



Presentation
OHA Investment Corporation Q1 2015 Earnings Results

May 11, 2015

O A K H I L L

Disclaimer

THIS PRESENTATION MAY CONTAIN FORWARD-LOOKING STATEMENTS. 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. 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.

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Section 1

Overview

Overview

Highlights

- Second quarter of management under Oak Hill Advisors, L.P. (“OHA”)
- NAV of \$7.27 per share
- 3% decline in NAV driven by four legacy energy investments
- Q1 2015 net investment income per share of \$0.11
- Q1 2015 dividend declared of \$0.12 per share
- Deployed \$21.2 MM in two new investments during Q1 2015
- Citadel Plastics, a \$10.0 MM investment made in Q4 2014, expected to be realized in May in connection with the acquisition of the company
 - Projected 15.9% unlevered IRR, including 2% call premium
- Launched stock repurchase program and repurchased 72.5 K shares of stock for \$0.4 MM in March; purchased additional 201.5 K shares in Q2 under a 10b5-1 plan for \$1.0 MM
- Plan to be fully invested during Q2 2015
- Hired Cory Gilbert as our new CFO, effective at the Annual Meeting on June 10

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Section 2

Financial Results

Financial Results

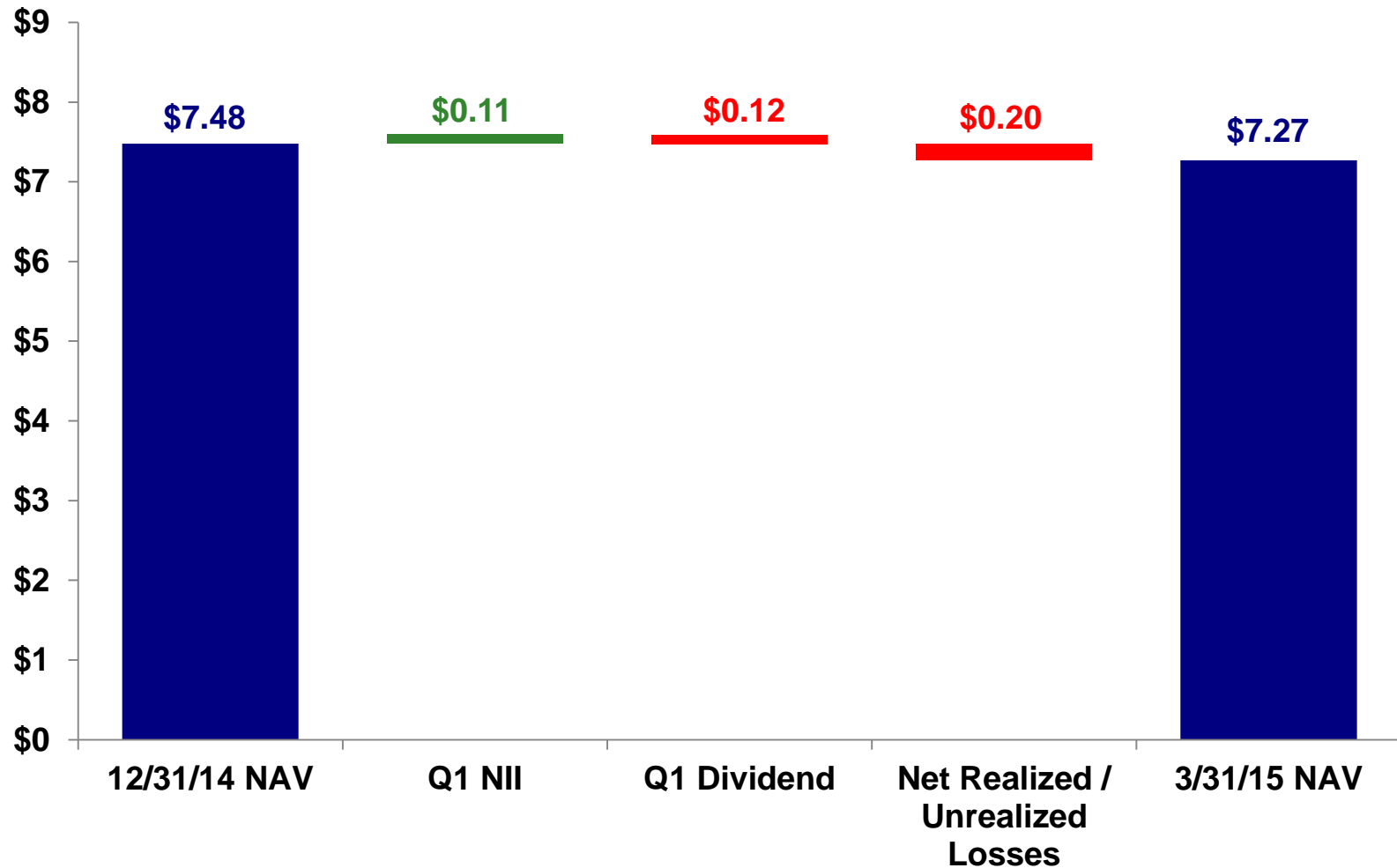
Q1 2015 Summary

- Weighted average portfolio yield of 10.9% on fair value and 9.4% on cost
- Investment income of \$4.8 MM, or \$0.23 per share
- Management fees of \$0.7 MM
- Net investment income of \$2.2 MM, or \$0.11 per share
- Net realized and unrealized losses of (\$4.1) MM, or (\$0.20) per share
- Net decrease in net assets of (\$1.9) MM, or (\$0.09) per share, to \$7.27 per share
- Positive assurance on 91% of Level 3 investments provided by leading independent valuation firm

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Financial Results

NAV per share declined 3% in Q1, primarily as a result of lower valuations of four energy assets



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Financial Results

Statement of Operations

(in \$000's)	Q1 2015	Q4 2014	Q1 2014
Investment income	\$4,816	\$5,175	\$5,858
Costs related to strategic alternatives review	--	23	457
Management fees	678	696	1,346
Other G&A	1,295	1,290	1,509
Interest expense	652	513	613
Income taxes	<u>22</u>	<u>53</u>	<u>19</u>
Net investment income	<u>\$2,169</u>	<u>\$2,623</u>	<u>\$1,914</u>
<i>Net investment income per share</i>	<i>\$0.11</i>	<i>\$0.13</i>	<i>\$0.09</i>

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Financial Results

(in \$000's)	Q1 2015	Q4 2014	Q1 2014
Realized capital gains (losses):			
Chroma	\$ --	(\$4,314)	\$ --
GMX	--	--	(9,382)
Other realized gains (losses), net	<u>(21)</u>	<u>--</u>	<u>(230)</u>
Total realized capital gains (losses), net	<u>(21)</u>	<u>(4,314)</u>	<u>(9,612)</u>
Unrealized gains (losses):			
Talos	(2,523)	(1,443)	371
ATP / Bennu	(2,374)	(1,130)	(2,365)
Spirit	(784)	(5,684)	(3,381)
Contour	(440)	(3,000)	(48)
Shoreline	59	(1,448)	(14)
OCI	368	329	(1,888)
Reversals due to realizations	--	3,846	9,382
Other unrealized gains (losses), net	<u>1,661</u>	<u>503</u>	<u>(738)</u>
Total unrealized gains (losses), net	<u>(4,033)</u>	<u>(8,027)</u>	<u>1,319</u>
Total realized and unrealized (losses), net	<u>(\$4,054)</u>	<u>(\$12,341)</u>	<u>(\$8,293)</u>

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Financial Results

Net Asset Value Rollforward – YTD March 2015

	(in \$000's)	Per share
Net asset value at 12/31/14	\$154,164	\$7.48
Talos reduction in value	(2,523)	(0.12)
ATP / Bennu reduction in value	(2,374)	(0.12)
Other net changes in portfolio valuation	843	0.04
Distributions in excess of net investment income	(296)	(0.01)
Impact of share repurchases	<u>(374)</u>	<u>--</u>
Net asset value at 3/31/15	<u>\$149,440</u>	<u>\$7.27</u>

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Section 3

Portfolio Review

Portfolio Review

Unrealized losses in energy portfolio partially offset by increased values in other sectors

(in \$000's)	Principal at 3/31/15	Value at 12/31/14	Net New Investments (Realizations)	PIK / OID/ Write-up / (Writedown)	Value at 3/31/15	% of Principal at 3/31/15	% of Portfolio Value
Energy:							
Castex redeemable preferred units	\$50,000	\$54,906	\$0	\$569	\$55,475	111%	29%
ATP/Bennu limited term royalty interest	26,460	23,700	(400)	(2,328)	20,972	79%	11%
Shoreline second lien term loan	13,222	11,985	(194)	75	11,866	90%	6%
Talos senior unsecured notes	12,000	10,920	--	(2,520)	8,400	70%	4%
Huff senior secured term loan	5,020	5,320	(300)	--	5,020	100%	3%
Huff warrants and royalty	N/A	92	--	2	94	--	<1%
Subtotal	106,702	106,923	(894)	(4,202)	101,827	95%	53%
Energy Non-accruals:							
Contour senior secured term loan	11,197	4,500	440	(440)	4,500	40%	2%
Spirit senior secured term loan and preferred equity	17,909	1,450	--	(724)	726	4%	<1%
Spirit overriding royalty interest	N/A	325	--	(60)	265	--	<1%
Subtotal	29,106	6,275	440	(1,224)	5,491	18%	3%
Energy total	135,808	113,198	(454)	(5,426)	107,318	79%	56%
Other Sectors:							
Foundation second lien term loan	18,700	--	18,513	--	18,513	99%	10%
OCI subordinated note	15,818	15,700	--	118	15,818	100%	8%
OCI equity units	N/A	1,730	--	380	2,110	--	1%
Citadel second lien term loan	10,000	9,900	--	288	10,188	102%	5%
Appriss second lien term loan	10,000	9,850	--	--	9,850	99%	5%
EFS second lien term loan	10,000	9,675	--	116	9,791	98%	5%
KOVA senior subordinated notes	9,000	9,000	--	--	9,000	100%	5%
Gramercy Park CLO residual interest	N/A	7,110	--	495	7,605	--	4%
Hanson second lien term loan	2,500	--	2,277	98	2,375	95%	1%
Other Sectors Total	76,018	62,965	20,790	1,495	85,250	99%	44%
Grand Total	\$211,826	\$176,163	\$20,336	(\$3,931)	\$192,568	86%	100%

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.

Portfolio Review

Weighted average yield of 10.9% on fair value basis as of March 31, 2015

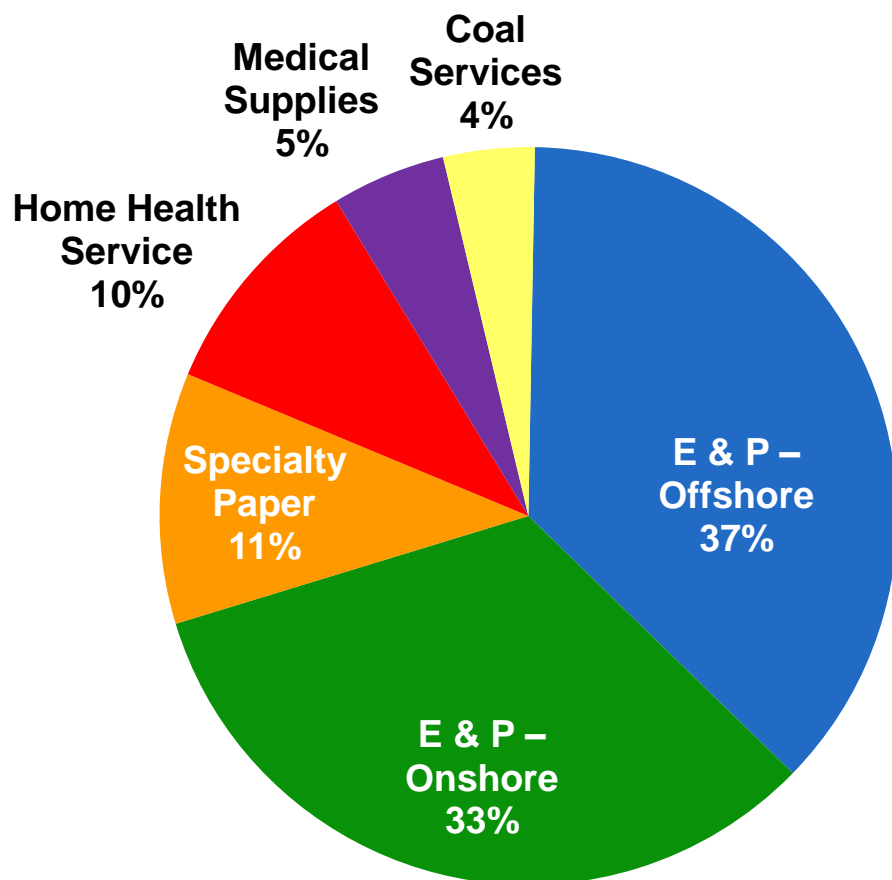
(in \$000's)	Principal	Cost	Fair Value	Yield at Cost	Yield at Fair Value	% of Portfolio Value
7-10% Market Yields:						
Appriss second lien term loan	\$10,000	\$9,856	\$9,850	9.6%	9.6%	5%
Citadel second lien term loan	10,000	9,904	10,188	9.2%	8.9%	5%
EFS second lien term loan	10,000	9,830	9,791	8.8%	8.9%	5%
Castex redeemable preferred units	50,000	50,018	55,475	8.0%	7.2%	29%
Total 7-10% Market Yields	80,000	79,608	85,304	8.4%	7.9%	44%
10-14% Market Yields:						
Huff senior secured term loan	5,020	4,989	5,020	13.5%	13.4%	3%
KOVA senior subordinated notes	9,000	8,874	9,000	13.3%	13.1%	5%
Foundation second lien term loan	18,700	18,515	18,513	12.2%	12.2%	10%
Hanson second lien term loan	2,500	2,278	2,374	11.9%	11.5%	1%
Gramercy Park CLO residual interest	n/a	6,892	7,605	12.2%	11.0%	4%
Total 10-13% Market Yields	35,220	41,548	42,512	12.6%	12.3%	22%
14%+ Market Yields:						
Spirit overriding royalty interest	--	10	265	N/M	30.3%	<1%
ATP/Bennu limited term royalty interest	26,460	26,413	20,973	13.9%	17.6%	11%
OCI subordinated note	15,818	15,616	15,818	15.5%	15.3%	8%
Talos senior unsecured notes	12,000	11,954	8,400	9.9%	14.1%	4%
Shoreline second lien term loan	13,222	12,893	11,866	11.0%	14.0%	6%
Total 14%+ Market Yields	67,500	66,886	57,322	13.1%	15.8%	30%
Other Investments:						
Contour senior secured term loan	11,197	11,218	4,500	N/A	N/A	2%
Spirit senior secured term loan and preferred equity	17,909	17,873	726	N/A	N/A	<1%
OCI equity units	--	2,500	2,110	N/A	N/A	1%
Huff warrants and royalty	--	84	94	N/A	N/A	<1%
Myriant equity and warrants	--	468	--	N/A	N/A	0%
Total non-yielding investments	29,106	32,143	7,430	N/A	N/A	4%
Grand Total	\$211,826	\$220,185	\$192,568	9.4%	10.9%	100%

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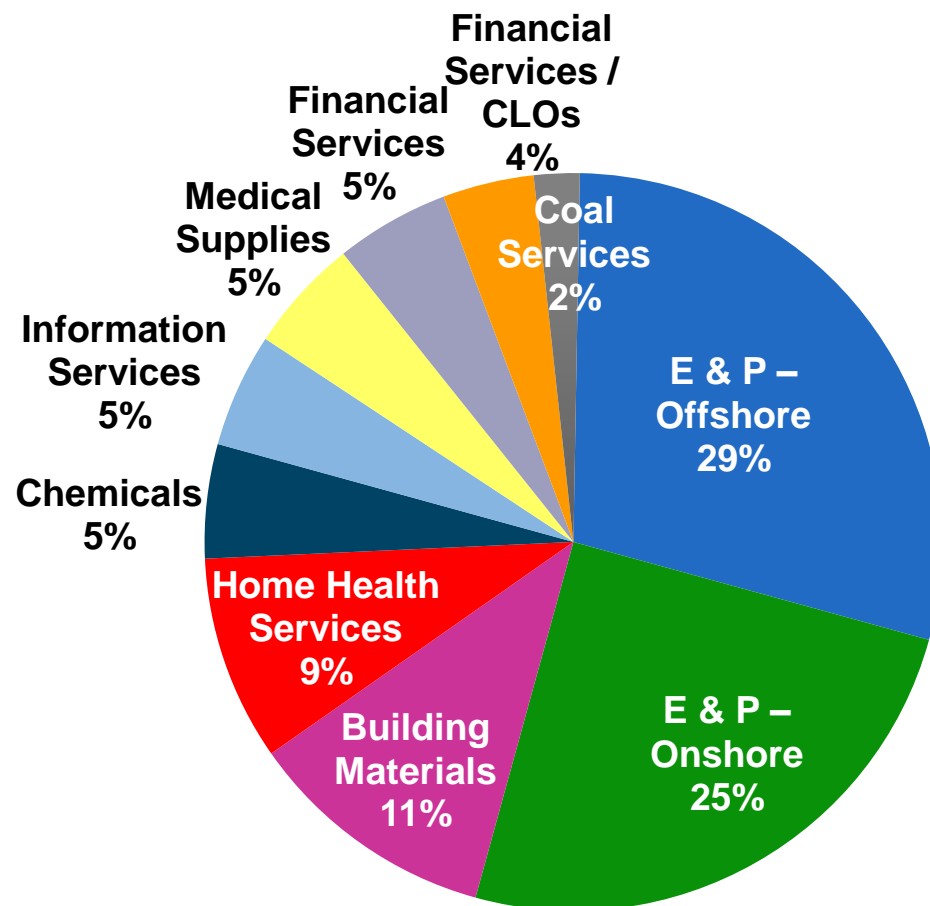
Portfolio Review

Energy exposure reduced from 74% at 9/30/14 to 56% at 3/31/15⁽¹⁾

September 30, 2014



March 31, 2015



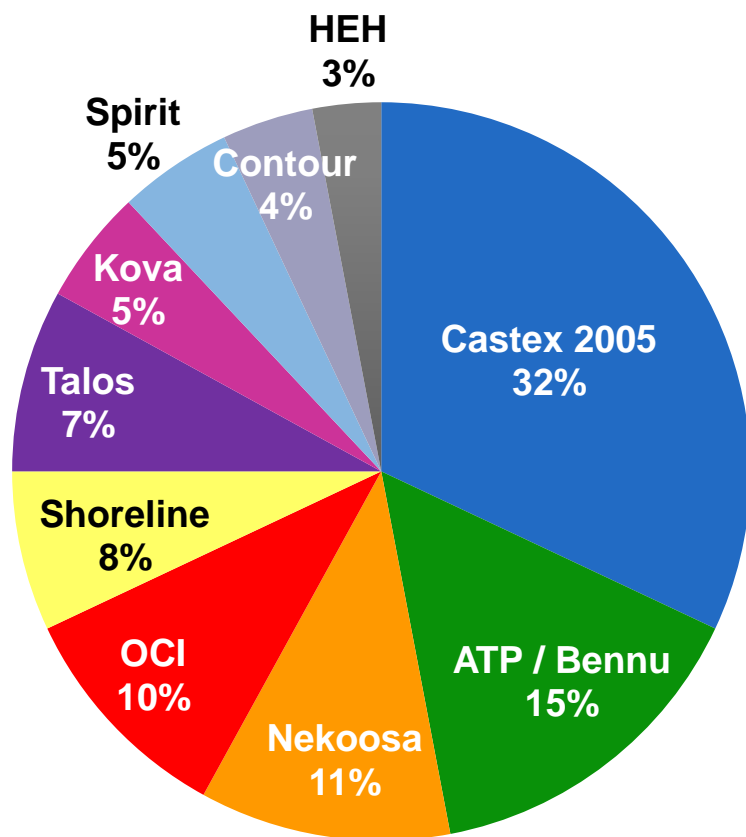
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(1) As a percentage of total value.

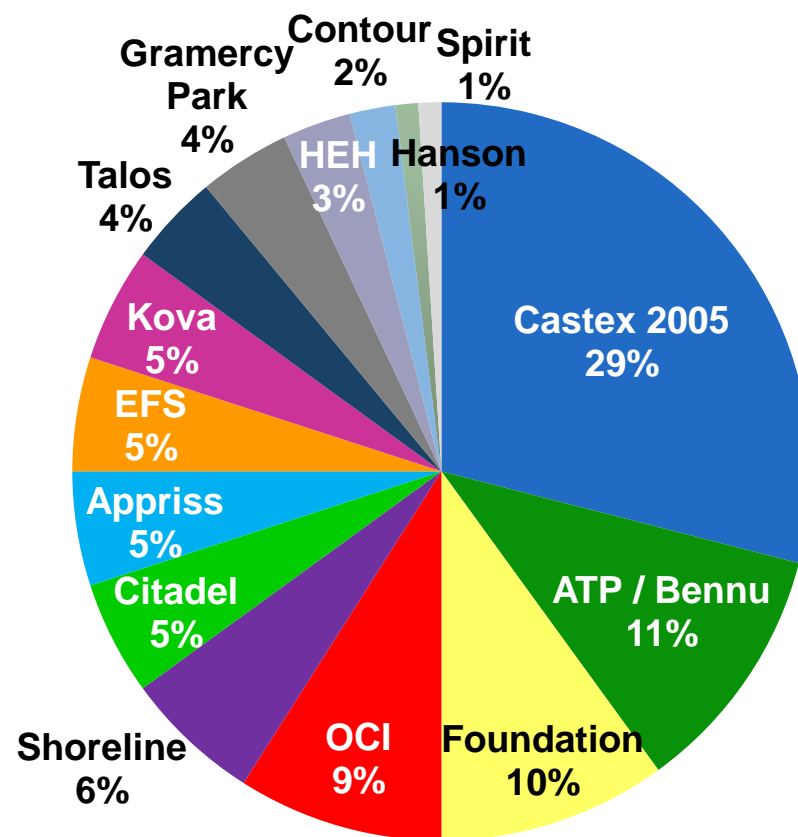
Portfolio Review

Portfolio value is derived from 15 active investments at 3/31/15 vs. 10 at 9/30/14⁽¹⁾

September 30, 2014



March 31, 2015

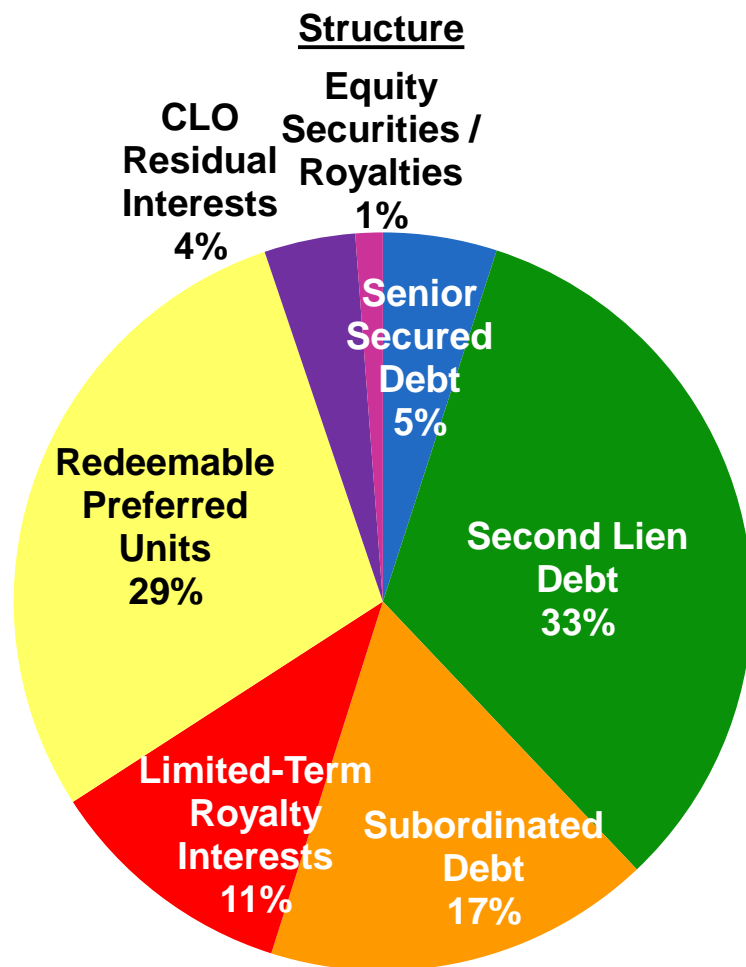


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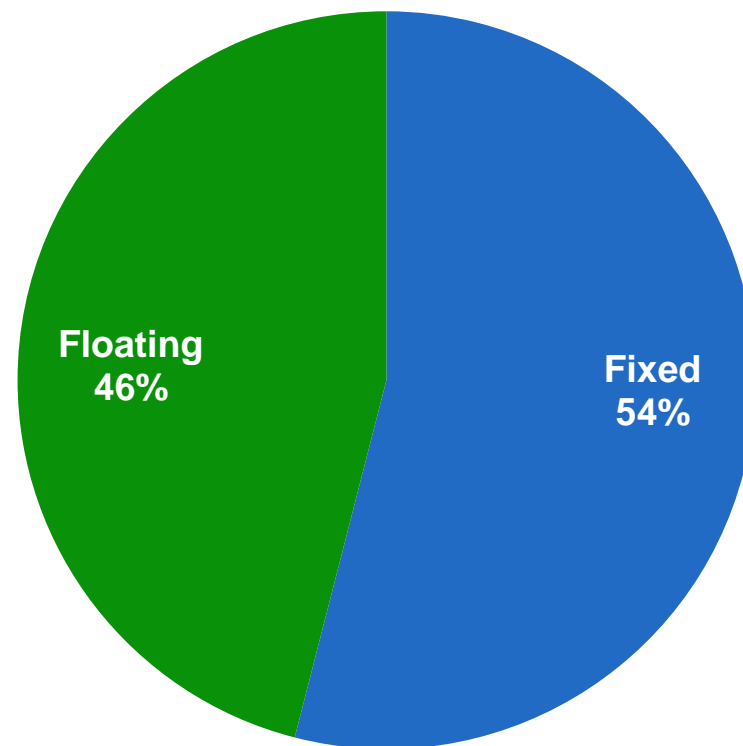
(1) As a percentage of total value.

Portfolio Review

Portfolio Structures and Characteristics as of 3/31/15⁽¹⁾



Fixed vs. Floating⁽²⁾



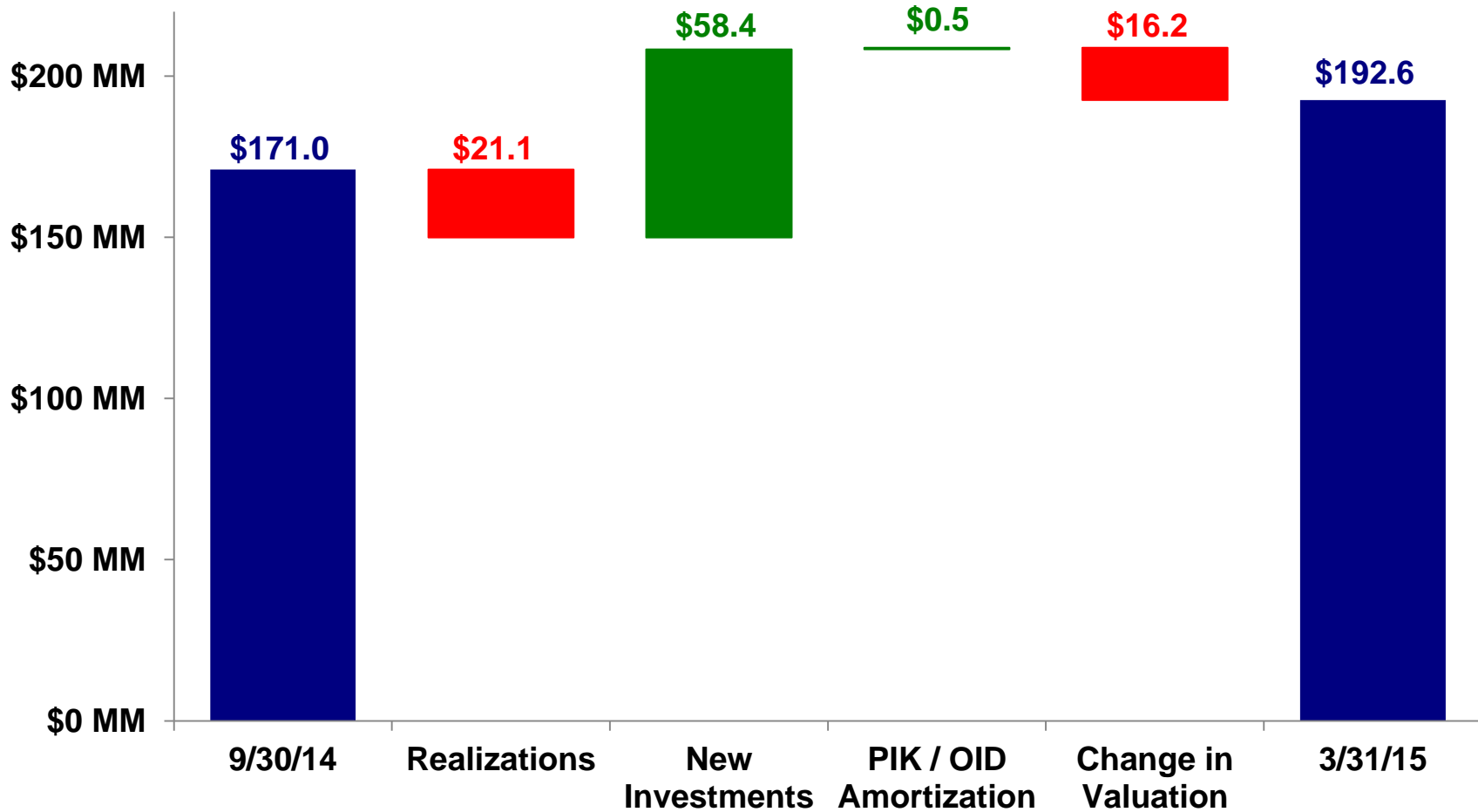
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(1) As a percentage of fair value.

(2) Excludes Overriding Royalty Interests, Warrants, CLO Residual Interests, and similar securities that do not provide a consistent current yield.

Portfolio Review

Investment portfolio increased \$21.6 MM since OHA assumed management on 9/30/14



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Section 4

Stock Repurchase Program

Stock Repurchase Program

\$1.4 MM of Company shares repurchased

- \$2.4 MM repurchase program announced on March 12, representing the maximum amount currently approved by the Company's lenders
- During Q1, we repurchased 72.5 K shares for \$0.4 MM
- Following quarter-end, we repurchased 201.5 K shares under a 10b5-1 plan for \$1.0 MM, bringing total purchases to 274 K shares, or 1.3% of shares outstanding, for \$1.4 MM
- \$1.0 MM of capacity remaining
- If fully utilized, the share repurchase program would retire ~2.2% of the outstanding shares at current prices and increase NAV per share by \$0.04⁽¹⁾

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⁽¹⁾ Based on May 6, 2015 closing price of \$5.60 per share.

Section 5

Investment Strategy & OHA Overview

Investment Strategy & OHA Overview

Experienced Credit Market Specialist Since 1991⁽¹⁾

MULTI-STRATEGY CREDIT

- Experience across below investment grade corporate credit market, performing and distressed
- Corporate structured products (CLOs, other) and mortgage strategies (RMBS, whole loans)
- North America and Europe; long and short

EXPERIENCED TEAM

- Senior management together for more than 20 years⁽²⁾
- 45 Partners / Managing Directors averaging 22 years of industry experience
- Deep commitment to firm culture

CONSISTENT INVESTMENT APPROACH

- 20+ year history assessing relative value across asset classes and capital structures
- Fundamental credit approach focused on downside protection, maximizing risk-adjusted returns
- Fully integrated, industry-focused investment team

SCALE MARKET PARTICIPANT

- \$26.1 billion of capital⁽³⁾
- Meaningful size managed in each target asset class
- Maintains ability to be nimble and capture opportunities

Continuity of team, philosophy and culture contributes to consistent performance

(1) "Oak Hill Advisors" or "OHA" includes Oak Hill Advisors, L.P., its affiliated investment advisors and predecessor firms.

(2) OHA was founded in 1991 by Glenn R. August. William H. Bohnsack, Jr. joined the firm in 1993 and now serves as Senior Partner with Mr. August. Robert Okun joined the firm in 2001, was named Partner in 2003 and was promoted to Senior Partner in 2007.

(3) Estimated as of March 1, 2015, *pro forma* for capital flows during the month of January and an OHA-managed CLO warehouse funded from an existing OHA separate account. Includes net asset value, portfolio value and/or unfunded capital. All uninvested capital (including cash) is allocated *pro rata* among applicable asset classes based on recent [portfolio composition](#). Additional information on calculation methodology is available upon request.

Investment Strategy & OHA Overview

OHA Approach To Private Lending Transactions

- OHA has invested more than \$3 B in private lending investments since 2002⁽¹⁾
- Opportunistic credit-driven approach leveraging depth / breadth of credit research team
- Generally focus on borrowers with EBITDA of at least \$20 MM or enterprise value of at least \$100 MM
- Selective direct origination from key financial sponsors, corporate and other relationships
- Intensive focus on key intermediaries and buy-side firms
- Experienced investors
 - Rapid response to proposals and efficient due diligence
 - Continued support through participation in future financings
- Leverage the broader OHA platform for benefit of the Company

(1) Private Lending Investments include what OHA believes to be non-broadly syndicated debt investments in middle market companies that are sourced, originated, negotiated and / or structured by principals of OHA, including, but not limited, to first and second lien debt, mezzanine, distressed, DIPs and exit financings. Past performance is not indicative of future results.

Investment Strategy & OHA Overview

New Investments / Enhanced disclosure

- Q4 2014 – four investments totaling \$37 MM
- Q1 2015 investments
 - \$18.7 MM Foundation Second Lien Term Loan
 - \$2.5 MM Hanson Second Lien Term Loan
- OHA believes its platform is well-positioned to identify attractive assets and increase the earnings power of the portfolio over time
 - We plan to be fully invested during Q2 2015
- In light of enhanced monitoring of the portfolio and the expanded use of an independent valuation firm, risk ratings were no longer used effective January 1, 2015

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Section 6

Q & A