

**Presentation**

# **OHA Investment Corporation Q2 2019 Earnings Results**

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**August 13, 2019**



# 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

## Second Quarter Developments

- NAV of \$1.83 per share, a (\$0.01) or 1% decrease from Q1 2019
- (\$0.02) net investment loss per share on a GAAP basis
  - OCI continues to remain on non-accrual status
  - Incurred \$282k, or \$0.01 per share, of costs related to Strategic Alternatives Review
  - \$0.02 distribution declared per share (paid on July 9, 2019)
- \$5.4 MM invested in four new portfolio companies and one add-on to an OHA portfolio company
- \$3.1 MM in realizations
  - Sold \$2.1 MM of TIBCO senior unsecured notes at 106.375% of par, recognized capital gain of \$231k; including prior sales, generated an 18.6% unlevered gross IRR on our entire \$10 MM investment
- ATP royalty interest, legacy energy investment
  - \$695k of production payments received during the quarter, payments continued to be applied to basis as investment remains on non-accrual status
  - Fair value decreased to \$4.4 MM at June 30, 2019 from \$5.1 MM at March 31, 2019
- \$30 MM outstanding on our MidCap Credit Facility at June 30, 2019
  - In August, we exercised our option to extend the maturity date to March 9, 2020

# Overview & Financial Results

## Q2 2019 Summary

- Investment income of \$1.5 MM, or \$0.08 per share
- Weighted average portfolio yield<sup>(1)</sup> of 10.3% on fair value and 10.4% on cost
- Base management fees of \$304k, or \$0.02 per share, \$78k capital gains incentive fee
- Net investment loss of (\$501k), or (\$0.02) per share
- Net realized and unrealized gains of \$858k, or \$0.04 per share
- NAV per share decreased (\$0.01) or 1% from \$1.84 to \$1.83 during the quarter

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

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# Overview & Financial Results

## Statement of Operations – GAAP Basis

(in \$000's)	Q2 2019	Q1 2019	Q2 2018
Investment income	\$1,520	\$1,529	\$2,627
Interest expense	611	629	801
Management and incentive fees	382	316	383
Costs related to strategic alternatives review	282	27	--
Other G&A	731	702	743
Income tax provision	<u>15</u>	<u>--</u>	<u>32</u>
<i>NII (NIL) before incentive fee waiver</i>	<u>(\$501)</u>	<u>(\$145)</u>	<u>\$668</u>
Incentive fee waiver <sup>(1)</sup>	<u>--</u>	<u>--</u>	<u>1</u>
<i>NII (NIL) after incentive fee waiver</i>	<u>(\$501)</u>	<u>(\$145)</u>	<u>\$667</u>
<i>NII per share</i>	<u>(\$0.02)</u>	<u>(\$0.01)</u>	<u>\$0.03</u>

<sup>(1)</sup> On November 10, 2017, we entered into an Incentive Fee Waiver Agreement with OHA whereby OHA agreed to waive any incentive fees earned relating to fiscal years 2017 and 2018. Under the Incentive Fee Waiver Agreement, any capitalized gains fees that would have been earned and accrued during 2017 and 2018, which under our Investment Advisory Agreement would not have been paid until 2018 and 2019, respectively, has been waived. The Incentive Fee Waiver Agreement with OHA expired on December 31, 2018.

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# Overview & Financial Results

(in \$000's)	Q2 2019	Q1 2019	Q2 2018
<b>Realized capital gains (losses):</b>			
TIBCO	\$231	\$--	\$--
Avantor	--	223	--
Castex* write-off	--	--	(56,315)
Other*	<u>178</u>	<u>(3)</u>	<u>350</u>
<b>Total realized capital gains (losses), net</b>	<b><u>\$409</u></b>	<b><u>\$220</u></b>	<b><u>(\$55,965)</u></b>
<b>Unrealized gains (losses):</b>			
OCI (debt & equity investments)*	\$201	\$60	(\$1,246)
MyEyeDr	137	187	(32)
ATP ORRI*	54	885	1,533
Ardonagh	43	(2)	--
PowerSchool	32	(20)	76
Allied Universal	31	33	(2)
Reversals due to realizations	(231)	--	56,315
Other unrealized gains (losses), net	<u>182</u>	<u>329</u>	<u>(338)</u>
<b>Total unrealized gains (losses), net</b>	<b><u>449</u></b>	<b><u>1,472</u></b>	<b><u>56,306</u></b>
<b>Total realized and unrealized gains (losses), net</b>	<b><u>\$858</u></b>	<b><u>\$1,692</u></b>	<b><u>\$341</u></b>

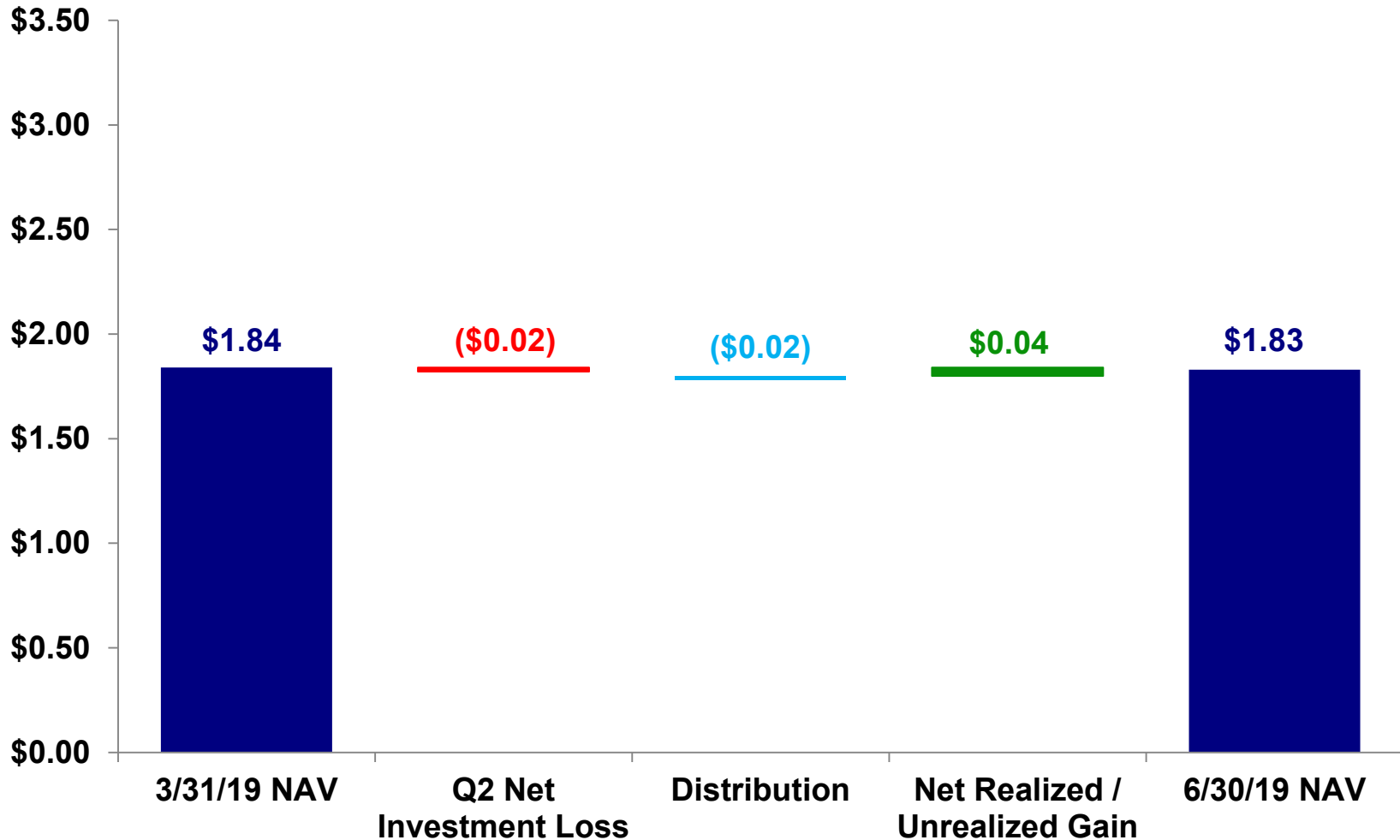
\* Denotes legacy investments.

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# Overview & Financial Results

NAV per share decreased 1% in Q2



Per share data presented may not total due to rounding.

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# Section 2

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## Investment Activity & Portfolio Review

# Investment Activity & Portfolio Review

## \$178.8 MM of Investments in 41 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 – \$31.7 MM<sup>(2)</sup> (17 new portfolio companies and one add-on to an existing OHA portfolio company)
- 2019 – \$7.7 MM (six new portfolio companies and two add-ons to existing OHA portfolio companies)
  - Q1 2019 – \$2.3 MM (two new portfolio companies and one add-on to an existing OHA portfolio company)
  - Q2 2019 – \$5.4 MM (four 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

## \$175.5 MM of Realizations Under OHA Management Since September 30, 2014

- \$175.5 MM in total realizations since September 30, 2014
- Includes \$122.7 MM from OHA Investments
  - \$115.9 MM<sup>(1)</sup> from full realization of 12 OHA portfolio investments
    - Dollar weighted average unlevered gross IRR of 13.8%<sup>(2)</sup> on these 12 portfolio investments
  - \$6.7 MM from partial OHA realizations
    - Equinox - \$3.0 MM
    - MyEyeDr - \$2.0 MM
    - Hayward - \$0.8 MM
    - WASH - \$0.5 MM
    - ClearChoice Revolver - \$0.3 MM
    - DexKo - \$0.1 MM
- \$9.4 MM realizations in 2019, \$8.1 MM OHA and \$1.3 MM legacy
- \$66.4 MM of portfolio investments at June 30, 2019<sup>(3)</sup>
  - 94% floating rate, 6% fixed rate, by fair value, excluding non-yielding investments
  - Fixed rate investments consist of Sedgwick and Ardonagh

<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 \$2.8 MM of cash on balance sheet at 6/30/19.

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# Investment Activity & Portfolio Review

OHA Investments Have an IRR of 13.1% on a Dollar Weighted Average Basis as of 6/30/19

## OHA New Investment Track Record <sup>(1)</sup> September 30, 2014 - June 30, 2019

Realized	Company Name	Asset	Pricing	Face Value	Closing Date	6/30/19 Pricing <sup>(2)</sup>	IRR <sup>(3)</sup>	Realized Date	Industry
	Gramercy Park CLO <sup>(4)</sup>	Subordinated Notes	Purchased @ 77.90	\$9,000,000	Oct-14	NA	12.8%	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	2nd Lien Term Loan	L+950 / 1% @ 94.53	7,500,000	Mar-15	NA	16.3%	Oct-16	Building Products
	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>(5)</sup>	2nd Lien Term Loan	L+750 / 1% @ 99.25	10,000,000	Jun-15	NA	9.6%	Oct-17	Chemicals
	Appriss Holding <sup>(6)</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
	Avantor Performance Materials	Sr. Unsecured Notes	9.00% @ 100.00	5,000,000	Sep-17	NA	12.5%	Feb-19	Chemicals
	TIBCO Software <sup>(7)</sup>	Sr. Unsecured Notes	11.375% @ 96.05	10,100,000	Jul-15	NA	18.6%	Apr-19	Software
<b>Realized Total</b>				<b>\$116,805,000</b>			<b>\$ Weighted Average IRR-&gt; 13.8%</b>		

Unrealized	Company Name	Asset	Pricing	Face Value	Closing Date	6/30/19 Pricing <sup>(2)</sup>	IRR <sup>(3)</sup>	Maturity	Industry
	WASH Multifamily Laundry <sup>(8)</sup>	2nd Lien Term Loan	L+700 / 1% @ 99.25	\$4,000,000	May-15	97.500	8.6%	May-23	Industrials
	Pacific Architects and Engineers	2nd Lien Term Loan	L+950 / 1% @ 97.00	6,888,196	Nov-16	99.000	13.0%	Oct-23	Defense
	Equinox Holdings <sup>(9)</sup>	2nd Lien Term Loan	L+700 / 1% @ 99.25	10,000,000	Mar-17	100.625	10.4%	Sep-24	Lodging & Leisure
	DexKo Global	2nd Lien Term Loan	L+825 / 1% @ 98.69	3,000,000	Jul-17	100.000	11.6%	Jul-25	Automotive
	Hayward Industries <sup>(10)</sup>	2nd Lien Term Loan	L+825 / 1% @ 98.00	3,002,000	Jul-17	98.500	12.8%	Jul-25	Consumer Goods
	MWI (Helix Aquisition)	2nd Lien Term Loan	L+800 / 0% @ 99.00	1,400,000	Sep-17	99.000	10.9%	Sep-25	Industrials
	MyEyeDr <sup>(11)</sup>	2nd Lien Term Loan	L+675 / 1% @ 99.50	7,000,000	Feb-18	101.000	10.8%	Feb-26	Retail
	MedRisk	2nd Lien Term Loan	L+675 / 0% @ 99.50	500,000	Feb-18	98.250	8.6%	Dec-25	Health Care
	EaglePicher <sup>(12)</sup>	2nd Lien Term Loan	L+725 / 0% @ 99.25	400,000	Mar-18	96.750	9.1%	Mar-26	Defense
	Safe Fleet	2nd Lien Term Loan	L+675 / 1% @ 99.50	700,000	Mar-18	97.750	8.2%	Feb-26	Industrials
	ClearChoice <sup>(13)</sup>	1st Lien Term Loan	L+650 / 1% @ 99.00	1,562,500	Mar-18	100.000	16.1%	Jan-23	Health Care
	AlliedUniversal <sup>(14)</sup>	2nd Lien Term Loan	L+850 / 1% @ 100.00	1,875,000	Mar-18	100.000	12.0%	Jul-23	Business Equipment and Services
	Ministry Brands	2nd Lien Term Loan	L+800 / 1% @ 99.00	6,000,000	Jun-18	100.000	12.3%	Jun-23	Business Equipment and Services
	Ensono	2nd Lien Term Loan	L+925 / 0% @ 96.00	1,700,000	Jun-18	98.625	15.9%	Jun-26	Telecommunications
	Vertafore	2nd Lien Term Loan	L+725 / 0% @ 99.00	900,000	Jun-18	97.875	9.1%	Jul-26	Business Equipment and Services
	FirstLight	2nd Lien Term Loan	L+750 / 0% @ 99.00	400,000	Jun-18	98.625	10.3%	Jul-26	Telecommunications
	Edelman	2nd Lien Term Loan	L+675 / 0% @ 99.50	300,000	Jun-18	100.750	11.2%	Jul-26	Financial Services/ CLO
	PowerSchool	2nd Lien Term Loan	L+675 / 0% @ 99.00	3,800,000	Jun-18	99.375	10.3%	Aug-26	Business Equipment and Services
	Superion	2nd Lien Term Loan	L+750 / 0% @ 97.435	2,000,000	Sep-18	99.000	12.9%	Aug-26	Software
	NAVEX	2nd Lien Term Loan	L+700 / 0% @ 99.00	400,000	Sep-18	99.250	10.4%	Sep-26	Software
	KIRS	2nd Lien Term Loan	8.625% @ 90.00	600,000	Nov-18	93.125	16.0%	Jul-23	Insurance
	Sedgwick	Unsecured Term Loan	9.000% @ 98.50	3,300,000	Dec-18	100.000	11.8%	Dec-26	Insurance
	PharMerica	2nd Lien Term Loan	L+825 / 0% @ 97.50	1,200,000	Feb-19	100.500	23.0%	Mar-27	Health Care
	Caliber Collision	2nd Lien Term Loan	L+725 / 0% @ 98.25	1,100,000	Feb-19	100.000	16.0%	Jan-27	Automotive
<b>Unrealized Total</b>				<b>\$62,027,696</b>			<b>\$ Weighted Average IRR-&gt; 11.8%</b>		

### Investments Made in Q2 2019 - Unrealized

	Aptean	2nd Lien Term Loan	L+850 / 0% @ 98.00	\$1,400,000	Apr-19	98.000	N/A <sup>(15)</sup>	Apr-27	Health Care
	Blackboard Transact	2nd Lien Term Loan	L+850 / 0% @ 98.00	1,454,545	Apr-19	98.000	N/A <sup>(15)</sup>	Apr-27	Software
	Imperial Dade	2nd Lien Term Loan	L+800 / 0% @ 99.00	1,000,000	Jun-19	99.000	N/A <sup>(15)</sup>	Jun-27	Food Services
	JS held	1st Lien Term Loan	L+600 / 0% @ 99.00	1,700,000	Jun-19	99.000	N/A <sup>(15)</sup>	Jul-25	Business Equipment and Services
<b>Unrealized Total</b>				<b>\$5,554,545</b>			<b>\$ Weighted Average IRR-&gt; NM</b>		

Summary	Face Value	Vol. Weighted IRR
Total Realized	\$116,805,000	13.8%
Total Unrealized	62,027,696	11.8%
<b>Ttl excl. Investments Made in Q2 2019</b>	<b>\$178,832,696</b>	<b>13.1%</b>

# Investment Activity & Portfolio Review

## OHA New Investment Track Record (Continued)

### Footnotes:

(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. This table excludes positions under \$250k that OHA held for less than three months. The gross unlevered IRR on this cohort is 24.6% as of 6/30/19. Face values shown above for Revolving Credit Facilities and Delayed Draw Term Loans are reflective of OHA's total commitment amounts.

(2) All prices are as of 6/30/19 as reflected in OHA's Q2 2019 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, \$12k on 1/17/18, \$170k on 10/17/18, and the remaining balance \$43k on 12/6/18.

(5) 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.

(6) Appriss paid down \$3.8mm on 8/10/2016. The coupon was subsequently increased to L+925 / 1%. Appriss paid down the remaining \$9.3mm on 12/1/17.

(7) 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. OHA sold the remaining \$2.1mm (face value) on 4/18/19 at 106.375.

(8) OHA sold \$0.5mm (face value) of WASH on 3/15/19 at 99.000.

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

(10) Includes \$1.3mm (face value) of Hayward purchased on 7/18/17 and \$1.7mm (face value) purchased on 7/17/18.

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

(12) OHA purchased \$0.1mm (face value) of EaglePicher on 1/18/19 at 94.000.

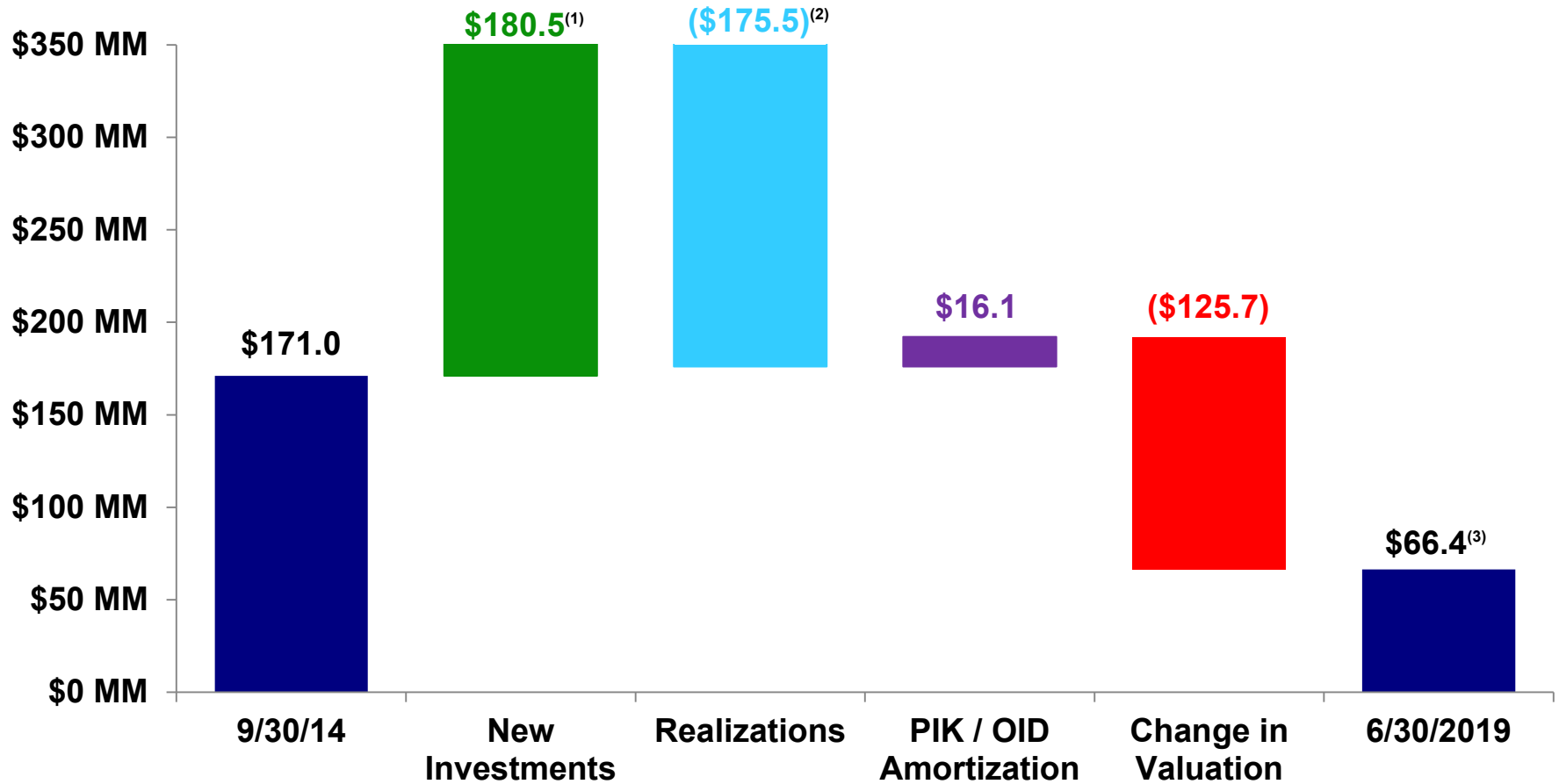
(13) ClearChoice earns L+650 / 1% plus skim interest of approximately 28 bps.

(14) Includes \$1.25mm (face value) of Allied Universal purchased on 3/15/18 and \$0.6mm (face value) purchased on 5/22/19.

(15) IRR not shown for new investments purchased during the most recent quarter, as return % not meaningful.

# Investment Activity & Portfolio Review

Added \$180.5 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.

<sup>(2)</sup> \$120.3 MM of realizations/amortization from OHA investments.

<sup>(3)</sup> Excludes \$2.8 MM of cash on balance sheet at 6/30/19.

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# Investment Activity & Portfolio Review

## 66% of the 9/30/14 Legacy Investment Portfolio Value Written-off/Marked Down as of 6/30/19

\$ 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 6/30/19 <sup>(1)</sup>
<b>Castex*</b>	\$54,334	\$ --	(\$54,334)	\$ --	\$ --
<b>ATP/Bennu*</b>	25,641	(4,432)	--	(16,798)	4,441
<b>Nekoosa</b>	18,199	(18,199)	--	--	--
<b>OCI Subordinated Notes</b>	15,580	--	--	(14,200)	1,380
<b>Shoreline Energy*</b>	13,611	(582)	(13,029)	--	--
<b>Talos*<sup>(4)</sup></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	(1,286)	(6,167)	--	--
<b>Huff Energy*</b>	5,888	(5,888)	--	--	--
<b>OCI Class A Units</b>	<u>1,390</u>	<u>--</u>	<u>--</u>	<u>(1,390)</u>	<u>--</u>
<b>Total</b>	<u>\$170,956</u>	<u>(\$52,822)</u>	<u>(\$79,955)</u>	<u>(\$32,388)</u>	<u>\$5,791</u>

\* Energy-related investment

- (1) Excludes any amounts written off from additional investments, paid-in-kind interest/dividends, and/or discount accretion subsequent to September 30, 2014.
- (2) 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 June 30, 2019. Although our investment in Castex was deemed "worthless" from a tax perspective in Q2 2018, some recovery is possible.
- (3) Represents amounts that have been marked down to current fair value and remain on the Schedule of Investments as of June 30, 2019.
- (4) On February 15, 2018, Talos was redeemed at par upon maturity.

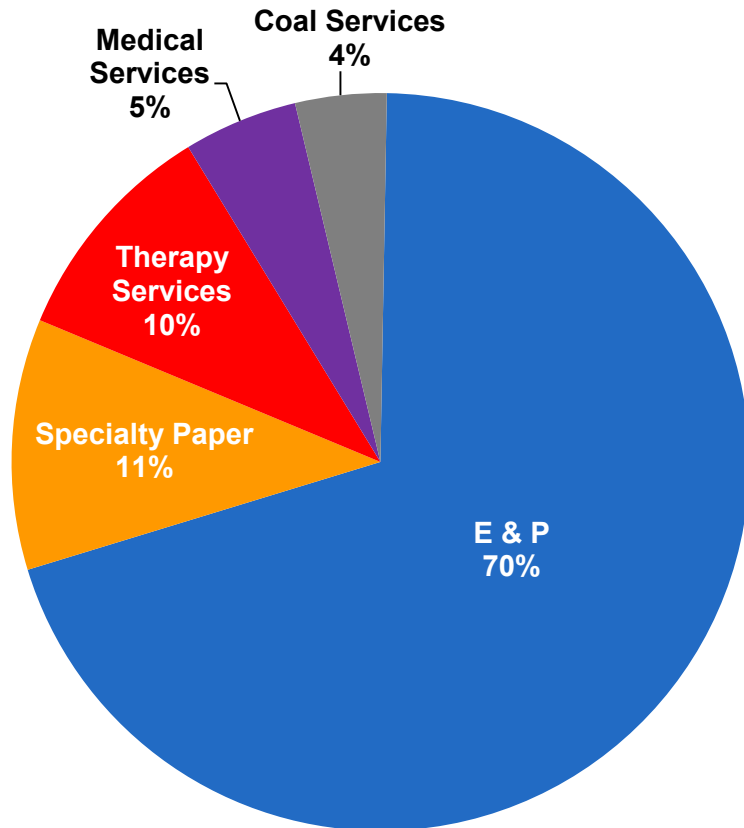
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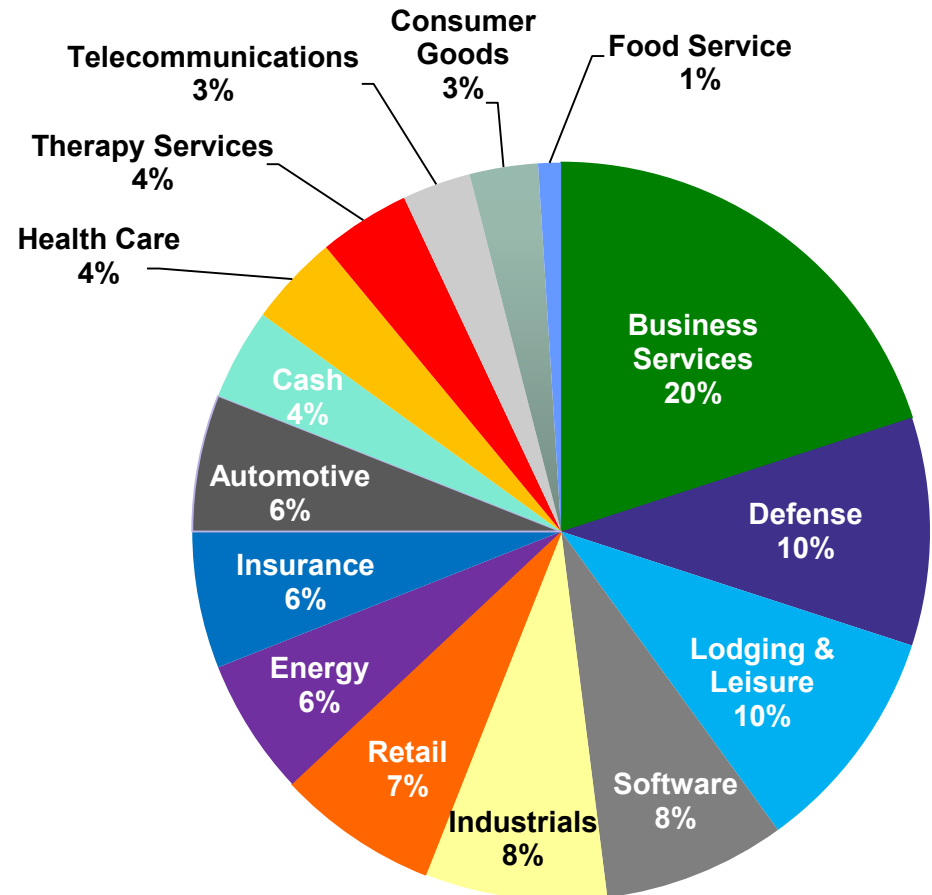
# Investment Activity & Portfolio Review

Portfolio Composition Spread Across 14 Sectors at 6/30/19 vs. 5 at 9/30/14

September 30, 2014



June 30, 2019<sup>(1)</sup>



(1) As a percentage of total portfolio fair value plus \$2.8 MM of cash on balance sheet.

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# Investment Activity & Portfolio Review

89% of Total Portfolio Value Comprises of OHA-Originated Investments

(in \$000's)	Fair Value Category	Principal/ Total Sum	Value at 3/31/19	Net New Investments (Realizations)	PIK/OID	Write-up / (Write-down)	Value at 6/30/19	% of Portfolio Value
<b>OHA Portfolio</b>								
Equinox second lien term loan	Level 2	\$7,000	\$7,044	-	\$2	(\$2)	\$7,044	11%
PAE second lien term loan	Level 2	6,888	6,819	-	6	(6)	6,819	10%
Ministry Brands second lien term loan	Level 3	6,000	6,000	-	3	(3)	6,000	9%
MyEyeDr second lien term loan	Level 2	5,000	4,913	-	1	136	5,050	8%
PowerSchool second lien term loan	Level 2	3,800	3,743	-	1	32	3,776	6%
WASH second lien term loan	Level 2	3,500	3,386	-	1	26	3,413	5%
Sedgwick unsecured term loan	Level 2	3,300	3,300	-	1	(1)	3,300	5%
DexKo second lien term loan	Level 2	2,935	2,985	(65)	1	14	2,935	4%
Hayward second lien term loan	Level 2	2,159	2,127	-	-	-	2,127	3%
CentralSquare second lien term loan	Level 2	2,000	1,980	-	1	(1)	1,980	3%
AlliedUniversal second lien term loan	Level 2	1,875	1,223	620	-	32	1,875	3%
Ensono second lien term loan	Level 2	1,700	1,657	-	1	19	1,677	3%
Blackboard Transact second lien term loan	Level 3	1,455	-	1,404	1	20	1,425	2%
MWI second lien term loan	Level 2	1,400	1,365	-	0	21	1,386	2%
Aptean second lien term loan	Level 3	1,400	-	1,358	1	13	1,372	2%
PharMerica second lien term loan	Level 2	1,200	1,182	-	1	23	1,206	2%
JSHeld first lien term loan	Level 3	1,201	-	1,171	-	18	1,189	2%
Caliber Collision second lien term loan	Level 2	1,100	1,100	-	0	(0)	1,100	2%
Vertafore second lien term loan	Level 2	900	891	-	-	(10)	881	1%
Imperial Dade second lien term loan	Level 3	833	-	813	-	13	825	1%
Safe Fleet second lien term loan	Level 2	700	674	-	-	10	684	1%
Ardonagh senior secured notes	Level 2	600	513	-	3	43	559	1%
ClearChoice first lien term loan	Level 3	500	495	-	-	5	500	1%
MedRisk second lien term loan	Level 2	500	492	-	-	(1)	491	1%
NAVEX second lien term loan	Level 2	400	394	-	-	3	397	1%
FirstLight second lien term loan	Level 2	400	392	-	-	2	394	0%
EaglePicher second lien term loan	Level 2	400	390	-	-	(3)	387	0%
ClearChoice revolver	Level 3	313	358	(63)	1	17	313	0%
Edelman second lien term loan	Level 2	300	302	-	-	-	302	0%
JSHeld revolver	Level 3	14	-	14	-	(1)	13	0%
Imperial Dade delayed draw term loan	Level 3	-	-	(3)	-	-	(3)	0%
JSHeld delayed draw term loan	Level 3	-	-	(5)	-	1	(4)	0%
TIBCO senior unsecured notes	Level 2	-	2,234	(2,234)	-	-	-	0%
<b>Subtotal - OHA Portfolio</b>		<b>59,773</b>	<b>55,959</b>	<b>3,010</b>	<b>23</b>	<b>422</b>	<b>59,414</b>	<b>89%</b>
<b>Legacy Portfolio</b>								
ATP/Bennu limited term royalty interest	Level 3	42,527	5,052	(695)	-	54	4,411	7%
OCI subordinated note	Level 3	28,614	2,331	-	-	201	2,532	4%
OCI equity units	Level 3	n/a	-	-	-	-	-	0%
<b>Subtotal - Legacy Portfolio</b>		<b>71,141</b>	<b>7,383</b>	<b>(695)</b>	<b>-</b>	<b>255</b>	<b>6,943</b>	<b>11%</b>
<b>Grand Total</b>		<b>\$130,914</b>	<b>\$63,342</b>	<b>\$2,315</b>	<b>\$23</b>	<b>\$677</b>	<b>\$66,357</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 10.3%<sup>(1)</sup> on Fair Value Basis as of June 30, 2019**

(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>						
JSHeld first lien term loan	1,201	1,171	1,189	8.5%	8.4%	2%
JSHeld revolver	14	11	14	10.7%	8.4%	0%
MyEyeDr second lien term loan	5,000	4,978	5,050	9.2%	9.1%	7%
Edelman second lien term loan	300	299	302	9.2%	9.1%	0%
Sedgwick unsecured term loan	3,300	3,253	3,300	9.3%	9.1%	5%
MedRisk second lien term loan	500	498	491	9.2%	9.4%	1%
ClearChoice first lien term loan	500	496	500	9.5%	9.4%	1%
Equinox second lien term loan	7,000	6,960	7,044	9.5%	9.4%	11%
Safe Fleet second lien term loan	700	697	684	9.3%	9.4%	1%
PowerSchool second lien term loan	3,800	3,765	3,776	9.5%	9.5%	6%
NAVEX second lien term loan	400	396	397	9.6%	9.6%	1%
WASH second lien term loan	3,500	3,485	3,413	9.5%	9.7%	5%
Caliber Collision second lien term loan	1,100	1,081	1,100	10.0%	9.8%	2%
ClearChoice revolver	313	300	313	10.3%	9.9%	0%
Vertafore second lien term loan	900	892	881	9.8%	10.0%	1%
JSHeld delayed draw term loan	0	(5)	(5)	n/a	n/a	0%
Imperial Dade delayed draw term loan	0	(3)	(2)	n/a	n/a	0%
<b>Total &lt; 10% Current Yield at Fair Value</b>	<b>28,528</b>	<b>28,274</b>	<b>28,447</b>	<b>9.4%</b>	<b>9.4%</b>	<b>43%</b>
<b>10-15% Current Yield at Fair Value:</b>						
FirstLight second lien term loan	400	396	394	10.1%	10.1%	1%
EaglePicher second lien term loan	400	392	387	10.0%	10.2%	0%
CentralSquare second lien term loan	2,000	1,952	1,980	10.4%	10.2%	3%
Ministry Brands second lien term loan	6,000	5,950	6,000	10.6%	10.5%	9%
Imperial Dade second lien term loan	833	813	825	10.7%	10.5%	1%
MWI second lien term loan	1,400	1,388	1,386	10.5%	10.5%	2%
DexKo second lien term loan	2,935	2,916	2,935	10.7%	10.7%	4%
Hayward second lien term loan	2,159	2,162	2,127	10.6%	10.8%	3%
AlliedUniversal second lien term loan	1,875	1,870	1,875	11.0%	10.9%	3%
PharMerica second lien term loan	1,200	1,171	1,206	11.4%	11.1%	2%
Ardonagh senior secured notes	600	546	559	11.4%	11.1%	1%
Aptean second lien term loan	1,400	1,359	1,372	11.4%	11.3%	2%
Blackboard Transact second lien term loan	1,455	1,404	1,425	11.8%	11.6%	2%
Ensono second lien term loan	1,700	1,637	1,677	12.4%	12.1%	3%
PAE second lien term loan	6,888	6,761	6,819	12.4%	12.3%	10%
<b>Total 10-15% Current Yield at Fair Value</b>	<b>31,245</b>	<b>30,717</b>	<b>30,967</b>	<b>11.2%</b>	<b>11.1%</b>	<b>46%</b>
<b>Current Yielding Investments</b>	<b>59,773</b>	<b>58,991</b>	<b>59,414</b>	<b>10.4%</b>	<b>10.3%</b>	<b>89%</b>
<b>Other Non-Yielding/Non-Income Producing Investments:</b>						
ATP/Bennu limited term royalty interest	42,527	25,144	4,411	n/a	n/a	7%
OCI subordinated note	28,614	23,528	2,532	n/a	n/a	4%
OCI equity units	n/a	2,500	0	n/a	n/a	0%
<b>Total non-yielding investments</b>	<b>71,141</b>	<b>51,172</b>	<b>6,943</b>	<b>N/A</b>	<b>N/A</b>	<b>11%</b>
<b>Grand Total</b>	<b>130,914</b>	<b>110,163</b>	<b>66,357</b>	<b>5.6%</b>	<b>9.2%</b>	<b>100%</b>

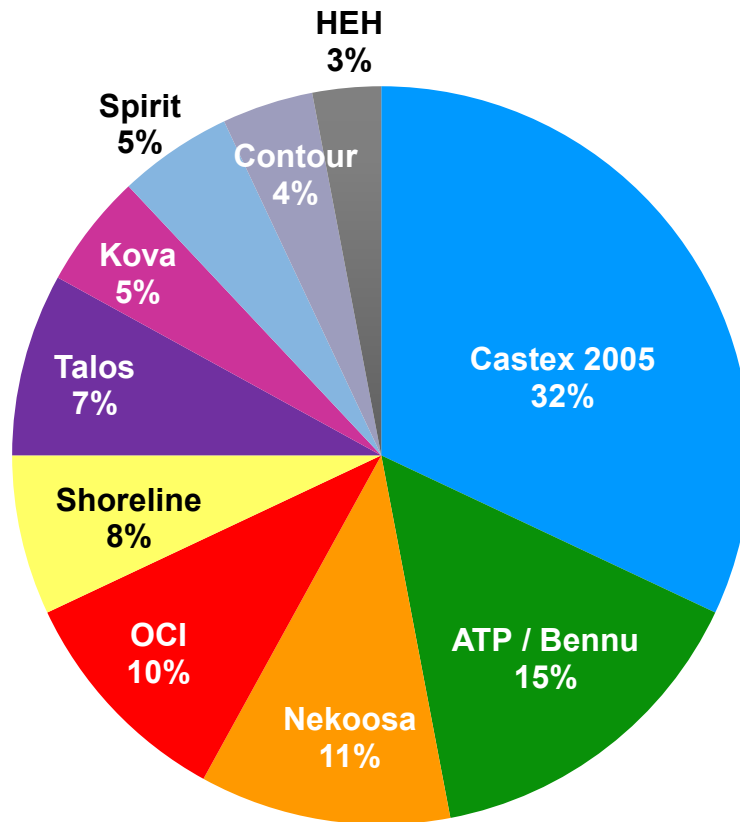
<sup>(1)</sup> Current yielding investments only.

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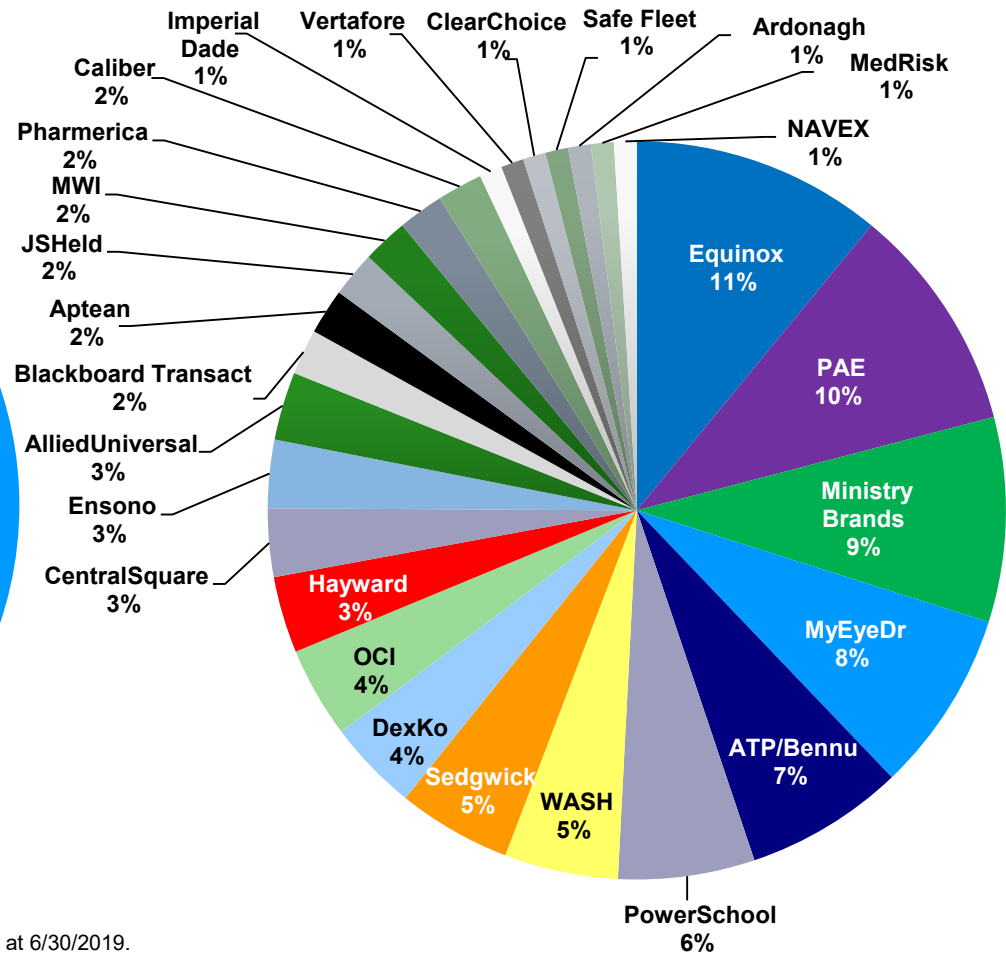
# Investment Activity & Portfolio Review

Portfolio Value is Derived From 30 Active Portfolio Companies<sup>(1)</sup> at 6/30/19 and vs. 10 at 9/30/14

September 30, 2014



June 30, 2019<sup>(2)</sup>



<sup>(1)</sup> Includes Edelman, FirstLight and EaglePicher (<1% of total portfolio).

<sup>(2)</sup> As a percentage of total fair value, excluding \$2.8 MM of cash on balance sheet at 6/30/2019.

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# Q&A

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