

**Presentation**

# **OHA Investment Corporation Q1 2018 Earnings Results**

---

**May 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.

# Contents

---

**Section 1      Overview & Financial Results**

**Section 2      Investment Activity & Portfolio Review**

**Q&A**

# Section 1

---

## Overview & Financial Results

# Overview & Financial Results

## First Quarter Developments

- NAV of \$2.43 per share, a \$0.06 or 2.5% increase from Q4 2017, primarily driven by the full redemption of our investment in Talos at par partially offset by write-downs on our investments in OCI
  - \$2.9 MM, or \$0.14 per share, gain on Talos redemption at par, a legacy energy portfolio company
  - \$1.0 MM, or \$0.05 per share, of write-downs on OCI, a legacy non-energy portfolio company
- (\$0.01) net investment loss per share on a GAAP basis
  - \$0.02 distribution declared per share (paid on April 9, 2018)
- \$8.7 MM<sup>(1)</sup> invested in six new portfolio companies
- Talos senior unsecured notes fully realized (\$11.5 MM) upon redemption in February at par, generating a 10.0% unlevered gross IRR
- Exercised our option to extend Midcap credit facility through September 9, 2018

<sup>(1)</sup> Excludes investments purchased and sold during the quarter.

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

## Q1 2018 Summary

- Investment income of \$2.28 MM, or \$0.11 per share
- Weighted average portfolio yield<sup>(1)</sup> of 14.1% on fair value and 13.6% on cost
  - Excluding OCI debt, portfolio yield<sup>(1)</sup> of 9.6% on fair value and 9.9% on cost
- Base management fees of \$400k, or \$0.02 per share, plus \$1k capital gains incentive fee<sup>(2)</sup>, or \$0.00 per share
- Net investment loss of (\$95k), or (\$0.01) per share
- Net realized and unrealized gains of \$1.8 MM, or \$0.09 per share
- NAV per share increased \$0.06 or 2.5% from \$2.37 to \$2.43 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 2017 and 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)	Q1 2018	Q4 2017	Q1 2017
Investment income	\$2,283	\$2,591	\$2,455
Interest expense	823	956	974
Management and incentive fees	401	411	570
Other G&A	1,149	945	714
Income taxes provision (benefit)	<u>6</u>	<u>1</u>	<u>4</u>
<i>NII (NIL) before incentive fee waiver</i>	<u>(\$96)</u>	<u>278</u>	<u>\$193</u>
Incentive fee waiver	<u>1</u>	<u>89</u>	<u>--</u>
<i>NII (NIL) after incentive fee waiver</i>	<u>(\$95)</u>	<u>\$367</u>	<u>\$193</u>
<i>NII (NIL) per share</i>	(\$0.01)	\$0.02	\$0.01

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

(in \$000's)	Q1 2018	Q4 2017	Q1 2017
<b>Realized capital gains (losses):</b>			
MyEyeDr	\$10	\$ --	\$ --
SMG	3	--	-
Tax benefit (provision) related capital losses	(41)	695	--
Other	<u>(1)</u>	<u>(3)</u>	<u>95</u>
<b>Total realized capital gains (losses), net</b>	<b><u>(\$29)</u></b>	<b><u>\$692</u></b>	<b><u>\$95</u></b>
<b>Unrealized gains (losses):</b>			
OCI (debt & equity investments)*	(\$1,006)	(\$1,044)	(\$299)
Avantor	--	(187)	--
Gramercy	(27)	(59)	150
TIBCO	--	(19)	1,073
Castex*	--	--	(21,243)
PAE	--	--	(32)
Equinox	(54)	104	166
Talos*	2,882	1,293	776
Reversals due to realizations	--	--	(82)
<b>Other unrealized gains (losses), net</b>	<b><u>61</u></b>	<b><u>(83)</u></b>	<b><u>112</u></b>
<b>Total unrealized gains (losses), net</b>	<b><u>1,856</u></b>	<b><u>5</u></b>	<b><u>(19,379)</u></b>
<b>Total realized and unrealized gains (losses), net</b>	<b><u>\$1,827</u></b>	<b><u>\$697</u></b>	<b><u>(19,284)</u></b>

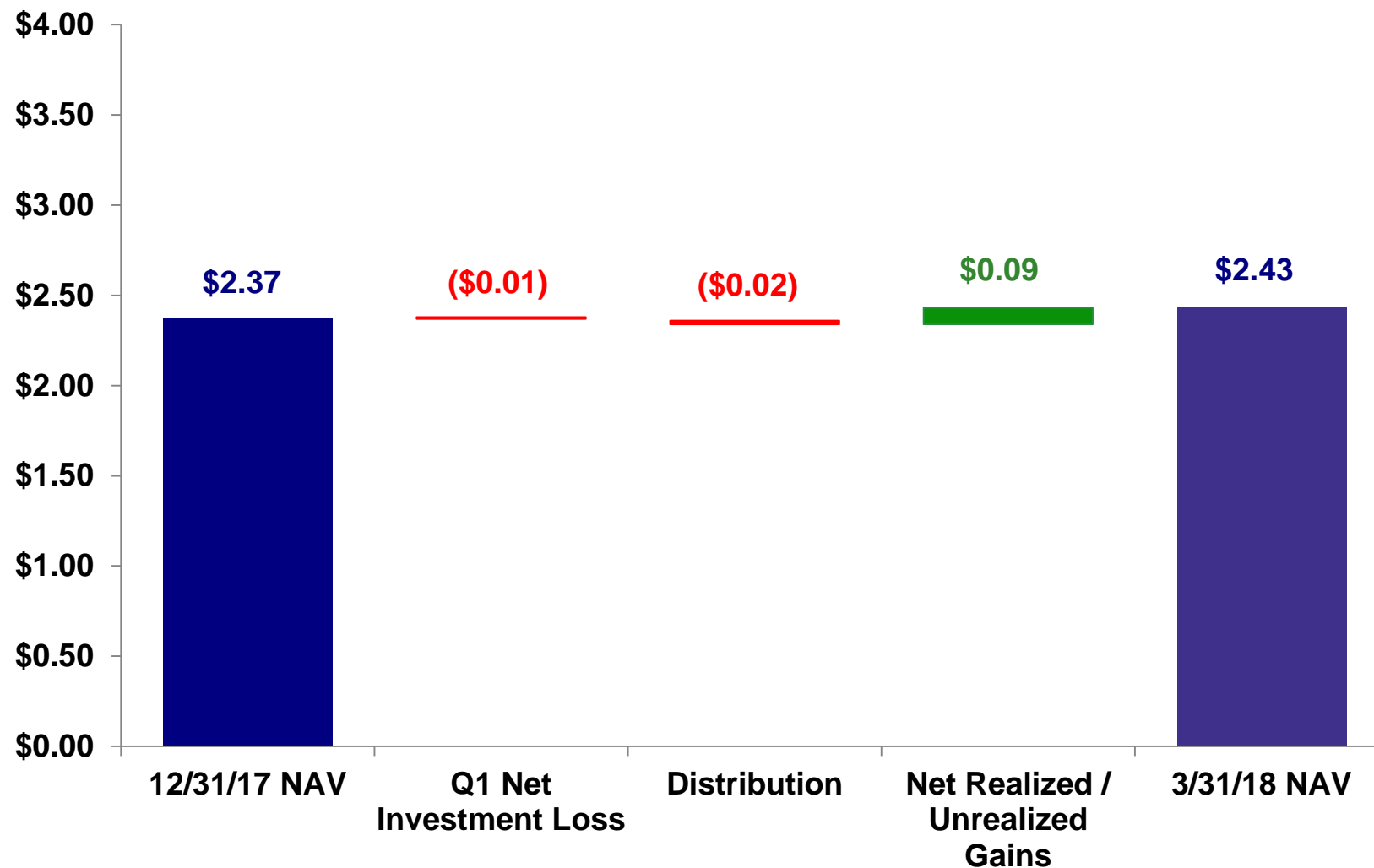
\* Denotes legacy investments.

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

NAV per share increased 2.5% in Q1



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

---

## Investment Activity & Portfolio Review

# Investment Activity & Portfolio Review

## \$150.3 MM of Investments in 25 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 – Q1 \$10.8 MM<sup>(2)</sup> (seven new portfolio companies)

Amounts of new investments presented above are shown at purchase price, not principal 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 includes \$2.1 MM of investments purchased and sold during Q1 2018.

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

## \$156.9 MM of Realizations Under OHA Management Since September 30, 2014

- \$156.9 MM in total realizations since September 30, 2014
- Includes \$106.9 MM from OHA Investments
  - \$92.4 MM<sup>(1)</sup> from full realization of nine OHA portfolio investments
    - Dollar weighted average unlevered gross IRR of 13.5%<sup>(2)</sup> on these nine portfolio investments
  - \$14.4 MM from partial OHA realizations
    - TIBCO - \$8.8 MM
    - MyEyeDr - \$2.0 MM
    - Equinox - \$3.0 MM
    - Berlin - \$0.5 MM
- \$13.6 MM realizations in 2018, \$2.1 MM OHA and \$11.5 MM legacy
- \$65.0 MM of portfolio investments at March 31, 2018<sup>(3)</sup>
  - 88% floating rate, 12% fixed rate, by fair value
  - Fixed rate investments consist of Avantor and TIBCO

<sup>(1)</sup> Excludes 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 \$22.2 MM of cash.

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

**OHA Investments Have an IRR of 13.6% on a Dollar Weighted Average Basis as of 3/31/2018**

## OHA New Investment Track Record <sup>(1)</sup> September 30, 2014 - March 31, 2018

<u>Realized</u>					<u>Closing</u>	<u>3/31/18</u>		<u>Realized</u>	
<u>Company Name</u>	<u>Asset</u>	<u>Pricing</u>	<u>Face Value</u>		<u>Date</u>	<u>Pricing</u> <sup>(2)</sup>	<u>IRR</u>	<u>Date</u>	<u>Industry</u>
Gramercy Park CLO <sup>(3)</sup>	Subordinated Notes	Purchased @ 77.90	\$9,000,000		Oct-14	2.766	12.1%	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
<b>Realized Total</b>			<b>\$102,500,000</b>				<b>Dollar Weighted Average IRR-&gt; 14.0%</b>		
<u>Unrealized</u>					<u>Closing</u>	<u>3/31/18</u>			
WASH Multifamily Laundry	2nd Lien Term Loan	L+700 / 1% @ 99.25	\$4,000,000		May-15	99.500	8.7%	May-23	Industrials
TIBCO Software <sup>(5)</sup>	Sr. Unsecured Notes	11.375% @ 96.05	2,100,000		Jul-15	108.875	20.4%	Dec-21	Software
Berlin Packaging <sup>(8)</sup>	2nd Lien Term Loan	L+675 / 1% @ 95.00	7,205,000		Jan-16	101.125	11.8%	Oct-22	Packaging
Pacific Architects and Engineers	2nd Lien Term Loan	L+950 / 1% @ 97.00	6,888,196		Nov-16	100.750	14.7%	Oct-23	Defense
Equinox Holdings <sup>(9)</sup>	2nd Lien Term Loan	L+700 / 1% @ 99.25	10,000,000		Mar-17	102.750	13.2%	Sep-24	Lodging & Leisure
DexKo Global	2nd Lien Term Loan	L+825 / 1% @ 98.69	3,000,000		Jul-17	101.500	14.3%	Jul-25	Automotive
Hayward Industries	2nd Lien Term Loan	L+825 / 1% @ 98.00	1,302,000		Jul-17	99.750	13.1%	Jul-25	Consumer Goods
MWI (Helix Aquisition)	2nd Lien Term Loan	L+800 @ 99.00	1,400,000		Sep-17	101.875	17.2%	Sep-25	Industrials
Avantor Performance Materials	Sr. Unsecured Notes	9.00% @ 100.00	5,000,000		Sep-17	98.500	6.1%	Oct-25	Chemicals
<b>Unrealized Total</b>			<b>40,895,196</b>				<b>Dollar Weighted Average IRR-&gt; 12.5%</b>		
<u>Investments Made in Q1 2018 - Unrealized</u>									
MyEyeDr <sup>(10)</sup>	2nd Lien Term Loan	L+675 / 1% @ 99.50	7,000,000		Feb-18	100.125	NM <sup>(11)</sup>	Feb-26	Retail
MedRisk	2nd Lien Term Loan	L+675 @ 99.50	500,000		Feb-18	100.000	NM <sup>(11)</sup>	Dec-25	Health Care
EaglePicher	2nd Lien Term Loan	L+725 @ 99.25	300,000		Mar-18	101.000	NM <sup>(11)</sup>	Mar-26	Defense
Safe Fleet	2nd Lien Term Loan	L+675 / 1% @ 99.50	700,000		Mar-18	101.750	NM <sup>(11)</sup>	Feb-26	Industrials
ClearChoice <sup>(12)</sup>	1st Lien Term Loan	L+650 / 1% @ 99.00	1,562,500		Mar-18	99.000	NM <sup>(11)</sup>	Jan-23	Health Care
AlliedUniversal	2nd Lien Term Loan	L+850 / 1% @ 100.00	1,250,000		Mar-18	100.000	NM <sup>(11)</sup>	Jul-23	Business Equipment and Services
<b>Unrealized Total</b>			<b>\$11,312,500</b>				<b>Dollar Weighted Average IRR-&gt; NM</b>		

<u>Summary</u>	<u>Face Value</u>	<u>Vol. Weighted IRR</u>
Total Realized	\$102,500,000	14.0%
Unrealized	40,895,196	12.5%
<b>Ttl excl. Investments Made in Q1 2018</b>	<b>\$143,395,196</b>	<b>13.6%</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> This table excludes positions under \$250k that OHA held for less than three months. The gross unlevered IRR on this cohort is 21.5% as of 3/31/18.

<sup>(3)</sup> All prices are as of 3/31/18 as reflected in OHA's First Quarter 2018 10-Q.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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, and \$85k on 10/17/17. The mark was revised to 2.776. The value of the residual interest is included in the IRR.

<sup>(6)</sup> OHA 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.

<sup>(7)</sup> 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.

<sup>(8)</sup> 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.

<sup>(9)</sup> OHA sold \$0.5mm (face value) of Berlin Packaging on 3/30/17 at 101.000.

<sup>(10)</sup> OHA sold \$2.5mm (face value) of Equinox on 3/22/17 at 101.500 and \$0.5mm on 3/30/17 at 101.625.

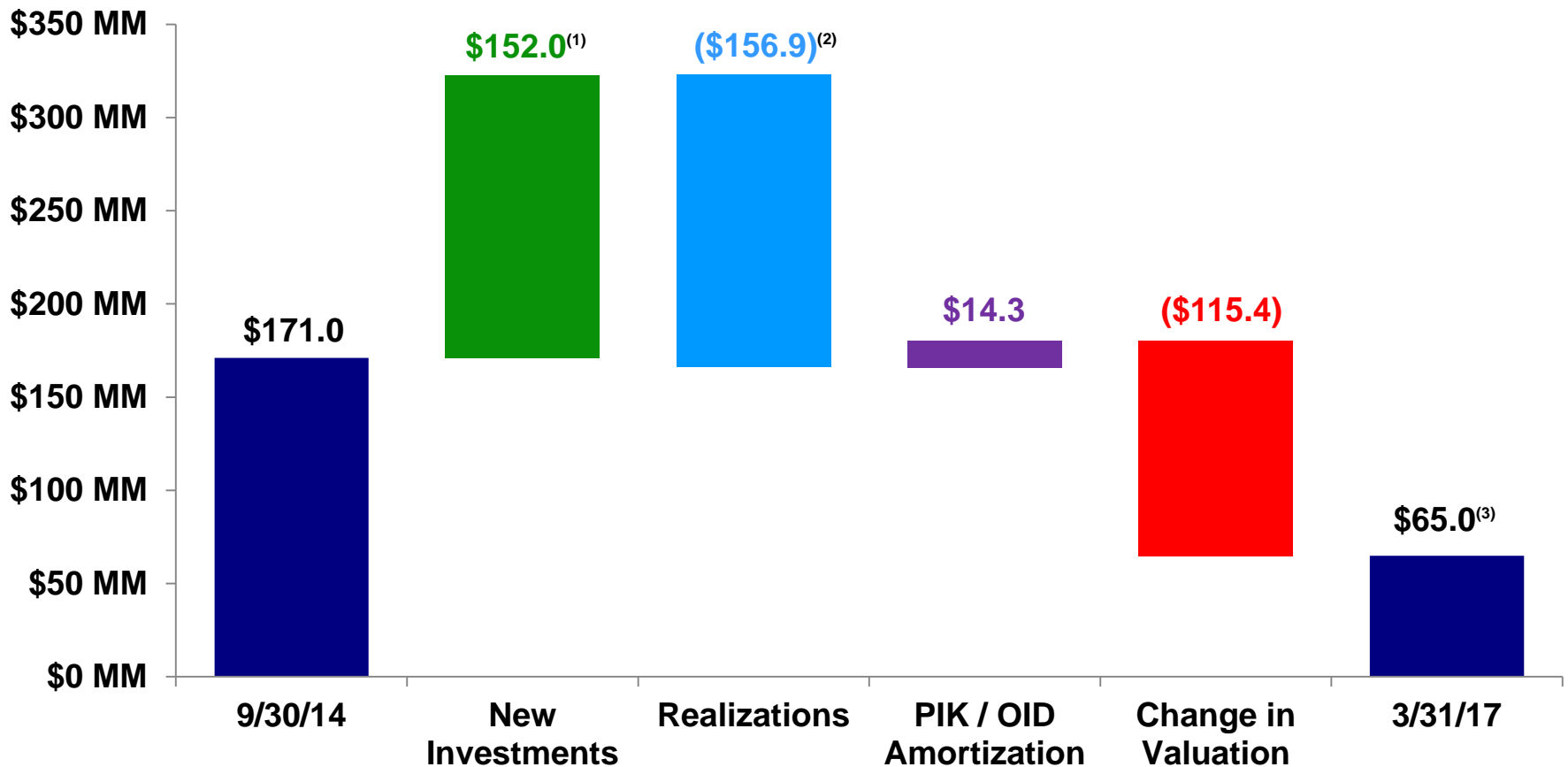
<sup>(11)</sup> OHA sold \$2.0mm (face value) of MyEyeDr on 2/13/18 at 100.000.

<sup>(12)</sup> IRR not shown for new investments purchased during the most recent quarter as return % not meaningful.

<sup>(13)</sup> ClearChoice earns L+650 / 1% plus skim interest of approximately 28 bps.

# Investment Activity & Portfolio Review

Added \$150.3 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/Bennu.

<sup>(2)</sup> \$106.9 MM of realizations/amortization from OHA investments.

<sup>(3)</sup> Excludes \$22.2 MM of cash.

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

## 63.2% of the 9/30/14 Legacy Investment Portfolio Value Written-off/Marked Down as of 3/31/18

\$ 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 3/31/18 <sup>(1)</sup>
<b>Castex*</b>	\$54,334	\$ --	\$ --	(\$54,334)	\$ --
<b>ATP/Bennu*</b>	25,641	(1,731)	--	(23,910)	--
<b>Nekoosa</b>	18,199	(18,199)	--	--	--
<b>OCI Subordinated Notes</b>	15,580	--	--	(2,702)	12,878
<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	--	--	(1,228)	162
<b>Total</b>	<u>\$170,956</u>	<u>(\$49,943)</u>	<u>(\$25,799)</u>	<u>(\$82,174)</u>	<u>\$13,040</u>

\* Energy related investment

<sup>(1)</sup> 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 deemed "worthless" from a tax perspective and therefore no longer included on the Schedule of Investments as of March 31, 2018.

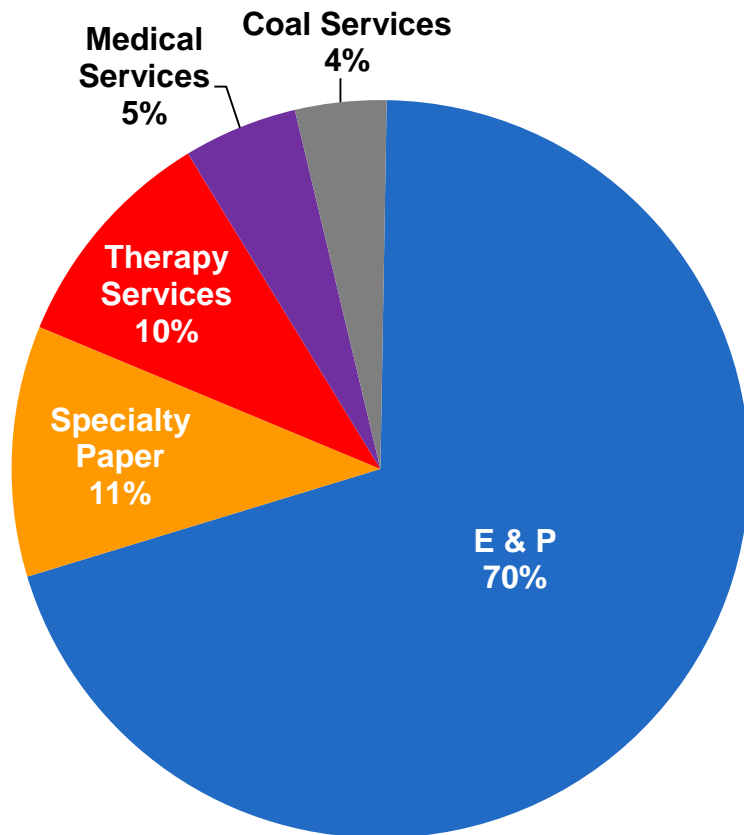
<sup>(3)</sup> Represents amounts that have been marked down to current fair value and remain on the Schedule of Investments as of March 31, 2018. For \$0 value investments (Castex and ATP/Bennu) some recovery is possible.

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.

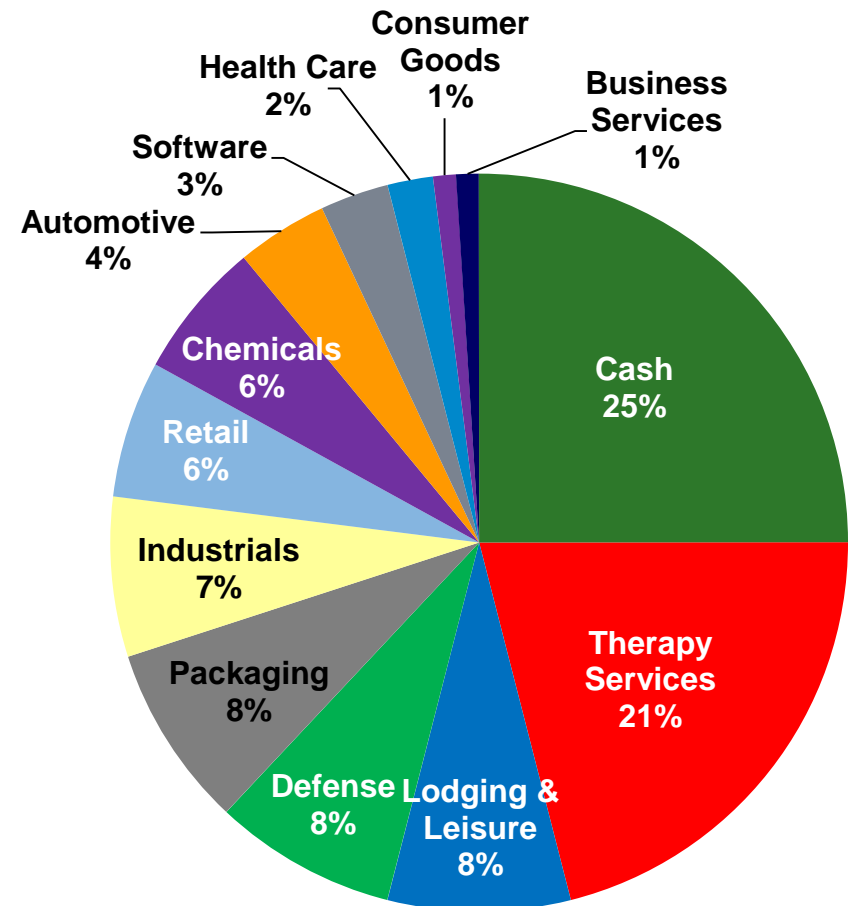
# Investment Activity & Portfolio Review

Energy Exposure Reduced From 74% at 9/30/14 to 0% at 3/31/18<sup>(1)</sup>

September 30, 2014



March 31, 2018



<sup>(1)</sup> As a percentage of total portfolio value.

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

## Portfolio Increased Slightly Due to Net Write-up in Legacy Portfolio Offset by Net Realizations

(in \$000's)	Fair Value Category	Principal/ Total Sum	Value at 12/31/17	Net New Investments (Realizations)	PIK/OID	Write-up / (Write-down)	Value at 3/31/18	% of Portfolio Value
<b>Legacy Portfolio</b>								
OCI subordinated note	Level 3	\$ 21,794	\$ 18,015	\$ -	\$ 1,004	\$ (1,004)	\$ 18,015	28%
OCI equity units	Level 3	n/a	164	-	-	(2)	162	0%
Talos senior unsecured notes	Level 2	-	8,652	(11,536)	4	2,880	-	0%
Castex 2005 LP units	Level 3	n/a	-	-	-	-	-	0%
ATP/Bennu limited term royalty interest	Level 3	36,943	-	-	-	-	-	0%
<b>Subtotal - Legacy Portfolio</b>		<b>58,737</b>	<b>26,831</b>	<b>(11,536)</b>	<b>1,008</b>	<b>1,874</b>	<b>18,177</b>	<b>28%</b>
<b>OHA Portfolio</b>								
Equinox second lien term loan	Level 2	7,000	7,245	-	1	(53)	7,193	11%
PAE second lien term loan	Level 2	6,888	6,931	-	5	4	6,940	11%
Berlin second lien term loan	Level 2	6,705	6,780	-	11	(11)	6,780	10%
MyEyeDr second lien term loan	Level 2	5,000	-	4,965	10	31	5,006	8%
Avantor senior unsecured notes	Level 2	5,000	4,925	-	-	-	4,925	8%
WASH second lien term loan	Level 2	4,000	3,980	-	1	(1)	3,980	6%
DexKo second lien term loan	Level 2	3,000	3,038	-	1	7	3,045	5%
TIBCO senior unsecured notes	Level 2	2,100	2,286	-	6	(6)	2,286	3%
MWI second lien term loan	Level 2	1,400	1,409	-	0	17	1,426	2%
Hayward second lien term loan	Level 2	1,302	1,296	-	0	3	1,299	2%
AlliedUniversal second lien term loan	Level 2	1,250	-	1,250	-	(6)	1,244	2%
Safe Fleet second lien term loan	Level 2	700	-	697	0	15	712	1%
ClearChoice revolver	Level 3	563	-	547	-	0	547	1%
MedRisk second lien term loan	Level 2	500	-	498	0	2	500	1%
ClearChoice first lien term loan	Level 3	500	-	495	-	-	495	1%
EaglePicher second lien term loan	Level 2	300	-	298	-	5	303	0%
Gramercy Park CLO residual interest	Level 3	n/a	209	-	-	(27)	182	0%
<b>Subtotal - OHA Portfolio</b>		<b>46,208</b>	<b>38,099</b>	<b>8,749</b>	<b>36</b>	<b>(21)</b>	<b>46,863</b>	<b>72%</b>
<b>Grand Total</b>		<b>\$ 104,944</b>	<b>\$ 64,930</b>	<b>\$ (2,787)</b>	<b>\$ 1,044</b>	<b>\$ 1,853</b>	<b>\$ 65,040</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 14.1%<sup>(1)</sup> on Fair Value Basis as of March 31, 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>						
Avantor senior unsecured notes	5,000	5,000	4,925	9.0%	9.1%	8%
WASH second lien term loan	4,000	3,979	3,980	9.0%	9.0%	6%
Berlin second lien term loan	6,705	6,457	6,780	9.4%	9.0%	10%
EaglePicher second lien term loan	300	298	303	9.0%	8.8%	0%
ClearChoice revolver	563	547	547	8.8%	8.8%	1%
Equinox second lien term loan	7,000	6,953	7,193	9.0%	8.7%	11%
MedRisk second lien term loan	500	498	500	8.7%	8.6%	1%
MyEyeDr second lien term loan	5,000	4,975	5,006	8.6%	8.5%	8%
ClearChoice first lien term loan	500	495	495	8.5%	8.5%	1%
Safe Fleet second lien term loan	700	697	712	8.5%	8.4%	1%
Gramercy Park CLO residual interest	n/a	19	182	13.5%	1.4%	0%
<b>Total &lt; 10% Current Yield at Fair Value</b>	<b>30,268</b>	<b>29,918</b>	<b>30,623</b>	<b>9.0%</b>	<b>8.8%</b>	<b>47%</b>
<b>10-15% Current Yield at Fair Value:</b>						
TIBCO senior unsecured notes	2,100	1,974	2,286	13.5%	11.6%	4%
PAE second lien term loan	6,888	6,734	6,940	12.1%	11.7%	11%
DexKo second lien term loan	3,000	2,978	3,045	10.7%	10.5%	4%
AlliedUniversal second lien term loan	1,250	1,250	1,244	10.3%	10.3%	2%
Hayward second lien term loan	1,302	1,280	1,299	10.5%	10.3%	2%
MWI second lien term loan	1,400	1,387	1,426	10.5%	10.2%	2%
<b>Total 10-15% Current Yield at Fair Value</b>	<b>15,940</b>	<b>15,603</b>	<b>16,240</b>	<b>11.6%</b>	<b>11.1%</b>	<b>25%</b>
<b>&gt; 15% Current Yield at Fair Value:</b>						
OCI subordinated note	21,794	21,767	18,015	21.2%	25.6%	28%
<b>Total &gt; 15% Current Yield at Fair Value</b>	<b>21,794</b>	<b>21,767</b>	<b>18,015</b>	<b>21.2%</b>	<b>25.6%</b>	<b>39%</b>
<b>Current Yielding Investments</b>	<b>68,001</b>	<b>67,288</b>	<b>64,878</b>	<b>13.6%</b>	<b>14.1%</b>	<b>100%</b>
<b>Other Non-Yielding/Non-Income Producing Investments:</b>						
Castex 2005 LP units	n/a	56,315	0	0.0%	0.0%	0%
ATP/Bennu limited term royalty interest	36,943	27,845	0	0.0%	0.0%	0%
OCI equity units	n/a	2,500	162	0.0%	0.0%	0%
<b>Total non-yielding investments</b>	<b>36,943</b>	<b>86,660</b>	<b>162</b>	<b>N/A</b>	<b>N/A</b>	<b>0%</b>
<b>Grand Total</b>	<b>104,944</b>	<b>153,948</b>	<b>65,040</b>	<b>5.9%</b>	<b>14.0%</b>	<b>100%</b>

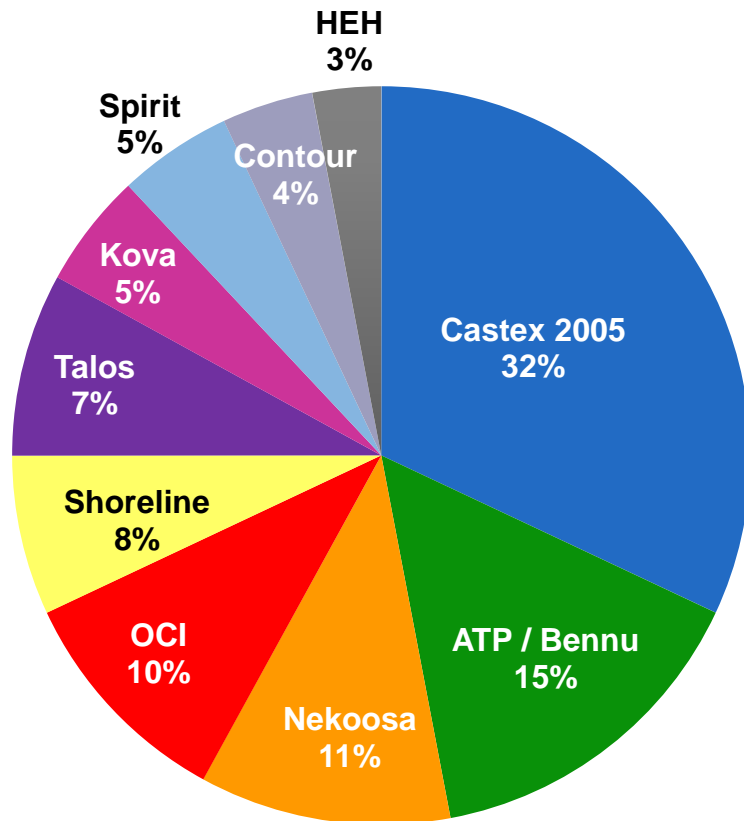
<sup>(1)</sup> Current yielding investments only.

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. Since "Principal/Total Sum" does not apply to certain investments, "N/A or --" is shown where applicable. Current yields are based on the income recognized in the current quarter using current interest rates, including PIK, net of reserves, as of the balance sheet date and include amortization of OID and market premium or discount, royalty income and other similar investment income divided by cost and fair value, respectively. Totals and subtotals are calculated based on weighted average.

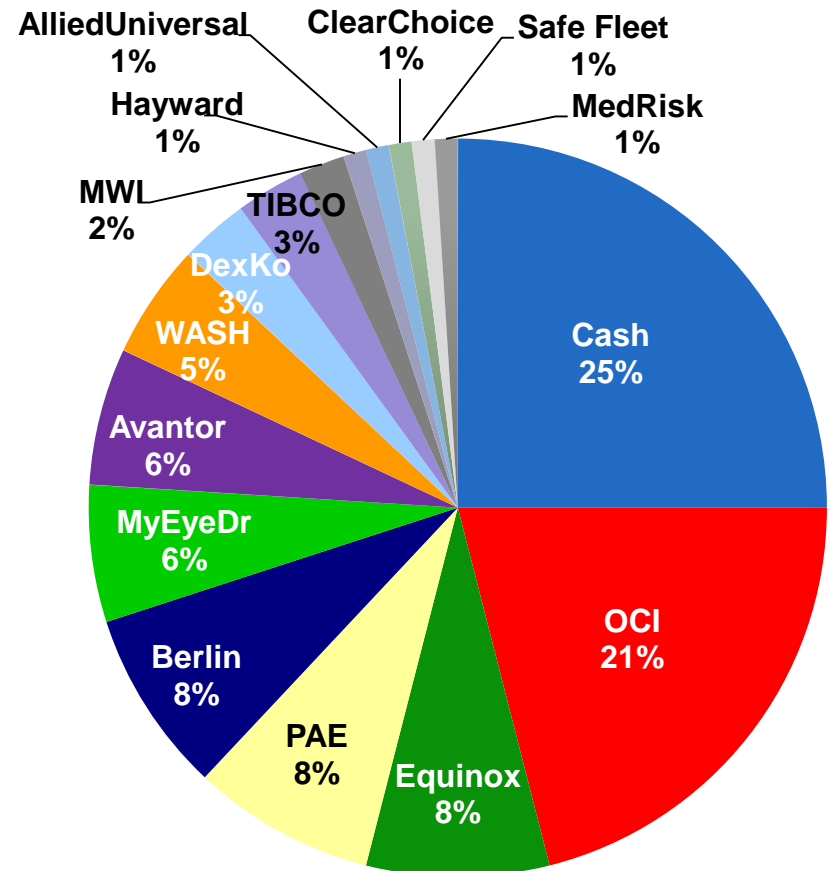
# Investment Activity & Portfolio Review

Portfolio Value<sup>(1)</sup> is Derived From 19 Active Investments<sup>(2)</sup> at 3/31/18 vs 10 at At 9/30/14

September 30, 2014



March 31, 2018



<sup>(1)</sup> As a percentage of total fair value. Percentages for March 31, 2018 include total portfolio fair value plus \$22.2 MM of cash on balance sheet at March 31, 2018.

<sup>(2)</sup> 19 active investments include 15 shown above in pie chart as well as Gramercy CLO and EaglePicher (<1% of total portfolio) and \$0 value investments (ATP/Bennu and Castex).

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.

# Q&A

---