628</b>	<b>9,777</b>	
<b>QuorumLabs, Inc.</b>						
		Application Software				
64,887,669 Junior-2 Preferred Stock				375	—	(20)
				<b>375</b>	<b>—</b>	
<b>Refac Optical Group</b>						
		Specialty Stores				
1,550.9435 Shares of Common Stock in Refac Holdings, Inc.				1	—	(20)
550.9435 Series A-2 Preferred Stock in Refac Holdings, Inc., 10%				305	—	(20)
1,000 Series A-1 Preferred Stock in Refac Holdings, Inc., 10%				999	—	(20)
				<b>1,305</b>	<b>—</b>	
<b>Salient CRGT, Inc.</b>						
		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.57 %		2,999	2,979	2,699	(6)(20)
				<b>2,979</b>	<b>2,699</b>	
<b>Scilex Pharmaceuticals Inc.</b>						
		Pharmaceuticals				
Fixed Rate Zero Coupon Bond due 8/15/2026			15,654	11,837	12,132	(20)
				<b>11,837</b>	<b>12,132</b>	
<b>Shackleton 2018-XII CLO, Ltd.</b>						
		Multi-Sector Holdings				
Class E Notes, LIBOR+5.90% cash due 7/20/2031	7.04 %		1,443	1,032	1,209	(6)(11)
				<b>1,032</b>	<b>1,209</b>	
<b>ShareThis, Inc.</b>						
		Application Software				
345,452 Series C Preferred Stock Warrants (exercise price \$3.0395) expiration date 3/4/2024				367	—	(20)
				<b>367</b>	<b>—</b>	
<b>Sorrento Therapeutics, Inc.</b>						
		Biotechnology				
37,500 Shares of Common Stock				165	236	(11)
697,246 Common Stock Warrants (exercise price \$3.28) expiration date 5/7/2029				776	3,263	(11)(20)
145,826 Common Stock Warrants (exercise price \$3.94) expiration date 11/3/2029				—	665	(11)(20)
500,000 Common Stock Warrants (exercise price \$3.26) expiration date 6/6/2030				—	2,405	(11)(20)
				<b>941</b>	<b>6,569</b>	
<b>Supermoose Borrower, LLC</b>						
		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.93 %		10,222	8,884	9,051	(6)
				<b>8,884</b>	<b>9,051</b>	
<b>Surgery Center Holdings, Inc.</b>						
		Health Care Facilities				
First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25 %		3,860	3,098	3,416	(6)(11)
				<b>3,098</b>	<b>3,416</b>	
<b>Swordfish Merger Sub LLC</b>						
		Auto Parts & Equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 2/2/2026	7.75 %		12,500	12,456	10,450	(6)(20)
				<b>12,456</b>	<b>10,450</b>	
<b>Tacala, LLC</b>						
		Restaurants				
Second Lien Term Loan, LIBOR+7.50% cash due 2/4/2028	7.68 %		7,276	7,165	6,621	(6)
				<b>7,165</b>	<b>6,621</b>	
<b>TerSera Therapeutics LLC</b>						
		Pharmaceuticals				
Second Lien Term Loan, LIBOR+9.25% cash due 3/30/2024	10.25 %		29,663	29,193	29,371	(6)(20)
668,879 Common Units of TerSera Holdings LLC				1,961	3,204	(20)
				<b>31,154</b>	<b>32,575</b>	

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<b>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</b>	<b>Cash Interest Rate (6)</b>	<b>Industry</b>	<b>Principal (7)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Notes</b>
<b>TIBCO Software Inc.</b>						
Second Lien Term Loan, LIBOR+7.25% cash due 3/3/2028	7.43 %	Application Software	\$ 15,000	\$ 14,925	\$ 14,541	(6)
				<b>14,925</b>	<b>14,541</b>	
<b>TigerConnect, Inc.</b>						
299,110 Series B Preferred Stock Warrants (exercise price \$1.3373) expiration date 12/8/2024		Application Software		60	525	(20)
				<b>60</b>	<b>525</b>	
<b>Transact Holdings Inc.</b>						
First Lien Term Loan, LIBOR+4.75% cash due 4/30/2026	4.93 %	Application Software	6,948	6,843	6,322	(6)(20)
				<b>6,843</b>	<b>6,322</b>	
<b>Truck Hero, Inc.</b>						
Second Lien Term Loan, LIBOR+8.25% cash due 4/21/2025	9.25 %	Auto Parts & Equipment	21,500	21,191	18,813	(6)(20)
				<b>21,191</b>	<b>18,813</b>	
<b>Turbocombustor Technology, Inc.</b>						
First Lien Term Loan, LIBOR+4.50% cash due 12/2/2020	5.50 %	Aerospace & Defense	5,541	5,084	5,100	(6)
				<b>5,084</b>	<b>5,100</b>	
<b>U.S. Renal Care, Inc.</b>						
First Lien Term Loan, LIBOR+5.00% cash due 6/26/2026	5.18 %	Health Care Services	1,124	928	1,085	(6)
				<b>928</b>	<b>1,085</b>	
<b>Veritas US Inc.</b>						
First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	5.50 %	Application Software	31,723	31,916	29,483	(6)
				<b>31,916</b>	<b>29,483</b>	
<b>Verscend Holding Corp.</b>						
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.68 %	Health Care Technology	24,562	24,442	23,822	(6)
Fixed Rate Bond, 9.75% cash due 8/15/2026			7,000	7,021	7,562	
				<b>31,463</b>	<b>31,384</b>	
<b>Vertex Aerospace Services Corp.</b>						
First Lien Term Loan, LIBOR+4.50% cash due 6/29/2025	4.68 %	Aerospace & Defense	10,194	10,157	10,051	(6)
				<b>10,157</b>	<b>10,051</b>	
<b>Vitalyst Holdings, Inc.</b>						
675 Series A Preferred Stock Units		IT Consulting & Other Services		675	440	(20)
7,500 Class A Common Stock Units				75	—	(20)
				<b>750</b>	<b>440</b>	
<b>William Morris Endeavor Entertainment, LLC</b>						
First Lien Term Loan, LIBOR+8.50% cash due 5/18/2025	9.50 %	Movies & Entertainment	33,382	31,581	32,547	(6)(20)
				<b>31,581</b>	<b>32,547</b>	
<b>Windstream Services, LLC</b>						
Fixed Rate Bond, 8.63% cash due 10/31/2025		Integrated Telecommunication Services	1,460	1,396	1,007	(11)(20)(21)
				<b>1,396</b>	<b>1,007</b>	
<b>WP CPP Holdings, LLC</b>						
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %	Aerospace & Defense	15,000	14,889	11,325	(6)(20)
				<b>14,889</b>	<b>11,325</b>	
<b>WPEngine, Inc.</b>						
First Lien Term Loan, LIBOR+6.50% cash due 3/27/2026	7.63 %	Application Software	14,188	13,848	13,847	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+6.50% cash due 3/27/2026			—	(630)	(632)	(6)(19)(20)
				<b>13,218</b>	<b>13,215</b>	
<b>xMatters, Inc.</b>						
600,000 Common Stock Warrants (exercise price \$0.593333) expiration date 2/26/2025		Application Software		709	269	(20)
				<b>709</b>	<b>269</b>	

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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Zep Inc.</b>						
		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.07 %		\$ 1,960	\$ 1,896	\$ 1,666	(6)
Second Lien Term Loan, LIBOR+8.25% cash due 8/11/2025	9.32 %		30,000	29,903	21,086	(6)(20)
				<b>31,799</b>	<b>22,752</b>	
<b>Zephyr Bidco Limited</b>						
		Specialized Finance				
Second Lien Term Loan, UK LIBOR+7.50% cash due 7/23/2026	7.60 %		£ 18,000	23,682	20,406	(6)(11)
				<b>23,682</b>	<b>20,406</b>	
<b>Total Non-Control/Non-Affiliate Investments (157.5% of net assets)</b>				<b>\$ 1,432,729</b>	<b>\$ 1,353,105</b>	
<b>Total Portfolio Investments (181.7% of net assets)</b>				<b>\$ 1,696,577</b>	<b>\$ 1,561,153</b>	
<b>Cash and Cash Equivalents</b>						
JP Morgan Prime Money Market Fund, Institutional Shares				\$ 47,871	\$ 47,871	
Other cash accounts				2,857	2,857	
<b>Total Cash and Cash Equivalents (5.9% of net assets)</b>				<b>\$ 50,728</b>	<b>\$ 50,728</b>	
<b>Total Portfolio Investments and Cash and Cash Equivalents (187.6% of net assets)</b>				<b>\$ 1,747,305</b>	<b>\$ 1,611,881</b>	

<u>Derivative Instrument</u>	<u>Notional Amount to</u> <u>be Purchased</u>	<u>Notional Amount to</u> <u>be Sold</u>	<u>Maturity Date</u>	<u>Counterparty</u>	<u>Cumulative</u> <u>Unrealized</u> <u>Appreciation</u> <u>/(Depreciation)</u>
Foreign currency forward contract	\$ 20,537	£ 15,480	8/18/2020	JPMorgan Chase Bank, N.A.	\$ 1,404
Foreign currency forward contract	\$ 25,725	€ 23,348	8/31/2020	JPMorgan Chase Bank, N.A.	(534)
					<b>\$ 870</b>



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- (1) All debt investments are income producing unless otherwise noted. All equity investments are non-income producing unless otherwise noted.
- (2) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition by geographic region.
- (3) Equity ownership may be held in shares or units of companies related to the portfolio companies.
- (4) Interest rates may be adjusted from period to period on certain term loans and revolvers. These rate adjustments may be either temporary in nature due to tier pricing arrangements or financial or payment covenant violations in the original credit agreements or permanent in nature per loan amendment or waiver documents.
- (5) Each of the Company's investments is pledged as collateral under the Credit Facility (as defined in Note 6 to the accompanying notes to the Consolidated Financial Statements).
- (6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to the London Interbank Offered Rate ("LIBOR") and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of June 30, 2020, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 0.18%, the 60-day LIBOR at 0.24%, the 90-day LIBOR at 0.31%, the 180-day LIBOR at 0.36%, the 360-day LIBOR at 0.57%, the PRIME at 3.25%, the 30-day UK LIBOR at 0.10% and the 30-day EURIBOR at (0.48)%. Most loans include an interest floor, which generally ranges from 0% to 1%.
- (7) Principal includes accumulated payment in kind ("PIK") interest and is net of repayments, if any. "£" signifies the investment is denominated in British Pounds. "€" signifies the investment is denominated in Euros. All other investments are denominated in U.S. dollars.
- (8) Control Investments generally are defined by the Investment Company Act of 1940, as amended (the "Investment Company Act"), as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.
- (9) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" these portfolio companies as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the accompanying notes to the Consolidated Financial Statements for transactions during the nine months ended June 30, 2020 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.
- (10) First Star Speir Aviation 1 Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with Accounting Standards Update ("ASU") 2013-08, the Company has deemed the holding company to be an investment company under accounting principles generally accepted in the United States ("GAAP") and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.
- (11) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of June 30, 2020, qualifying assets represented 75.5% of the Company's total assets and non-qualifying assets represented 24.5% of the Company's total assets.
- (12) Income producing through payment of dividends or distributions.
- (13) PIK interest income for this investment accrues at an annualized rate of 15%, however, the PIK interest is not contractually capitalized on the investment. As a result, the principal amount of the investment does not increase over time for accumulated PIK interest. As of June 30, 2020, the accumulated PIK interest balance for each of the A notes and the B notes was \$3.6 million. The fair value of this investment is inclusive of PIK.
- (14) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition.
- (15) This investment was on PIK non-accrual status as of June 30, 2020. PIK non-accrual status is inclusive of other non-cash income, where applicable.
- (16) This investment was valued using net asset value as a practical expedient for fair value. Consistent with Financial Accounting Standards Board ("FASB") guidance under Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), these investments are excluded from the hierarchical levels.
- (17) Affiliate Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns between 5% and 25% of the voting securities.
- (18) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.
- (19) Investment has undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

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

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

See notes to Consolidated Financial Statements.

**Oaktree Specialty Lending Corporation**  
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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Control Investments</b>						(8)(9)
<b>C5 Technology Holdings, LLC</b>		Data processing & outsourced services				
829 Common Units				\$ —	\$ —	(20)
34,984,460.37 Preferred Units				34,984	34,984	(20)
				<b>34,984</b>	<b>34,984</b>	
<b>First Star Speir Aviation Limited</b>		Airlines				(10)
First Lien Term Loan, 9.00% cash due 12/15/2020			\$ 11,510	2,140	11,510	(11)(20)
100% equity interest				8,500	4,630	(11)(12)(20)
				<b>10,640</b>	<b>16,140</b>	
<b>New IPT, Inc.</b>		Oil & gas equipment services				
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.10 %		3,256	3,256	3,256	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	7.10 %		1,009	1,009	1,009	(6)(19)(20)
50.087 Class A Common Units in New IPT Holdings, LLC				—	2,903	(20)
				<b>4,265</b>	<b>7,168</b>	
<b>Senior Loan Fund JV I, LLC</b>		Multi-sector holdings				(14)(15)
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	9.39 %		96,250	96,250	96,250	(6)(11)(20)
87.5% LLC equity interest				49,322	30,052	(11)(16)(19)
				<b>145,572</b>	<b>126,302</b>	
<b>ThruLine Marketing, Inc.</b>		Advertising				
First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.10 %		18,146	18,146	18,146	(6)(20)
First Lien Revolver, LIBOR+7.75% cash due 4/3/2022			—	—	—	(6)(19)(20)
9,073 Class A Units in FS AVI Holdco, LLC				10,648	6,438	(20)
				<b>28,794</b>	<b>24,584</b>	
<b>Total Control Investments (22.5% of net assets)</b>				<b>\$ 224,255</b>	<b>\$ 209,178</b>	
<b>Affiliate Investments</b>						(17)
<b>Assembled Brands Capital LLC</b>		Specialized finance				
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	8.10 %		\$ 5,585	\$ 5,585	\$ 5,585	(6)(19)(20)
1,609,201 Class A Units				765	782	(20)
1,019,168.80 Preferred Units, 6%				1,019	1,019	(20)
70,424.5641 Class A Warrants (exercise price \$3.3778) expiration date 9/9/2029				—	—	(20)
				<b>7,369</b>	<b>7,386</b>	
<b>Caregiver Services, Inc.</b>		Healthcare services				
1,080,399 shares of Series A Preferred Stock, 10%				1,080	1,784	(20)
				<b>1,080</b>	<b>1,784</b>	
<b>Total Affiliate Investments (1.0% of net assets)</b>				<b>\$ 8,449</b>	<b>\$ 9,170</b>	
<b>Non-Control/Non-Affiliate Investments</b>						(18)
<b>4 Over International, LLC</b>		Commercial printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	8.04 %		\$ 5,799	\$ 5,764	\$ 5,688	(6)(20)
First Lien Revolver, PRIME+5.00% cash due 6/7/2021	10.00 %		255	238	212	(6)(19)(20)
				<b>6,002</b>	<b>5,900</b>	
<b>99 Cents Only Stores LLC</b>		General merchandise stores				
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	7.10 %		19,326	18,946	16,934	(6)
				<b>18,946</b>	<b>16,934</b>	
<b>Access CIG, LLC</b>		Diversified support services				
Second Lien Term Loan, LIBOR+7.75% cash due 2/27/2026	10.07 %		15,000	14,892	15,000	(6)(20)
				<b>14,892</b>	<b>15,000</b>	

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<b>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</b>	<b><u>Cash Interest</u> Rate (6)</b>	<b>Industry</b>	<b>Principal (7)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Notes</b>
<b>Aden &amp; Anais Merger Sub, Inc.</b>						
		Apparel, accessories & luxury goods				
51,645 Common Units in Aden & Anais Holdings, Inc.				\$ 5,165	\$ —	(20)
				<b>5,165</b>	<b>—</b>	
<b>AdVenture Interactive, Corp.</b>						
		Advertising				
9,073 shares of common stock				13,611	12,677	(20)
				<b>13,611</b>	<b>12,677</b>	
<b>AI Ladder (Luxembourg) Subco S.a.r.l.</b>						
		Electrical components & equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60 %		\$ 21,752	21,210	20,032	(6)(11)
				<b>21,210</b>	<b>20,032</b>	
<b>AI Sirona (Luxembourg) Acquisition S.a.r.l.</b>						
		Pharmaceuticals				
Second Lien Term Loan, EURIBOR+7.25% cash due 7/10/2026	7.25 %		€ 17,500	20,035	18,673	(6)(11)
				<b>20,035</b>	<b>18,673</b>	
<b>Air Medical Group Holdings, Inc.</b>						
		Healthcare services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	6.29 %		\$ 6,321	6,192	5,936	(6)
				<b>6,192</b>	<b>5,936</b>	
<b>AirStrip Technologies, Inc.</b>						
		Application software				
22,858.71 Series C-1 Preferred Stock Warrants (exercise price \$34.99757) expiration date 5/11/2025				90	—	(20)
				<b>90</b>	<b>—</b>	
<b>Airxcel, Inc.</b>						
		Household appliances				
First Lien Term Loan, LIBOR+4.50% cash due 4/28/2025	6.54 %		7,900	7,837	7,614	(6)
				<b>7,837</b>	<b>7,614</b>	
<b>Aldevron, L.L.C.</b>						
		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 9/20/2026	6.36 %		8,000	7,920	8,040	(6)
				<b>7,920</b>	<b>8,040</b>	
<b>Algeco Scotsman Global Finance Plc</b>						
		Construction & engineering				
Fixed Rate Bond, 8.00% cash due 2/15/2023			23,915	23,443	23,982	(11)
				<b>23,443</b>	<b>23,982</b>	
<b>Allen Media, LLC</b>						
		Movies & entertainment				
First Lien Term Loan, LIBOR+6.50% cash due 8/30/2023	8.60 %		19,238	18,858	18,613	(6)(20)
				<b>18,858</b>	<b>18,613</b>	
<b>Altice France S.A.</b>						
		Integrated telecommunication services				
Fixed Rate Bond, 8.13% cash due 1/15/2024			3,000	3,045	3,113	(11)
Fixed Rate Bond, 7.63% cash due 2/15/2025			2,000	2,012	2,083	(11)
				<b>5,057</b>	<b>5,196</b>	
<b>Alvotech Holdings S.A.</b>						
		Biotechnology				
Fixed Rate Bond 15% PIK Note A due 12/13/2023			14,800	16,304	18,089	(11)(13)(20)
Fixed Rate Bond 15% PIK Note B due 12/13/2023			14,800	16,304	16,609	(11)(13)(20)
				<b>32,608</b>	<b>34,698</b>	
<b>Ancile Solutions, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	9.10 %		8,677	8,591	8,504	(6)(20)
				<b>8,591</b>	<b>8,504</b>	
<b>Apptio, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56 %		23,764	23,340	23,325	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(27)	(28)	(6)(19)(20)
				<b>23,313</b>	<b>23,297</b>	
<b>Asurion, LLC</b>						
		Property & casualty insurance				
Second Lien Term Loan, LIBOR+6.50% cash due 8/4/2025	8.54 %		22,000	21,954	22,382	(6)
				<b>21,954</b>	<b>22,382</b>	

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<b>Avantor Inc.</b>						
Fixed Rate Bond, 9.00% cash due 10/1/2025		Healthcare distributors	\$ 3,000	\$ 2,975	\$ 3,379	
				<u>2,975</u>	<u>3,379</u>	
<b>Belk Inc.</b>						
First Lien Term Loan, LIBOR+4.75% cash due 12/12/2022	6.80 %	Department stores	653	585	480	(6)
				<u>585</u>	<u>480</u>	
<b>Blackhawk Network Holdings, Inc.</b>						
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	9.06 %	Data processing & outsourced services	26,250	26,013	26,283	(6)
				<u>26,013</u>	<u>26,283</u>	
<b>Boxer Parent Company Inc.</b>						
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29 %	Systems software	13,915	13,798	13,416	(6)
				<u>13,798</u>	<u>13,416</u>	
<b>California Pizza Kitchen, Inc.</b>						
First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022	8.53 %	Restaurants	3,122	3,097	2,800	(6)
				<u>3,097</u>	<u>2,800</u>	
<b>Cenegenics, LLC</b>						
First Lien Term Loan, 9.75% cash 2.00% PIK due 9/30/2019		Healthcare services	29,781	27,738	—	(23)
First Lien Revolver, 15.00% cash due 9/30/2019			2,203	2,203	—	(20)(21)
452,914.87 Common Units in Cenegenics, LLC				598	—	(20)
345,380.141 Preferred Units in Cenegenics, LLC				300	—	(20)
				<u>30,839</u>	<u>—</u>	
<b>CITGO Holding, Inc.</b>						
Fixed Rate Bond, 9.25% cash due 8/1/2024		Oil & gas refining & marketing	10,672	10,672	11,366	
First Lien Term Loan, LIBOR+7.00% cash due 8/1/2023			10,000	9,855	10,219	(6)
				<u>20,527</u>	<u>21,585</u>	
<b>CITGO Petroleum Corp.</b>						
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10 %	Oil & gas refining & marketing	9,950	9,851	10,012	(6)
				<u>9,851</u>	<u>10,012</u>	
<b>Connect U.S. Finco LLC</b>						
First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10 %	Alternative carriers	30,000	29,400	29,580	(6)(11)
				<u>29,400</u>	<u>29,580</u>	
<b>Convergeone Holdings, Inc.</b>						
First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	7.04 %	IT consulting & other services	14,770	14,225	13,352	(6)
				<u>14,225</u>	<u>13,352</u>	
<b>Conviva Inc.</b>						
417,851 Series D Preferred Stock Warrants (exercise price \$1.1966) expiration date 2/28/2021		Application software		105	411	(20)
				<u>105</u>	<u>411</u>	
<b>Covia Holdings Corporation</b>						
First Lien Term Loan, LIBOR+4.00% cash due 6/1/2025	6.31 %	Oil & gas equipment services	7,900	7,900	6,484	(6)(11)
				<u>7,900</u>	<u>6,484</u>	
<b>DigiCert, Inc.</b>						
First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04 %	Internet services & infrastructure	4,222	4,184	4,221	(6)
				<u>4,184</u>	<u>4,221</u>	
<b>Dominion Diagnostics, LLC</b>						
Subordinated Term Loan, 11.00% cash 1.00% PIK due 10/18/2019		Healthcare services	20,273	14,281	2,890	(23)
First Lien Term Loan, PRIME+4.00% cash due 4/8/2019	9.00 %		45,691	45,691	45,691	(20)(21)
First Lien Revolver, PRIME+4.00% cash due 4/8/2019	9.00 %		2,090	2,090	2,090	(6)(20)
				<u>62,062</u>	<u>50,671</u>	

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<b>The Dun &amp; Bradstreet Corporation</b>						
		Research & consulting services				
First Lien Term Loan, LIBOR+5.00% cash due 2/6/2026	7.05 %		\$ 10,000	\$ 9,817	\$ 10,074	(6)
Fixed Rate Bond 6.875% cash due 8/15/2026			5,000	5,000	5,459	
				<u>14,817</u>	<u>15,533</u>	
<b>Eagleview Technology Corporation</b>						
		Application software				
Second Lien Term Loan, LIBOR+7.50% cash due 8/14/2026	9.55 %		12,000	11,880	11,520	(6)(20)
				<u>11,880</u>	<u>11,520</u>	
<b>EHR Canada, LLC</b>						
		Food retail				
First Lien Term Loan, LIBOR+8.00% cash due 9/28/2020	10.10 %		14,611	14,473	14,903	(6)(20)
				<u>14,473</u>	<u>14,903</u>	
<b>EOS Fitness Opco Holdings, LLC</b>						
		Leisure facilities				
487.5 Class A Preferred Units, 12%				488	855	(20)
12,500 Class B Common Units				—	934	(20)
				<u>488</u>	<u>1,789</u>	
<b>Equitrans Midstream Corp.</b>						
		Oil & gas storage & transportation				
First Lien Term Loan, LIBOR+4.50% cash due 1/31/2024	6.55 %		11,910	11,603	11,926	(6)(11)
				<u>11,603</u>	<u>11,926</u>	
<b>ExamSoft Worldwide, Inc.</b>						
		Application software				
180,707 Class C Units in ExamSoft Investor LLC				181	—	(20)
				<u>181</u>	<u>—</u>	
<b>GI Chill Acquisition LLC</b>						
		Managed healthcare				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	6.10 %		17,820	17,731	17,775	(6)(20)
Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	9.60 %		10,000	9,914	10,000	(6)(20)
				<u>27,645</u>	<u>27,775</u>	
<b>GKD Index Partners, LLC</b>						
		Specialized finance				
First Lien Term Loan, LIBOR+7.25% cash due 6/29/2023	9.35 %		22,402	22,235	22,108	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 6/29/2023			—	(9)	(15)	(6)(19)(20)
				<u>22,226</u>	<u>22,093</u>	
<b>GoodRx, Inc.</b>						
		Interactive media & services				
Second Lien Term Loan, LIBOR+7.50% cash due 10/12/2026	9.54 %		22,222	21,805	22,500	(6)(20)
				<u>21,805</u>	<u>22,500</u>	
<b>Guidehouse LLP</b>						
		Research & consulting services				
Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54 %		20,000	19,917	19,750	(6)
				<u>19,917</u>	<u>19,750</u>	
<b>HealthEdge Software, Inc.</b>						
		Application software				
482,453 Series A-3 Preferred Stock Warrants (exercise price \$1.450918) expiration date 9/30/2023				213	757	(20)
				<u>213</u>	<u>757</u>	
<b>I Drive Safely, LLC</b>						
		Education services				
125,079 Class A Common Units of IDS Investments, LLC				1,000	200	(20)
				<u>1,000</u>	<u>200</u>	
<b>IBG Borrower LLC</b>						
		Apparel, accessories & luxury goods				
First Lien Term Loan, LIBOR+7.00% cash due 8/2/2022	9.13 %		14,209	13,027	13,286	(6)(20)
				<u>13,027</u>	<u>13,286</u>	
<b>iCIMS, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	8.56 %		16,718	16,436	16,438	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(15)	(15)	(6)(19)(20)
				<u>16,421</u>	<u>16,423</u>	

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<b>Integral Development Corporation</b>						
Other diversified financial services						
1,078,284 Common Stock Warrants (exercise price \$0.9274) expiration date 7/10/2024				\$ 113	\$ —	(20)
				<u>113</u>	<u>—</u>	
<b>Kellermeyer Bergensons Services, LLC</b>						
Environmental & facilities services						
Second Lien Term Loan, LIBOR+8.50% cash due 4/29/2022	10.77 %		\$ 6,105	5,940	5,937	(6)(20)
				<u>5,940</u>	<u>5,937</u>	
<b>L Squared Capital Partners LLC</b>						
Multi-sector holdings						
2.00% limited partnership interest				864	2,237	(11)(16)
				<u>864</u>	<u>2,237</u>	
<b>Lanai Holdings III, Inc.</b>						
Healthcare distributors						
First Lien Term Loan, LIBOR+4.75% cash due 8/29/2022	7.01 %		19,892	19,586	18,583	(6)
				<u>19,586</u>	<u>18,583</u>	
<b>Lannett Company, Inc.</b>						
Pharmaceuticals						
First Lien Term Loan, LIBOR+5.00% cash due 11/25/2020	7.04 %		762	762	759	(6)(11)
				<u>762</u>	<u>759</u>	
<b>Lift Brands Holdings, Inc.</b>						
Leisure facilities						
2,000,000 Class A Common Units in Snap Investments, LLC				1,399	3,020	(20)
				<u>1,399</u>	<u>3,020</u>	
<b>Lightbox Intermediate, L.P.</b>						
Real estate services						
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	7.05 %		39,900	39,332	39,501	(6)(20)
				<u>39,332</u>	<u>39,501</u>	
<b>Long's Drugs Incorporated</b>						
Pharmaceuticals						
50 Series A Preferred Shares in Long's Drugs Incorporated				385	924	(20)
25 Series B Preferred Shares in Long's Drugs Incorporated				210	572	(20)
				<u>595</u>	<u>1,496</u>	
<b>LTI Holdings, Inc.</b>						
Auto parts & equipment						
Second Lien Term Loan, LIBOR+6.75% cash due 9/6/2026	8.79 %		9,000	9,000	8,246	(6)
				<u>9,000</u>	<u>8,246</u>	
<b>Lytix Holdings, LLC</b>						
Research & consulting services						
3,500 Class B Units				—	2,053	(20)
				<u>—</u>	<u>2,053</u>	
<b>Maravai Intermediate Holdings, LLC</b>						
Biotechnology						
First Lien Term Loan, LIBOR+4.25% cash due 8/2/2025	6.31 %		11,880	11,761	11,813	(6)(20)
				<u>11,761</u>	<u>11,813</u>	
<b>Mayfield Agency Borrower Inc.</b>						
Property & casualty insurance						
First Lien Term Loan, LIBOR+4.50% cash due 2/28/2025	6.54 %		15,892	15,630	15,481	(6)
Second Lien Term Loan, LIBOR+8.50% cash due 3/2/2026	10.54 %		35,925	35,492	36,285	(6)(20)
				<u>51,122</u>	<u>51,766</u>	
<b>McAfee, LLC</b>						
Systems software						
First Lien Term Loan, LIBOR+3.75% cash due 9/30/2024	5.79 %		10,957	10,884	10,995	(6)
Second Lien Term Loan, LIBOR+8.50% cash due 9/29/2025	10.54 %		7,000	7,034	7,093	(6)
				<u>17,918</u>	<u>18,088</u>	

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<b>MHE Intermediate Holdings, LLC</b>						
Diversified support services						
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10 %		\$ 2,932	\$ 2,913	\$ 2,874	(6)(20)
				<b>2,913</b>	<b>2,874</b>	
<b>Mindbody, Inc.</b>						
Internet services & infrastructure						
First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06 %		28,952	28,434	28,402	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 2/15/2025			—	(55)	(58)	(6)(19)(20)
				<b>28,379</b>	<b>28,344</b>	
<b>Ministry Brands, LLC</b>						
Application software						
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	11.34 %		7,056	6,997	7,056	(6)(20)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 6/2/2023	11.34 %		1,944	1,927	1,944	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	7.04 %		200	191	200	(6)(19)(20)
				<b>9,115</b>	<b>9,200</b>	
<b>Navicare, Inc.</b>						
Healthcare technology						
Second Lien Term Loan, LIBOR+7.50% cash due 10/31/2025	9.54 %		14,500	14,389	14,573	(6)(20)
				<b>14,389</b>	<b>14,573</b>	
<b>Numericable SFR SA</b>						
Integrated telecommunication services						
Fixed Rate Bond, 7.38% cash due 5/1/2026			5,000	5,104	5,380	(11)
				<b>5,104</b>	<b>5,380</b>	
<b>OmniSYS Acquisition Corporation</b>						
Diversified support services						
100,000 Common Units in OSYS Holdings, LLC				1,000	750	(20)
				<b>1,000</b>	<b>750</b>	
<b>Onvoy, LLC</b>						
Integrated telecommunication services						
Second Lien Term Loan, LIBOR+10.50% cash due 2/10/2025	12.54 %		16,750	16,750	13,187	(6)(20)
19,666.67 Class A Units in GTCR Onvoy Holdings, LLC				1,967	—	(20)
13,664.73 Series 3 Class B Units in GTCR Onvoy Holdings, LLC				—	—	(20)
				<b>18,717</b>	<b>13,187</b>	
<b>P2 Upstream Acquisition Co.</b>						
Application software						
First Lien Term Loan, LIBOR+4.00% cash due 10/30/2020	6.19 %		2,976	2,936	2,950	(6)
First Lien Revolver, LIBOR+4.00% cash due 2/1/2020			—	—	(79)	(6)(19)
				<b>2,936</b>	<b>2,871</b>	
<b>PaySimple, Inc.</b>						
Data processing & outsourced services						
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	7.55 %		37,750	37,004	37,184	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/23/2025			—	(242)	(184)	(6)(19)(20)
				<b>36,762</b>	<b>37,000</b>	
<b>Pingora MSR Opportunity Fund I-A, LP</b>						
Thrift & mortgage finance						
1.86% limited partnership interest				1,217	691	(11)(16)(19)
				<b>1,217</b>	<b>691</b>	
<b>PLATO Learning Inc.</b>						
Education services						
Unsecured Senior PIK Note, 8.5% PIK due 12/9/2021			2,845	2,434	—	(20)(22)
Unsecured Junior PIK Note, 10% PIK due 12/9/2021			13,577	10,227	—	(20)(22)
Unsecured Revolver, 5.00% cash due 12/9/2021			2,064	1,885	(184)	(19)(20)(21)
126,127.80 Class A Common Units of Edmentum				126	—	(20)
				<b>14,672</b>	<b>(184)</b>	



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<b>Project Boost Purchaser, LLC</b>						
		Application software				
First Lien Term Loan, LIBOR+3.50% cash due 6/1/2026	5.54 %		\$ 7,000	\$ 6,930	\$ 6,964	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	10.14 %		3,750	3,750	3,750	(6)(20)
				<b>10,680</b>	<b>10,714</b>	
<b>ProFrac Services, LLC</b>						
		Industrial machinery				
First Lien Term Loan, LIBOR+6.25% cash due 9/15/2023	8.66 %		17,192	17,055	16,848	(6)(20)
				<b>17,055</b>	<b>16,848</b>	
<b>QuorumLabs, Inc.</b>						
		Application software				
64,887,669 Junior-2 Preferred Stock				375	—	(20)
				<b>375</b>	<b>—</b>	
<b>Refac Optical Group</b>						
		Specialty stores				
1,550.9435 Shares of Common Stock in Refac Holdings, Inc.				1	—	(20)
550.9435 Series A-2 Preferred Stock in Refac Holdings, Inc., 10%				305	—	(20)
1,000 Series A-1 Preferred Stock in Refac Holdings, Inc., 10%				999	—	(20)
				<b>1,305</b>	<b>—</b>	
<b>Salient CRGT, Inc.</b>						
		Aerospace & defense				
First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05 %		3,086	3,056	2,932	(6)(20)
				<b>3,056</b>	<b>2,932</b>	
<b>Scilex Pharmaceuticals Inc.</b>						
		Pharmaceuticals				
Fixed Rate Zero Coupon Bond due 8/15/2026			15,879	11,146	11,353	(20)
				<b>11,146</b>	<b>11,353</b>	
<b>ShareThis, Inc.</b>						
		Application software				
345,452 Series C Preferred Stock Warrants (exercise price \$3.0395) expiration date 3/4/2024				367	2	(20)
				<b>367</b>	<b>2</b>	
<b>Sorrento Therapeutics, Inc.</b>						
		Biotechnology				
First Lien Term Loan, LIBOR+7.00% cash due 11/7/2023	9.13 %		30,000	28,132	29,250	(6)(11)(20)
First Lien Delayed Draw Term Loan, LIBOR+7.00% cash due 11/7/2023				(62)	(69)	(6)(11)(19)(20)
Stock Warrants Strike (exercise price \$3.28) expiration date 5/7/2029				1,750	1,667	(11)(20)
Stock Warrants Strike (exercise price \$3.94) expiration date 11/3/2029				—	320	(11)(20)
				<b>29,820</b>	<b>31,168</b>	
<b>Swordfish Merger Sub LLC</b>						
		Auto parts & equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 2/2/2026	8.79 %		12,500	12,450	12,135	(6)(20)
				<b>12,450</b>	<b>12,135</b>	
<b>TerSera Therapeutics, LLC</b>						
		Pharmaceuticals				
Second Lien Term Loan, LIBOR+9.25% cash due 3/30/2024	11.35 %		25,463	25,025	25,192	(6)(20)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 12/31/2020				—	(45)	(6)(19)(20)
668,879 Common Units of TerSera Holdings LLC				1,731	2,629	(20)
				<b>26,756</b>	<b>27,776</b>	
<b>TigerText, Inc.</b>						
		Application software				
299,110 Series B Preferred Stock Warrants (exercise price \$1.3373) expiration date 12/8/2024				60	560	(20)
				<b>60</b>	<b>560</b>	
<b>Transact Holdings Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+4.75% cash due 4/30/2026	7.01 %		7,000	6,895	6,965	(6)
				<b>6,895</b>	<b>6,965</b>	

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<b>Tribe Buyer LLC</b>						
		Human resource & employment services				
First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	6.54 %		\$ 830	\$ 830	\$ 775	(6)(20)
				<b>830</b>	<b>775</b>	
<b>Truck Hero, Inc.</b>						
		Auto parts & equipment				
Second Lien Term Loan, LIBOR+8.25% cash due 4/21/2025	10.29 %		21,500	21,191	20,103	(6)(20)
				<b>21,191</b>	<b>20,103</b>	
<b>Uber Technologies, Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03 %		5,689	5,652	5,667	(6)
				<b>5,652</b>	<b>5,667</b>	
<b>Uniti Group LP</b>						
		Specialized REITs				
First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04 %		8,403	8,264	8,213	(6)(11)
				<b>8,264</b>	<b>8,213</b>	
<b>UOS, LLC</b>						
		Trading companies & distributors				
First Lien Term Loan, LIBOR+5.50% cash due 4/18/2023	7.54 %		10,242	10,357	10,370	(6)
				<b>10,357</b>	<b>10,370</b>	
<b>Veritas US Inc.</b>						
		Application software				
First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60 %		34,200	34,468	32,413	(6)
				<b>34,468</b>	<b>32,413</b>	
<b>Verscend Holding Corp.</b>						
		Healthcare technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	6.54 %		24,750	24,633	24,879	(6)
Fixed Rate Bond, 9.75% cash due 8/15/2026			12,000	12,022	12,823	
				<b>36,655</b>	<b>37,702</b>	
<b>Vertex Aerospace Services Corp.</b>						
		Aerospace & defense				
First Lien Term Loan, LIBOR+4.50% cash due 6/29/2025	6.54 %		15,800	15,735	15,869	(6)
				<b>15,735</b>	<b>15,869</b>	
<b>Vitalyst Holdings, Inc.</b>						
		IT consulting & other services				
675 Series A Preferred Stock Units				675	440	(20)
7,500 Class A Common Stock Units				75	—	(20)
				<b>750</b>	<b>440</b>	
<b>Windstream Services, LLC</b>						
		Integrated telecommunication services				
Fixed Rate Bond, 8.63% cash due 10/31/2025			5,000	4,863	5,113	(11)
				<b>4,863</b>	<b>5,113</b>	
<b>WP CPP Holdings, LLC</b>						
		Aerospace & defense				
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01 %		15,000	14,874	14,937	(6)
				<b>14,874</b>	<b>14,937</b>	
<b>xMatters, Inc.</b>						
		Application software				
600,000 Common Stock Warrants (exercise price \$0.593333) expiration date 2/26/2025				709	273	(20)
				<b>709</b>	<b>273</b>	
<b>Yeti Holdings, Inc.</b>						
		Leisure products				
537,629 Shares Yeti Holdings, Inc. Common Stock				—	15,054	
				<b>—</b>	<b>15,054</b>	
<b>Zep Inc.</b>						
		Specialty chemicals				
Second Lien Term Loan, LIBOR+8.25% cash due 8/11/2025	10.35 %		30,000	29,889	21,950	(6)(20)
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	6.04 %		1,975	1,899	1,564	(6)
				<b>31,788</b>	<b>23,514</b>	
<b>Zephyr Bidco Limited</b>						
		Specialized finance				
Second Lien Term Loan, UK LIBOR+7.50% cash due 7/23/2026	8.21 %		£ 18,000	23,632	22,006	(6)(11)
				<b>23,632</b>	<b>22,006</b>	

Oaktree Specialty Lending Corporation  
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<u>Portfolio Company/Type of Investment (1)(2)(3)(4)(5)</u>	<u>Cash Interest</u> <u>Rate (6)</u>	<u>Industry</u>	<u>Principal (7)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Notes</u>
<b>Total Non-Control/Non-Affiliate Investments (131.1% of net assets)</b>				\$ 1,280,310	\$ 1,219,694	
<b>Total Portfolio Investments (154.5% of net assets)</b>				\$ 1,513,014	\$ 1,438,042	
<b>Cash and Cash Equivalents</b>						
JP Morgan Prime Money Market Fund, Institutional Shares				\$ 9,611	\$ 9,611	
Other cash accounts				5,795	5,795	
<b>Total Cash and Cash Equivalents (1.7% of net assets)</b>				\$ 15,406	\$ 15,406	
<b>Total Portfolio Investments and Cash and Cash Equivalents (156.2% of net assets)</b>				\$ 1,528,420	\$ 1,453,448	

<u>Derivative Instrument</u>	<u>Notional Amount to</u> <u>be Purchased</u>	<u>Notional Amount to</u> <u>be Sold</u>	<u>Maturity Date</u>	<u>Counterparty</u>	<u>Cumulative</u> <u>Unrealized</u> <u>Appreciation</u> <u>/(Depreciation)</u>
Foreign currency forward contract	\$ 22,161	£ 17,910	10/15/2019	JPMorgan Chase Bank, N.A.	\$ 76
Foreign currency forward contract	\$ 19,193	€ 17,150	11/29/2019	JPMorgan Chase Bank, N.A.	414
					<b>\$ 490</b>

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- (1) All debt investments are income producing unless otherwise noted. All equity investments are non-income producing unless otherwise noted.
- (2) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition by geographic region.
- (3) Equity ownership may be held in shares or units of companies related to the portfolio companies.
- (4) Interest rates may be adjusted from period to period on certain term loans and revolvers. These rate adjustments may be either temporary in nature due to tier pricing arrangements or financial or payment covenant violations in the original credit agreements or permanent in nature per loan amendment or waiver documents.
- (5) With the exception of investments held by the Company's wholly-owned subsidiaries that each formerly held a license from the SBA to operate as an SBIC, each of the Company's investments is pledged as collateral under the Credit Facility (as defined in Note 6 to the accompanying notes to the Consolidated Financial Statements).
- (6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of September 30, 2019, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, the PRIME at 5.00%, the 30-day UK LIBOR at 0.71% and the 30-day EURIBOR at (0.51)%. Most loans include an interest floor, which generally ranges from 0% to 1%.
- (7) Principal includes accumulated PIK interest and is net of repayments, if any. "£" signifies the investment is denominated in British Pounds. "€" signifies the investment is denominated in Euros. All other investments are denominated in U.S. dollars.
- (8) Control Investments generally are defined by the Investment Company Act, as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.
- (9) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the Company's annual report on Form 10-K for the year ended September 30, 2019 for transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.
- (10) First Star Speir Aviation 1 Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.
- (11) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of September 30, 2019, qualifying assets represented 75.0% of the Company's total assets and non-qualifying assets represented 25.0% of the Company's total assets.
- (12) Income producing through payment of dividends or distributions.
- (13) PIK interest income for this investment accrues at an annualized rate of 15%, however, the PIK interest is not contractually capitalized on the investment. As a result, the principal amount of the investment does not increase over time for accumulated PIK interest. As of September 30, 2019, the accumulated PIK interest balance for each of the A notes and the B notes was \$1.8 million. The fair value of this investment is inclusive of PIK.
- (14) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition.
- (15) On December 28, 2018, the mezzanine notes issued by SLF Repack Issuer 2016, LLC, a wholly-owned, special purpose issuer subsidiary of Senior Loan Fund JV I, LLC ("SLF JV I"), were redeemed and the Company purchased subordinated notes and LLC equity interests issued by SLF JV I. Prior to December 28, 2018, the mezzanine notes issued by SLF Repack Issuer 2016, LLC consisted of Class A mezzanine secured deferrable floating rate notes and Class B mezzanine secured deferrable fixed rate notes.
- (16) This investment was valued using net asset value as a practical expedient for fair value. Consistent with ASC 820, these investments are excluded from the hierarchical levels.
- (17) Affiliate Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns between 5% and 25% of the voting securities.
- (18) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.
- (19) Investment has undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.
- (20) As of September 30, 2019, these investments were categorized as Level 3 within the fair value hierarchy established by ASC 820.
- (21) This investment was on cash non-accrual status as of September 30, 2019. Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

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- (22) This investment was on PIK non-accrual status as of September 30, 2019. PIK non-accrual status is inclusive of other non-cash income, where applicable.
- (23) Payments on this investment were past due as of September 30, 2019.

See notes to Consolidated Financial Statements.

**OAKTREE SPECIALTY LENDING CORPORATION**  
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**Note 1. Organization**

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

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

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

**Note 2. Significant Accounting Policies**

***Basis of Presentation:***

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

***Use of Estimates:***

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

***Consolidation:***

The accompanying Consolidated Financial Statements include the accounts of Oaktree Specialty Lending Corporation and its consolidated subsidiaries. Each consolidated subsidiary is wholly-owned and, as such, consolidated into the Consolidated Financial Statements. Certain subsidiaries that hold investments are treated as pass through entities for tax purposes. The assets of certain of the consolidated subsidiaries are not directly available to satisfy the claims of the creditors of Oaktree Specialty Lending Corporation or any of its other subsidiaries. As of June 30, 2020, the consolidated subsidiaries were Fifth Street Fund of Funds LLC ("Fund of Funds"), Fifth Street Mezzanine Partners IV, L.P., Fifth Street Mezzanine Partners V, L.P., FSMP IV GP, LLC, FSMP V GP, LLC, OCSL SRNE, LLC, OCSL AB Blocker, LLC and FSFC Holdings, Inc. ("Holdings"). In addition, the Company consolidates various holding companies held in connection with its equity investments in certain portfolio investments.

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

***Fair Value Measurements:***

The Company values its investments in accordance with ASC 820, which defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

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date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. ASC 820 prioritizes the use of observable market prices over entity-specific inputs. Where observable prices or inputs are not available or reliable, valuation techniques are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the investments or market and the investments' complexity.

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

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

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

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

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

If the quotations obtained from pricing vendors or brokers are determined to not be reliable or are not readily available, the Company values such investments using any of three different valuation techniques. The first valuation technique is the transaction precedent technique, which utilizes recent or expected future transactions of the investment to determine fair value, to the extent applicable. The second valuation technique is an analysis of the enterprise value ("EV") of the portfolio company. EV means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The EV analysis is typically performed to determine (i) the value of equity investments, (ii) whether there is credit impairment for debt investments and (iii) the value for debt investments that the Company is deemed to control under the Investment Company Act. To estimate the EV of a portfolio company, Oaktree analyzes various factors, including the portfolio company's historical and projected financial results, macroeconomic impacts on the company and competitive dynamics in the company's industry. Oaktree also utilizes some or all of the following information based on the individual circumstances of the portfolio company: (i) valuations of comparable public companies, (ii) recent sales of private and public comparable companies in similar industries or having similar business or earnings characteristics, (iii) purchase prices as a multiple of their earnings or cash flow, (iv) the portfolio company's ability to meet its forecasts and its business prospects, (v) a discounted cash flow analysis, (vi) estimated liquidation or collateral value of the portfolio company's assets and (vii) offers from third parties to buy the portfolio company. The Company may probability weight potential sale outcomes with respect to a portfolio company when uncertainty exists as of the valuation date. The third valuation technique is a market yield technique, which is typically performed for non-credit impaired debt investments. In the market yield technique, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk, and the Company considers the current contractual interest rate,

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the capital structure and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the EV of the portfolio company. As debt investments held by the Company are substantially illiquid with no active transaction market, the Company depends on primary market data, including newly funded transactions and industry specific market movements, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

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

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

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

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

The fair value of the Company's investments as of June 30, 2020 and September 30, 2019 was determined in good faith by the Board of Directors. The Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of the Company's portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. However, the Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to the Company's valuation policy and a consistently applied valuation process.

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

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



***Foreign Currency Translation:***

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

***Derivative Instruments:***

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

***Investment Income:***

*Interest Income*

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

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

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

*PIK Interest Income*

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

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*Fee Income*

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

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

*Dividend Income*

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

***Cash and Cash Equivalents and Restricted Cash:***

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

***Due from Portfolio Companies:***

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

***Receivables/Payables from Unsettled Transactions:***

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

***Deferred Financing Costs:***

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

***Deferred Offering Costs:***

Legal fees and other costs incurred in connection with the Company's shelf registration statement are capitalized as deferred offering costs in the Consolidated Statements of Assets and Liabilities. To the extent any such costs relate to equity offerings, these costs are charged as a reduction of capital upon utilization. To the extent any such costs relate to debt offerings, these costs are treated as deferred financing costs and are amortized over the term of the respective debt arrangement. Any

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deferred offering costs that remain at the expiration of the shelf registration statement or when it becomes probable that an offering will not be completed are expensed.

**Income Taxes:**

The Company has elected to be subject to tax as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute dividends to its stockholders of an amount generally at least equal to 90% of investment company taxable income, as defined by the Code and determined without regard to any deduction for dividends paid, for each taxable year. As a RIC, the Company is not subject to federal income tax on the portion of its taxable income and gains distributed currently to stockholders as a dividend. Depending on the level of taxable income earned during a taxable year, the Company may choose to retain taxable income in excess of current year dividend distributions and would distribute such taxable income in the next taxable year. The Company would then incur a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income, determined on a calendar year basis, could exceed estimated current calendar year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. The Company anticipates timely distribution of its taxable income within the tax rules under Subchapter M of the Code. The Company did not incur a U.S. federal excise tax for calendar years 2018 and 2019.

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

FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes* ("ASC 740"), provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the Company's Consolidated Financial Statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including an ongoing analysis of tax laws, regulations and interpretations thereof. The Company recognizes the tax benefits of uncertain tax positions only where the position is "more-likely-than-not" to be sustained assuming examination by tax authorities. Management has analyzed the Company's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2017, 2018 or 2019. The Company identifies its major tax jurisdictions as U.S. Federal and California, and the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

**Recent Accounting Pronouncements:**

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

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

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

**Note 3. Portfolio Investments**

As of June 30, 2020, 181.7% of net assets at fair value, or \$1.6 billion, was invested in 119 portfolio companies, including \$110.0 million in subordinated notes and limited liability company ("LLC") equity interests of SLF JV I, a joint venture through which the Company and Trinity Universal Insurance Company, a subsidiary of Kemper Corporation, co-invest in senior secured loans of middle-market companies and other corporate debt securities. As of June 30, 2020, 5.9% of net assets at fair value, or \$50.7 million, was invested in cash and cash equivalents. In comparison, as of September 30, 2019, 154.5% of net assets at fair value, or \$1.4 billion, was invested in 104 portfolio investments, including \$126.3 million in subordinated notes and LLC equity interests of SLF JV I, and 1.7% of net assets at fair value, or \$15.4 million, was invested in cash and cash equivalents. As of June 30, 2020, 80.9% of the Company's portfolio at fair value consisted of senior secured debt investments and 13.4% consisted of subordinated debt investments, including the debt investment in SLF JV I. As of September 30, 2019, 78.6% of the Company's portfolio at fair value consisted of senior secured debt investments and 12.3% consisted of subordinated debt investments, including the debt investment in SLF JV I.

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

During the three and nine months ended June 30, 2020, the Company recorded net realized gains (losses) of \$2.8 million and \$(20.4) million, respectively. During the three and nine months ended June 30, 2019, the Company recorded net realized gains (losses) of \$(19.8) million and \$23.3 million, respectively. During the three and nine months ended June 30, 2020, the Company recorded net unrealized appreciation (depreciation) of \$100.6 million and \$(60.1) million, respectively. During the three and nine months ended June 30, 2019, the Company recorded net unrealized appreciation (depreciation) of \$23.4 million and \$37.9 million, respectively.

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

	June 30, 2020		September 30, 2019	
	Cost	Fair Value	Cost	Fair Value
Investments in debt securities	\$ 1,441,281	\$ 1,375,572	\$ 1,274,367	\$ 1,212,174
Investments in equity securities	109,724	75,535	93,075	99,566
Debt investment in SLF JV I	96,250	96,250	96,250	96,250
Equity investment in SLF JV I	49,322	13,796	49,322	30,052
<b>Total</b>	<b>\$ 1,696,577</b>	<b>\$ 1,561,153</b>	<b>\$ 1,513,014</b>	<b>\$ 1,438,042</b>

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

	June 30, 2020		September 30, 2019	
	Fair Value	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Fixed rate debt securities	\$ 202,489	13.76 %	\$ 132,965	10.16 %
Floating rate debt securities, including the debt investment in SLF JV I	1,269,333	86.24	1,175,459	89.84
<b>Total</b>	<b>\$ 1,471,822</b>	<b>100.00 %</b>	<b>\$ 1,308,424</b>	<b>100.00 %</b>

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

	Level 1	Level 2	Level 3	Measured at Net Asset Value (a)	Total
Investments in debt securities (senior secured)	\$ —	\$ 444,277	\$ 819,129	\$ —	\$ 1,263,406
Investments in debt securities (subordinated, including the debt investment in SLF JV I)	—	41,386	167,030	—	208,416
Investments in equity securities (preferred)	—	—	29,938	—	29,938
Investments in equity securities (common and warrants, including LLC equity interests of SLF JV I)	236	—	43,011	16,146	59,393
<b>Total investments at fair value</b>	<b>236</b>	<b>485,663</b>	<b>1,059,108</b>	<b>16,146</b>	<b>1,561,153</b>
Cash equivalents	47,871	—	—	—	47,871
Derivative assets	—	870	—	—	870
<b>Total assets at fair value</b>	<b>\$ 48,107</b>	<b>\$ 486,533</b>	<b>\$ 1,059,108</b>	<b>\$ 16,146</b>	<b>\$ 1,609,894</b>

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

The following table presents the financial instruments carried at fair value as of September 30, 2019 on the Company's Consolidated Statement of Assets and Liabilities for each of the three levels of hierarchy established by ASC 820:

	Level 1	Level 2	Level 3	Measured at Net Asset Value (a)	Total
Investments in debt securities (senior secured)	\$ —	\$ 477,542	\$ 653,334	\$ —	\$ 1,130,876
Investments in debt securities (subordinated, including the debt investment in SLF JV I)	—	67,239	110,309	—	177,548
Investments in equity securities (preferred)	—	—	40,578	—	40,578
Investments in equity securities (common and warrants, including LLC equity interests of SLF JV I)	15,054	—	41,006	32,980	89,040
<b>Total investments at fair value</b>	<b>15,054</b>	<b>544,781</b>	<b>845,227</b>	<b>32,980</b>	<b>1,438,042</b>
Cash equivalents	9,611	—	—	—	9,611
Derivative assets	—	490	—	—	490
<b>Total assets at fair value</b>	<b>\$ 24,665</b>	<b>\$ 545,271</b>	<b>\$ 845,227</b>	<b>\$ 32,980</b>	<b>\$ 1,448,143</b>

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

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

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

	Investments					Total
	Senior Secured Debt	Subordinated Debt (including debt investment in SLF JV I)	Preferred Equity	Common Equity and Warrants		
Fair value as of March 31, 2020	\$ 720,110	\$ 105,167	\$ 31,367	\$ 45,150	\$ 901,794	
Purchases	95,154	48,663	—	80	143,897	
Sales and repayments	(23,010)	(93)	—	(2,889)	(25,992)	
PIK interest income	1,316	—	—	—	1,316	
Accretion of OID	1,524	473	—	—	1,997	
Net unrealized appreciation (depreciation)	24,035	12,820	(1,429)	(1,805)	33,621	
Net realized gains (losses)	—	—	—	2,475	2,475	
<b>Fair value as of June 30, 2020</b>	<b>\$ 819,129</b>	<b>\$ 167,030</b>	<b>\$ 29,938</b>	<b>\$ 43,011</b>	<b>\$ 1,059,108</b>	
Net unrealized appreciation (depreciation) relating to Level 3 investments still held as of June 30, 2020 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended June 30, 2020	\$ 24,794	\$ 12,820	\$ (1,429)	\$ (127)	\$ 36,058	

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

	Investments					Liabilities	
	Senior Secured Debt	Subordinated Debt (including debt investment in SLF JV I)	Preferred Equity	Common Equity and Warrants	Total	Secured Borrowings	
Fair value as of March 31, 2019	\$ 736,955	\$ 120,435	\$ 5,013	\$ 39,122	\$ 901,525	\$ 9,011	
New investments	57,794	160	—	—	57,954	—	
Sales and repayments	(90,758)	(230)	—	(332)	(91,320)	—	
Transfers out (a)	(18,864)	—	—	—	(18,864)	—	
PIK interest income	—	27	—	—	27	—	
Accretion of OID	2,521	298	—	—	2,819	—	
Net unrealized appreciation (depreciation)	20,179	243	503	1,475	22,400	—	
Net realized gains (losses)	(22,541)	—	—	332	(22,209)	—	
<b>Fair value as of June 30, 2019</b>	<b>\$ 685,286</b>	<b>\$ 120,933</b>	<b>\$ 5,516</b>	<b>\$ 40,597</b>	<b>\$ 852,332</b>	<b>\$ 9,011</b>	
Net unrealized appreciation (depreciation) relating to Level 3 assets & liabilities still held as of June 30, 2019 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended June 30, 2019	\$ (749)	\$ 243	\$ 503	\$ 1,475	\$ 1,472	\$ —	

(a) There was a transfer out of Level 3 to Level 2 for one investment during the three months ended June 30, 2019 as a result of an increased number of market quotes available and/or increased market liquidity.

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

	Investments					Total
	Senior Secured Debt	Subordinated Debt (including debt investment in SLF JV I)	Preferred Equity	Common Equity and Warrants		
Fair value as of September 30, 2019	\$ 653,334	\$ 110,309	\$ 40,578	\$ 41,006	\$ 845,227	
Purchases	334,339	49,728	—	1,408	385,475	
Sales and repayments	(177,958)	(3,956)	(1,388)	(9,463)	(192,765)	
Transfers in (a)(b)	67,939	5,113	—	18,625	91,677	
Transfers out (a)(b)	(33,625)	—	—	—	(33,625)	
PIK interest income	4,276	—	—	—	4,276	
Accretion of OID	5,089	1,090	—	—	6,179	
Net unrealized appreciation (depreciation)	(5,362)	19,088	(9,747)	(15,655)	(11,676)	
Net realized gains (losses)	(28,903)	(14,342)	495	7,090	(35,660)	
<b>Fair value as of June 30, 2020</b>	<b>\$ 819,129</b>	<b>\$ 167,030</b>	<b>\$ 29,938</b>	<b>\$ 43,011</b>	<b>\$ 1,059,108</b>	
Net unrealized appreciation (depreciation) relating to Level 3 investments still held as of June 30, 2020 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the nine months ended June 30, 2020	\$ (33,050)	\$ 7,698	\$ (9,145)	\$ (13,658)	\$ (48,155)	

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

(b) There was one transfer from senior secured debt to common equity and warrants during the nine months ended June 30, 2020 as a result of an investment restructuring, in which \$46.5 million of senior secured debt was exchanged for new senior secured debt of \$27.9 million and common equity of \$18.6 million.

The following table provides a roll-forward in the changes in fair value from September 30, 2018 to June 30, 2019 for all investments and secured borrowings for which the Company determined fair value using unobservable (Level 3) factors:

	Investments					Liabilities	
	Senior Secured Debt	Subordinated Debt (including debt investment in SLF JV I)	Preferred Equity	Common Equity and Warrants	Total	Secured Borrowings	
Fair value as of September 30, 2018	\$ 638,971	\$ 158,859	\$ 4,918	\$ 61,134	\$ 863,882	\$ 9,728	
New investments	214,513	2,664	—	2,514	219,691	—	
Sales and repayments	(225,549)	(16,368)	—	(31,618)	(273,535)	(812)	
Transfers in (a)	3,222	—	—	—	3,222	—	
Transfers out (b)	—	(33,150)	—	(12,073)	(45,223)	—	
PIK interest income	1,702	149	—	—	1,851	—	
Accretion of OID	14,601	961	—	—	15,562	—	
Net unrealized appreciation (depreciation)	43,446	7,818	1,093	(2,915)	49,442	95	
Net realized gains (losses)	(5,620)	—	(495)	23,555	17,440	—	
<b>Fair value as of June 30, 2019</b>	<b>\$ 685,286</b>	<b>\$ 120,933</b>	<b>\$ 5,516</b>	<b>\$ 40,597</b>	<b>\$ 852,332</b>	<b>\$ 9,011</b>	
Net unrealized appreciation (depreciation) relating to Level 3 assets & liabilities still held as of June 30, 2019 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the nine months ended June 30, 2019	\$ (16,905)	\$ 7,820	\$ 598	\$ 10,208	\$ 1,721	\$ 95	

(a) There was a transfer into Level 3 from Level 2 for one investment during the nine months ended June 30, 2019 as a result of a decreased number of market quotes available and/or decreased market liquidity.

(b) There was one transfer from Level 3 to Level 1 during the nine months ended June 30, 2019 as a result of an initial public offering of a portfolio company. There was also one transfer out of Level 3 during the nine months ended June 30, 2019 as a result of an investment restructuring in which debt investments were exchanged for equity investments that are valued using net asset value as a practical expedient.

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*Significant Unobservable Inputs for Level 3 Investments*

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

Asset	Fair Value	Valuation Technique	Unobservable Input	Range	Weighted Average (a)
Senior Secured Debt	\$ 423,078	Market Yield	Market Yield	(b) 6.5% - 45.0%	13.4%
	51,368	Enterprise Value	EBITDA Multiple	(c) 1.8x - 7.0x	6.2x
	11,510	Enterprise Value	Asset Multiple	(c) 0.9x - 1.1x	1.0x
	27,495	Transactions Precedent	Transaction Price	(d) N/A - N/A	N/A
	305,678	Broker Quotations	Broker Quoted Price	(e) N/A - N/A	N/A
Subordinated Debt	69,193	Market Yield	Market Yield	(b) 5.0% - 13.0%	8.8%
	1,587	Enterprise Value	EBITDA Multiple	(c) 8.6x - 9.6x	9.1x
SLF JV I Debt Investment	96,250	Enterprise Value	N/A	(f) N/A - N/A	N/A
Preferred & Common Equity	19,945	Enterprise Value	Revenue Multiple	(c) 0.4x - 7.0x	2.6x
	48,924	Enterprise Value	EBITDA Multiple	(c) 1.8x - 15.0x	6.4x
	3,165	Enterprise Value	Asset Multiple	(c) 0.9x - 1.1x	1.0x
	915	Transactions Precedent	Transaction Price	(d) N/A - N/A	N/A
<b>Total</b>	<b>\$ 1,059,108</b>				

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

The following table provides quantitative information related to the significant unobservable inputs for Level 3 investments, which are carried at fair value, as of September 30, 2019:

Asset	Fair Value	Valuation Technique	Unobservable Input	Range	Weighted Average (a)
Senior Secured Debt	\$ 314,026	Market Yield	Market Yield	(b) 6.7% - 18.0%	11.2%
	17,452	Enterprise Value	EBITDA Multiple	(c) 1.8x - 6.0x	5.0x
	11,510	Enterprise Value	Asset Multiple	(c) 0.9x - 1.1x	1.0x
	3,750	Transactions Precedent	Transaction Price	(d) N/A - N/A	N/A
	306,596	Broker Quotations	Broker Quoted Price	(e) N/A - N/A	N/A
Subordinated Debt	11,353	Market Yield	Market Yield	(b) 13.0% - 15.0%	14.0%
	2,706	Enterprise Value	EBITDA Multiple	(c) 6.5x - 8.5x	7.5x
SLF JV I Debt Investment	96,250	Enterprise Value	N/A	(f) N/A - N/A	N/A
Preferred & Common Equity	4,004	Enterprise Value	Revenue Multiple	(c) 0.8x - 8.9x	3.3x
	72,950	Enterprise Value	EBITDA Multiple	(c) 1.8x - 17.0x	6.9x
	4,630	Enterprise Value	Asset Multiple	(c) 0.9x - 1.1x	1.0x
<b>Total</b>	<b>\$ 845,227</b>				

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



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- estimated. Each quoted price is evaluated by the Audit Committee of the Company's Board of Directors in conjunction with additional information compiled by Oaktree.
- (f) The Company determined the value of its subordinated notes of SLF JV I based on the total assets less the total liabilities senior to the subordinated notes held at SLF JV I in an amount not exceeding par under the EV technique.

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

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

*Financial Instruments Disclosed, But Not Carried, At Fair Value*

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

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Credit facility payable	\$ 466,825	\$ 466,825	\$ —	\$ —	\$ 466,825
Unsecured notes payable (net of unamortized financing costs and unaccreted discount)	294,177	293,295	—	293,295	—
<b>Total</b>	<b>\$ 761,002</b>	<b>\$ 760,120</b>	<b>\$ —</b>	<b>\$ 293,295</b>	<b>\$ 466,825</b>

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of September 30, 2019 and the level of each financial liability within the fair value hierarchy:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Credit facility payable	\$ 314,825	\$ 314,825	\$ —	\$ —	\$ 314,825
Unsecured notes payable (net of unamortized financing costs)	158,542	164,966	—	164,966	—
<b>Total</b>	<b>\$ 473,367</b>	<b>\$ 479,791</b>	<b>\$ —</b>	<b>\$ 164,966</b>	<b>\$ 314,825</b>

The principal value of the credit facility payable approximates fair value due to its variable interest rate and is included in Level 3 of the hierarchy. As of June 30, 2020, unsecured notes payable included the 3.500% unsecured notes due 2025 ("2025 Notes"). The Company used market quotes as of the valuation date to estimate the fair value of the 2025 Notes, which are included in Level 2 of the hierarchy. As of September 30, 2019, unsecured notes payable included the 5.875% unsecured notes due 2024 ("2024 Notes") and the 6.125% unsecured notes due 2028 ("2028 Notes"). The Company used the unadjusted quoted price as of the valuation date to calculate the fair value of the 2024 Notes and the 2028 Notes. Although these securities were publicly traded, the market was relatively inactive, and accordingly, these securities were included in Level 2 of the hierarchy.

*Portfolio Composition*

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

Cost:	June 30, 2020		September 30, 2019	
	\$	% of Total Investments	\$	% of Total Investments
Senior secured debt	\$ 1,323,950	78.03 %	\$ 1,170,258	77.35 %
Subordinated debt	117,331	6.92 %	104,109	6.88 %
Debt investment in SLF JV I	96,250	5.67 %	96,250	6.36 %
Common equity and warrants	70,174	4.14 %	52,630	3.48 %
LLC equity interests of SLF JV I	49,322	2.91 %	49,322	3.26 %
Preferred equity	39,550	2.33 %	40,445	2.67 %
<b>Total</b>	<b>\$ 1,696,577</b>	<b>100.00 %</b>	<b>\$ 1,513,014</b>	<b>100.00 %</b>

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	June 30, 2020			September 30, 2019		
		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
<b>Fair Value:</b>						
Senior secured debt	\$ 1,263,406	80.93 %	147.08 %	\$ 1,130,876	78.64 %	121.51 %
Subordinated debt	112,166	7.18 %	13.06 %	81,298	5.65 %	8.74 %
Debt investment in SLF JV I	96,250	6.17 %	11.20 %	96,250	6.69 %	10.34 %
Common equity and warrants	45,597	2.92 %	5.31 %	58,988	4.10 %	6.34 %
Preferred equity	29,938	1.92 %	3.48 %	40,578	2.82 %	4.36 %
LLC equity interests of SLF JV I	13,796	0.88 %	1.61 %	30,052	2.10 %	3.23 %
<b>Total</b>	<b>\$ 1,561,153</b>	<b>100.00 %</b>	<b>181.74 %</b>	<b>\$ 1,438,042</b>	<b>100.00 %</b>	<b>154.52 %</b>

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

	June 30, 2020			September 30, 2019		
		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
<b>Cost:</b>						
Northeast	\$ 507,485	29.91 %		\$ 394,130	26.05 %	
West	358,213	21.11 %		377,810	24.97 %	
Midwest	298,100	17.57 %		322,651	21.33 %	
International	220,137	12.98 %		171,129	11.31 %	
Southeast	132,095	7.79 %		131,522	8.69 %	
Southwest	99,992	5.89 %		66,781	4.41 %	
South	45,298	2.67 %		13,798	0.91 %	
Northwest	35,257	2.08 %		35,193	2.33 %	
<b>Total</b>	<b>\$ 1,696,577</b>	<b>100.00 %</b>		<b>\$ 1,513,014</b>	<b>100.00 %</b>	

	June 30, 2020			September 30, 2019		
		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
<b>Fair Value:</b>						
Northeast	\$ 445,350	28.53 %	51.85 %	\$ 358,328	24.93 %	38.50 %
West	344,807	22.09 %	40.14 %	350,660	24.38 %	37.68 %
Midwest	252,461	16.17 %	29.39 %	297,433	20.68 %	31.97 %
International	218,794	14.01 %	25.47 %	175,687	12.22 %	18.88 %
Southeast	120,311	7.71 %	14.00 %	125,306	8.71 %	13.46 %
Southwest	104,990	6.73 %	12.22 %	82,395	5.73 %	8.85 %
South	40,806	2.61 %	4.75 %	13,416	0.93 %	1.44 %
Northwest	33,634	2.15 %	3.92 %	34,817	2.42 %	3.74 %
<b>Total</b>	<b>\$ 1,561,153</b>	<b>100.00 %</b>	<b>181.74 %</b>	<b>\$ 1,438,042</b>	<b>100.00 %</b>	<b>154.52 %</b>

The following tables show the composition of the Company's portfolio by industry at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets as of June 30, 2020 and September 30, 2019:

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Cost:	June 30, 2020		September 30, 2019	
		% of Total Investments		% of Total Investments
Application Software	\$ 192,108	11.34 %	\$ 132,051	8.73 %
Multi-Sector Holdings (1)	153,262	9.03	146,436	9.67
Data Processing & Outsourced Services	109,053	6.43	97,759	6.46
Pharmaceuticals	99,595	5.87	59,294	3.92
Biotechnology	79,514	4.69	82,109	5.43
Health Care Services	71,229	4.20	100,173	6.62
Oil & Gas Refining & Marketing	62,954	3.71	30,378	2.01
Specialized Finance	52,984	3.12	53,227	3.52
Personal Products	52,211	3.08	—	—
Property & Casualty Insurance	49,308	2.91	73,076	4.83
Specialty Chemicals	45,379	2.67	31,788	2.10
Movies & Entertainment	44,676	2.63	18,858	1.25
Real Estate Services	39,100	2.30	39,332	2.60
Oil & Gas Storage & Transportation	34,171	2.01	11,603	0.77
Auto Parts & Equipment	33,647	1.98	42,641	2.82
Aerospace & Defense	33,109	1.95	33,665	2.23
Internet Services & Infrastructure	31,541	1.86	32,563	2.15
Health Care Technology	31,463	1.85	51,044	3.37
Research & Consulting Services	31,028	1.83	34,734	2.30
Managed Health Care	27,521	1.62	27,645	1.83
Alternative Carriers	27,277	1.61	29,400	1.94
Electronic Components	25,477	1.50	—	—
Education Services	22,997	1.36	15,672	1.04
Advertising	22,898	1.35	42,405	2.80
Airport Services	22,412	1.32	—	—
Independent Power Producers & Energy Traders	21,700	1.28	—	—
Electrical Components & Equipment	21,003	1.24	21,210	1.40
Systems Software	20,729	1.22	31,716	2.10
Integrated Telecommunication Services	20,113	1.19	33,741	2.23
General Merchandise Stores	19,079	1.12	18,946	1.25
Diversified Support Services	18,798	1.11	18,805	1.24
Apparel, Accessories & Luxury Goods	17,284	1.02	18,192	1.20
Hotels, Resorts & Cruise Lines	15,396	0.91	—	—
Industrial Machinery	15,344	0.90	17,055	1.13
Diversified Real Estate Activities	15,269	0.90	—	—
IT Consulting & Other Services	14,933	0.88	14,975	0.99
Construction & Engineering	13,254	0.78	23,443	1.55
Health Care Distributors	12,825	0.76	22,561	1.49
Metal & Glass Containers	11,268	0.66	—	—
Airlines	10,559	0.62	10,640	0.70
Trading Companies & Distributors	10,259	0.60	10,357	0.68
Restaurants	10,246	0.60	3,097	0.20
Commercial Printing	7,896	0.47	6,002	0.40
Food Retail	6,845	0.40	14,473	0.96
Distributors	3,732	0.22	—	—
Oil & Gas Equipment & Services	3,463	0.20	12,165	0.80
Health Care Facilities	3,098	0.18	—	—
Insurance Brokers	2,200	0.13	—	—
Construction Materials	2,127	0.13	—	—
Leisure Facilities	1,887	0.11	1,887	0.12
Specialty Stores	1,305	0.08	1,305	0.09
Thrifts & Mortgage Finance	938	0.06	1,217	0.08
Other Diversified Financial Services	113	0.01	113	0.01
Interactive Media & Services	—	—	21,805	1.44
Specialized REITs	—	—	8,264	0.55
Household Appliances	—	—	7,837	0.52
Environmental & Facilities Services	—	—	5,940	0.39
Human Resource & Employment Services	—	—	830	0.05
Department Stores	—	—	585	0.04
<b>Total</b>	<b>\$ 1,696,577</b>	<b>100.00 %</b>	<b>\$ 1,513,014</b>	<b>100.00 %</b>

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Fair Value:	June 30, 2020				September 30, 2019			
			% of Total Investments	% of Net Assets			% of Total Investments	% of Net Assets
Application Software	\$	184,938	11.86 %	21.52 %	\$	129,577	9.00 %	13.94 %
Multi-Sector Holdings (1)		119,936	7.68	13.96		128,539	8.94	13.81
Pharmaceuticals		99,865	6.40	11.62		60,057	4.18	6.45
Data Processing & Outsourced Services		95,686	6.13	11.14		98,267	6.83	10.56
Biotechnology		89,966	5.76	10.47		85,719	5.96	9.21
Oil & Gas Refining & Marketing		69,334	4.44	8.07		31,597	2.20	3.40
Health Care Services		59,893	3.84	6.97		58,391	4.06	6.27
Personal Products		51,359	3.29	5.98		—	—	—
Specialized Finance		48,504	3.11	5.65		51,485	3.58	5.53
Property & Casualty Insurance		46,578	2.98	5.42		74,148	5.16	7.97
Movies & Entertainment		43,608	2.79	5.08		18,613	1.29	2.00
Real Estate Services		36,630	2.35	4.26		39,501	2.75	4.24
Specialty Chemicals		36,332	2.33	4.23		23,514	1.64	2.53
Health Care Technology		31,384	2.01	3.65		52,275	3.64	5.62
Oil & Gas Storage & Transportation		30,829	1.97	3.59		11,926	0.83	1.28
Internet Services & Infrastructure		29,599	1.90	3.45		32,565	2.26	3.50
Research & Consulting Services		29,266	1.87	3.41		37,336	2.60	4.01
Auto Parts & Equipment		29,263	1.87	3.41		40,484	2.82	4.35
Aerospace & Defense		29,175	1.87	3.40		33,738	2.35	3.63
Alternative Carriers		26,406	1.69	3.07		29,580	2.06	3.18
Managed Health Care		25,635	1.64	2.98		27,775	1.93	2.98
Electronic Components		23,431	1.50	2.73		—	—	—
Airport Services		21,359	1.37	2.49		—	—	—
Independent Power Producers & Energy Traders		20,880	1.34	2.43		—	—	—
Systems Software		20,126	1.29	2.34		31,504	2.19	3.39
Electrical Components & Equipment		19,590	1.25	2.28		20,032	1.39	2.15
Diversified Support Services		16,555	1.06	1.93		18,624	1.30	2.00
Diversified Real Estate Activities		16,538	1.06	1.93		—	—	—
Hotels, Resorts & Cruise Lines		16,492	1.06	1.92		—	—	—
General Merchandise Stores		16,408	1.05	1.91		16,934	1.18	1.82
Advertising		16,392	1.05	1.91		37,261	2.59	4.00
Integrated Telecommunication Services		15,922	1.02	1.85		28,876	2.01	3.10
Airlines		14,675	0.94	1.71		16,140	1.12	1.73
Construction & Engineering		13,025	0.83	1.52		23,982	1.67	2.58
IT Consulting & Other Services		12,910	0.83	1.50		13,792	0.96	1.48
Industrial Machinery		11,969	0.77	1.39		16,848	1.17	1.81
Metal & Glass Containers		11,961	0.77	1.39		—	—	—
Health Care Distributors		11,668	0.75	1.36		21,962	1.53	2.36
Apparel, Accessories & Luxury Goods		11,166	0.72	1.30		13,286	0.92	1.43
Trading Companies & Distributors		10,012	0.64	1.17		10,370	0.72	1.11
Restaurants		7,531	0.48	0.88		2,800	0.19	0.30
Commercial Printing		7,494	0.48	0.87		5,900	0.41	0.63
Education Services		7,238	0.46	0.84		16	—	—
Food Retail		6,930	0.44	0.81		14,903	1.04	1.60
Oil & Gas Equipment & Services		4,636	0.30	0.54		13,652	0.95	1.47
Distributors		4,097	0.26	0.48		—	—	—
Health Care Facilities		3,416	0.22	0.40		—	—	—
Insurance Brokers		2,244	0.14	0.26		—	—	—
Construction Materials		1,883	0.12	0.22		—	—	—
Thrifts & Mortgage Finance		370	0.02	0.04		691	0.05	0.07
Leisure Facilities		49	—	0.01		4,809	0.33	0.52
Interactive Media & Services		—	—	—		22,500	1.56	2.42
Leisure Products		—	—	—		15,054	1.05	1.62
Specialized REITs		—	—	—		8,213	0.57	0.88
Household Appliances		—	—	—		7,614	0.53	0.82
Environmental & Facilities Services		—	—	—		5,937	0.41	0.64
Human Resource & Employment Services		—	—	—		775	0.05	0.08
Department Stores		—	—	—		480	0.03	0.05
<b>Total</b>	<b>\$</b>	<b>1,561,153</b>	<b>100.00 %</b>	<b>181.74 %</b>	<b>\$</b>	<b>1,438,042</b>	<b>100.00 %</b>	<b>154.52 %</b>

(1) This industry includes the Company's investments in SLF JV I, collateral loan obligations and certain limited partnership interests.

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As of June 30, 2020 and September 30, 2019, the Company had no single investment that represented greater than 10% of the total investment portfolio at fair value. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses, may fluctuate and in any given period can be highly concentrated among several investments.

*Senior Loan Fund JV I, LLC*

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

SLF JV I is capitalized pro rata with LLC equity interests as transactions are completed and may be capitalized with additional subordinated notes issued to the Company and Kemper by SLF JV I. On December 28, 2018, the Company and Kemper directed the redemption of their holdings of mezzanine notes issued by SLF Repack Issuer 2016, LLC, a wholly-owned, special purpose issuer subsidiary of SLF JV I. Upon such redemption, the assets collateralizing the mezzanine notes, which consisted of equity interests of SLF JV I Funding LLC (the "Equity Interests"), were distributed in-kind to each of the Company and Kemper, based upon their respective holdings of mezzanine notes. Upon such distribution, the Company and Kemper each then directed that a portion of their respective Equity Interests holdings be contributed to SLF JV I in exchange for LLC equity interests of SLF JV I and the remainder be applied as payment for the subordinated notes of SLF JV I. SLF Repack Issuer 2016, LLC was dissolved following the foregoing redemption and liquidation. The subordinated notes issued by SLF JV I (the "SLF JV I Subordinated Notes") and the mezzanine notes issued by SLF Repack Issuer 2016, LLC (the "SLF Repack Notes") collectively are referred to as the SLF JV I Notes. Prior to the redemption on December 28, 2018, the SLF Repack Notes consisted of Class A mezzanine secured deferrable floating rate notes and Class B mezzanine secured deferrable fixed rate notes. The SLF JV I Subordinated Notes are (and the SLF Repack Notes were, prior to their redemption) senior in right of payment to SLF JV I LLC equity interests and subordinated in right of payment to SLF JV I's secured debt. As of June 30, 2020 and September 30, 2019, the Company and Kemper owned, in the aggregate, 87.5% and 12.5%, respectively, of the LLC equity interests of SLF JV I and the outstanding SLF JV I Subordinated Notes.

SLF JV I has a senior revolving credit facility with Deutsche Bank AG, New York Branch (as amended, the "Deutsche Bank I Facility"), which permitted up to \$250.0 million of borrowings (subject to borrowing base and other limitations) as of June 30, 2020 and September 30, 2019. Borrowings under the Deutsche Bank I Facility are secured by all of the assets of SLF JV I Funding LLC, a special purpose financing subsidiary of SLF JV I. As of June 30, 2020, the reinvestment period of the Deutsche Bank I Facility was scheduled to expire June 28, 2021 and the maturity date for the Deutsche Bank I Facility was June 29, 2026. As of June 30, 2020, borrowings under the Deutsche Bank I Facility accrued interest at a rate equal to 3-month LIBOR plus 1.85% per annum during the reinvestment period and 3-month LIBOR plus 2.00% per annum during the amortization period. Under the Deutsche Bank I Facility, \$173.9 million and \$170.2 million of borrowings were outstanding as of June 30, 2020 and September 30, 2019, respectively.

On July 10, 2020, SLF JV I amended the Deutsche Bank I Facility to (a) establish a waiver period beginning on July 10, 2020 and ending 180 days thereafter (the "Waiver Period"), during which the facility agent is restricted from revaluing certain collateral obligations where the change in valuation is caused by or results from a business disruption due primarily to the COVID-19 pandemic and (b) modify the minimum utilization percentage from 75% to 50% until 90 days after the end of the Waiver Period.

As of June 30, 2020 and September 30, 2019, SLF JV I had total assets of \$315.4 million and \$360.9 million, respectively. SLF JV I's portfolio primarily consisted of senior secured loans to 53 and 51 portfolio companies, as of June 30, 2020 and September 30, 2019, respectively. The portfolio companies in SLF JV I are in industries similar to those in which the Company may invest directly. As of June 30, 2020, the Company's investment in SLF JV I consisted of LLC equity interests and Subordinated Notes of \$110.0 million, at fair value. As of September 30, 2019, the Company's investment in SLF JV I consisted of LLC equity interests and Subordinated Notes of \$126.3 million, at fair value.

As of each of June 30, 2020 and September 30, 2019, the Company and Kemper had funded approximately \$165.5 million to SLF JV I, of which \$144.8 million was from the Company. As of June 30, 2020 and September 30, 2019, the Company and Kemper had the option to fund additional SLF JV I Notes, subject to additional equity funding to SLF JV I. As of each of

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June 30, 2020 and September 30, 2019, the Company had commitments to fund LLC equity interests in SLF JV I of \$17.5 million, of which \$1.3 million was unfunded.

Below is a summary of SLF JV I's portfolio, followed by a listing of the individual loans in SLF JV I's portfolio as of June 30, 2020 and September 30, 2019:

	June 30, 2020	September 30, 2019
Senior secured loans (1)	\$306,759	\$340,960
Weighted average interest rate on senior secured loans (2)	5.43%	6.57%
Number of borrowers in SLF JV I	53	51
Largest exposure to a single borrower (1)	\$10,515	\$10,835
Total of five largest loan exposures to borrowers (1)	\$49,198	\$50,510

(1) At principal amount.

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

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**SLF JV I Portfolio as of June 30, 2020**

<b>Portfolio Company</b>	<b>Investment Type</b>	<b>Cash Interest Rate (1)(2)</b>	<b>Industry</b>	<b>Principal</b>	<b>Cost</b>	<b>Fair Value (3)</b>	<b>Notes</b>
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.92 %	Diversified Support Services	\$ 9,229	\$ 9,192	\$ 8,816	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,353	(4)
AI Convoy (Luxembourg) S.À.R.L.	First Lien Term Loan, LIBOR+3.50% cash due 1/18/2027	4.65 %	Aerospace & Defense	5,647	5,619	5,414	
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.68 %	Electrical Components & Equipment	6,064	5,933	5,534	(4)
Airbnb, Inc.	First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50 %	Hotels, Resorts & Cruise Lines	3,059	2,984	3,197	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	4.18 %	Integrated Telecommunication Services	4,655	4,453	4,494	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.32 %	Pharmaceuticals	9,879	9,603	9,237	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75 %	Movies & Entertainment	7,980	7,900	6,983	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	2,835	2,317	1,003	(6)
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %	Application Software	4,615	4,546	4,512	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application Software	—	(6)	(9)	(4)(5)
<b>Total Apptio, Inc.</b>					<b>4,540</b>	<b>4,503</b>	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %	Airport Services	6,484	6,334	6,036	(4)
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	3.18 %	Data Processing & Outsourced Services	9,800	9,783	9,073	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.43 %	Systems Software	7,552	7,466	7,174	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.19 %	Oil & Gas Equipment & Services	7,350	7,324	5,053	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	5,683	(4)
<b>Total C5 Technology Holdings, LLC</b>					<b>7,194</b>	<b>5,683</b>	
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25 %	Restaurants	4,000	3,800	3,840	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00 %	Oil & Gas Refining & Marketing	7,202	7,130	6,932	(4)
Clear Channel Outdoor Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 8/21/2026	4.26 %	Advertising	331	289	302	
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50 %	Alternative Carriers	7,456	7,274	7,041	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.07 %	Biotechnology	5,955	5,910	5,851	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/16/2026	4.18 %	Internet Services & Infrastructure	7,980	7,960	7,744	
Dealer Tire, LLC	First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.43 %	Distributors	945	903	906	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 4/17/2026	4.06 %	Application Software	4,963	4,938	4,830	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50 %	Application Software	7,500	7,425	7,371	
Frontier Communications Corporation	First Lien Term Loan, PRIME+2.75% cash due 6/15/2024	6.00 %	Integrated Telecommunication Services	3,939	3,901	3,853	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25 %	Systems Software	7,801	7,750	7,479	

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Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.18 %	Research & Consulting Services	\$ 6,000	\$ 5,978	\$ 5,490	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	5.32 %	Systems Software	3,980	3,940	3,852	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, PRIME+4.75% cash due 11/27/2023	8.00 %	Alternative Carriers	3,568	3,539	3,565	
	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 7/13/2021	6.50 %	Alternative Carriers	971	798	1,006	(5)
<b>Total Intelsat Jackson Holdings S.A.</b>					<b>4,337</b>	<b>4,571</b>	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.00 %	Household Products	8,000	7,978	7,645	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00 %	Internet Services & Infrastructure	4,529	4,459	4,185	(4)
	First Lien Revolver, LIBOR+8.00% cash due 2/14/2025	9.07 %	Internet Services & Infrastructure	476	469	440	(4)
<b>Total Mindbody, Inc.</b>					<b>4,928</b>	<b>4,625</b>	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.57 %	Application Software	3,716	3,682	3,577	(4)
	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(2)	(10)	(4)(5)
	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(3)	(13)	(4)(5)
<b>Total MRI Software LLC</b>					<b>3,677</b>	<b>3,554</b>	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.18 %	Health Care Technology	5,985	5,955	5,761	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %	Oil & Gas Equipment & Services	1,072	1,072	1,072	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & Gas Equipment & Services		—	512	(4)
<b>Total New IPT, Inc.</b>					<b>1,072</b>	<b>1,584</b>	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	5.57 %	Electrical Components & Equipment	6,843	6,819	6,329	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 6/5/2027	5.67 %	Integrated Telecommunication Services	2,406	2,316	2,394	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00 %	Application Software	5,946	5,922	5,832	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.07 %	Application Software	7,253	7,216	6,890	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(3)	(35)	(5)
<b>Total OEConnection LLC</b>					<b>7,213</b>	<b>6,855</b>	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50 %	Personal Products	4,969	4,877	4,770	(4)
	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50 %	Personal Products	540	530	518	(4)
<b>Total Olaplex, Inc.</b>					<b>5,407</b>	<b>5,288</b>	
PG&E Corporation	First Lien Term Loan, LIBOR+4.50% cash due 6/23/2025	5.50 %	Electric Utilities	6,000	5,910	5,904	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50 %	Metal & Glass Containers	4,339	4,296	4,241	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.57 %	Aerospace & Defense	2,142	2,127	1,928	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	6.00 %	Footwear	8,354	8,341	5,555	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50 %	Health Care Services	9,775	9,711	9,237	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.68 %	Diversified Support Services	4,809	4,736	3,558	
Star US Bidco LLC	First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25 %	Industrial Machinery	3,728	3,534	3,423	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.32 %	Personal Products	7,960	7,920	7,650	



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<u>Portfolio Company</u>	<u>Investment Type</u>	<u>Cash Interest Rate (1)(2)</u>	<u>Industry</u>	<u>Principal</u>	<u>Cost</u>	<u>Fair Value (3)</u>	<u>Notes</u>
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.93 %	Application Software	\$ 4,901	\$ 4,571	\$ 4,339	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25 %	Health Care Facilities	4,974	4,954	4,402	(4)
ThruLine Marketing, Inc.	927 Class A Units in FS AVI Holdco, LLC		Advertising		949	322	(4)
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	5.00 %	Application Software	8,005	7,947	7,718	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25 %	Movies & Entertainment	4,819	4,777	4,622	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	5.50 %	Application Software	6,841	6,812	6,358	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.68 %	Health Care Technology	4,122	4,090	3,998	(4)
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.56 %	Data Processing & Outsourced Services	10,515	10,525	10,068	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %	Aerospace & Defense	6,000	5,955	4,530	(4)
				<u>\$ 306,759</u>	<u>\$ 312,009</u>	<u>\$ 291,335</u>	

(1) Represents the interest rate as of June 30, 2020. All interest rates are payable in cash, unless otherwise noted.

(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of June 30, 2020, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 0.18%, the 60-day LIBOR at 0.24%, the 90-day LIBOR at 0.31%, the 180-day LIBOR at 0.36% and the PRIME at 3.25%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(3) Represents the current determination of fair value as of June 30, 2020 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.

(4) This investment was held by both the Company and SLF JV I as of June 30, 2020.

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

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

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**SLF JV I Portfolio as of September 30, 2019**

<b>Portfolio Company</b>	<b>Investment Type</b>	<b>Cash Interest Rate (1)(2)</b>	<b>Industry</b>	<b>Principal</b>	<b>Cost</b>	<b>Fair Value (3)</b>	<b>Notes</b>
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	6.07 %	Diversified support services	\$ 9,300	\$ 9,256	\$ 9,201	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,295	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60 %	Electrical components & equipment	6,145	5,992	5,659	(4)
Air Newco LP	First Lien Term Loan, LIBOR+4.75% cash due 5/31/2024	6.79 %	IT consulting & other services	9,900	9,875	9,916	
AL Midcoast Holdings LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60 %	Oil & gas storage & transportation	9,900	9,801	9,764	
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	6.03 %	Integrated telecommunication services	7,444	7,282	7,439	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.79 %	Pharmaceuticals	7,656	7,656	6,963	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56 %	Application software	4,615	4,534	4,530	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application software	—	(7)	(7)	(4)(5)
<b>Total Apptio, Inc.</b>					<b>4,527</b>	<b>4,523</b>	
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	5.04 %	Data processing & outsourced services	9,875	9,855	9,858	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29 %	Systems software	7,609	7,518	7,336	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	6.05 %	Oil & gas equipment & services	7,406	7,376	6,855	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	7,194	(4)
<b>Total C5 Technology Holdings, LLC</b>					<b>7,194</b>	<b>7,194</b>	
Cast & Crew Payroll, LLC	First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	6.05 %	Application software	4,975	4,925	5,018	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10 %	Oil & gas refining & marketing	7,960	7,880	8,010	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10 %	Alternative Carriers	8,000	7,840	7,888	(4)
Curium Bidco S.à r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10 %	Biotechnology	6,000	5,955	6,030	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 8/8/2026	6.26 %	Internet services & infrastructure	8,000	7,980	7,985	
DigiCert, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04 %	Internet services & infrastructure	8,250	8,148	8,249	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04 %	Application software	5,000	4,975	5,015	
Everi Payments Inc.	First Lien Term Loan, LIBOR+3.00% cash due 5/9/2024	5.04 %	Casinos & gaming	4,764	4,742	4,776	
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.95 %	Specialty chemicals	4,938	4,909	4,910	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80 %	Integrated telecommunication services	6,473	6,400	6,471	
Gentiva Health Services, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 7/2/2025	5.81 %	Healthcare services	7,920	7,801	7,974	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.29 %	Systems software	7,860	7,801	7,644	
GoodRx, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.81 %	Interactive media & services	7,852	7,835	7,862	
Guidehouse LLP	Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54 %	Research & consulting services	6,000	5,975	5,925	(4)

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Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76 %	Pharmaceuticals	\$ 7,898	\$ 7,797	\$ 7,272	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.80 %	Alternative Carriers	10,000	9,891	10,042	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	6.26 %	Household products	8,000	7,972	7,610	
McDermott Technology (Americas), Inc.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10 %	Oil & gas equipment & services	4,187	4,119	2,676	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06 %	Internet services & infrastructure	4,524	4,443	4,438	(4)
	First Lien Revolver, LIBOR+7.00% cash due 2/15/2025		Internet services & infrastructure	—	(9)	(9)	(4)(5)
<b>Total Mindbody, Inc.</b>					<b>4,434</b>	<b>4,429</b>	
Navicare, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 9/18/2026	6.13 %	Healthcare technology	6,000	5,970	6,008	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.10 %	Oil & gas equipment & services	1,422	1,422	1,422	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & gas equipment & services		—	1,268	(4)
<b>Total New IPT, Inc.</b>					<b>1,422</b>	<b>2,690</b>	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56 %	Electrical components & equipment	6,895	6,868	6,792	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	7.05 %	Application software	5,993	5,961	5,882	
OCI Beaumont LLC	First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10 %	Commodity chemicals	7,880	7,872	7,890	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13 %	Application software	7,312	7,275	7,298	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026		Application software	—	(3)	(1)	(5)
<b>Total OEConnection LLC</b>					<b>7,272</b>	<b>7,297</b>	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	5.04 %	Interactive media & services	3,990	3,971	4,011	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05 %	Aerospace & defense	2,205	2,183	2,094	(4)
Scientific Games International, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 8/14/2024	4.79 %	Casinos & gaming	6,516	6,491	6,470	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	7.26 %	Footwear	8,420	8,403	7,999	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60 %	Healthcare services	9,850	9,775	9,838	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.54 %	Diversified support services	4,906	4,833	4,759	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59 %	Personal products	8,000	7,960	8,048	
Thruline Marketing, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.10 %	Advertising	1,854	1,851	1,854	(4)
	927 Class A Units in FS AVI Holdco, LLC		Advertising		1,088	658	(4)
<b>Total Thruline Marketing, Inc.</b>					<b>2,939</b>	<b>2,512</b>	
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.0% Toggle PIK cash due 4/15/2033		Pharmaceuticals	5,000	5,000	5,175	
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03 %	Application software	9,875	9,836	9,836	(4)
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30 %	Movies & entertainment	4,489	4,489	4,506	
Uniti Group LP	First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04 %	Specialized REITs	6,401	6,221	6,256	(4)
Valeant Pharmaceuticals International Inc.	First Lien Term Loan, LIBOR+2.75% cash due 11/27/2025	4.79 %	Pharmaceuticals	1,772	1,764	1,778	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60 %	Application software	6,894	6,856	6,534	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79 %	Data processing & outsourced services	10,835	10,849	10,894	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01 %	Aerospace & defense	6,000	5,949	5,974	(4)
				<b>\$ 340,960</b>	<b>\$ 347,985</b>	<b>\$ 345,032</b>	

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(1) Represents the interest rate as of September 30, 2019. All interest rates are payable in cash, unless otherwise noted.

(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of September 30, 2019, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, and the PRIME at 5.00%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(3) Represents the current determination of fair value as of September 30, 2019 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.

(4) This investment was held by both the Company and SLF JV I as of September 30, 2019.

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

Both the cost and fair value of the Company's debt investment in SLF JV I were \$96.3 million as of each of June 30, 2020 and September 30, 2019. The Company earned interest income of \$2.0 million and \$6.3 million on its debt investment in the SLF JV I for the three and nine months ended June 30, 2020, respectively. The Company earned interest income of \$2.3 million and \$7.4 million on its investments in the SLF JV I Notes for the three and nine months ended June 30, 2019, respectively. The Company's debt investment in SLF JV I bears interest at a rate of one-month LIBOR plus 7.0% per annum and matures on December 29, 2028.

The cost and fair value of the LLC equity interests in SLF JV I held by the Company were \$49.3 million and \$13.8 million, respectively, as of June 30, 2020, and \$49.3 million and \$30.1 million, respectively, as of September 30, 2019. The Company did not earn dividend income for the three and nine months ended June 30, 2020 and 2019, with respect to its investment in the LLC equity interests of SLF JV I. The LLC equity interests of SLF JV I are generally dividend producing to the extent SLF JV I has residual cash to be distributed on a quarterly basis.

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

	June 30, 2020		September 30, 2019					
<b>Selected Balance Sheet Information:</b>								
Investments at fair value (cost June 30, 2020: \$312,009; cost September 30, 2019: \$347,985)	\$	291,335	\$	345,032				
Cash and cash equivalents		10,112		3,674				
Restricted cash		4,038		5,242				
Other assets		9,888		6,912				
<b>Total assets</b>	<b>\$</b>	<b>315,373</b>	<b>\$</b>	<b>360,860</b>				
Senior credit facility payable	\$	173,910	\$	170,210				
Debt securities payable at fair value (proceeds June 30, 2020: \$110,000; proceeds September 30, 2019: \$110,000)		110,000		110,000				
Other liabilities		15,623		46,303				
<b>Total liabilities</b>	<b>\$</b>	<b>299,533</b>	<b>\$</b>	<b>326,513</b>				
Members' equity		15,840		34,347				
<b>Total liabilities and members' equity</b>	<b>\$</b>	<b>315,373</b>	<b>\$</b>	<b>360,860</b>				
		Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019			
<b>Selected Statements of Operations Information:</b>								
Interest income	\$	4,419	\$	5,864	\$	15,358	\$	16,853
Other income		—		—		297		89
<b>Total investment income</b>		<b>4,419</b>		<b>5,864</b>		<b>15,655</b>		<b>16,942</b>
Interest expense		4,076		4,999		13,210		14,862
Other expenses		47		26		178		352
<b>Total expenses (1)</b>		<b>4,123</b>		<b>5,025</b>		<b>13,388</b>		<b>15,214</b>
Net unrealized appreciation (depreciation)		16,829		(370)		(17,721)		750
Net realized gains (losses)		(1,285)		111		(3,052)		(4,875)
<b>Net income (loss)</b>	<b>\$</b>	<b>15,840</b>	<b>\$</b>	<b>580</b>	<b>\$</b>	<b>(18,506)</b>	<b>\$</b>	<b>(2,397)</b>

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

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

During the nine months ended June 30, 2020 and 2019, the Company did not sell any debt investments to SLF JV I.

#### Note 4. Fee Income

For the three and nine months ended June 30, 2020, the Company recorded total fee income of \$1.8 million and \$4.9 million, respectively, of which \$0.2 million and \$0.5 million, respectively, was recurring in nature. For the three and nine months ended June 30, 2019, the Company recorded total fee income of \$1.8 million and \$4.2 million, respectively, of which \$0.1 million and \$0.4 million, respectively, was recurring in nature. Recurring fee income primarily consisted of servicing fees and exit fees.

#### Note 5. Share Data and Net Assets

##### Earnings per Share

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

<i>(Share amounts in thousands)</i>	<b>Three months ended June 30, 2020</b>	<b>Three months ended June 30, 2019</b>	<b>Nine months ended June 30, 2020</b>	<b>Nine months ended June 30, 2019</b>
<b>Earnings (loss) per common share — basic and diluted:</b>				
Net increase (decrease) in net assets resulting from operations	\$ 120,231	\$ 19,986	\$ (31,393)	\$ 112,189
Weighted average common shares outstanding — basic and diluted	140,961	140,961	140,961	140,961
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 0.85</b>	<b>\$ 0.14</b>	<b>\$ (0.22)</b>	<b>\$ 0.80</b>

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*Changes in Net Assets*

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

	<u>Common Stock</u>			<u>Accumulated Overdistributed Earnings</u>	<u>Total Net Assets</u>
	<u>Shares</u>	<u>Par Value</u>	<u>Additional paid- in-capital</u>		
Balance at September 30, 2019	140,961	\$ 1,409	\$ 1,487,774	\$ (558,553)	\$ 930,630
Net investment income	—	—	—	7,836	7,836
Net unrealized appreciation (depreciation)	—	—	—	2,879	2,879
Net realized gains (losses)	—	—	—	3,288	3,288
Provision for income tax (expense) benefit	—	—	—	(160)	(160)
Distributions to stockholders	—	—	—	(13,391)	(13,391)
Issuance of common stock under dividend reinvestment plan	88	1	480	—	481
Repurchases of common stock under dividend reinvestment plan	(88)	(1)	(480)	—	(481)
Balance at December 31, 2019	<u>140,961</u>	<u>\$ 1,409</u>	<u>\$ 1,487,774</u>	<u>\$ (558,101)</u>	<u>\$ 931,082</u>
Net investment income	—	\$ —	\$ —	22,841	22,841
Net unrealized appreciation (depreciation)	—	—	—	(163,533)	(163,533)
Net realized gains (losses)	—	—	—	(26,480)	(26,480)
Provision for income tax (expense) benefit	—	—	—	1,705	1,705
Distributions to stockholders	—	—	—	(13,391)	(13,391)
Issuance of common stock under dividend reinvestment plan	158	2	504	—	506
Repurchases of common stock under dividend reinvestment plan	(158)	(2)	(504)	—	(506)
Balance at March 31, 2020	<u>140,961</u>	<u>\$ 1,409</u>	<u>\$ 1,487,774</u>	<u>\$ (736,959)</u>	<u>\$ 752,224</u>
Net investment income	—	\$ —	\$ —	16,770	16,770
Net unrealized appreciation (depreciation)	—	—	—	100,572	100,572
Net realized gains (losses)	—	—	—	2,821	2,821
Provision for income tax (expense) benefit	—	—	—	68	68
Distributions to stockholders	—	—	—	(13,392)	(13,392)
Issuance of common stock under dividend reinvestment plan	87	1	389	—	390
Repurchases of common stock under dividend reinvestment plan	(87)	(1)	(389)	—	(390)
Balance at June 30, 2020	<u>140,961</u>	<u>\$ 1,409</u>	<u>\$ 1,487,774</u>	<u>\$ (630,120)</u>	<u>\$ 859,063</u>

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

	Common Stock			Accumulated Overdistributed Earnings	Total Net Assets
	Shares	Par Value	Additional paid- in-capital		
Balance at September 30, 2018	140,961	\$ 1,409	\$ 1,492,739	\$ (636,113)	\$ 858,035
Net investment income	—	—	—	17,317	17,317
Net unrealized appreciation (depreciation)	—	—	—	(6,975)	(6,975)
Net realized gains (losses)	—	—	—	17,962	17,962
Provision for income tax (expense) benefit	—	—	—	(586)	(586)
Distributions to stockholders	—	—	—	(13,391)	(13,391)
Issuance of common stock under dividend reinvestment plan	87	1	383	—	384
Repurchases of common stock under dividend reinvestment plan	(87)	(1)	(383)	—	(384)
Balance at December 31, 2018	<u>140,961</u>	<u>\$ 1,409</u>	<u>\$ 1,492,739</u>	<u>\$ (621,786)</u>	<u>\$ 872,362</u>
Net investment income	—	\$ —	\$ —	\$ 17,709	\$ 17,709
Net unrealized appreciation (depreciation)	—	—	—	21,472	21,472
Net realized gains (losses)	—	—	—	25,213	25,213
Provision for income tax (expense) benefit	—	—	—	91	91
Distributions to stockholders	—	—	—	(13,391)	(13,391)
Issuance of common stock under dividend reinvestment plan	60	1	311	—	312
Repurchases of common stock under dividend reinvestment plan	(60)	(1)	(311)	—	(312)
Balance at March 31, 2019	<u>140,961</u>	<u>\$ 1,409</u>	<u>\$ 1,492,739</u>	<u>\$ (570,692)</u>	<u>\$ 923,456</u>
Net investment income	—	\$ —	\$ —	\$ 16,608	\$ 16,608
Net unrealized appreciation (depreciation)	—	—	—	23,395	23,395
Net realized gains (losses)	—	—	—	(19,844)	(19,844)
Provision for income taxes	—	—	—	(173)	(173)
Distributions to stockholders	—	—	—	(13,392)	(13,392)
Issuance of common stock under dividend reinvestment plan	61	1	331	—	332
Repurchases of common stock under dividend reinvestment program	(61)	(1)	(331)	—	(332)
Balance at June 30, 2019	<u>140,961</u>	<u>\$ 1,409</u>	<u>\$ 1,492,739</u>	<u>\$ (564,098)</u>	<u>\$ 930,050</u>

*Distributions*

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

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

For income tax purposes, the Company has reported its distributions for the 2019 calendar year as ordinary income. The character of such distributions was appropriately reported to the Internal Revenue Service and stockholders for the 2019 calendar year. To the extent the Company's taxable earnings for a fiscal and taxable year fall below the amount of distributions paid for the fiscal and taxable year, a portion of the total amount of the Company's distributions for the fiscal and taxable year is deemed a return of capital for tax purposes to the Company's stockholders.

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

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 12, 2019	December 13, 2019	December 31, 2019	\$ 0.095	\$ 12.9 million	87,747	\$ 0.5 million
January 31, 2020	March 13, 2020	March 31, 2020	0.095	12.9 million	157,523	0.5 million
April 30, 2020	June 15, 2020	June 30, 2020	0.095	13.0 million	87,351	0.4 million
<b>Total for the nine months ended June 30, 2020</b>			<b>\$ 0.285</b>	<b>\$ 38.8 million</b>	<b>332,621</b>	<b>\$ 1.4 million</b>
Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 19, 2018	December 17, 2018	December 28, 2018	\$ 0.095	\$ 13.0 million	87,429	\$ 0.4 million
February 1, 2019	March 15, 2019	March 29, 2019	0.095	13.1 million	59,603	0.3 million
May 3, 2019	June 14, 2019	June 28, 2019	0.095	13.1 million	61,093	0.3 million
<b>Total for the nine months ended June 30, 2019</b>			<b>\$ 0.285</b>	<b>\$ 39.2 million</b>	<b>208,125</b>	<b>\$ 1.0 million</b>

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

### Common Stock Offering

There were no common stock offerings during the nine months ended June 30, 2020 and 2019.

### Note 6. Borrowings

#### Credit Facility

On November 30, 2017, the Company entered into a senior secured revolving credit facility (as amended and restated, the "Credit Facility") pursuant to a Senior Secured Revolving Credit Agreement with the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents. The Credit Facility provides that the Company may use the proceeds of the loans and issuances of letters of credit under the Credit Facility for general corporate purposes, including acquiring and funding leveraged loans, mezzanine loans, high-yield securities, convertible securities, preferred stock, common stock and other investments. The Credit Facility further allows the Company to request letters of credit from ING Capital LLC, as the issuing bank.

As of June 30, 2020, (i) the size of the Credit Facility was \$700 million (with an "accordion" feature that permits the Company, under certain circumstances, to increase the size of the facility to up to the greater of \$800 million and the Company's net worth (as defined in the Credit Facility) on the date of such increase), (ii) the period during which the Company may make drawings will expire on February 25, 2023 and the maturity date is February 25, 2024 and (iii) the interest rate margin for (a) LIBOR loans (which may be 1-, 2-, 3- or 6-month, at the Company's option) was 2.00% (which can be increased up to 2.25%) and (b) alternate base rate loans was 1.00% (which can be increased up to 1.25%); provided that the interest margin will increase to 2.75% and 1.75% for LIBOR loans and alternative base rate loans, respectively, if the Company's stockholders' equity is below \$700 million, each depending on the Company's senior debt coverage ratio.

The Credit Facility is secured by substantially all of the Company's assets (excluding, among other things, investments held in and by certain subsidiaries of the Company or investments in certain portfolio companies of the Company) and guaranteed by certain subsidiaries of the Company. As of June 30, 2020, except for assets that were held by certain immaterial subsidiaries, substantially all of the Company's assets are pledged as collateral under the Credit Facility.

The Credit Facility requires the Company to, among other things, (i) make representations and warranties regarding the collateral as well as each of the Company's portfolio companies' businesses, (ii) agree to certain indemnification obligations, and (iii) comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar revolving credit facilities, including covenants related to: (A) limitations on the incurrence of additional indebtedness and liens, (B) limitations on certain investments, (C) limitations on certain asset transfers and restricted payments, (D) maintaining a certain minimum stockholders' equity, (E) maintaining a ratio of total assets (less total liabilities) to total indebtedness, of the Company and its subsidiaries (subject to certain exceptions), of not less than 1.50 to 1.00, (F) maintaining a ratio of consolidated EBITDA to consolidated interest expense, of the Company and its subsidiaries (subject to certain



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exceptions), of not less than 2.25 to 1.00, (G) maintaining a minimum liquidity and net worth, and (H) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. The Credit Facility also includes usual and customary default provisions such as the failure to make timely payments under the facility, the occurrence of a change in control, and the failure by the Company to materially perform under the agreements governing the facility, which, if not complied with, could accelerate repayment under the facility. As of June 30, 2020, the Company was in compliance with all financial covenants under the Credit Facility. In addition to the asset coverage ratio described above, borrowings under the Credit Facility (and the incurrence of certain other permitted debt) are subject to compliance with a borrowing base that will apply different advance rates to different types of assets in the Company's portfolio. Each loan or letter of credit originated or assumed under the Credit Facility is subject to the satisfaction of certain conditions.

As of June 30, 2020 and September 30, 2019, the Company had \$466.8 million and \$314.8 million of borrowings outstanding under the Credit Facility, respectively, which had a fair value of \$466.8 million and \$314.8 million, respectively. The Company's borrowings under the Credit Facility bore interest at a weighted average interest rate of 3.325% and 4.615% for the nine months ended June 30, 2020 and 2019, respectively. For the three and nine months ended June 30, 2020, the Company recorded interest expense (inclusive of fees) of \$3.5 million and \$11.7 million, respectively, related to the Credit Facility. For the three and nine months ended June 30, 2019, the Company recorded interest expense (inclusive of fees) of \$5.1 million and \$12.7 million in the aggregate, related to the Credit Facility.

#### *2025 Notes*

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

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

Interest on the 2025 Notes is paid semi-annually on February 25 and August 25 at a rate of 3.500% per annum. The 2025 Notes mature on February 25, 2025 and may be redeemed in whole or in part at any time or from time to time at the Company's option prior to maturity at par plus a "make-whole" premium, if applicable.

The 2025 Notes Indenture contains certain covenants, including covenants requiring the Company's compliance with the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the Investment Company Act or any successor provisions (but giving effect to any exemptive relief granted to the Company by the U.S. Securities and Exchange Commission ("SEC")), as well as covenants requiring the Company to provide financial information to the holders of the 2025 Notes and the Trustee if the Company ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended. These covenants are subject to limitations and exceptions that are described in the 2025 Notes Indenture. The Company may repurchase the 2025 Notes in accordance with the Investment Company Act and the rules promulgated thereunder. In addition, holders of the 2025 Notes can require the Company to repurchase the 2025 Notes at 100% of their principal amount upon the occurrence of certain change of control events as described in the 2025 Notes Indenture. The 2025 Notes were issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. From issuance through June 30, 2020, the Company did not repurchase any of the 2025 Notes in the open market.

For the three and nine months ended June 30, 2020, the Company recorded interest expense (inclusive of fees) of \$2.9 million and \$4.0 million, respectively, related to the 2025 Notes.

As of June 30, 2020, there were \$300.0 million of 2025 Notes outstanding, which had a carrying value and fair value of \$294.2 million and \$293.3 million, respectively. The carrying value represents the aggregate principal amount outstanding less unamortized deferred financing costs and the unaccreted discount recorded upon the issuance of the 2025 Notes. As of June 30, 2020, the total unamortized deferred financing costs and the net unaccreted discount were \$3.5 million and \$2.4 million, respectively.

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*2019 Notes*

On February 26, 2014, the Company issued \$250.0 million in aggregate principal amount of its 4.875% unsecured notes due 2019 (the "2019 Notes") for net proceeds of \$244.4 million after deducting OID of \$1.4 million, underwriting commissions and discounts of \$3.7 million and offering costs of \$0.5 million. The OID on the 2019 Notes was amortized based on the effective interest method over the term of the notes. The 2019 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the third supplemental indenture, dated February 26, 2014, between the Company and the Trustee.

Interest on the 2019 Notes was paid semi-annually on March 1 and September 1 at a rate of 4.875% per annum. As of June 30, 2020 and September 30, 2019, there were no 2019 Notes outstanding. The 2019 Notes matured on March 1, 2019 and were fully repaid during the three months ended March 31, 2019. For the nine months ended June 30, 2019, the Company recorded interest expense of \$5.1 million (inclusive of fees) related to the 2019 Notes.

*2024 Notes*

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

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

For the nine months ended June 30, 2020, the Company recorded interest expense of \$1.9 million (inclusive of fees) related to the 2024 Notes. For the three and nine months ended June 30, 2019, the Company recorded interest expense of \$1.2 million and \$3.5 million (inclusive of fees), respectively, related to the 2024 Notes.

As of June 30, 2020, there were no 2024 Notes outstanding. As of September 30, 2019, there were \$75.0 million of 2024 Notes outstanding, which had a carrying value and fair value of \$73.9 million and \$77.4 million, respectively.

*2028 Notes*

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

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

For the nine months ended June 30, 2020, the Company recorded interest expense of \$2.5 million (inclusive of fees) related to the 2028 Notes. For the three and nine months ended June 30, 2019, the Company recorded interest expense of \$1.4 million and \$4.1 million (inclusive of fees), respectively, related to the 2028 Notes.

As of June 30, 2020, there were no 2028 Notes outstanding. As of September 30, 2019, there were \$86.3 million of 2028 Notes outstanding, which had a carrying value and fair value of \$84.6 million and \$87.6 million, respectively.

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**Note 7. Interest and Dividend Income**

As of each of June 30, 2020 and September 30, 2019, there were three investments on which the Company had stopped accruing cash and/or PIK interest or OID income. The percentages of the Company's debt investments at cost and fair value by accrual status as of June 30, 2020 and September 30, 2019 were as follows:

	June 30, 2020				September 30, 2019			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	\$ 1,517,762	98.72 %	\$ 1,469,325	99.83 %	\$ 1,311,849	95.72 %	\$ 1,305,718	99.79 %
PIK non-accrual (1)	12,661	0.82	—	—	12,661	0.92	—	—
Cash non-accrual (2)	7,108	0.46	2,497	0.17	46,107	3.36	2,706	0.21
<b>Total</b>	<b>\$ 1,537,531</b>	<b>100.00 %</b>	<b>\$ 1,471,822</b>	<b>100.00 %</b>	<b>\$ 1,370,617</b>	<b>100.00 %</b>	<b>\$ 1,308,424</b>	<b>100.00 %</b>

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

**Note 8. Taxable/Distributable Income and Dividend Distributions**

Taxable income differs from net increase (decrease) in net assets resulting from operations primarily due to: (1) unrealized appreciation (depreciation) on investments, secured borrowings and foreign currency, as gains and losses are not included in taxable income until they are realized; (2) origination and exit fees received in connection with investments in portfolio companies; (3) organizational costs; (4) income or loss recognition on exited investments; (5) recognition of interest income on certain loans; and (6) investments in controlled foreign corporations.

As of September 30, 2019, the Company had net capital loss carryforwards of \$515.8 million to offset net capital gains that will not expire, to the extent available and permitted by U.S. federal income tax law, of which \$109.2 million are available to offset future short-term capital gains and \$406.6 million are available to offset future long-term capital gains.

Listed below is a reconciliation of "net increase (decrease) in net assets resulting from operations" to taxable income for the three and nine months ended June 30, 2020 and 2019.

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Net increase (decrease) in net assets resulting from operations	\$ 120,231	\$ 19,986	\$ (31,393)	\$ 112,189
Net unrealized (appreciation) depreciation	(100,572)	(23,395)	60,082	(37,892)
Book/tax difference due to organizational costs	(22)	(10)	(65)	(31)
Book/tax difference due to interest income on certain loans	—	2,219	—	3,097
Book/tax difference due to capital losses not recognized / (recognized)	(3,465)	15,111	16,516	(29,329)
Other book/tax differences	(1,269)	(2,741)	(4,127)	(2,451)
<b>Taxable/Distributable Income (1)</b>	<b>\$ 14,903</b>	<b>\$ 11,170</b>	<b>\$ 41,013</b>	<b>\$ 45,583</b>

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

The Company uses the liability method to account for its taxable subsidiaries' income taxes. Using this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between financial reporting and tax bases of assets and liabilities. In addition, the Company recognizes deferred tax benefits associated with net loss carry forwards that it may use to offset future tax obligations. The Company measures deferred tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which it expects to recover or settle those temporary differences.

When assessing the realizability of deferred tax assets, the Company considers whether it is probable that some or all of the deferred tax assets will not be realized. In determining whether the deferred tax assets are realizable, the Company considers the period of expiration of the tax asset, historical and projected taxable income, and tax liabilities for the tax jurisdiction in which the tax asset is located. The deferred tax asset recognized by the Company, as it relates to the higher tax basis in the

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carrying value of certain assets compared to the book basis of those assets, will be recognized in future years by these taxable entities. Deferred tax assets are based on the amount of the tax benefit that the Company's management has determined is more likely than not to be realized in future periods. In determining the realizability of this tax benefit, management considered numerous factors that will give rise to pre-tax income in future periods. Among these are the historical and expected future book and tax basis pre-tax income of the Company and unrealized gains in the Company's assets at the determination date. Based on these and other factors, the Company determined that, as of June 30, 2020, \$3.7 million of \$4.5 million net deferred tax assets would not more likely than not be realized in future periods. As of June 30, 2020, the Company recorded a deferred tax asset of \$0.8 million on the Consolidated Statements of Assets and Liabilities.

For the three months ended June 30, 2020, the Company recognized a total provision for income tax benefit of \$0.1 million, which was comprised of (i) a current income tax benefit of approximately \$0.2 million primarily as a result of return to provision adjustments, and (ii) a deferred income tax expense of approximately \$0.1 million, which resulted from unrealized appreciation on investments held by the Company's wholly-owned taxable subsidiaries.

For the nine months ended June 30, 2020, the Company recognized a total provision for income tax benefit of \$1.6 million, which was comprised of (i) a current income tax benefit of approximately \$0.1 million primarily as a result of return to provision adjustments and a reversal of penalties and interest previously incurred, partially offset by current tax expense incurred from realized gains on investments held at the Company's wholly-owned taxable subsidiaries and (ii) a deferred income tax benefit of approximately \$1.5 million, which resulted from unrealized depreciation on investments held by the Company's wholly-owned taxable subsidiaries.

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

Undistributed ordinary income, net	\$	10,699
Net realized capital losses		(515,800)
Unrealized losses, net		(53,451)

The aggregate cost of investments for income tax purposes was \$1.5 billion as of September 30, 2019. As of September 30, 2019, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over cost for income tax purposes was \$202.2 million. As of September 30, 2019, the aggregate gross unrealized depreciation for all investments in which there was an excess of cost for income tax purposes over value was \$255.6 million. Net unrealized depreciation based on the aggregate cost of investments for income tax purposes was \$53.4 million.

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

*Realized Gains or Losses*

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

During the three months ended June 30, 2020, the Company recorded net realized gains of \$2.8 million, which consisted of the following:

(\$ in millions)		Net Realized Gain (Loss)
<b>Portfolio Company</b>		
HealthEdge Software, Inc.	\$	1.7
Sorrento Therapeutics, Inc.		1.4
Covia Holdings Corporation		(3.3)
Other, net		3.0
<b>Total, net</b>	<b>\$</b>	<b>2.8</b>

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During the three months ended June 30, 2019, the Company recorded net realized losses of \$19.8 million, which consisted of the following:

(\$ in millions)		Net Realized Gain (Loss)
Portfolio Company		Net Realized Gain (Loss)
Advanced Pain Management	\$	(22.5)
Weatherford International		(3.3)
YETI Holdings, Inc.		2.6
Other, net		3.4
<b>Total, net</b>	<b>\$</b>	<b>(19.8)</b>

During the nine months ended June 30, 2020, the Company recorded net realized losses of \$20.4 million, which consisted of the following:

(\$ in millions)		Net Realized Gain (Loss)
Portfolio Company		Net Realized Gain (Loss)
Cenegenics, LLC	\$	(29.2)
Dominion Diagnostics, LLC		(15.6)
Covia Holdings Corporation		(3.3)
YETI Holdings, Inc.		17.6
Lytix Holdings, LLC		5.2
HealthEdge Software, Inc.		1.7
Sorrento Therapeutics, Inc.		1.4
Other, net		1.8
<b>Total, net</b>	<b>\$</b>	<b>(20.4)</b>

During the nine months ended June 30, 2019, the Company recorded net realized gains of \$23.3 million, which consisted of the following:

(\$ in millions)		Net Realized Gain (Loss)
Portfolio Company		Net Realized Gain (Loss)
Maverick Healthcare Group, LLC	\$	17.5
BeyondTrust Holdings LLC		12.4
Comprehensive Pharmacy Services LLC		7.5
InMotion Entertainment Group, LLC		3.0
YETI Holdings, Inc.		5.3
Advanced Pain Management		(22.5)
Weatherford International		(3.3)
Other, net		3.4
<b>Total, net</b>	<b>\$</b>	<b>23.3</b>

*Net Unrealized Appreciation or Depreciation*

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

During the three months ended June 30, 2020 and 2019, the Company recorded net unrealized appreciation of \$100.6 million and \$23.4 million, respectively. For the three months ended June 30, 2020, this consisted of \$85.2 million of net unrealized appreciation on debt investments, \$11.8 million of net unrealized appreciation on equity investments and \$3.9 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses), partially offset by \$0.4 million of net unrealized depreciation of foreign currency forward contracts. For the three months ended June 30, 2019, this consisted of \$23.8 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses) and \$2.5 million of net unrealized appreciation on debt

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investments, partially offset by \$2.1 million of net unrealized depreciation on equity investments and \$0.8 million of net unrealized depreciation of foreign currency forward contracts.

During the nine months ended June 30, 2020 and 2019, the Company recorded net unrealized appreciation (depreciation) of \$(60.1) million and \$37.9 million, respectively. For the nine months ended June 30, 2020, this consisted of \$42.5 million of net unrealized depreciation on debt investments and \$39.3 million of net unrealized depreciation on equity investments, partially offset by \$21.3 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses) and \$0.4 million of net unrealized appreciation of foreign currency forward contracts. For the nine months ended June 30, 2019, this consisted of \$44.3 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses) and \$11.8 million of net unrealized appreciation on equity investments, partially offset by \$17.8 million of net unrealized depreciation on debt investments and \$0.4 million of net unrealized depreciation of foreign currency forward contracts.

**Note 10. Concentration of Credit Risks**

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

**Note 11. Related Party Transactions**

As of June 30, 2020 and September 30, 2019, the Company had a liability on its Consolidated Statements of Assets and Liabilities in the amount of \$13.0 million and \$10.2 million, respectively, reflecting the unpaid portion of the base management fees and incentive fees payable to Oaktree and OCM. OCM has voluntarily deferred the payment of Part I incentive fees earned during the three months ended March 31, 2020. The Company expects to settle this payment in the fourth fiscal quarter of 2020.

***Investment Advisory Agreement***

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

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

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

***Base Management Fee***

Under the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 1.50% of total gross assets, including any investment made with borrowings, but excluding cash and cash equivalents. The base management fee is payable quarterly in arrears and the fee for any partial month or quarter is appropriately prorated. Effective May 3, 2019, the base management fee on the Company's gross assets, including any investments made with borrowings, but excluding any cash and cash equivalents, that exceed the product of (A) 200% and (B) the Company's net asset value will be 1.00%. For the avoidance of doubt, the 200% will be calculated in accordance with the Investment Company Act and will give effect to

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exemptive relief the Company received from the SEC with respect to debentures issued by a small business investment company subsidiary.

For the three and nine months ended June 30, 2020, the base management fee incurred under the Investment Advisory Agreement was \$6.0 million and \$16.9 million, respectively. For the three and nine months ended June 30, 2019, the base management fee (net of waivers) incurred under the Investment Advisory Agreement was \$5.5 million and \$16.7 million, respectively.

#### *Incentive Fee*

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

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

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

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

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

For the three and nine months ended June 30, 2020, the first part of the incentive fee (incentive fee on income) incurred under the Investment Advisory Agreement was \$3.6 million and \$10.0 million, respectively. For the three and nine months ended June 30, 2019, the first part of the incentive fee (incentive fee on income) incurred under the Investment Advisory Agreement was \$3.8 million and \$11.3 million (prior to waivers), respectively. OCM voluntarily deferred the payment of Part I incentive fees earned during the three months ended March 31, 2020. The Company expects to settle this payment in the fourth fiscal quarter of 2020.

Under the Investment Advisory Agreement, the second part of the incentive fee (the "capital gains incentive fee") is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date) commencing with the fiscal year ended September 30, 2019 and equals 17.5% of the Company's realized capital gains, if any, on a cumulative basis from the beginning of the fiscal year ended September 30, 2019 through the end of each subsequent fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees under the Investment Advisory Agreement. Any realized capital gains, realized capital losses, unrealized capital appreciation and unrealized capital depreciation with respect to the Company's portfolio as of the end of the fiscal year ended September 30, 2018 are excluded

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from the calculations of the second part of the incentive fee. For the year ended September 30, 2019, the Company incurred \$4.6 million of capital gains incentive fees under the Investment Advisory Agreement (prior to waivers).

GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized on a theoretical "liquidation basis." A fee so calculated and accrued would not be payable under applicable law and may never be paid based upon the computation of capital gains incentive fees in subsequent periods. Amounts ultimately paid under the Investment Advisory Agreement will be consistent with the formula reflected in the Investment Advisory Agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee plus the aggregate cumulative unrealized capital appreciation. Any realized capital gains and losses and cumulative unrealized capital appreciation and depreciation with respect to the Company's portfolio as of the end of the fiscal year ended September 30, 2018 are excluded from the GAAP accrual. If such amount is positive at the end of a period, then GAAP requires the Company to record a capital gains incentive fee equal to 17.5% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees payable or capital gains incentive fees accrued under GAAP in all prior periods. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future or any accrued capital gains incentive fee will become payable under the Investment Advisory Agreement. For the three and nine months ended June 30, 2020, the Company reversed \$0.0 million and \$5.6 million of previously accrued capital gains incentive fees, respectively. For the three and nine months ended June 30, 2019, the Company recorded a \$0.6 million and \$10.6 million capital gains incentive fee accrual (prior to waivers), respectively. The Company did not have any cumulative accrued capital gains incentive fees payable as of June 30, 2020.

To ensure compliance with Section 15(f) of the Investment Company Act, OCM entered into a two-year contractual fee waiver with the Company, which ended on October 17, 2019, pursuant to which OCM waived any management or incentive fees payable under the Investment Advisory Agreement that exceeded what would have been paid to the Former Adviser in the aggregate under the Former Investment Advisory Agreement. The contractual amount of fees permanently waived at the end of the two-year period was \$3.9 million. Prior to the end of the two-year period, amounts potentially subject to waiver under the two-year contractual fee waiver were accrued quarterly based on a theoretical "liquidation basis." As of September 30, 2019, the Company had accrued cumulative fee waivers of \$9.1 million. During the three months ended December 31, 2019, the Company reversed \$5.2 million of previously accrued fee waivers since the two-year fee waiver period has ended.

The following table provides a roll-forward of the accrued waiver balance and illustrates the impact of the end of the two-year contractual fee waiver period:

(\$ in millions)	
Accrued fee waivers as of September 30, 2019 (1)	\$ 9.1
Reversal of previously accrued fee waivers (2)	(5.2)
Contractual fees waived under the Investment Advisory Agreement (3)	(3.9)
Accrued fee waivers as of June 30, 2020	\$ —

- (1) Calculated in accordance with GAAP as of September 30, 2019 and is based on a hypothetical liquidation basis.
- (2) Reflects the reversal of fee waivers that were previously accrued based on a hypothetical liquidation basis when the two-year contractual fee waiver was in effect. This reversal was recognized in connection with the expiration of the two-year contractual fee waiver, which ended on October 17, 2019, and is reflected in reversal of fees waived in the Consolidated Statement of Operations for the nine months ended June 30, 2020.
- (3) Reflects the amount of fees permanently waived pursuant to the two-year contractual fee waiver.

As of September 30, 2019, the capital gains incentive fee payable under the Investment Advisory Agreement (net of waivers) was \$0.8 million as shown below:

(\$ in millions)	September 30, 2019 (1)	
Capital gains incentive fee payable under the Investment Advisory Agreement (prior to waivers)	\$	4.6
Contractual fees waived		(3.9)
Capital gains incentive fee payable under the Investment Advisory Agreement (net of waivers)	\$	0.8

- (1) Amounts may not sum due to rounding.



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*Indemnification*

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

*Administrative Services*

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

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

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

For the three months ended June 30, 2020, the Company accrued administrative expenses of \$0.4 million, including \$0.1 million of general and administrative expenses. For the nine months ended June 30, 2020, the Company accrued administrative expenses of \$1.4 million, including \$0.2 million of general and administrative expenses. For the three months ended June 30, 2019, the Company accrued administrative expenses of \$0.5 million, including \$0.1 million of general and administrative expenses. For the nine months ended June 30, 2019, the Company accrued administrative expenses of \$1.8 million, including \$0.2 million of general and administrative expenses.

As of June 30, 2020 and September 30, 2019, \$2.2 million and \$2.7 million, respectively, was included in "Due to affiliate" in the Consolidated Statements of Assets and Liabilities, reflecting the unpaid portion of administrative expenses and other reimbursable expenses payable to Oaktree Administrator.

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**Note 12. Financial Highlights**

<i>(Share amounts in thousands)</i>	<b>Three months ended June 30, 2020</b>	<b>Three months ended June 30, 2019</b>	<b>Nine months ended June 30, 2020</b>	<b>Nine months ended June 30, 2019</b>
Net asset value per share at beginning of period	\$5.34	\$6.55	\$6.60	\$6.09
Net investment income (1)	0.12	0.12	0.34	0.37
Net unrealized appreciation (depreciation) (1)	0.71	0.17	(0.43)	0.27
Net realized gains (losses) (1)	0.02	(0.14)	(0.14)	0.16
Provision for income tax (expense) benefit (1)	—	—	0.01	—
Distributions to stockholders	(0.10)	(0.10)	(0.29)	(0.29)
<b>Net asset value per share at end of period</b>	<b>\$6.09</b>	<b>\$6.60</b>	<b>\$6.09</b>	<b>\$6.60</b>
Per share market value at beginning of period	\$3.24	\$5.18	\$5.18	\$4.96
Per share market value at end of period	\$4.47	\$5.42	\$4.47	\$5.42
Total return (2)	40.90%	6.46%	(7.69)%	15.65%
Common shares outstanding at beginning of period	140,961	140,961	140,961	140,961
Common shares outstanding at end of period	140,961	140,961	140,961	140,961
Net assets at beginning of period	\$752,224	\$923,456	\$930,630	\$858,035
Net assets at end of period	\$859,063	\$930,050	\$859,063	\$930,050
Average net assets (3)	\$810,793	\$931,204	\$864,370	\$900,739
Ratio of net investment income to average net assets (4)	8.30%	7.15%	7.31%	7.66%
Ratio of total expenses to average net assets (4)	8.72%	8.37%	7.23%	10.45%
Ratio of net expenses to average net assets (4)	8.72%	8.64%	8.03%	9.14%
Ratio of portfolio turnover to average investments at fair value	9.27%	4.92%	26.51%	23.78%
Weighted average outstanding debt (5)	\$738,891	\$560,733	\$616,917	\$595,264
Average debt per share (1)	\$5.24	\$3.98	\$4.38	\$4.22
Asset coverage ratio at end of period (6)	211.27%	270.44%	211.27%	270.44%

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

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

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

(4) Interim periods are annualized.

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

(6) Based on outstanding senior securities of \$766.8 million and \$542.6 million as of June 30, 2020 and 2019, respectively.

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**Note 13. Derivative Instruments**

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

In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company entered into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") with its derivative counterparty, JPMorgan Chase Bank, N.A. The ISDA Master Agreement permits a single net payment in the event of a default or similar event. As of June 30, 2020, no cash collateral has been pledged to cover obligations and no cash collateral has been received from the counterparty with respect to the Company's forward currency contracts.

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

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

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	\$ 20,537	£ 15,480	8/18/2020	\$ 1,404	\$ —	Derivative asset
Foreign currency forward contract	\$ 25,725	€ 23,348	8/31/2020	\$ —	\$ (534)	Derivative asset
				<u>\$ 1,404</u>	<u>\$ (534)</u>	

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

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	\$ 22,161	£ 17,910	10/15/2019	\$ 76	\$ —	Derivative asset
Foreign currency forward contract	\$ 19,193	€ 17,150	11/29/2019	\$ 414	\$ —	Derivative asset
				<u>\$ 490</u>	<u>\$ —</u>	

**Note 14. Commitments and Contingencies**

**Off-Balance Sheet Arrangements**

The Company may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of its companies. As of June 30, 2020, the Company's only off-balance sheet arrangements consisted of \$154.6 million of unfunded commitments, which was comprised of \$149.8 million to provide debt financing to certain of its portfolio companies, \$1.3 million to provide equity financing to SLF JV I and \$3.5 million related to unfunded limited partnership interests. As of September 30, 2019, the Company's only off-balance sheet arrangements consisted of \$88.3 million of unfunded commitments, which was comprised of \$83.5 million to provide debt financing to certain of its portfolio companies, \$1.3 million to provide equity financing to SLF JV I and \$3.5 million related to unfunded limited partnership interests. Such commitments are subject to the portfolio companies' satisfaction of certain financial and nonfinancial covenants and may involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Company's Consolidated Statements of Assets and Liabilities.

**OAKTREE SPECIALTY LENDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(in thousands, except share and per share amounts, percentages and as otherwise indicated)

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components, SLF JV I LLC subordinated notes and LLC equity interests and limited partnership interests) as of June 30, 2020 and September 30, 2019 is shown in the table below:

	June 30, 2020	September 30, 2019
Athenex, Inc.	\$ 36,610	\$ —
Assembled Brands Capital LLC	33,143	35,182
WPEngine, Inc.	26,348	—
NuStar Logistics, L.P.	17,911	—
A.T. Holdings II SÀRL	11,311	—
Dominion Diagnostics, LLC	5,887	—
Corrona, LLC	5,189	—
Pingora MSR Opportunity Fund I-A, LP	3,500	3,500
Accupac, Inc.	2,346	—
MRI Software LLC	2,315	—
Acquia Inc.	2,240	—
New IPT, Inc.	2,229	2,229
Apptio, Inc.	1,538	1,538
Senior Loan Fund JV I, LLC	1,328	1,328
iCIMS, Inc.	882	882
PaySimple, Inc.	762	12,250
Ministry Brands, LLC	425	800
Coyote Buyer, LLC	377	—
GKD Index Partners, LLC	231	1,156
P2 Upstream Acquisition Co.	—	9,000
Sorrento Therapeutics, Inc.	—	7,500
TerSera Therapeutics, LLC	—	4,200
Mindbody, Inc.	—	3,048
Thruline Marketing, Inc.	—	3,000
4 Over International, LLC	—	1,977
PLATO Learning Inc. (1)	—	746
<b>Total</b>	<b>\$ 154,572</b>	<b>\$ 88,336</b>

(1) This investment was on cash or PIK non-accrual status as of June 30, 2020 and September 30, 2019.

**Note 15. Subsequent Events**

The Company's management evaluated subsequent events through the date of issuance of the Consolidated Financial Statements. There have been no subsequent events that occurred during such period that would require disclosure in, or would be required to be recognized in the Consolidated Financial Statements as of and for the three and nine months ended June 30, 2020, except as discussed below:

*Distribution Declaration*

On July 31, 2020, the Company's Board of Directors declared a quarterly distribution of \$0.105 per share, payable in cash on September 30, 2020 to stockholders of record on September 15, 2020.

**Oaktree Specialty Lending Corporation**  
**Schedule of Investments in and Advances to Affiliates**  
(in thousands, except share and per share amounts, percentages and as otherwise indicated)  
**Nine months ended June 30, 2020**  
(unaudited)

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value at October 1, 2019	Gross Additions (3)	Gross Reductions (4)	Fair Value at June 30, 2020	% of Total Net Assets
<b>Control Investments</b>										
<b>C5 Technology Holdings, LLC</b>										
		Data Processing & Outsourced Services								
829 Common Units				\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— %
34,984,460.37 Preferred Units				—	—	34,984	—	(7,346)	27,638	3.2 %
<b>Dominion Diagnostics, LLC</b>										
		Health Care Services								
First Lien Term Loan, LIBOR+5.00% cash due 2/28/2024	6.00 %		\$ 27,730	—	639	—	27,869	(139)	27,730	3.2 %
First Lien Revolver, LIBOR+5.00% cash due 2/28/2024	6.00 %		5,260	—	128	—	5,260	—	5,260	0.6 %
30,030.8 Common Units in DD Healthcare Services Holdings, LLC				—	—	—	18,627	(10,960)	7,667	0.9 %
<b>First Star Speir Aviation Limited (5)</b>										
		Airlines								
First Lien Term Loan, 9.00% cash due 12/15/2020			11,510	—	881	11,510	81	(81)	11,510	1.3 %
100% equity interest				—	—	4,630	—	(1,465)	3,165	0.4 %
<b>New IPT, Inc.</b>										
		Oil & Gas Equipment & Services								
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %		2,454	—	154	3,256	—	(802)	2,454	0.3 %
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	6.00 %		1,009	—	58	1,009	—	—	1,009	0.1 %
50,087 Class A Common Units in New IPT Holdings, LLC				—	—	2,903	—	(1,730)	1,173	0.1 %
<b>Senior Loan Fund JV I, LLC (6)</b>										
		Multi-Sector Holdings								
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	8.02 %		96,250	—	6,292	96,250	—	—	96,250	11.2 %
87.5% LLC equity interest				—	—	30,052	—	(16,256)	13,796	1.6 %
<b>ThruLine Marketing, Inc.</b>										
		Advertising								
First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022			—	—	257	18,146	—	(18,146)	—	— %
First Lien Revolver, LIBOR+7.75% cash due 4/3/2022			—	—	1	—	—	—	—	— %
9,073 Class A Units in FS AVI Holdco, LLC				—	—	6,438	—	(3,291)	3,147	0.4 %
<b>Total Control Investments</b>			<b>\$ 144,213</b>	<b>\$ —</b>	<b>\$ 8,410</b>	<b>\$ 209,178</b>	<b>\$ 51,837</b>	<b>\$ (60,216)</b>	<b>\$ 200,799</b>	<b>23.4 %</b>
<b>Affiliate Investments</b>										
<b>Assembled Brands Capital LLC</b>										
		Specialized Finance								
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	7.00 %		\$ 5,504	\$ —	\$ 394	\$ 5,585	\$ 2,038	\$ (3,279)	\$ 4,344	0.5 %
1,609,201 Class A Units				—	—	782	312	—	1,094	0.1 %
1,019,168.80 Preferred Units, 6%				—	—	1,019	51	—	1,070	0.1 %
70,424,564.1 Class A Warrants (exercise price \$3.3778) expiration date 9/9/2029				—	—	—	—	—	—	— %
<b>Caregiver Services, Inc.</b>										
		Health Care Services								
1,080,399 shares of Series A Preferred Stock, 10%			—	—	—	1,784	—	(1,043)	741	0.1 %
<b>Total Affiliate Investments</b>			<b>\$ 5,504</b>	<b>\$ —</b>	<b>\$ 394</b>	<b>\$ 9,170</b>	<b>\$ 2,401</b>	<b>\$ (4,322)</b>	<b>\$ 7,249</b>	<b>0.8 %</b>
<b>Total Control &amp; Affiliate Investments</b>			<b>\$ 149,717</b>	<b>\$ —</b>	<b>\$ 8,804</b>	<b>\$ 218,348</b>	<b>\$ 54,238</b>	<b>\$ (64,538)</b>	<b>\$ 208,048</b>	<b>24.2 %</b>

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

- (1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments.
- (2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.
- (3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK interest (net of non-accrual amounts) and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation as well as the movement of an existing portfolio company into this category or out of a different category.
- (4) Gross reductions include decreases in the cost basis of investments resulting from principal payments or sales and exchanges of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
- (5) First Star Speir Aviation Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.
- (6) Together with Kemper, the Company co-invests through SLF JV I. SLF JV I is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF JV I must be approved by the SLF JV I investment committee consisting of representatives of the Company and Kemper (with approval from a representative of each required).

**Oaktree Specialty Lending Corporation**  
**Schedule of Investments in and Advances to Affiliates**  
(in thousands, except share and per share amounts, percentages and as otherwise indicated)  
**Nine months ended June 30, 2019**  
**(unaudited)**

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value at October 1, 2018	Gross Additions (3)	Gross Reductions (4)	Fair Value at June 30, 2019	% of Total Net Assets
<b>Control Investments</b>										
<b>First Star Speir Aviation Limited (5)</b>										
		Airlines								
First Lien Term Loan, 9.00% cash due 12/15/2020			\$ 11,510	\$ —	\$ 1,711	\$ 32,510	\$ 753	\$ (21,753)	\$ 11,510	1.2 %
100% equity interest				—	—	—	3,847	(100)	3,747	0.4 %
<b>New IPT, Inc.</b>										
		Oil & gas equipment services								
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.33 %		3,957	—	255	4,107	19	(169)	3,957	0.4 %
Second Lien Term Loan, LIBOR+5.10% cash due 9/17/2021			—	—	45	1,453	—	(1,453)	—	— %
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	7.33 %		1,009	—	64	1,009	—	—	1,009	0.1 %
50,087 Class A Common Units in New IPT Holdings, LLC				—	—	2,291	612	—	2,903	0.3 %
<b>Senior Loan Fund JV I, LLC (6)</b>										
		Multi-sector holdings								
Class A Mezzanine Secured Deferrable Floating Rate Notes due 2036 in SLF Repack Issuer 2016 LLC			—	—	2,036	99,813	—	(99,813)	—	— %
Class B Mezzanine Secured Deferrable Fixed Rate Notes, 10.00% cash due 2036 in SLF Repack Issuer 2016 LLC			—	—	707	29,520	67	(29,587)	—	— %
Subordinated Note, LIBOR+7.00% cash due 12/29/2028	9.49 %		96,250	—	4,698	—	96,250	—	96,250	10.3 %
87.5% LLC equity interest				—	—	41	37,734	(6,683)	31,092	3.3 %
<b>Thruline Marketing, Inc.</b>										
		Advertising								
First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.33 %		18,146	—	1,320	18,146	—	—	18,146	2.0 %
First Lien Revolver, LIBOR+7.75% cash due 4/3/2022			—	—	11	—	—	—	—	— %
9,073 Class A Units in FS AVI Holdco, LLC				—	—	7,984	—	(1,546)	6,438	0.7 %
<b>Total Control Investments</b>			<b>\$ 130,872</b>	<b>\$ —</b>	<b>\$ 10,847</b>	<b>\$ 196,874</b>	<b>\$ 139,282</b>	<b>\$ (161,104)</b>	<b>\$ 175,052</b>	<b>18.8 %</b>
<b>Affiliate Investments</b>										
<b>Assembled Brands Capital LLC</b>										
		Specialized finance								
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	8.33 %		\$ 3,221	\$ —	\$ 119	\$ —	\$ 3,235	\$ (14)	\$ 3,221	0.3 %
764,376.60 Class A Units				—	—	—	764	—	764	0.1 %
583,190.81 Class B Units				—	—	—	—	—	—	— %
<b>Caregiver Services, Inc.</b>										
		Healthcare services								
1,080,399 shares of Series A Preferred Stock, 10.00%				—	—	2,161	—	(182)	1,979	0.2 %
<b>Total Affiliate Investments</b>			<b>\$ 3,221</b>	<b>\$ —</b>	<b>\$ 119</b>	<b>\$ 2,161</b>	<b>\$ 3,999</b>	<b>\$ (196)</b>	<b>\$ 5,964</b>	<b>0.6 %</b>
<b>Total Control &amp; Affiliate Investments</b>			<b>\$ 134,093</b>	<b>\$ —</b>	<b>\$ 10,966</b>	<b>\$ 199,035</b>	<b>\$ 143,281</b>	<b>\$ (161,300)</b>	<b>\$ 181,016</b>	<b>19.5 %</b>

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

- (1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments as of June 30, 2019 included in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2019.
- (2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.
- (3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK interest (net of non-accrual amounts) and the exchange of one or more existing securities for one or more new securities.

Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation as well as the movement of an existing portfolio company into this category or out of a different category.

- (4) Gross reductions include decreases in the cost basis of investment resulting from principal payments or sales and exchanges of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
- (5) First Star Speir Aviation Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding companies are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entity.
- (6) Together with Kemper, the Company co-invests through SLF JV I. SLF JV I is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF JV I must be approved by the SLF JV I investment committee consisting of representatives of the Company and Kemper (with approval from a representative of each required).



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

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

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

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

In addition, words such as “anticipate,” “believe,” “expect,” “seek,” “plan,” “should,” “estimate,” “project” and “intend” indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “Item 1A. Risk Factors” in our annual report on Form 10-K for the year ended September 30, 2019 and elsewhere in this quarterly report on Form 10-Q.

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

- changes or potential disruptions in our operations, the economy, financial markets or political environment;
- risks associated with possible disruption in our operations or the economy generally due to terrorism, natural disasters or the COVID-19 pandemic;
- future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to Business Development Companies or regulated investment companies, or RICs;
- general considerations associated with the COVID-19 pandemic; and
- other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

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

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

### **Business Overview**

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

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

Our investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. We may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions. Our portfolio may also include certain structured finance and other non-traditional structures. We invest in companies that typically possess business models we expect to be resilient in the future with underlying fundamentals that will provide strength in economic downturns. We intend to deploy capital across credit and economic cycles with a focus on long-term results, which we believe will enable us to build lasting partnerships with financial sponsors and management teams, and we may seek to opportunistically take advantage of dislocations in the financial markets and other situations that may benefit from Oaktree's credit and structuring expertise, including during the COVID-19 pandemic. Sponsors may include financial sponsors, such as an institutional investor or a private equity firm, or a strategic entity seeking to invest in a portfolio company. Oaktree is generally focused on middle-market companies, which we define as companies with enterprise values of between \$100 million and \$750 million. We generally invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "high yield" and "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

Oaktree intends to continue to rotate our portfolio into investments that are better aligned with Oaktree's overall approach to credit investing and that it believes have the potential to generate attractive returns across market cycles (which we call "core investments"). Oaktree has performed a comprehensive review of our portfolio and categorized our portfolio into core investments, non-core performing investments and underperforming investments. Certain additional information on such categorization and our portfolio composition is included in investor presentations that we file with the SEC. Since an Oaktree affiliate became our investment adviser in October 2017, Oaktree and its affiliates have reduced the investments identified as non-core by over \$700 million at fair value. Over time, Oaktree intends to rotate us out of the remaining non-core investments, which were approximately \$134 million at fair value as of June 30, 2020. Oaktree periodically reviews designations of investments as core and non-core and may change such designations over time.

### **Business Environment and Developments**

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

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

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

As of June 30, 2020, 86.2% of our debt investment portfolio (at fair value) and 87.3% of our debt investment portfolio (at cost) bore interest at floating rates indexed to the London Interbank Offered Rate, or LIBOR, and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly or monthly at the borrower's option. As a result of the COVID-19 pandemic and the related decision of the U.S. Federal Reserve to reduce certain interest rates, LIBOR decreased beginning in March 2020. A prolonged reduction in interest rates will result in a decrease in our total investment income and could result in a decrease in our net investment income to the extent the decreases are not offset by an increase in the spread on our floating rate investments, a decrease in our interest expense or a reduction of our incentive fee on income. In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. Although there have been a few issuances utilizing SOFR or the Sterling Over Night Index Average, an alternative reference rate that is based on transactions, it remains unknown whether these alternative reference rates will attain market acceptance as replacements for LIBOR. If LIBOR ceases to exist, we may need to renegotiate any credit agreements extending beyond 2021 with our prospective portfolio companies that utilize LIBOR as a factor in determining the interest rate and may also need to renegotiate the terms of

the Credit Facility (as defined below), which matures in 2024. Certain of the loan agreements with our portfolio companies have included fallback language in the event that LIBOR becomes unavailable. This language generally provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. Certain of the loan agreements with our portfolio companies do not include any fallback language providing a mechanism for the parties to negotiate a new reference interest rate and will instead revert to the base rate in the event LIBOR ceases to exist. It remains unclear whether the cessation of LIBOR will be delayed due to COVID-19 or what form any delay may take, and there are no assurances that there will be a delay. It is also unclear what the duration and severity of COVID-19 will be, and whether this will impact LIBOR transition planning. COVID-19 may also slow regulators' and others' efforts to develop and implement alternative reference rates, which could make LIBOR transition planning more difficult, particularly if the cessation of LIBOR is not delayed but an alternative reference rate does not emerge as industry standard.

## **Critical Accounting Policies**

### ***Basis of Presentation***

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

### ***Investment Valuation***

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

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

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

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

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

We seek to obtain at least two quotations for the subject or similar securities, typically from pricing vendors. If we are unable to obtain two quotes from pricing vendors, or if the prices obtained from pricing vendors are not within our set

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

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

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

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

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

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

- Our Board of Directors discusses valuations and determines the fair value of each investment in our portfolio.

The fair value of our investments as of June 30, 2020 and September 30, 2019 was determined in good faith by our Board of Directors. Our Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of our portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. As of June 30, 2020, 92.8% of our portfolio at fair value was valued either based on market quotations, the transactions precedent approach or corroborated by independent valuation firms. However, our Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to our valuation policy and a consistently applied valuation process.

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

As of June 30, 2020 and September 30, 2019, approximately 94.8% and 97.1%, respectively, of our total assets represented investments at fair value.

### **Revenue Recognition**

#### *Interest Income*

Interest income, adjusted for accretion of original issue discount, or OID, is recorded on an accrual basis to the extent that such amounts are expected to be collected. We stop accruing interest on investments when it is determined that interest is no longer collectible. Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when there is reasonable doubt that principal or interest cash payments will be collected. Cash interest payments received on investments may be recognized as income or a return of capital depending upon management's judgment. A non-accrual investment is restored to accrual status if past due principal and interest are paid in cash, and the portfolio company, in management's judgment, is likely to continue timely payment of its remaining obligations. As of June 30, 2020, there were three investments on which we had stopped accruing cash and/or payment in kind, or PIK, interest or OID income.

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

For our secured borrowings, the interest earned on the entire loan balance is recorded within interest income and the interest earned by the buyer from the partial loan sales is recorded within interest expense in the Consolidated Statements of Operations.

#### *PIK Interest Income*

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

## Fee Income

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

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

## Dividend Income

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

## Portfolio Composition

Our investments principally consist of loans, common and preferred equity and warrants in privately-held companies and Senior Loan Fund JV I, LLC, or SLF JV I, a joint venture through which we and Trinity Universal Insurance Company, a subsidiary of Kemper Corporation, or Kemper, co-invest in senior secured loans of middle-market companies and other corporate debt securities. Our loans are typically secured by a first, second or subordinated lien on the assets of the portfolio company and generally have terms of up to ten years (but an expected average life of between three and four years).

During the nine months ended June 30, 2020, we originated \$667.6 million of investment commitments in 51 new and 20 existing portfolio companies and funded \$586.4 million of investments.

During the nine months ended June 30, 2020, we received \$379.3 million of proceeds from prepayments, exits, other paydowns and sales and exited 36 portfolio companies.

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

	June 30, 2020	September 30, 2019
<b>Cost:</b>		
Senior secured debt	78.03 %	77.35 %
Subordinated debt	6.92	6.88
Debt investment in SLF JV I	5.67	6.36
Common equity and warrants	4.14	3.48
LLC equity interests of SLF JV I	2.91	3.26
Preferred equity	2.33	2.67
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>
	June 30, 2020	September 30, 2019
<b>Fair value:</b>		
Senior secured debt	80.93 %	78.64 %
Subordinated debt	7.18	5.65
Debt investment in SLF JV I	6.17	6.69
Common equity and warrants	2.92	4.10
Preferred equity	1.92	2.82
LLC equity interests of SLF JV I	0.88	2.10
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>

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

	June 30, 2020	September 30, 2019
<b>Cost:</b>		
Application Software	11.34 %	8.73 %
Multi-Sector Holdings (1)	9.03	9.67
Data Processing & Outsourced Services	6.43	6.46
Pharmaceuticals	5.87	3.92
Biotechnology	4.69	5.43
Health Care Services	4.20	6.62
Oil & Gas Refining & Marketing	3.71	2.01
Specialized Finance	3.12	3.52
Personal Products	3.08	0.00
Property & Casualty Insurance	2.91	4.83
Specialty Chemicals	2.67	2.10
Movies & Entertainment	2.63	1.25
Real Estate Services	2.30	2.60
Oil & Gas Storage & Transportation	2.01	0.77
Auto Parts & Equipment	1.98	2.82
Aerospace & Defense	1.95	2.23
Internet Services & Infrastructure	1.86	2.15
Health Care Technology	1.85	3.37
Research & Consulting Services	1.83	2.30
Managed Health Care	1.62	1.83
Alternative Carriers	1.61	1.94
Electronic Components	1.50	0.00
Education Services	1.36	1.04
Advertising	1.35	2.80
Airport Services	1.32	—
Independent Power Producers & Energy Traders	1.28	—
Electrical Components & Equipment	1.24	1.40
Systems Software	1.22	2.10
Integrated Telecommunication Services	1.19	2.23
General Merchandise Stores	1.12	1.25
Diversified Support Services	1.11	1.24
Apparel, Accessories & Luxury Goods	1.02	1.20
Hotels, Resorts & Cruise Lines	0.91	—
Industrial Machinery	0.90	1.13
Diversified Real Estate Activities	0.90	—
IT Consulting & Other Services	0.88	0.99
Construction & Engineering	0.78	1.55
Health Care Distributors	0.76	1.49
Metal & Glass Containers	0.66	—
Airlines	0.62	0.70
Trading Companies & Distributors	0.60	0.68
Restaurants	0.60	0.20
Commercial Printing	0.47	0.40
Food Retail	0.40	0.96
Distributors	0.22	—
Oil & Gas Equipment & Services	0.20	0.80
Health Care Facilities	0.18	—
Insurance Brokers	0.13	—
Construction Materials	0.13	—
Leisure Facilities	0.11	0.12
Specialty Stores	0.08	0.09
Thrifts & Mortgage Finance	0.06	0.08
Other Diversified Financial Services	0.01	0.01
Interactive Media & Services	—	1.44
Specialized REITs	—	0.55
Household Appliances	—	0.52
Environmental & Facilities Services	—	0.39
Human Resource & Employment Services	—	0.05
Department Stores	—	0.04
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>

	June 30, 2020	September 30, 2019
<b>Fair value:</b>		
Application Software	11.86 %	9.00 %
Multi-Sector Holdings (1)	7.68	8.94
Pharmaceuticals	6.40	4.18
Data Processing & Outsourced Services	6.13	6.83
Biotechnology	5.76	5.96
Oil & Gas Refining & Marketing	4.44	2.20
Health Care Services	3.84	4.06
Personal Products	3.29	—
Specialized Finance	3.11	3.58
Property & Casualty Insurance	2.98	5.16
Movies & Entertainment	2.79	1.29
Real Estate Services	2.35	2.75
Specialty Chemicals	2.33	1.64
Health Care Technology	2.01	3.64
Oil & Gas Storage & Transportation	1.97	0.83
Internet Services & Infrastructure	1.90	2.26
Research & Consulting Services	1.87	2.60
Auto Parts & Equipment	1.87	2.82
Aerospace & Defense	1.87	2.35
Alternative Carriers	1.69	2.06
Managed Health Care	1.64	1.93
Electronic Components	1.50	—
Airport Services	1.37	—
Independent Power Producers & Energy Traders	1.34	—
Systems Software	1.29	2.19
Electrical Components & Equipment	1.25	1.39
Diversified Support Services	1.06	1.30
Diversified Real Estate Activities	1.06	—
Hotels, Resorts & Cruise Lines	1.06	—
General Merchandise Stores	1.05	1.18
Advertising	1.05	2.59
Integrated Telecommunication Services	1.02	2.01
Airlines	0.94	1.12
Construction & Engineering	0.83	1.67
IT Consulting & Other Services	0.83	0.96
Industrial Machinery	0.77	1.17
Metal & Glass Containers	0.77	—
Health Care Distributors	0.75	1.53
Apparel, Accessories & Luxury Goods	0.72	0.92
Trading Companies & Distributors	0.64	0.72
Restaurants	0.48	0.19
Commercial Printing	0.48	0.41
Education Services	0.46	—
Food Retail	0.44	1.04
Oil & Gas Equipment & Services	0.30	0.95
Distributors	0.26	—
Health Care Facilities	0.22	—
Insurance Brokers	0.14	—
Construction Materials	0.12	—
Thrifts & Mortgage Finance	0.02	0.05
Leisure Facilities	—	0.33
Interactive Media & Services	—	1.56
Leisure Products	—	1.05
Specialized REITs	—	0.57
Household Appliances	—	0.53
Environmental & Facilities Services	—	0.41
Human Resource & Employment Services	—	0.05
Department Stores	—	0.03
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>

(1) This industry includes our investments in SLF JV I, collateral loan obligations and certain limited partnership interests.



## Loans and Debt Securities on Non-Accrual Status

As of June 30, 2020, non-accruals represented 1.3% of the debt portfolio at cost and 0.2% at fair value in three positions. During the quarter ended June 30, 2020, we placed one new investment on non-accrual status, representing 0.1% of the debt portfolio at both cost and fair value and we exited one investment that was previously on non-accrual status. As of each of June 30, 2020 and September 30, 2019, there were three investments on which we had stopped accruing cash and/or PIK interest or OID income.

The percentages of our debt investments at cost and fair value by accrual status as of June 30, 2020 and September 30, 2019 were as follows:

	June 30, 2020				September 30, 2019			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	\$ 1,517,762	98.72 %	\$ 1,469,325	99.83 %	\$ 1,311,849	95.72 %	\$ 1,305,718	99.79 %
PIK non-accrual (1)	12,661	0.82	—	—	12,661	0.92	—	—
Cash non-accrual (2)	7,108	0.46	2,497	0.17	46,107	3.36	2,706	0.21
<b>Total</b>	<b>\$ 1,537,531</b>	<b>100.00 %</b>	<b>\$ 1,471,822</b>	<b>100.00 %</b>	<b>\$ 1,370,617</b>	<b>100.00 %</b>	<b>\$ 1,308,424</b>	<b>100.00 %</b>

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

## Senior Loan Fund JV I, LLC

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

SLF JV I is capitalized pro rata with LLC equity interests as transactions are completed and may be capitalized with additional subordinated notes issued to us and Kemper by SLF JV I. On December 28, 2018, we and Kemper directed the redemption of our holdings of mezzanine notes issued by SLF Repack Issuer 2016, LLC, a wholly-owned, special purpose issuer subsidiary of SLF JV I. Upon such redemption, the assets collateralizing the mezzanine notes, which consisted of equity interests of SLF JV I Funding LLC, or the Equity Interests, were distributed in-kind to each of us and Kemper, based upon our respective holdings of mezzanine notes. Upon such distribution, we and Kemper each then directed that a portion of our respective Equity Interests holdings be contributed to SLF JV I in exchange for LLC equity interests of SLF JV I and the remainder be applied as payment for the subordinated notes of SLF JV I. SLF Repack Issuer 2016, LLC was dissolved following the foregoing redemption and liquidation. The subordinated notes issued by SLF JV I, or the SLF JV I Subordinated Notes, and the mezzanine notes issued by SLF Repack Issuer 2016, LLC, or the SLF Repack Notes, collectively are referred to as the SLF JV I Notes. Prior to their redemption on December 28, 2018, the SLF Repack Notes consisted of Class A mezzanine secured deferrable floating rate notes and Class B mezzanine secured deferrable fixed rate notes. The SLF JV I Subordinated Notes are (and the SLF Repack Notes were, prior to their redemption) senior in right of payment to SLF JV I LLC equity interests and subordinated in right of payment to SLF JV I's secured debt. As of June 30, 2020 and September 30, 2019, we and Kemper owned, in the aggregate, 87.5% and 12.5%, respectively, of the LLC equity interests of SLF JV I and the outstanding SLF JV I Subordinated Notes.

SLF JV I has a senior revolving credit facility with Deutsche Bank AG, New York Branch, or, as amended, the Deutsche Bank I Facility, which permitted up to \$250.0 million of borrowings (subject to borrowing base and other limitations) as of June 30, 2020 and September 30, 2019. Borrowings under the Deutsche Bank I Facility are secured by all of the assets of SLF JV I Funding LLC, a special purpose financing subsidiary of SLF JV I. As of June 30, 2020, the reinvestment period of the Deutsche Bank I Facility was scheduled to expire June 28, 2021 and the maturity date for the Deutsche Bank I Facility was June 29, 2026. As of June 30, 2020, borrowings under the Deutsche Bank I Facility accrued interest at a rate equal to the 3-month LIBOR plus 1.85% per annum during the reinvestment period and 3-month LIBOR plus 2.00% per annum during the amortization period. Under the Deutsche Bank I Facility, \$173.9 million and \$170.2 million of borrowings were outstanding as of June 30, 2020 and September 30, 2019, respectively.

On July 10, 2020, SLF JV I amended the Deutsche Bank I Facility to (a) establish a waiver period beginning on July 10, 2020 and ending 180 days thereafter (the "Waiver Period"), during which the facility agent is restricted from revaluing certain collateral obligations where the change in valuation is caused by or results from a business disruption due primarily to the COVID-19 pandemic and (b) modify the minimum utilization percentage from 75% to 50% until 90 days after the end of the Waiver Period.

As of June 30, 2020 and September 30, 2019, SLF JV I had total assets of \$315.4 million and \$360.9 million, respectively. SLF JV I's portfolio primarily consisted of senior secured loans to 53 and 51 portfolio companies as of June 30, 2020 and September 30, 2019, respectively. The portfolio companies in SLF JV I are in industries similar to those in which we may invest directly. As of June 30, 2020, our investment in SLF JV I consisted of LLC equity interests and SLF JV I Subordinated Notes of \$110.0 million in aggregate at fair value. As of September 30, 2019, our investment in SLF JV I consisted of LLC equity interests and SLF JV I Subordinated Notes of \$126.3 million in aggregate at fair value.

As of each of June 30, 2020 and September 30, 2019, we and Kemper had funded approximately \$165.5 million to SLF JV I, of which \$144.8 million was from us. As of June 30, 2020 and September 30, 2019, we and Kemper had the option to fund additional SLF JV I Notes, subject to additional equity funding to SLF JV I. As of each of June 30, 2020 and September 30, 2019, we had commitments to fund LLC equity interests in SLF JV I of \$17.5 million, of which \$1.3 million was unfunded.

Below is a summary of SLF JV I's portfolio, followed by a listing of the individual loans in SLF JV I's portfolio as of June 30, 2020 and September 30, 2019:

	June 30, 2020	September 30, 2019
Senior secured loans (1)	\$306,759	\$340,960
Weighted average interest rate on senior secured loans (2)	5.43%	6.57%
Number of borrowers in SLF JV I	53	51
Largest exposure to a single borrower (1)	\$10,515	\$10,835
Total of five largest loan exposures to borrowers (1)	\$49,198	\$50,510

(1) At principal amount.

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

**SLF JV I Portfolio as of June 30, 2020**

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	3.92 %	Diversified Support Services	\$ 9,229	\$ 9,192	\$ 8,816	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,353	(4)
AI Convoy (Luxembourg) S.À.R.L.	First Lien Term Loan, LIBOR+3.50% cash due 1/18/2027	4.65 %	Aerospace & Defense	5,647	5,619	5,414	
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	4.68 %	Electrical Components & Equipment	6,064	5,933	5,534	(4)
Airbnb, Inc.	First Lien Term Loan, LIBOR+7.50% cash due 4/17/2025	8.50 %	Hotels, Resorts & Cruise Lines	3,059	2,984	3,197	
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	4.18 %	Integrated Telecommunication Services	4,655	4,453	4,494	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+5.25% cash due 12/31/2023	6.32 %	Pharmaceuticals	9,879	9,603	9,237	
Amplify Finco Pty Ltd.	First Lien Term Loan, LIBOR+4.00% cash due 11/26/2026	4.75 %	Movies & Entertainment	7,980	7,900	6,983	(4)
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025		Personal Products	2,835	2,317	1,003	(6)
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.25 %	Application Software	4,615	4,546	4,512	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application Software	—	(6)	(9)	(4)(5)
<b>Total Apptio, Inc.</b>					<b>4,540</b>	<b>4,503</b>	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.00 %	Airport Services	6,484	6,334	6,036	(4)
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	3.18 %	Data Processing & Outsourced Services	9,800	9,783	9,073	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	4.43 %	Systems Software	7,552	7,466	7,174	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	4.19 %	Oil & Gas Equipment & Services	7,350	7,324	5,053	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	5,683	(4)
<b>Total C5 Technology Holdings, LLC</b>					<b>7,194</b>	<b>5,683</b>	
Carrols Restaurant Group, Inc.	First Lien Term Loan, LIBOR+6.25% cash due 4/30/2026	7.25 %	Restaurants	4,000	3,800	3,840	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.00 %	Oil & Gas Refining & Marketing	7,202	7,130	6,932	(4)
Clear Channel Outdoor Holdings, Inc.	First Lien Term Loan, LIBOR+3.50% cash due 8/21/2026	4.26 %	Advertising	331	289	302	
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/11/2026	5.50 %	Alternative Carriers	7,456	7,274	7,041	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.07 %	Biotechnology	5,955	5,910	5,851	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/16/2026	4.18 %	Internet Services & Infrastructure	7,980	7,960	7,744	
Dealer Tire, LLC	First Lien Term Loan, LIBOR+4.25% cash due 12/12/2025	4.43 %	Distributors	945	903	906	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 4/17/2026	4.06 %	Application Software	4,963	4,938	4,830	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 2/4/2027	5.50 %	Application Software	7,500	7,425	7,371	
Frontier Communications Corporation	First Lien Term Loan, PRIME+2.75% cash due 6/15/2024	6.00 %	Integrated Telecommunication Services	3,939	3,901	3,853	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	5.25 %	Systems Software	7,801	7,750	7,479	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	8.18 %	Research & Consulting Services	\$ 6,000	\$ 5,978	\$ 5,490	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	5.32 %	Systems Software	3,980	3,940	3,852	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, PRIME+4.75% cash due 11/27/2023	8.00 %	Alternative Carriers	3,568	3,539	3,565	
	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 7/13/2021	6.50 %	Alternative Carriers	971	798	1,006	(5)
<b>Total Intelsat Jackson Holdings S.A.</b>					<b>4,337</b>	<b>4,571</b>	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.00 %	Household Products	8,000	7,978	7,645	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash 1.5% PIK due 2/14/2025	8.00 %	Internet Services & Infrastructure	4,529	4,459	4,185	(4)
	First Lien Revolver, LIBOR+8.00% cash due 2/14/2025	9.07 %	Internet Services & Infrastructure	476	469	440	(4)
<b>Total Mindbody, Inc.</b>					<b>4,928</b>	<b>4,625</b>	
MRI Software LLC	First Lien Term Loan, LIBOR+5.50% cash due 2/10/2026	6.57 %	Application Software	3,716	3,682	3,577	(4)
	First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(2)	(10)	(4)(5)
	First Lien Revolver, LIBOR+5.50% cash due 2/10/2026		Application Software	—	(3)	(13)	(4)(5)
<b>Total MRI Software LLC</b>					<b>3,677</b>	<b>3,554</b>	
Navicare, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	4.18 %	Health Care Technology	5,985	5,955	5,761	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.00 %	Oil & Gas Equipment & Services	1,072	1,072	1,072	(4)
	21,876 Class A Common Units in New IPT Holdings, LLC		Oil & Gas Equipment & Services		—	512	(4)
<b>Total New IPT, Inc.</b>					<b>1,072</b>	<b>1,584</b>	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	5.57 %	Electrical Components & Equipment	6,843	6,819	6,329	
Northwest Fiber, LLC	First Lien Term Loan, LIBOR+5.50% cash due 6/5/2027	5.67 %	Integrated Telecommunication Services	2,406	2,316	2,394	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.00 %	Application Software	5,946	5,922	5,832	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.07 %	Application Software	7,253	7,216	6,890	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(3)	(35)	(5)
<b>Total OEConnection LLC</b>					<b>7,213</b>	<b>6,855</b>	
Olaplex, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 1/8/2026	7.50 %	Personal Products	4,969	4,877	4,770	(4)
	First Lien Revolver, LIBOR+6.50% cash due 1/8/2025	7.50 %	Personal Products	540	530	518	(4)
<b>Total Olaplex, Inc.</b>					<b>5,407</b>	<b>5,288</b>	
PG&E Corporation	First Lien Term Loan, LIBOR+4.50% cash due 6/23/2025	5.50 %	Electric Utilities	6,000	5,910	5,904	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	5.50 %	Metal & Glass Containers	4,339	4,296	4,241	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	7.57 %	Aerospace & Defense	2,142	2,127	1,928	(4)
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	6.00 %	Footwear	8,354	8,341	5,555	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	5.50 %	Health Care Services	9,775	9,711	9,237	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	5.68 %	Diversified Support Services	4,809	4,736	3,558	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Star US Bidco LLC	First Lien Term Loan, LIBOR+4.25% cash due 3/17/2027	5.25 %	Industrial Machinery	\$ 3,728	\$ 3,534	\$ 3,423	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	5.32 %	Personal Products	7,960	7,920	7,650	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	3.93 %	Application Software	4,901	4,571	4,339	(4)
Surgery Center Holdings, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 9/3/2024	4.25 %	Health Care Facilities	4,974	4,954	4,402	(4)
ThruLine Marketing, Inc.	927 Class A Units in FS AVI Holdco, LLC		Advertising		949	322	(4)
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	5.00 %	Application Software	8,005	7,947	7,718	
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	4.25 %	Movies & Entertainment	4,819	4,777	4,622	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	5.50 %	Application Software	6,841	6,812	6,358	(4)
Verscend Holding Corp.	First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	4.68 %	Health Care Technology	4,122	4,090	3,998	(4)
VM Consolidated, Inc.	First Lien Term Loan, LIBOR+3.25% cash due 2/28/2025	3.56 %	Data Processing & Outsourced Services	10,515	10,525	10,068	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	8.75 %	Aerospace & Defense	6,000	5,955	4,530	(4)
				<u>\$ 306,759</u>	<u>\$ 312,009</u>	<u>\$ 291,335</u>	

(1) Represents the current interest rate as of June 30, 2020. All interest rates are payable in cash, unless otherwise noted.

(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, we have provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of June 30, 2020, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 0.18%, the 60-day LIBOR at 0.24%, the 90-day LIBOR at 0.31%, the 180-day LIBOR at 0.36% and the PRIME at 3.25%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(3) Represents the current determination of fair value as of June 30, 2020 utilizing a similar technique as us in accordance with ASC 820. However, the determination of such fair value is not included in our Board of Directors' valuation process described elsewhere herein.

(4) This investment is held by both us and SLF JV I as of June 30, 2020.

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

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

#### SLF JV I Portfolio as of September 30, 2019

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	6.07 %	Diversified support services	\$ 9,300	\$ 9,256	\$ 9,201	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,295	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60 %	Electrical components & equipment	6,145	5,992	5,659	(4)
Air Newco LP	First Lien Term Loan, LIBOR+4.75% cash due 5/31/2024	6.79 %	IT consulting & other services	9,900	9,875	9,916	
AL Midcoast Holdings LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60 %	Oil & gas storage & transportation	9,900	9,801	9,764	
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	6.03 %	Integrated telecommunication services	7,444	7,282	7,439	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.79 %	Pharmaceuticals	7,656	7,656	6,963	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56 %	Application software	4,615	4,534	4,530	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application software	—	(7)	(7)	(4)(5)
<b>Total Apptio, Inc.</b>					<b>4,527</b>	<b>4,523</b>	

Portfolio Company	Investment Type	Cash Interest		Industry	Principal	Cost	Fair Value (3)	Notes
		Rate (1)(2)						
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	5.04 %		Data processing & outsourced services	\$ 9,875	\$ 9,855	\$ 9,858	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29 %		Systems software	7,609	7,518	7,336	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	6.05 %		Oil & gas equipment & services	7,406	7,376	6,855	
C5 Technology Holdings, LLC	171 Common Units			Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units					7,194	7,194	(4)
<b>Total C5 Technology Holdings, LLC</b>						<b>7,194</b>	<b>7,194</b>	
Cast & Crew Payroll, LLC	First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	6.05 %		Application software	4,975	4,925	5,018	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10 %		Oil & gas refining & marketing	7,960	7,880	8,010	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10 %		Alternative Carriers	8,000	7,840	7,888	(4)
Curium Bidco S.à r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10 %		Biotechnology	6,000	5,955	6,030	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 8/8/2026	6.26 %		Internet services & infrastructure	8,000	7,980	7,985	
DigiCert, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04 %		Internet services & infrastructure	8,250	8,148	8,249	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04 %		Application software	5,000	4,975	5,015	
Everi Payments Inc.	First Lien Term Loan, LIBOR+3.00% cash due 5/9/2024	5.04 %		Casinos & gaming	4,764	4,742	4,776	
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.95 %		Specialty chemicals	4,938	4,909	4,910	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80 %		Integrated telecommunication services	6,473	6,400	6,471	
Gentiva Health Services, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 7/2/2025	5.81 %		Healthcare services	7,920	7,801	7,974	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.29 %		Systems software	7,860	7,801	7,644	
GoodRx, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.81 %		Interactive media & services	7,852	7,835	7,862	
Guidehouse LLP	Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54 %		Research & consulting services	6,000	5,975	5,925	(4)
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76 %		Pharmaceuticals	7,898	7,797	7,272	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.80 %		Alternative Carriers	10,000	9,891	10,042	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	6.26 %		Household products	8,000	7,972	7,610	
McDermott Technology (Americas), Inc.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10 %		Oil & gas equipment & services	4,187	4,119	2,676	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06 %		Internet services & infrastructure	4,524	4,443	4,438	(4)
	First Lien Revolver, LIBOR+7.00% cash due 2/15/2025			Internet services & infrastructure	—	(9)	(9)	(4)(5)
<b>Total Mindbody, Inc.</b>						<b>4,434</b>	<b>4,429</b>	
Navicare, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 9/18/2026	6.13 %		Healthcare technology	6,000	5,970	6,008	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.10 %		Oil & gas equipment & services	1,422	1,422	1,422	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC			Oil & gas equipment & services		—	1,268	(4)
<b>Total New IPT, Inc.</b>						<b>1,422</b>	<b>2,690</b>	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56 %		Electrical components & equipment	6,895	6,868	6,792	

Portfolio Company	Investment Type	Cash Interest		Industry	Principal	Cost	Fair Value (3)	Notes
		Rate (1)(2)						
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	7.05 %		Application software	\$ 5,993	\$ 5,961	\$ 5,882	
OCI Beaumont LLC	First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10 %		Commodity chemicals	7,880	7,872	7,890	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13 %		Application software	7,312	7,275	7,298	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026			Application software	—	(3)	(1)	(5)
<b>Total OEConnection LLC</b>						<b>7,272</b>	<b>7,297</b>	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	5.04 %		Interactive media & services	3,990	3,971	4,011	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05 %		Aerospace & defense	2,205	2,183	2,094	(4)
Scientific Games International, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 8/14/2024	4.79 %		Casinos & gaming	6,516	6,491	6,470	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	7.26 %		Footwear	8,420	8,403	7,999	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60 %		Healthcare services	9,850	9,775	9,838	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.54 %		Diversified support services	4,906	4,833	4,759	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59 %		Personal products	8,000	7,960	8,048	
Thruline Marketing, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.10 %		Advertising	1,854	1,851	1,854	(4)
	927 Class A Units in FS AVI Holdco, LLC			Advertising		1,088	658	(4)
<b>Total Thruline Marketing, Inc.</b>						<b>2,939</b>	<b>2,512</b>	
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.0% Toggle PIK cash due 4/15/2033			Pharmaceuticals	5,000	5,000	5,175	
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03 %		Application software	9,875	9,836	9,836	(4)
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30 %		Movies & entertainment	4,489	4,489	4,506	
Uniti Group LP	First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04 %		Specialized REITs	6,401	6,221	6,256	(4)
Valeant Pharmaceuticals International Inc.	First Lien Term Loan, LIBOR+2.75% cash due 11/27/2025	4.79 %		Pharmaceuticals	1,772	1,764	1,778	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60 %		Application software	6,894	6,856	6,534	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79 %		Data processing & outsourced services	10,835	10,849	10,894	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01 %		Aerospace & defense	6,000	5,949	5,974	(4)
					<b>\$ 340,960</b>	<b>\$ 347,985</b>	<b>\$ 345,032</b>	

(1) Represents the current interest rate as of September 30, 2019. All interest rates are payable in cash, unless otherwise noted.

(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, we have provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of September 30, 2019, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, and the PRIME at 5.00%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(3) Represents the current determination of fair value as of September 30, 2019 utilizing a similar technique as us in accordance with ASC 820. However, the determination of such fair value is not included in our Board of Directors' valuation process described elsewhere herein.

(4) This investment was held by both us and SLF JV I as of September 30, 2019.

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

Both the cost and fair value of our debt investment in the SLF JV I were \$96.3 million as of each of June 30, 2020 and September 30, 2019. We earned interest income of \$2.0 million and \$6.3 million on our investments in the SLF JV I Subordinated Notes for the three and nine months ended June 30, 2020, respectively. We earned interest income of \$2.3 million and \$7.4 million on our investments in the SLF JV I Notes for the three and nine months ended June 30, 2019, respectively. The

SLF JV I Subordinated Notes bear interest at a rate of one-month LIBOR plus 7.0% per annum and mature on December 29, 2028.

The cost and fair value of the LLC equity interests in SLF JV I held by us was \$49.3 million and \$13.8 million, respectively, as of June 30, 2020, and \$49.3 million and \$30.1 million, respectively, as of September 30, 2019. We did not earn dividend income for the three and nine months ended June 30, 2020 and 2019 with respect to our investment in the LLC equity interests of SLF JV I. The LLC equity interests of SLF JV I are dividend producing to the extent SLF JV I has residual cash to be distributed on a quarterly basis.

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

	June 30, 2020		September 30, 2019					
<b>Selected Balance Sheet Information:</b>								
Investments at fair value (cost June 30, 2020: \$312,009; cost September 30, 2019: \$347,985)	\$	291,335	\$	345,032				
Cash and cash equivalents		10,112		3,674				
Restricted cash		4,038		5,242				
Other assets		9,888		6,912				
<b>Total assets</b>	<b>\$</b>	<b>315,373</b>	<b>\$</b>	<b>360,860</b>				
Senior credit facility payable	\$	173,910	\$	170,210				
Debt securities payable at fair value (proceeds June 30, 2020: \$110,000; proceeds September 30, 2019: \$110,000)		110,000		110,000				
Other liabilities		15,623		46,303				
<b>Total liabilities</b>		<b>299,533</b>		<b>326,513</b>				
Members' equity		15,840		34,347				
<b>Total liabilities and members' equity</b>	<b>\$</b>	<b>315,373</b>	<b>\$</b>	<b>360,860</b>				
		Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019			
<b>Selected Statements of Operations Information:</b>								
Interest income	\$	4,419	\$	5,864	\$	15,358	\$	16,853
Other income		—		—		297		89
<b>Total investment income</b>		<b>4,419</b>		<b>5,864</b>		<b>15,655</b>		<b>16,942</b>
Interest expense		4,076		4,999		13,210		14,862
Other expenses		47		26		178		352
<b>Total expenses (1)</b>		<b>4,123</b>		<b>5,025</b>		<b>13,388</b>		<b>15,214</b>
Net unrealized appreciation (depreciation)		16,829		(370)		(17,721)		750
Net realized gains (losses)		(1,285)		111		(3,052)		(4,875)
<b>Net income (loss)</b>	<b>\$</b>	<b>15,840</b>	<b>\$</b>	<b>580</b>	<b>\$</b>	<b>(18,506)</b>	<b>\$</b>	<b>(2,397)</b>

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

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

During the three and nine months ended June 30, 2020 and 2019, we did not sell any debt investments to SLF JV I.

## Discussion and Analysis of Results and Operations

### Results of Operations

Net increase (decrease) in net assets resulting from operations includes net investment income, net realized gains (losses) and net unrealized appreciation (depreciation). Net investment income is the difference between our income from interest, dividends and fees and net expenses. Net realized gains (losses) is the difference between the proceeds received from dispositions of investment related assets and liabilities and their stated costs. Net unrealized appreciation (depreciation) is the



net change in the fair value of our investment related assets and liabilities carried at fair value during the reporting period, including the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

### ***Comparison of three and nine months ended June 30, 2020 and June 30, 2019***

#### ***Total Investment Income***

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

Total investment income for the three months ended June 30, 2020 and June 30, 2019 was \$34.4 million and \$36.7 million, respectively. For the three months ended June 30, 2020, this amount consisted of \$32.3 million of interest income from portfolio investments (which included \$2.2 million of PIK interest), \$1.8 million of fee income and \$0.3 million of dividend income. For the three months ended June 30, 2019, this amount consisted of \$34.1 million of interest income from portfolio investments (which included \$1.2 million of PIK interest), \$1.8 million of fee income and \$0.7 million of dividend income. The decrease of \$2.3 million, or 6.2%, in our total investment income for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019, was due primarily to a \$1.8 million decrease in interest income, which was attributable to decreases in LIBOR on our floating rate investments and a \$0.5 million decrease in dividend income from our investment in First Star Speir Aviation Limited.

Total investment income for the nine months ended June 30, 2020 and June 30, 2019 was \$99.5 million and \$113.2 million, respectively. For the nine months ended June 30, 2020, this amount consisted of \$93.7 million of interest income from portfolio investments (which included \$5.3 million of PIK interest), \$4.9 million of fee income and \$0.9 million of dividend income. For the nine months ended June 30, 2019, this amount consisted of \$107.3 million of interest income from portfolio investments (which included \$4.3 million of PIK interest), \$4.2 million of fee income and \$1.7 million of dividend income. The decrease of \$13.7 million, or 12.1%, in our total investment income for the nine months ended June 30, 2020, as compared to the nine months ended June 30, 2019, was due primarily to a \$13.6 million decrease in interest income, which was attributable to lower levels of OID accretion, primarily related to \$9.9 million of non-recurring OID accretion on one of our investments during the nine months ended June 30, 2019, decreases in LIBOR on our floating rate investments and a \$0.8 million decrease in dividend income from our investment in First Star Speir Aviation Limited, partially offset by higher prepayment and exit fees.

#### ***Expenses***

Net expenses (expenses net of fee waivers) for the three months ended June 30, 2020 and June 30, 2019 were \$17.6 million and \$20.1 million, respectively. Net expenses decreased for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019, by \$2.4 million, or 12.1%, due primarily to a \$1.2 million decrease in interest expense primarily driven by decreases to LIBOR and a \$1.0 million decrease in base management fees and incentive fees (net of fee waivers) primarily driven by a \$0.6 million decrease in Part II incentive fees and a \$0.6 million reversal of previously accrued waived fees in the prior quarter.

Net expenses (expenses net of fee waivers) for the nine months ended June 30, 2020 and June 30, 2019 were \$52.1 million and \$61.6 million, respectively. Net expenses decreased for the nine months ended June 30, 2020, as compared to the nine months ended June 30, 2019, by \$9.5 million, or 15.4%, due primarily to a \$5.3 million decrease in interest expense resulting from decreases to LIBOR during the period and a \$3.4 million decrease in base management fees and incentive fees (net of fee waivers), primarily driven by a \$1.3 million decrease in Part I incentive fees due to lower investment income, a \$1.2 million reversal of previously accrued waived fees in the prior year and \$0.7 million of Part II incentive fees (net of waivers) in the prior year.

#### ***Net Investment Income***

As a result of the \$2.3 million decrease in total investment income and the \$2.4 million decrease in net expenses, net investment income for the three months ended June 30, 2020 increased by \$0.2 million, or 1.0%, compared to the three months ended June 30, 2019.

As a result of the \$13.7 million decrease in total investment income and the \$9.5 million decrease in net expenses, net investment income for the nine months ended June 30, 2020 decreased by \$4.2 million, or 8.1%, compared to the nine months ended June 30, 2019.

### *Realized Gain (Loss)*

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

During the three months ended June 30, 2020 and 2019, we recorded aggregate net realized gains (losses) of \$2.8 million and \$(19.8) million, respectively, primarily in connection with the exits or restructurings of various investments. During the nine months ended June 30, 2020 and 2019, we recorded aggregate net realized gains (losses) of \$(20.4) million and \$23.3 million, respectively, in connection with the exits or restructurings of various investments. See “*Note 9. Realized Gains or Losses and Net Unrealized Appreciation or Depreciation*” in the notes to the accompanying Consolidated Financial Statements for more details regarding investment realization events for the three and nine months ended June 30, 2020 and 2019.

### *Net Unrealized Appreciation (Depreciation)*

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

During the three months ended June 30, 2020 and 2019, we recorded net unrealized appreciation of \$100.6 million and \$23.4 million, respectively. For the three months ended June 30, 2020, this consisted of \$85.2 million of net unrealized appreciation on debt investments, \$11.8 million of net unrealized appreciation on equity investments and \$3.9 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses), partially offset by \$0.4 million of net unrealized depreciation of foreign currency forward contracts. The unrealized appreciation on investments during the quarter was largely due to price increases on liquid debt investments and the impact of tighter credit spreads on private debt investment valuations following the improvement in broader credit market conditions.

For the three months ended June 30, 2019, this consisted of \$23.8 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses) and \$2.5 million of net unrealized appreciation on debt investments, partially offset by \$2.1 million of net unrealized depreciation on equity investments and \$0.8 million of net unrealized depreciation of foreign currency forward contracts.

During the nine months ended June 30, 2020 and 2019, we recorded net unrealized appreciation (depreciation) of \$(60.1) million and \$37.9 million, respectively. For the nine months ended June 30, 2020, this consisted of \$42.5 million of net unrealized depreciation on debt investments and \$39.3 million of net unrealized depreciation on equity investments, partially offset by \$21.3 million of net unrealized appreciation related to exited investments (a portion of which resulted in a reclassification to realized losses) and \$0.4 million of net unrealized appreciation of foreign currency forward contracts.

For the nine months ended June 30, 2019, this consisted of \$44.3 million of net unrealized appreciation related to exited investments (a portion of which results in a reclassification to realized losses) and \$11.8 million of net unrealized appreciation on equity investments, partially offset by \$17.8 million of net unrealized depreciation on debt investments and \$0.4 million of net unrealized depreciation of foreign currency forward contracts.

### ***Financial Condition, Liquidity and Capital Resources***

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

Our primary uses of funds are investments in our targeted asset classes and cash distributions to holders of our common stock. We may from time to time repurchase or redeem some or all of our outstanding notes in open-market transactions, privately negotiated transactions or otherwise. At a special meeting of our stockholders held on June 28, 2019, our stockholders approved the application of the reduced asset coverage requirements in Section 61(a) (2) of the Investment Company Act to us effective as of June 29, 2019. As a result of the reduced asset coverage requirement, we can incur \$2 of debt for each \$1 of equity as compared to \$1 of debt for each \$1 of equity. As of June 30, 2020, we had \$766.8 million in senior securities and our asset coverage ratio was 211.3%. Our target debt to equity ratio is 0.85x to 1.0x (i.e., one dollar of equity for each \$0.85 to \$1.00 of debt outstanding) as we plan to continue to opportunistically deploy capital into the markets. As of June 30, 2020, our debt to equity ratio was 0.89x.

For the nine months ended June 30, 2020, we experienced a net increase in cash and cash equivalents of \$35.3 million. During that period, we used \$207.7 million of net cash from operating activities, primarily from funding \$576.9 million of investments, a \$61.9 million of net decrease in payables from unsettled transactions, partially offset by \$388.3 million of principal payments and sale proceeds received and the cash activities related to \$47.4 million of net investment income. During the same period, net cash provided by financing activities was \$243.1 million, primarily consisting of \$152.0 million of net borrowings under the Credit Facility (as defined below) and \$136.2 million net incurrence of unsecured notes, partially offset by \$38.8 million of cash distributions paid to our stockholders, \$4.8 million of deferred financing costs paid and \$1.4 million of repurchases of common stock under our dividend reinvestment plan, or DRIP.

For the nine months ended June 30, 2019, we experienced a net decrease in cash and cash equivalents and restricted cash of \$7.9 million. During that period, we received \$135.8 million of net cash from operating activities, primarily from \$467.3 million of principal payments and sale proceeds received and the cash activities related to \$51.6 million of net investment income, partially offset by funding \$351.7 million of investments. During the same period, net cash used in financing activities was \$143.9 million, primarily consisting of \$128.8 million of net borrowings under the Credit Facility (as defined below), \$228.8 million of repayments of unsecured notes, \$0.8 million of repayments of secured borrowings, \$39.1 million of cash distributions paid to our stockholders and \$1.0 million of repurchases of common stock under our DRIP.

As of June 30, 2020, we had \$50.7 million in cash and cash equivalents, portfolio investments (at fair value) of \$1.6 billion, \$8.8 million of interest, dividends and fees receivable, \$233.2 million of undrawn capacity on the Credit Facility (subject to borrowing base and other limitations), \$6.9 million of net receivables from unsettled transactions, \$466.8 million of borrowings outstanding under our Credit Facility, \$294.2 million of unsecured notes payable (net of unamortized financing costs and unaccreted discount) and unfunded commitments to portfolio companies of \$154.6 million. As of June 30, 2020, we have analyzed cash and cash equivalents, availability under the Credit Facility, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

As of September 30, 2019, we had \$15.4 million in cash and cash equivalents, portfolio investments (at fair value) of \$1.4 billion, \$11.2 million of interest, dividends and fees receivable, \$385.2 of undrawn capacity on the Credit Facility (subject to borrowing base and other limitations), \$55.0 million of net payables from unsettled transactions, \$314.8 million of borrowings outstanding under our Credit Facility, \$158.5 million of unsecured notes payable (net of unamortized financing costs) and unfunded commitments of \$88.3 million.

### Significant Capital Transactions

The following table reflects the distributions per share that we have paid, including shares issued under our DRIP, on our common stock since October 1, 2017:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
August 7, 2017	December 15, 2017	December 29, 2017	\$ 0.125	\$ 17.3 million	58,456	\$ 0.3 million
February 5, 2018	March 15, 2018	March 30, 2018	0.085	11.5 million	122,884	0.5 million
May 3, 2018	June 15, 2018	June 29, 2018	0.095	13.0 million	87,283	0.4 million
August 1, 2018	September 15, 2018	September 28, 2018	0.095	13.2 million	34,575	0.2 million
November 19, 2018	December 17, 2018	December 28, 2018	0.095	13.0 million	87,429	0.4 million
February 1, 2019	March 15, 2019	March 29, 2019	0.095	13.1 million	59,603	0.3 million
May 3, 2019	June 14, 2019	June 28, 2019	0.095	13.1 million	61,093	0.3 million
August 2, 2019	September 13, 2019	September 30, 2019	0.095	13.1 million	61,205	0.3 million
November 12, 2019	December 13, 2019	December 31, 2019	0.095	12.9 million	87,747	0.5 million
January 31, 2020	March 13, 2020	March 31, 2020	0.095	12.9 million	157,523	0.5 million
April 30, 2020	June 15, 2020	June 30, 2020	0.095	13.0 million	87,351	0.4 million

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

### Indebtedness

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

#### Credit Facility

As of June 30, 2020, (i) the size of our senior secured revolving credit facility, or, as amended and restated, the Credit Facility, pursuant to a senior secured revolving credit agreement, with the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents, was \$700 million (with an “accordion” feature that permits us, under certain circumstances, to increase the size of the facility to up to the greater of \$800 million and our net worth (as defined in the Credit Facility) on the date of such increase, (ii) the period during which we may make drawings will expire on February 25, 2023 and the maturity date is February 25, 2024 and (iii) the interest rate margin for (a) LIBOR loans (which may be 1-, 2-, 3- or 6-month, at our option) was 2.00% (which can be increased up to 2.25%) and (b) alternate base rate loans was 1.00% (which can be increased up to 1.25%); provided that the interest margin will increase to 2.75% and 1.75% for LIBOR loans and alternative base rate loans, respectively, if our stockholders’ equity is below \$700 million, each depending on our senior debt coverage ratio.

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

The following table describes significant financial covenants, as of June 30, 2020, with which we must comply under the Credit Facility on a quarterly basis:

Financial Covenant	Description	Target Value	March 31, 2020 Reported Value (1)
Minimum shareholders’ equity	Net assets shall not be less than the sum of (x) \$550 million, plus (y) 50% of the aggregate net proceeds of all sales of equity interests after May 6, 2020	\$550 million	\$752 million
Asset coverage ratio	Asset coverage ratio shall not be less than the greater of 1.50:1 and the statutory test applicable to us	1.50:1	2.06:1
Interest coverage ratio	Interest coverage ratio shall not be less than 2.25:1	2.25:1	3.20:1
Minimum net worth	Net worth shall not be less than \$500 million	\$500 million	\$748 million

(1) As contractually required, we report financial covenants based on the last filed quarterly or annual report, in this case our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. We were in compliance with all financial covenants under the Credit Facility based on the financial information contained in this Quarterly Report on Form 10-Q.

As of June 30, 2020 and September 30, 2019, we had \$466.8 million and \$314.8 million of borrowings outstanding under the Credit Facility, respectively, which had a fair value of \$466.8 million and \$314.8 million, respectively. Our borrowings under the Credit Facility bore interest at a weighted average interest rate of 3.325% and 4.615% for the nine months ended June 30, 2020 and 2019, respectively. For the three and nine months ended June 30, 2020, we recorded interest expense (inclusive of fees) of \$3.5 million and \$11.7 million, respectively, related to the Credit Facility. For the three and nine months ended June 30, 2019, we recorded interest expense (inclusive of fees) of \$5.1 million and \$12.7 million in the aggregate, related to the Credit Facility.

#### *2025 Notes*

On February 25, 2020, we issued \$300.0 million in aggregate principal amount of our 3.500% notes due 2025, or the 2025 Notes, for net proceeds of \$293.8 million after deducting OID of \$2.5 million, underwriting commissions and discounts of \$3.0 million and offering costs of \$0.7 million. The OID on the 2025 Notes is amortized based on the effective interest method over the term of the notes.

For each of the three and nine months ended June 30, 2020, we recorded interest expense of \$2.9 million and \$4.0 million, respectively, related to the 2025 Notes. As of June 30, 2020, there were \$300.0 million of 2025 Notes outstanding, which had a carrying value and fair value of \$294.2 million and \$293.3 million, respectively.

#### *2019 Notes*

For the nine months ended June 30, 2019, we recorded interest expense of \$5.1 million (inclusive of fees) related to our 4.875% unsecured notes due 2019, or the 2019 Notes. The 2019 Notes matured on March 1, 2019 and were fully repaid during the three months ended March 31, 2019. As of June 30, 2020 and September 30, 2019, there were no 2019 Notes outstanding.

#### *2024 Notes*

For the nine months ended June 30, 2020, we recorded interest expense of \$1.9 million (inclusive of fees) related to our 5.875% unsecured notes due 2024, or the 2024 Notes. For the three and nine months ended June 30, 2019, the Company recorded interest expense of \$1.2 million and \$3.5 million (inclusive of fees), respectively, related to the 2024 Notes.

On March 2, 2020, we redeemed 100%, or \$75.0 million aggregate principal amount, of the issued and outstanding 2024 Notes. The redemption price per 2024 Note was \$25 plus accrued and unpaid interest. We recognized a loss of \$1.0 million in connection with the redemption of the 2024 Notes during the nine months ended June 30, 2020. As of June 30, 2020, there were no 2024 Notes outstanding. As of September 30, 2019, there were \$75.0 million of 2024 Notes outstanding, which had a carrying value and fair value of \$73.9 million and \$77.4 million, respectively.

#### *2028 Notes*

For the nine months ended June 30, 2020, we recorded interest expense of \$2.5 million (inclusive of fees) related to our 6.125% unsecured notes due 2028, or the 2028 Notes. For the three and nine months ended June 30, 2019, we recorded interest expense of \$1.4 million and \$4.1 million (inclusive of fees), respectively, related to the 2028 Notes.

On March 13, 2020, we redeemed 100%, or \$86.3 million aggregate principal amount, of the issued and outstanding 2028 Notes. The redemption price per 2028 Note was \$25 plus accrued and unpaid interest. We recognized a loss of \$1.5 million in connection with the redemption of the 2028 Notes during the nine months ended June 30, 2020. As of June 30, 2020, there were no 2028 Notes outstanding. As of September 30, 2019, there were \$86.3 million of 2028 Notes outstanding, which had a carrying value and fair value of \$84.6 million and \$87.6 million, respectively.

#### **Off-Balance Sheet Arrangements**

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. As of June 30, 2020, our only off-balance sheet arrangements consisted of \$154.6 million of unfunded commitments, which was comprised of \$149.8 million to provide debt financing to certain of our portfolio companies, \$1.3 million to provide equity financing to SLF JV I and \$3.5 million related to unfunded limited partnership interests. As of September 30, 2019, our only off-balance sheet arrangements consisted of \$88.3 million of unfunded commitments, which was comprised of \$83.5 million to provide debt financing to certain of its portfolio companies, \$1.3 million to provide equity financing to SLF JV I and \$3.5 million related to unfunded limited partnership interests. Such commitments are subject to our portfolio companies' satisfaction of certain financial and nonfinancial covenants and may involve, to varying degrees, elements of credit risk in excess of the amount recognized in our Consolidated Statements of Assets and Liabilities.

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components, SLF JV I subordinated notes and LLC equity interests, and limited partnership interests) as of June 30, 2020 and September 30, 2019 is shown in the table below:

	June 30, 2020	September 30, 2019
Athenex, Inc.	\$ 36,610	\$ —
Assembled Brands Capital LLC	33,143	35,182
WPEngine, Inc.	26,348	—
NuStar Logistics, L.P.	17,911	—
A.T. Holdings II SÀRL	11,311	—
Dominion Diagnostics, LLC	5,887	—
Corrona, LLC	5,189	—
Pingora MSR Opportunity Fund I-A, LP	3,500	3,500
Accupac, Inc.	2,346	—
MRI Software LLC	2,315	—
Acquia Inc.	2,240	—
New IPT, Inc.	2,229	2,229
Apptio, Inc.	1,538	1,538
Senior Loan Fund JV I, LLC	1,328	1,328
iCIMS, Inc.	882	882
PaySimple, Inc.	762	12,250
Ministry Brands, LLC	425	800
Coyote Buyer, LLC	377	—
GKD Index Partners, LLC	231	1,156
Mindbody, Inc.	—	3,048
4 Over International, LLC	—	1,977
PLATO Learning Inc. (1)	—	746
Sorrento Therapeutics, Inc.	—	7,500
TerSera Therapeutics, LLC	—	4,200
P2 Upstream Acquisition Co.	—	9,000
ThruLine Marketing, Inc.	—	3,000
<b>Total</b>	<b>\$ 154,572</b>	<b>\$ 88,336</b>

(1) This investment was on cash non-accrual status as of June 30, 2020 and September 30, 2019.

### Contractual Obligations

The following table reflects information pertaining to our principal debt outstanding under the Credit Facility, 2025 Notes, 2024 Notes and 2028 Notes:

	Debt Outstanding as of September 30, 2019	Debt Outstanding as of June 30, 2020	Weighted average debt outstanding for the nine months ended June 30, 2020	Maximum debt outstanding for the nine months ended June 30, 2020
Credit Facility	\$ 314,825	\$ 466,825	\$ 384,869	\$ 466,825
2025 Notes	—	300,000	137,956	300,000
2024 Notes	75,000	—	42,153	75,000
2028 Notes	86,250	—	51,939	86,250
<b>Total debt</b>	<b>\$ 476,075</b>	<b>\$ 766,825</b>	<b>\$ 616,917</b>	

The following table reflects our contractual obligations arising from the Credit Facility and the 2025 Notes:

Contractual Obligations	Payments due by period as of June 30, 2020				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Credit Facility	\$ 466,825	\$ —	\$ —	\$ 466,825	\$ —
Interest due on Credit Facility	38,388	10,504	21,007	6,877	—
2025 Notes	300,000	—	—	300,000	—
Interest due on 2025 Notes	48,933	10,500	21,000	17,433	—
<b>Total</b>	<b>\$ 854,146</b>	<b>\$ 21,004</b>	<b>\$ 42,007</b>	<b>\$ 791,135</b>	<b>\$ —</b>

### ***Regulated Investment Company Status and Distributions***

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

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

To maintain RIC tax treatment, we must, among other things, distribute dividends, with respect to each taxable year, of an amount at least equal to 90% of our investment company taxable income (i.e., our net ordinary income and our realized net short-term capital gains in excess of realized net long-term capital losses, if any), determined without regard to any deduction for dividends paid. As a RIC, we are also subject to a federal excise tax, based on distribution requirements of our taxable income on a calendar year basis. We anticipate timely distribution of our taxable income in accordance with tax rules. We did not incur a U.S. federal excise tax for calendar years 2018 and 2019. We may incur a federal excise tax in future years.

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

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

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

We may generate qualified net interest income or qualified net short-term capital gains that may be exempt from U.S. withholding tax when distributed to foreign stockholders. A RIC is permitted to designate distributions of qualified net interest income and qualified short-term capital gains as exempt from U.S. withholding tax when paid to non-U.S. shareholders with proper documentation. The following table, which may be subject to change as we finalize our annual tax filings, lists the percentage of qualified net interest income and qualified short-term capital gains for the year ended September 30, 2019, our last tax year end.

Year Ended	Qualified Net Interest Income	Qualified Short-Term Capital Gains
September 30, 2019	89.6 %	—

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

#### ***Related Party Transactions***

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

#### ***Recent Developments***

##### *Distribution Declaration*

On July 31, 2020, our Board of Directors declared a quarterly distribution of \$0.105 per share, payable in cash on September 30, 2020 to stockholders of record on September 15, 2020.



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

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

#### Valuation Risk

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

#### Interest Rate Risk

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

As of June 30, 2020, 86.2% of our debt investment portfolio (at fair value) and 87.3% of our debt investment portfolio (at cost) bore interest at floating rates. The composition of our floating rate debt investments by interest rate floor as of June 30, 2020 and September 30, 2019 was as follows:

(\$ in thousands)	June 30, 2020		September 30, 2019	
	Fair Value	% of Floating Rate Portfolio	Fair Value	% of Floating Rate Portfolio
0%	\$ 578,122	45.6 %	\$ 489,464	41.6 %
>0% and <1%	11,060	0.9 %	—	— %
1%	668,182	52.6 %	685,995	58.4 %
>1%	11,969	0.9 %	—	— %
<b>Total Floating Rate Investments</b>	<b>\$ 1,269,333</b>	<b>100.0 %</b>	<b>\$ 1,175,459</b>	<b>100.0 %</b>

Based on our Consolidated Statement of Assets and Liabilities as of June 30, 2020, the following table shows the approximate annualized net increase (decrease) in net assets resulting from operations of hypothetical base rate changes in interest rates, assuming no changes in our investment and capital structure. However, there can be no assurances our portfolio companies will be able to meet their contractual obligations at any or all levels on increases in interest rates.

(\$ in thousands)

Basis point increase	Increase in Interest Income	(Increase) in Interest Expense	Net increase (decrease) in net assets resulting from operations
250	\$ 28,387	\$ (11,671)	\$ 16,716
200	21,695	(9,337)	12,358
150	15,002	(7,002)	8,000
100	8,310	(4,668)	3,642
50	3,135	(2,334)	801
Basis point decrease	(Decrease) in Interest Income	Decrease in Interest Expense	Net increase (decrease) in net assets resulting from operations
50	\$ (1,174)	\$ 1,167	\$ (7)
100	(1,176)	1,167	(9)
150	(1,177)	1,167	(10)
200 (1)	(1,179)	1,167	(12)

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

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on this review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. The following table shows a comparison of the interest rate base for our interest-bearing cash and outstanding investments, at principal, and our outstanding borrowings as of June 30, 2020 and September 30, 2019:

(\$ in thousands)	June 30, 2020		September 30, 2019	
	Interest Bearing Cash and Investments	Borrowings	Interest Bearing Cash and Investments	Borrowings
Money market rate	\$ 47,871	\$ —	\$ 9,611	\$ —
Prime rate	305	—	48,036	14,000
<b>LIBOR</b>				
30 day	698,551	466,825	686,880	300,825
60 day	—	—	9,000	—
90 day	425,961	—	402,603	—
180 day	182,788	—	20,967	—
360 day	15,444	—	—	—
<b>EURIBOR</b>				
30 day	27,897	—	19,078	—
<b>UK LIBOR</b>				
30 day	22,241	—	22,181	—
Fixed rate	199,808	300,000	185,809	161,250
<b>Total</b>	<b>\$ 1,620,866</b>	<b>\$ 766,825</b>	<b>\$ 1,404,165</b>	<b>\$ 476,075</b>

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

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2020. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of June 30, 2020, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, in timely identifying, recording, processing, summarizing and reporting any material information relating to us that is required to be disclosed in the reports we file or submit under the Exchange Act.

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II

### Item 1. *Legal Proceedings*

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

### Item 1A. *Risk Factors*

Except as set forth below, there have been no material changes during the three and nine months ended June 30, 2020 to the risk factors discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2019.

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

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

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

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

As the potential impact of the coronavirus remains difficult to predict, the extent to which the coronavirus could negatively affect our and our portfolio companies’ operating results or the duration of any potential business or supply-chain disruption is uncertain. Any potential impact to our results of operations will depend to a large extent on future developments

regarding the duration and severity of the coronavirus and the actions taken by governments and their citizens to contain the coronavirus or treat its impact, all of which are beyond our control.

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

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

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

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

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

None.

**Item 3. *Defaults Upon Senior Securities***

None.

**Item 4. *Mine Safety Disclosures***

Not applicable.

**Item 5. *Other Information***

None.

**Item 6. Exhibits**

- [10.1](#) Investment Advisory Agreement, dated as of May 4, 2020, by and between the Company and Oaktree Fund Advisors, LLC (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Form 10-Q (File No. 814-00755) filed on May 7, 2020).
- [10.2](#) Amendment No. 2 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of May 6, 2020, among the Company, as Borrower, the lenders party thereto from time to time and ING Capital LLC, as administrative agent for the lenders thereunder (Incorporated by reference to Exhibit 10.2 filed with the Registrant's Form 10-Q (File No. 814-00755) filed on May 7, 2020).
- [31.1\\*](#) Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- [31.2\\*](#) Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- [32.1\\*](#) Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
- [32.2\\*](#) Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

\* Filed herewith.

**SIGNATURES**

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

**OAKTREE SPECIALTY LENDING CORPORATION**

By:           /s/ Armen Panossian  
Armen Panossian  
Chief Executive Officer

By:           /s/ Mel Carlisle  
Mel Carlisle  
Chief Financial Officer and Treasurer

Date: August 7, 2020







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

In connection with the quarterly report on Form 10-Q for the quarter ended **June 30, 2020** (the "Report") of **Oaktree Specialty Lending Corporation** (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, **Armen Panossian**, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Armen Panossian

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Name: Armen Panossian

Date: August 7, 2020

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

In connection with the quarterly report on Form 10-Q for the quarter ended **June 30, 2020** (the "Report") of **Oaktree Specialty Lending Corporation** (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, **Mel Carlisle**, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mel Carlisle

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Name: Mel Carlisle

Date: August 7, 2020