

**Presentation**

# **OHA Investment Corporation Q3 2018 Earnings Results**

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**November 15, 2018**



# Disclaimer

THIS PRESENTATION MAY CONTAIN FORWARD-LOOKING STATEMENTS OF OHA INVESTMENT CORPORATION (“OHA” OR THE “COMPANY”). WE MAY USE WORDS SUCH AS “ANTICIPATES,” “BELIEVES,” “INTENDS,” “PLANS,” “EXPECTS,” “PROJECTS,” “ESTIMATES,” “WILL,” “SHOULD,” “MAY” AND SIMILAR EXPRESSIONS TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES. CERTAIN FACTORS COULD CAUSE ACTUAL RESULTS AND CONDITIONS TO DIFFER MATERIALLY FROM THOSE PROJECTED, INCLUDING THE UNCERTAINTIES ASSOCIATED WITH THE TIMING OR LIKELIHOOD OF TRANSACTION CLOSINGS, CHANGES IN INTEREST RATES, AVAILABILITY OF TRANSACTIONS, THE FUTURE OPERATING RESULTS OF OUR PORTFOLIO COMPANIES, REGULATORY FACTORS, CHANGES IN REGIONAL, NATIONAL, OR INTERNATIONAL ECONOMIC CONDITIONS AND THEIR IMPACT ON THE INDUSTRIES IN WHICH WE INVEST, OTHER CHANGES IN THE CONDITIONS OF THE INDUSTRIES IN WHICH WE INVEST AND OTHER FACTORS ENUMERATED IN OUR FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”). YOU SHOULD NOT PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THEY ARE MADE. WE UNDERTAKE NO OBLIGATION TO UPDATE OUR FORWARD-LOOKING STATEMENTS MADE HEREIN, UNLESS REQUIRED BY LAW.

WE REFER YOU TO THE LIST OF RISK FACTORS SET FORTH IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K, A COPY OF WHICH MAY BE OBTAINED ON OUR WEBSITE AT [WWW.OHAINVESTMENTCORPORATION.COM](http://WWW.OHAINVESTMENTCORPORATION.COM) OR THE SEC’S WEBSITE AT [WWW.SEC.GOV](http://WWW.SEC.GOV). SPECIFICALLY, AN INVESTMENT IN OUR COMMON STOCK INVOLVES SIGNIFICANT RISKS, INCLUDING THE RISK THAT THE SECONDARY MARKET PRICE OF OUR COMMON STOCK MAY DECLINE FROM THE OFFERING PRICE AND MAY BE LESS THAN OUR NET ASSET VALUE PER SHARE, AS WELL AS THE RISK THAT THE PRICE OF OUR COMMON STOCK IN THE SECONDARY MARKET MAY BE HIGHLY VOLATILE. PLEASE SEE A DISCUSSION OF THESE RISKS AND OTHER RELATED RISKS IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K UNDER ITEM 1A - “RISKS RELATING TO OUR INVESTMENTS”. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

THIS IS NOT A PROSPECTUS AND SHOULD UNDER NO CIRCUMSTANCES BE UNDERSTOOD TO BE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITY OF OHA INVESTMENT CORPORATION. THESE MATERIALS AND THE PRESENTATIONS OF WHICH THEY ARE A PART, AND THE SUMMARIES CONTAINED HEREIN, DO NOT PURPORT TO BE COMPLETE AND NO OBLIGATION TO UPDATE OR OTHERWISE REVISE SUCH INFORMATION IS BEING ASSUMED. WE DIRECT YOU TO OUR REPORTS ON FORM 10-K AND 10-Q FOR FURTHER INFORMATION ON OUR BUSINESS INCLUDING INVESTMENT OBJECTIVES, RISKS, AND EXPENSES.

INTERNAL RATE OF RETURN (IRR) IS A MEASURE OF DISCOUNTED CASH FLOWS (INFLOWS AND OUTFLOWS). IRR IS THE DISCOUNT RATE AT WHICH THE PRESENT VALUE OF CAPITAL INVESTED IS EQUAL TO THE PRESENT VALUE OF RETURNS FROM SUCH CAPITAL. CAPITAL INVESTED, WITH RESPECT TO AN INVESTMENT, REPRESENTS THE AGGREGATE COST OF THE INVESTMENT NET OF ANY UPFRONT FEES PAID AT CLOSING. IN THE CALCULATION OF AN IRR, EARLY CASH FLOWS (WHETHER INFLOW OR OUTFLOW) AND LARGER CASH FLOWS WILL HAVE A DISPROPORTIONATE IMPACT ON THE OVERALL IRR, BECAUSE AN IRR TAKES INTO ACCOUNT SIZE AND TIMING. AS SUCH, IRR MAY PRESENT CERTAIN LIMITATIONS FOR RELATIVELY NEWER AND SMALLER ACCOUNTS.

INVESTMENTS ARE CONSIDERED FULLY REALIZED WHEN THE ORIGINAL INVESTMENT AT THE SECURITY LEVEL HAS BEEN SUBSTANTIALLY EXITED. REALIZED RETURNS, WITH RESPECT TO AN INVESTMENT, REPRESENTS THE TOTAL CASH RECEIVED WITH RESPECT TO AN INVESTMENT, INCLUDING ALL AMORTIZATION PAYMENTS, INTEREST, DIVIDENDS, PREPAYMENT FEES, ADMINISTRATIVE FEES, AMENDMENT FEES, ACCRUED INTEREST, AND OTHER FEES AND PROCEEDS. AN IRR ON UNREALIZED INVESTMENTS GENERALLY ASSUMES SUCH INVESTMENTS ARE DISPOSED OF AT THEIR FAIR MARKET VALUE AND ALL PROCEEDS ARE DISTRIBUTED AS OF THE DATE OF THE RETURN CALCULATION. THE ACTUAL REALIZED RETURNS ON UNREALIZED INVESTMENTS MAY DIFFER MATERIALLY FROM THE RETURNS SHOWN. UNREALIZED TRANSACTIONS MAY BE REALIZED AT VALUES THAT DIFFER FROM THEIR FAIR VALUES AS OF THE GROSS IRR CALCULATION DATE, WHICH MAY NEGATIVELY IMPACT THE IRRS SET FORTH HEREIN.

GROSS IRR IS CALCULATED BASED ON THE DATES THAT OHA INVESTED CAPITAL AND DATES OHA RECEIVED DISTRIBUTIONS. GROSS IRR DOES NOT REFLECT THE EFFECT OF MANAGEMENT FEES, EXPENSES, INCENTIVE FEES OR TAXES BORNE, OR TO BE BORNE, BY US OR OHA’S STOCKHOLDERS, AND WOULD BE LOWER IF IT DID. THE IRR CALCULATIONS ARE UNAUDITED.

THE PORTFOLIO YIELDS AND INVESTMENT-LEVEL IRRS SHOWN IN THIS PRESENTATION MAY BE MATERIALLY HIGHER THAN THE RETURNS AN INVESTOR CAN EXPECT TO OBTAIN ON AN INVESTMENT IN SHARES OF OHA’S COMMON STOCK, BECAUSE SUCH RETURNS DO NOT REFLECT SALES COMMISSIONS OR CHARGES THAT MAY BE INCURRED IN CONNECTION WITH THE PURCHASE OR SALE OF SUCH SHARES, OR OPERATING EXPENSES THAT MAY BE INCURRED BY OHA. AS SUCH, THE PORTFOLIO YIELDS AND IRRS SHOWN HEREIN DO NOT REPRESENT AN ACTUAL INVESTMENT RETURN TO STOCKHOLDERS. THESE RETURNS ARE SUBJECT TO CHANGE, AND IN THE FUTURE MAY BE GREATER OR LESS THAN SHOWN.

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# Section 1

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## Overview & Financial Results

# Overview & Financial Results

## Third Quarter Developments

- NAV of \$2.15 per share, a \$0.31 or 13% decline from Q2 2018, substantially driven by a \$0.39 per share write-down of the OCI Subordinated Note, a legacy non-energy investment
- \$0.00 net investment income per share on a GAAP basis
  - Recognized 45%<sup>(1)</sup> of OCI's contractual PIK as interest income during the quarter
  - \$0.02 distribution declared per share (paid on October 9, 2018)
- \$4.1 MM invested in two new portfolio companies and one add on to an OHA portfolio company
- ATP royalty interest
  - \$707k of production payments received during Q3 2018
  - Fair value increased to \$2.2 MM at September 30, 2018 from \$1.4 MM at June 30, 2018
  - ATP litigation has concluded in OHAI's favor
- Amended and extended our Credit Facility with Midcap through September 2019 with a six-month extension option
  - Spread reduced from L+535 to L+495
  - Amended certain financial covenants
  - Repaid \$7.0 MM of principal, with an option to re-borrow

<sup>(1)</sup>OCI's Subordinated Note's fair value as a percentage of the principal amount outstanding at September 30, 2018.

# Overview & Financial Results

## Q3 2018 Summary

- Investment income of \$1.9 MM, or \$0.09 per share
- Weighted average portfolio yield<sup>(1)</sup> of 11.8% on fair value and 10.1% on cost
  - Excluding OCI debt, portfolio yield<sup>(1)</sup> of 10.0% on fair value and 10.3% on cost
- Base management fees of \$397k, or \$0.02 per share, no incentives fee<sup>(2)</sup>
- Net investment income of \$56k, or \$0.00 per share
- Net realized and unrealized loss of (\$6.0 MM), or (\$0.30) per share
- NAV per share decreased (\$0.31) or (13%) from \$2.46 to \$2.15 during the quarter

<sup>(1)</sup> Excludes non-yielding and non-income producing assets.

<sup>(2)</sup> Any incentive fees earned will be waived for fiscal 2018 pursuant to an Incentive Fee Waiver Agreement.

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

# Overview & Financial Results

## Statement of Operations – GAAP Basis

(in \$000's)	Q3 2018	Q2 2018	Q3 2017
Investment income	\$1,886	\$2,627	\$2,751
Interest expense	767	801	1,012
Management and incentive fees	403	383	544
Other G&A	659	743	865
Income taxes provision	<u>7</u>	<u>32</u>	<u>7</u>
<i>NII before incentive fee waiver</i>	<u>\$50</u>	<u>\$668</u>	<u>\$323</u>
Incentive fee waiver	<u>6</u>	<u>(1)</u>	<u>--</u>
<i>NII after incentive fee waiver</i>	<u>\$56</u>	<u>\$667</u>	<u>\$323</u>
<i>NII per share</i>	\$0.00	\$0.03	\$0.02

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# Overview & Financial Results

(in \$000's)	Q3 2018	Q2 2018	Q3 2017
<b>Realized capital gains (losses):</b>			
Castex* write-off	\$ --	(\$56,315)	\$ --
Tax benefit related capital losses	3	--	--
Other	--	350	1,004
<b>Total realized capital gains (losses), net</b>	<b>\$ 3</b>	<b>(\$55,965)</b>	<b>\$1,004</b>
<b>Unrealized gains (losses):</b>			
OCI (debt & equity investments)*	(\$7,812)	(\$1,246)	(\$1,004)
ATP ORRI*	1,501	1,533	--
Avantor	125	112	112
CentralSquare Technologies	71	--	--
Wash	59	(101)	--
Ministry Brands	57	--	--
Gramercy	13	(1)	23
TIBCO	(33)	(25)	(13)
Berlin	--	(323)	(69)
Castex*	--	--	(7,627)
Reversals due to realizations	--	56,315	(1,004)
<b>Other unrealized gains (losses), net</b>	<b>11</b>	<b>42</b>	<b>70</b>
<b>Total unrealized gains (losses), net</b>	<b>(6,008)</b>	<b>56,306</b>	<b>(9,512)</b>
<b>Total realized and unrealized gains (losses), net</b>	<b>(\$6,005)</b>	<b>\$ 341</b>	<b>(\$8,508)</b>

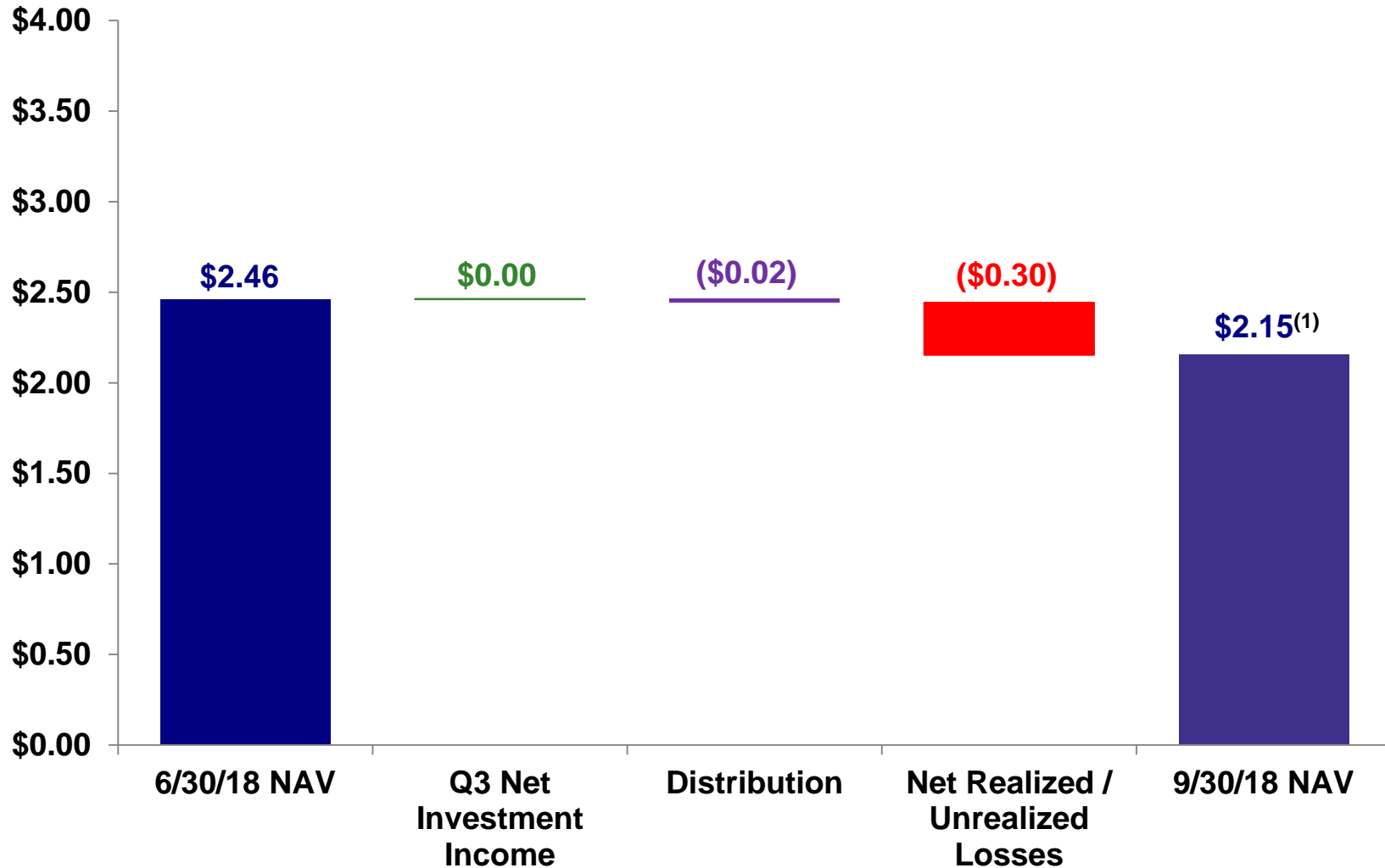
\* Denotes legacy investments.

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# Overview & Financial Results

NAV per share decreased \$0.31 in Q3



<sup>(1)</sup> Includes \$0.01 rounding adjustment necessary to reconcile the change in NAV per share with other per share information presented. The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

# Section 2

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## Investment Activity & Portfolio Review

# Investment Activity & Portfolio Review

## \$167.3 MM of Investments in 33 New Portfolio Companies Under OHA Management<sup>(1)(2)</sup>

- 2014 (Q4 only) – \$36.8 MM (four new portfolio companies)
- 2015 – \$73.7 MM (eight new portfolio companies and one add-on to an existing OHA portfolio company)
- 2016 – \$7.0 MM (one new portfolio company and one add-on to an existing OHA portfolio company)
- 2017 – \$21.9 MM (five new portfolio companies and one add-on to an existing OHA portfolio company)
- 2018 – \$27.8 MM<sup>(2)</sup> (15 new portfolio companies) through September 30, 2018
  - Q1 2018 - \$10.8 MM<sup>(2)</sup> (seven new portfolio companies)
  - Q2 2018 - \$12.9 MM (six new portfolio companies)
  - Q3 2018 - \$4.1 MM (two new portfolio companies and one add-on to an existing OHA portfolio company)

Amounts of new investments presented above are shown at purchase price, not principal/par amount.

<sup>(1)</sup> New investments exclude \$1.7 MM of additional capital invested in legacy assets. This \$1.7 MM includes \$0.6 MM of capitalized legal costs related to ATP/Bennu.

<sup>(2)</sup> New investments include \$2.1 MM of investments purchased and sold during Q1 2018.

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# Investment Activity & Portfolio Review

## \$165.9 MM of Realizations Under OHA Management Since September 30, 2014

- \$165.9 MM in total realizations since September 30, 2014
- Includes \$115.0 MM from OHA Investments
  - \$99.6 MM<sup>(1)</sup> from full realization of ten OHA portfolio investments
    - Dollar weighted average unlevered gross IRR of 13.4%<sup>(2)</sup> on these ten portfolio investments
  - \$15.3 MM from partial OHA realizations
    - TIBCO - \$8.9 MM
    - MyEyeDr - \$2.0 MM
    - Equinox - \$3.0 MM
    - ClearChoice Revolver - \$0.6 MM
    - Hayward - \$0.8 MM
- \$22.6 MM realizations in 2018, \$10.2 MM OHA and \$12.4 MM legacy
- \$69.1 MM of portfolio investments at September 30, 2018<sup>(3)</sup>
  - 86% floating rate, 14% fixed rate, by fair value
  - Fixed rate investments consist of Avantor, TIBCO and ATP

<sup>(1)</sup> Excludes \$0.1 MM of investments that were purchased and sold in Q1 2018.

<sup>(2)</sup> For further information regarding the calculation methodology and relevant disclaimers, See Disclaimers page.

<sup>(3)</sup> Excludes \$3.7 MM of cash on balance sheet.

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# Investment Activity & Portfolio Review

**OHA Investments Have an IRR of 13.8% on a Dollar Weighted Average Basis as of 9/30/2018**

## OHA New Investment Track Record <sup>(1)</sup> September 30, 2014 - September 30, 2018

<u>Realized</u> <u>Company Name</u>	<u>Asset</u>	<u>Pricing</u>	<u>Face Value</u>	<u>Closing Date</u>	<u>9/30/18 Pricing</u> <sup>(2)</sup>	<u>IRR</u>	<u>Realized Date</u>	<u>Industry</u>
Gramercy Park CLO <sup>(3)</sup>	Subordinated Notes	Purchased @ 77.90	\$9,000,000	Oct-14	2.161	12.0%	Apr-17	Various
Citadel Plastics	2nd Lien Term Loan	L+800 / 1% @ 99.00	10,000,000	Nov-14	NA	15.8%	Jun-15	Chemicals
Electronic Funds Source	2nd Lien Term Loan	L+750 / 1% @ 98.25	10,000,000	Dec-14	NA	11.0%	Jul-16	Payment Services
Foundation Building Materials	2nd Lien Term Loan	L+1,100 / 1% @ 99.00	18,700,000	Mar-15	NA	18.8%	Oct-15	Building Distributor
Hanson Building Products <sup>(4)</sup>	2nd Lien Term Loan	L+950 / 1% @ 94.53	7,500,000	Mar-15	NA	16.3%	Oct-16	Building Products
TIBCO Software <sup>(5)</sup>	Sr. Unsecured Notes	11.375% @ 96.05	8,000,000	Jul-15	NA	19.2%	Jul-17	Software
Synarc - BioCore Holdings	1st Lien Secured Note	7.75% @ 97.50	4,200,000	Sep-15	NA	17.0%	Oct-16	Health Care
Kronos	2nd Lien Term Loan	L+850 / 1.25% @ 101.25	12,000,000	Oct-15	NA	9.9%	Nov-16	Software
Royal Adhesives & Sealants <sup>(6)</sup>	2nd Lien Term Loan	L+750 / 1% @ 99.25	10,000,000	Jun-15	NA	9.6%	Oct-17	Chemicals
Appriss Holding <sup>(7)</sup>	2nd Lien Term Loan	L+925 / 1% @ 98.50	13,100,000	Nov-14	NA	10.9%	Dec-17	Software
Berlin Packaging	2nd Lien Term Loan	L+675 / 1% @ 95.00	7,205,000	Jan-16	NA	11.2%	May-18	Packaging
<b>Realized Total</b>			<b>\$109,705,000</b>		<b>Dollar Weighted Average IRR-&gt;</b>	<b>13.8%</b>		
<u>Unrealized</u>								
WASH Multifamily Laundry	2nd Lien Term Loan	L+700 / 1% @ 99.25	\$4,000,000	May-15	98.500	8.5%	May-23	Industrials
TIBCO Software <sup>(5)</sup>	Sr. Unsecured Notes	11.375% @ 96.05	2,100,000	Jul-15	106.750	18.1%	Dec-21	Software
Pacific Architects and Engineers	2nd Lien Term Loan	L+950 / 1% @ 97.00	6,888,196	Nov-16	100.500	13.9%	Oct-23	Defense
Equinox Holdings <sup>(8)</sup>	2nd Lien Term Loan	L+700 / 1% @ 99.25	10,000,000	Mar-17	102.625	11.9%	Sep-24	Lodging & Leisure
DexKo Global	2nd Lien Term Loan	L+825 / 1% @ 98.69	3,000,000	Jul-17	102.000	13.3%	Jul-25	Automotive
Hayward Industries <sup>(9)</sup>	2nd Lien Term Loan	L+825 / 1% @ 98.00	1,302,000	Jul-17	100.500	12.9%	Jul-25	Consumer Goods
MWI (Helix Aquisition)	2nd Lien Term Loan	L+800 @ 99.00	1,400,000	Sep-17	101.375	13.2%	Sep-25	Industrials
Avantor Performance Materials	Sr. Unsecured Notes	9.00% @ 100.00	5,000,000	Sep-17	103.250	12.6%	Oct-25	Chemicals
MyEyeDr <sup>(10)</sup>	2nd Lien Term Loan	L+675 / 1% @ 99.50	7,000,000	Feb-18	99.750	10.0%	Feb-26	Retail
MedRisk	2nd Lien Term Loan	L+675 @ 99.50	500,000	Feb-18	99.500	9.3%	Dec-25	Health Care
EaglePicher	2nd Lien Term Loan	L+725 @ 99.25	300,000	Mar-18	100.125	11.6%	Mar-26	Defense
Safe Fleet	2nd Lien Term Loan	L+675 / 1% @ 99.50	700,000	Mar-18	99.250	8.8%	Feb-26	Industrials
ClearChoice <sup>(11)</sup>	1st Lien Term Loan	L+650 / 1% @ 99.00	1,562,500	Mar-18	99.000	10.4%	Jan-23	Health Care
AlliedUniversal	2nd Lien Term Loan	L+850 / 1% @ 100.00	1,250,000	Mar-18	99.250	10.1%	Jul-23	Business Equipment and Services
Ministry Brands	2nd Lien Term Loan	L+800 / 1% @ 99.00	6,000,000	Jun-18	100.000	14.9%	Jun-23	Software
Ensono	2nd Lien Term Loan	L+925 @ 96.00	1,700,000	Jun-18	98.000	22.1%	Jun-26	Telecommunications
Vertafore	2nd Lien Term Loan	L+725 @ 99.00	900,000	Jun-18	101.000	21.7%	Jul-26	Business Equipment and Services
FirstLight	2nd Lien Term Loan	L+750 @ 99.00	400,000	Jun-18	99.500	14.1%	Jun-26	Telecommunications
Edelman	2nd Lien Term Loan	L+675 @ 99.50	3,000,000	Jun-18	102.375	28.2%	Jun-26	Financial Services/ CLO
PowerSchool	2nd Lien Term Loan	L+675 @ 99.00	3,800,000	Jun-18	101.000	25.6%	Jun-26	Business Equipment and Services
<b>Unrealized Total</b>			<b>\$60,802,696</b>		<b>Dollar Weighted Average IRR-&gt;</b>	<b>13.7%</b>		
<u>Investments Made in Q3 2018 - Unrealized</u>								
Superion	2nd Lien Term Loan	L+750 @ 97.435	2,000,000	Sep-18	101.000	NM <sup>(12)</sup>	Aug-26	Business Equipment and Services
NAVEX	2nd Lien Term Loan	L+700 @ 99.00	400,000	Sep-18	100.750	NM <sup>(12)</sup>	Sep-26	Business Equipment and Services
<b>Unrealized Total</b>			<b>\$2,400,000</b>		<b>Dollar Weighted Average IRR-&gt;</b>	<b>NM</b>		

<u>Summary</u>	<u>Face Value</u>	<u>Vol. Weighted IRR</u>
Total Realized	\$109,705,000	13.8%
Total Unrealized	60,802,696	13.7%
<b>Ttl excl. Investments Made in Q3 2018</b>	<b>\$170,507,696</b>	<b>13.8%</b>

# Investment Activity & Portfolio Review

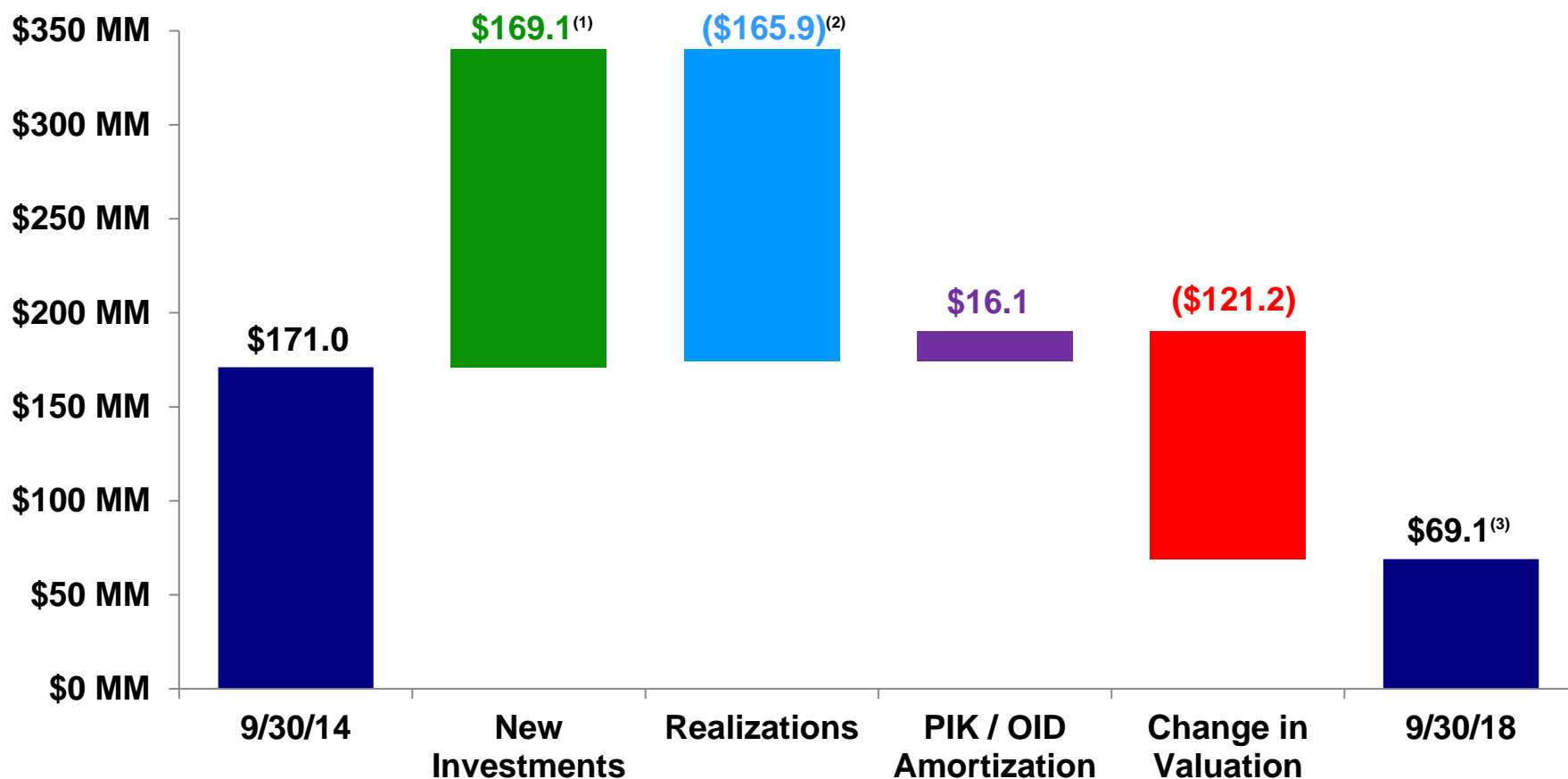
## Footnotes to OHAI New Investment Track Record (shown on Page 12)

- (1) This table only includes investments made after OHA assumed management, and it excludes all investments prior to OHA assuming management. If legacy investments were included, results would be materially lower.
- (1) This table excludes positions under \$250k that OHAI held for less than three months. The gross unlevered IRR on this cohort is 24.6% as of 9/30/18
- (2) All prices are as of 9/30/18 as reflected in OHAI's Third Quarter 2018 10-Q.
- (3) Investment level gross IRR's are calculated on an unlevered basis, before any fees and expenses. For further information, see Disclaimers page. Dollar weighted average IRR's are based on dollars invested, not face value.
- (4) Gramercy paid down \$3.9mm on 12/21/16, \$0.5mm on 1/17/17, \$1.0mm on 4/17/17, \$65k on 7/17/17, \$85k on 10/17/17, and \$12k on 1/17/18. The mark was revised to 2.16. The value of the residual interest is included in the IRR.
- (5) OHAI sold \$8.0mm (face value) of TIBCO Software from 7/11/17-7/25/17 at a weighted average sale price of 110.384. This \$8.0mm amount is being included in the realized breakout of the IRR's.
- (6) Royal paid down \$4.5mm on 2/15/17 at 101.000 in connection with the 1L TL repricing and incremental 1L TL. Royal paid down the remaining \$5.5mm on 10/20/17.
- (7) Appriss paid down \$3.8mm on 8/10/2016. Pricing was subsequently increased to L+925 / 1%. Appriss paid down the remaining \$9.3mm on 12/1/17.
- (8) OHAI sold \$2.5mm (face value) of Equinox on 3/22/17 at 101.500 and \$0.5mm on 3/30/17 at 101.625.
- (9) Face value shown does not include \$1.7mm purchased on 8/3/18, but this purchase is included in the IRR analysis.
- (10) OHAI sold \$2.0mm (face value) of MyEyeDr on 2/13/18 at 100.000.
- (11) ClearChoice earns L+650 / 1% plus skim interest of approximately 28 bps.
- (12) IRR not shown for new investments purchased during the most recent quarter as return % not meaningful.

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# Investment Activity & Portfolio Review

Added \$169.1 MM of New Investments Since OHA Assumed Management on 9/30/14



<sup>(1)</sup> New investments include \$1.7 MM of additional capital invested in legacy assets. This \$1.7 MM includes \$0.6 MM of capitalized legal costs related to ATP.

<sup>(2)</sup> \$115.0 MM of realizations/amortization from OHA investments.

<sup>(3)</sup> Excludes \$3.7 MM of cash on balance sheet.

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# Investment Activity & Portfolio Review

## 65% of the 9/30/14 Legacy Investment Portfolio Value Written-off/Marked Down as of 9/30/18

\$ in 000's Legacy Portfolio Investments	Fair Value at 9/30/14	Fair Value Realized	Written- Off <sup>(1)(2)</sup>	Marked Down <sup>(1)(3)</sup>	Remaining Fair Value at 9/30/18 <sup>(1)</sup>
<b>Castex*</b>	\$54,334	\$ --	(\$54,334)	\$ --	\$ --
<b>ATP/Bennu*</b>	25,641	(2,591)	--	(20,877)	2,173
<b>Nekoosa</b>	18,199	(18,199)	--	--	--
<b>OCI Subordinated Note</b>	15,580	--	--	(8,620)	6,960
<b>Shoreline Energy*</b>	13,611	(582)	(13,029)	--	--
<b>Talos*</b>	12,360	(12,000)	(360)	--	--
<b>KOVA</b>	9,000	(9,000)	--	--	--
<b>Contour*</b>	7,500	(1,435)	(6,065)	--	--
<b>Spirit Energy*</b>	7,453	(1,108)	(6,345)	--	--
<b>Huff Energy*</b>	5,888	(5,888)	--	--	--
<b>OCI Class A Units</b>	1,390	--	--	(1,390)	--
<b>Total</b>	<u>\$170,956</u>	<u>(\$50,803)</u>	<u>(\$80,133)</u>	<u>(\$30,887)</u>	<u>\$9,133</u>

\* Energy related investment

<sup>(1)</sup> OCI excludes any amounts written off from additional investments, paid-in-kind interest/dividends, and/or discount accretion subsequent to September 30, 2014.

<sup>(2)</sup> Represents amounts that have been fully written-off and no longer included on the Schedule of Investments as of September 30, 2018.

<sup>(3)</sup> Represents amounts that have been marked down to current fair value and remain on the Schedule of Investments as of September 30, 2018. For \$0 value investments (Castex) some recovery is possible.

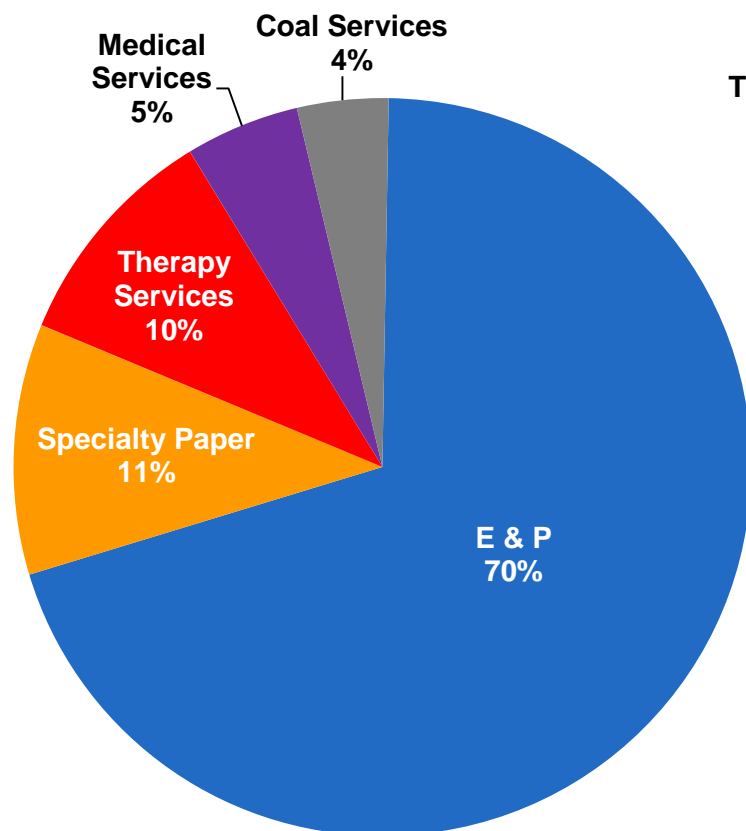
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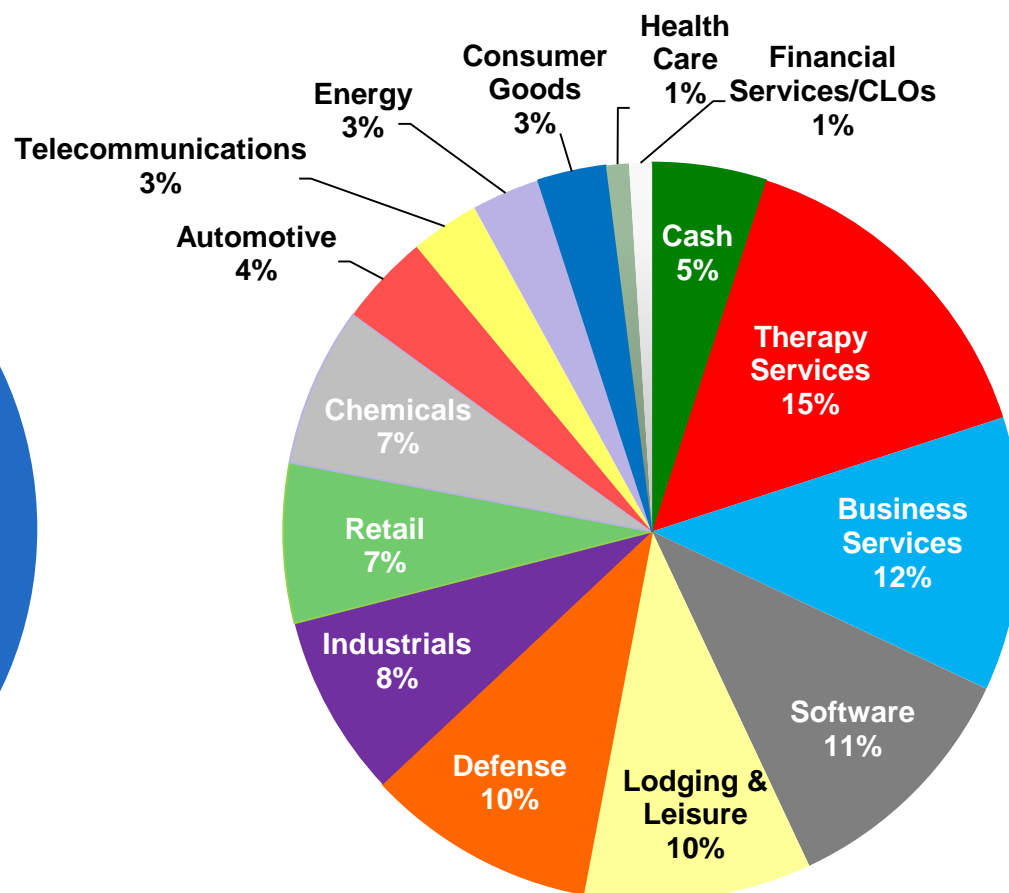
# Investment Activity & Portfolio Review

**Portfolio Composition Spread Across 14 Sectors at 9/30/2018 vs. 5 at 9/30/2014**

September 30, 2014



September 30, 2018<sup>(1)</sup>



(1) As a percentage of total fair value. Percentages for September 30, 2018 include total portfolio fair value plus \$3.7 MM of cash on balance sheet.

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# Investment Activity & Portfolio Review

## Portfolio Decreased 4% in Q3 Primarily Driven by Write-down of OCI Subordinated Notes

(in \$000's)	Fair Value Category	Principal/ Total Sum	Value at 6/30/18	Net New Investments (Realizations)	PIK/OID	Write-up / (Write-down)	Value at 9/30/18	% of Portfolio Value
<b><u>OHA Portfolio</u></b>								
Equinox second lien term loan	Level 2	\$7,000	\$7,193	\$0	\$1	(\$10)	\$7,184	10%
PAE second lien term loan	Level 2	6,888	6,931	-	5	(13)	6,923	10%
Ministry Brands second lien term loan	Level 3	6,000	5,940	-	2	58	6,000	9%
Avantor senior unsecured notes	Level 2	5,000	5,037	-	-	125	5,162	7%
MyEyeDr second lien term loan	Level 2	5,000	4,975	-	1	11	4,987	7%
WASH second lien term loan	Level 2	4,000	3,880	-	2	58	3,940	6%
PowerSchool second lien term loan	Level 2	3,800	3,838	-	1	(1)	3,838	6%
DexKo second lien term loan	Level 2	3,000	3,045	-	1	15	3,060	4%
TIBCO senior unsecured notes	Level 2	2,100	2,268	-	7	(33)	2,242	3%
Hayward second lien term loan	Level 2	2,159	1,309	868	0	(7)	2,170	3%
CentralSquare second lien term loan	Level 2	2,000	-	1,949	0	71	2,020	3%
Ensono second lien term loan	Level 2	1,700	1,649	-	1	16	1,666	2%
MWI second lien term loan	Level 2	1,400	1,419	-	0	(0)	1,419	2%
AlliedUniversal second lien term loan	Level 2	1,250	1,242	-	-	(1)	1,241	2%
Vertafore second lien term loan	Level 2	900	896	-	0	13	909	1%
Safe Fleet second lien term loan	Level 2	700	701	-	0	(6)	695	1%
MedRisk second lien term loan	Level 2	500	496	-	0	1	497	1%
ClearChoice first lien term loan	Level 3	500	495	-	0	(0)	495	1%
NAVEX second lien term loan	Level 2	400	-	396	0	7	403	1%
FirstLight second lien term loan	Level 2	400	401	-	0	(3)	398	1%
Edelman second lien term loan	Level 2	300	303	-	0	4	307	1%
EaglePicher second lien term loan	Level 2	300	301	-	0	(1)	300	0%
Gramercy Park CLO residual interest	Level 3	n/a	181	-	-	14	195	0%
ClearChoice revolver	Level 3	-	360	(375)	1	(0)	(15)	0%
<b>Subtotal - OHA Portfolio</b>		<b>55,297</b>	<b>52,859</b>	<b>2,838</b>	<b>23</b>	<b>316</b>	<b>56,036</b>	<b>81%</b>
<b><u>Legacy Portfolio</u></b>								
OCI subordinated note	Level 3	24,356	18,015	-	677	(7,812)	10,880	16%
ATP/Bennu limited term royalty interest	Level 3	38,839	1,380	(707)	-	1,500	2,173	3%
OCI equity units	Level 3	n/a	-	-	-	-	-	0%
<b>Subtotal - Legacy Portfolio</b>		<b>63,195</b>	<b>19,395</b>	<b>(707)</b>	<b>677</b>	<b>(6,312)</b>	<b>13,053</b>	<b>19%</b>
<b>Grand Total</b>		<b>\$118,492</b>	<b>\$72,254</b>	<b>\$2,131</b>	<b>\$700</b>	<b>(\$5,996)</b>	<b>\$69,089</b>	<b>100%</b>

Since "principal" does not apply to instruments other than debt, "N/A" is shown in the "Principal" column for investments other than debt securities. The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.



# Investment Activity & Portfolio Review

Current Weighted Average Yield of 11.8%<sup>(1)</sup> on Fair Value Basis as of September 30, 2018

(in \$000's)	Principal/ Total Sum	Cost	Fair Value	Current Yield at Cost	Current Yield at Fair Value	% of Portfolio Value
<b>&lt; 10% Current Yield at Fair Value:</b>						
CentralSquare second lien term loan	2,000	1,949	2,020	10.2%	9.8%	3%
EaglePicher second lien term loan	300	298	300	9.6%	9.5%	0%
Vertafore second lien term loan	900	891	909	9.7%	9.5%	1%
WASH second lien term loan	4,000	3,980	3,940	9.4%	9.5%	6%
ClearChoice first lien term loan	500	495	495	9.1%	9.1%	1%
NAVEX second lien term loan	400	396	403	9.3%	9.1%	1%
MedRisk second lien term loan	500	498	497	9.1%	9.1%	1%
Equinox second lien term loan	7,000	6,956	7,184	9.4%	9.1%	10%
MyEyeDr second lien term loan	5,000	4,976	4,987	9.1%	9.1%	7%
Safe Fleet second lien term loan	700	697	695	8.9%	9.0%	1%
Edelman second lien term loan	300	299	307	9.2%	8.9%	1%
PowerSchool second lien term loan	3,800	3,762	3,838	9.0%	8.9%	6%
Avantor senior unsecured notes	5,000	5,000	5,162	9.0%	8.7%	7%
Gramercy Park CLO residual interest	n/a	19	195	13.5%	1.3%	0%
ClearChoice revolver	0	(14)	(15)	n/a	n/a	0%
<b>Total &lt; 10% Current Yield at Fair Value</b>	<b>30,400</b>	<b>30,201</b>	<b>30,917</b>	<b>9.3%</b>	<b>9.1%</b>	<b>45%</b>
<b>10-15% Current Yield at Fair Value:</b>						
PAE second lien term loan	6,888	6,744	6,923	12.4%	12.1%	10%
Ensono second lien term loan	1,700	1,633	1,666	12.3%	12.0%	2%
TIBCO senior unsecured notes	2,100	1,988	2,242	13.4%	11.9%	3%
AlliedUniversal second lien term loan	1,250	1,250	1,241	10.8%	10.9%	2%
Ministry Brands second lien term loan	6,000	5,943	6,000	10.8%	10.7%	9%
DexKo second lien term loan	3,000	2,979	3,060	10.8%	10.5%	4%
Hayward second lien term loan	2,159	2,163	2,170	10.5%	10.5%	3%
MWI second lien term loan	1,400	1,387	1,419	10.6%	10.3%	2%
FirstLight second lien term loan	400	396	398	10.0%	10.0%	1%
<b>Total 10-15% Current Yield at Fair Value</b>	<b>24,897</b>	<b>24,483</b>	<b>25,119</b>	<b>11.5%</b>	<b>11.2%</b>	<b>36%</b>
<b>&gt; 15% Current Yield at Fair Value:</b>						
OCI subordinated note	24,356	23,528	10,880	9.8%	21.2%	16%
<b>Total &gt; 15% Current Yield at Fair Value</b>	<b>24,356</b>	<b>23,528</b>	<b>10,880</b>	<b>9.8%</b>	<b>21.2%</b>	<b>39%</b>
<b>Current Yielding Investments</b>	<b>79,653</b>	<b>78,213</b>	<b>66,916</b>	<b>10.1%</b>	<b>11.8%</b>	<b>97%</b>
<b>Other Non-Yielding/Non-Income Producing Investments:</b>						
ATP/Bennu limited term royalty interest	38,839	26,985	2,173	0.0%	0.0%	3%
OCI equity units	n/a	2,500	0	0.0%	0.0%	0%
<b>Total non-yielding investments</b>	<b>38,839</b>	<b>29,485</b>	<b>2,173</b>	<b>N/A</b>	<b>N/A</b>	<b>3%</b>
<b>Grand Total</b>	<b>118,492</b>	<b>107,698</b>	<b>69,089</b>	<b>7.4%</b>	<b>11.5%</b>	<b>100%</b>

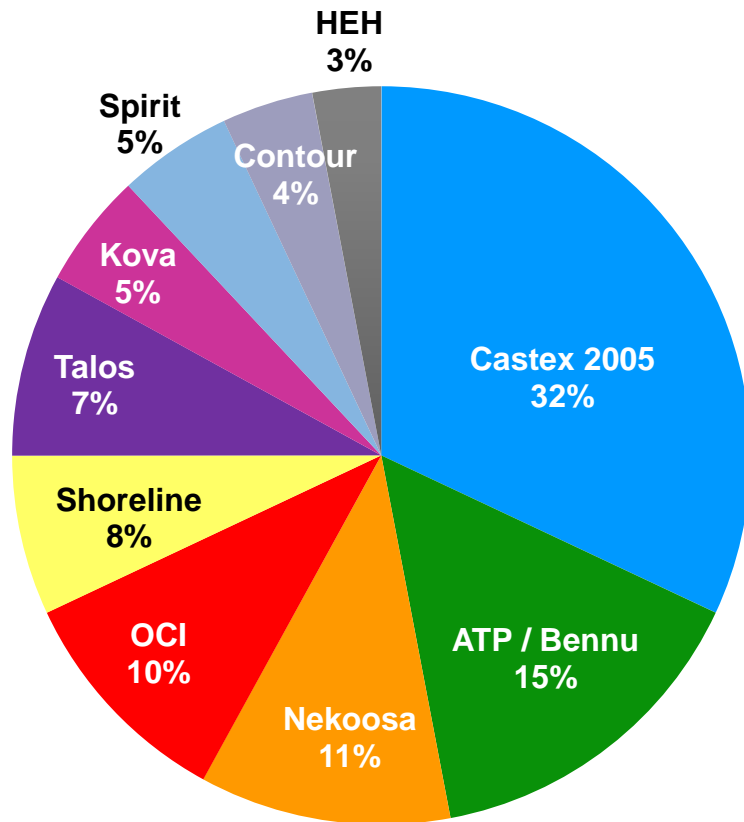
<sup>(1)</sup> Current yielding investments only.

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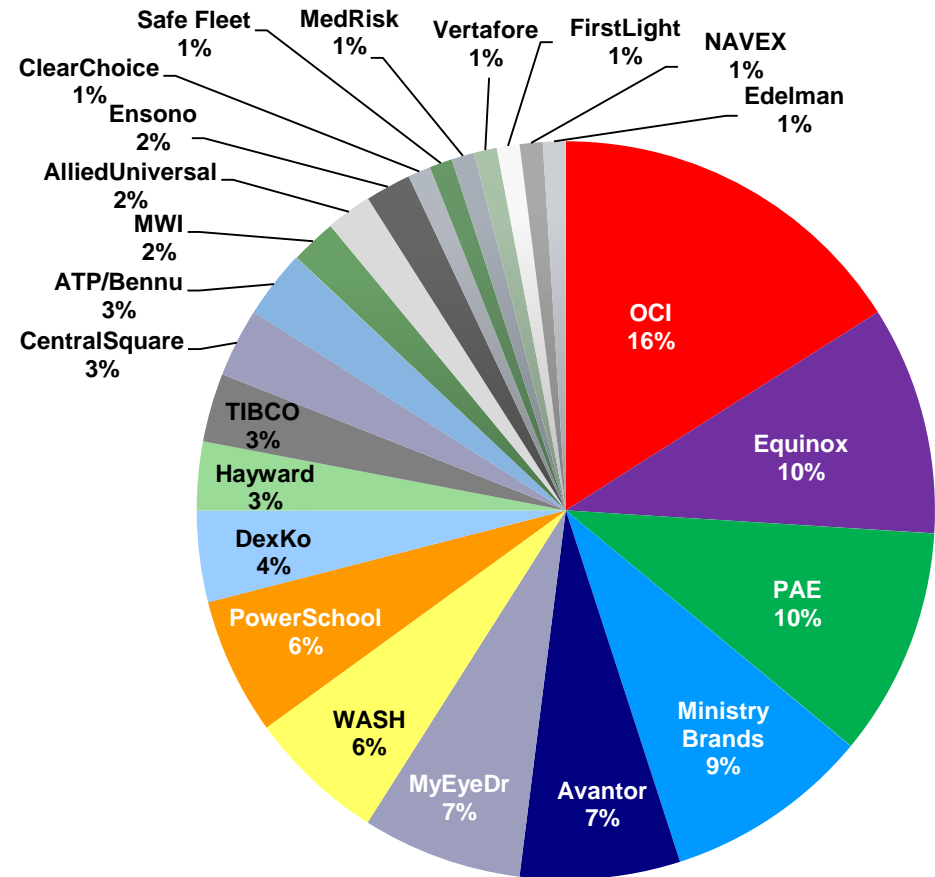
# Investment Activity & Portfolio Review

Portfolio Value is Derived From 25 Active Investments<sup>(1)</sup> at 9/30/18 and vs. 10 at 9/30/14

September 30, 2014



September 30, 2018<sup>(2)</sup>



<sup>1)</sup> As a percentage of total fair value. Percentages for September 30, 2018 include total portfolio fair value plus \$3.7 MM of cash on balance sheet.

<sup>(2)</sup> 25 active investments include 23 shown above in pie chart as well as EaglePicher and Gramercy CLO (<1% of total portfolio).

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# Q&A

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