This presentation contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, each as amended, which reflect the current views of Oaktree Capital Group, LLC (the “Company” or “OCG”), with respect to, among other things, its future results of operations and financial performance. In some cases, you can identify forward-looking statements by words such as “anticipate,” “approximately,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “seek,” “should,” “will” and “would” or the negative version of these words or other comparable or similar words. These statements identify prospective information. Important factors could cause actual results to differ, possibly materially, from those indicated in these statements. Forward-looking statements are based on the Company’s beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Such forward-looking statements are subject to risks and uncertainties and assumptions relating to the Company’s operations, financial results, financial condition, business prospects, growth strategy and liquidity, including, but not limited to, changes in the Company’s anticipated revenue and income, which are inherently volatile; changes in the value of the Company’s investments; the pace of raising new funds; changes in assets under management; the timing and receipt of, and the impact of taxes on, carried interest; distributions from and liquidation of the Company’s existing funds; the amount and timing of distributions on the Company’s Class A units; changes in the Company’s operating or other expenses; the degree to which the Company encounters competition; and general political, economic and market conditions. The factors listed in the section captioned “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, filed with the U.S. Securities and Exchange Commission (“SEC”) on March 1, 2017, which is accessible on the SEC’s website at www.sec.gov, provide examples of risks, uncertainties and events that may cause the Company’s actual results to differ materially from the expectations described in its forward-looking statements. Forward-looking statements speak only as of the date the statements are made. Except as required by law, the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Certain information contained herein concerning economic trends and performance is based on or derived from information provided by independent third-party sources. Oaktree believes that such information is accurate and that the sources from which it has been obtained are reliable; however, Oaktree cannot guarantee the accuracy of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based. Moreover, independent third-party sources cited herein are not making any representations or warranties regarding any information attributed to them and shall have no liability in connection with the use of such information herein.

This presentation along with any other information provided with or in connection with this presentation are provided for informational purposes only and do not constitute, and should not be construed as (a) a recommendation to buy, (b) an offer to buy or a solicitation of an offer to buy, (c) an offer to sell or (d) advice in relation to, any securities of the Company or securities of any Oaktree investment fund.

The Company discloses certain non-GAAP financial measures in this presentation, including adjusted net income (“ANI”), distributable earnings (“DE”), fee-related earnings (“FRE”) and economic net income (“ENI”). Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) are presented in the Appendix. Capitalized terms in the Appendix, including in the footnotes, that are not otherwise defined shall have the meanings ascribed to them in the Company’s Quarterly Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 1, 2017, which is accessible on the SEC’s website at www.sec.gov.

Unless otherwise indicated, all data in this presentation is on a segment basis for Oaktree Capital Group, LLC and is as of December 31, 2016.
Oaktree: A Leading Global Alternative Asset Manager

- A leader and pioneer in alternative asset management with $101 billion of AUM
- Diversified mix of pro- and counter-cyclical strategies
- Strong, risk-adjusted investment performance
- A loyal, blue-chip institutional client base
- Attractive growth prospects for new and established strategies

INVESTMENT AREAS

<table>
<thead>
<tr>
<th>Corporate Debt</th>
<th>Distressed Debt</th>
<th>Control Investing</th>
<th>Listed Equities</th>
<th>Convertible Securities</th>
<th>Real Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39.9</td>
<td>$26.9</td>
<td>$15.6</td>
<td>$3.6</td>
<td>$5.7</td>
<td>$8.6</td>
</tr>
</tbody>
</table>

GLOBAL FOOTPRINT

Over 900 professionals in 18 cities and 13 countries

HISTORICAL ASSETS UNDER MANAGEMENT

As of December 31, unless otherwise indicated ($ in billions)

- 2006: $36
- 2007: $53
- 2008: $50
- 2009: $73
- 2010: $83
- 2011: $75
- 2012: $77
- 2013: $84
- 2014: $91
- 2015: $97
- 2016: $101

Graph shows the growth of assets under management from 2006 to 2016, with bars representing different investment strategies:
- Evergreen
- Open-end
- Closed-end

1 Includes offices of affiliates of Oaktree-managed funds. Oaktree headquarters is based in Los Angeles.
2 Assets under management presented above exclude $69 million of assets in the Japan Opportunities strategy.
Foundation of Oaktree

INVESTMENT PHILOSOPHY

- Primacy of risk control
- Emphasis on consistency
- Importance of market inefficiency
- Benefits of specialization
- Macro-forecasting not critical to investing
- Disavowal of market timing

BUSINESS PRINCIPLES

- Excellence in investing
- Proprietary, in-depth research
- Commonality of interests with clients
- Transparent client communications
- Fair, explicit management fee arrangements
- Harmonious, cooperative workplace
- New products are usually “step-outs”
- Profit should stem from performance

Oaktree’s mission is to deliver superior investment results with risk under control and to conduct our business with the highest integrity
History of Exceptional Investment Performance

Superior Returns, Both Gross and Risk-Adjusted, in Our Open-End Funds

Annualized gross return since inception

<table>
<thead>
<tr>
<th>Region</th>
<th>Oaktree</th>
<th>Benchmark¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. High Yield Bonds</td>
<td>9.4%</td>
<td>8.4%</td>
</tr>
<tr>
<td>(Inception 1986)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>European High Yield Bonds</td>
<td>8.1%</td>
<td>6.3%</td>
</tr>
<tr>
<td>(Inception 1999)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sharpe ratio since inception²

<table>
<thead>
<tr>
<th>Region</th>
<th>Oaktree</th>
<th>Benchmark¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. High Yield Bonds</td>
<td>0.80</td>
<td>0.56</td>
</tr>
<tr>
<td>(Inception 1986)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>European High Yield Bonds</td>
<td>0.71</td>
<td>0.44</td>
</tr>
<tr>
<td>(Inception 1999)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Outstanding Track Record in Our Closed-End Funds

Aggregate closed-end gross IRR 18.9%³

Drawn capital $75 billion³

% of funds more than 18 months old with positive gross and net IRRs 98%

% of incentive-creating AUM actively generating incentives 63%

¹Detail on benchmarks is presented in the Appendix
²The Sharpe Ratio is a metric used to calculate risk-adjusted return. It is the ratio of excess return to volatility, with excess return defined as the return above that of a riskless asset (three-month T-bill) divided by the standard deviation of such returns. The higher the Sharpe Ratio, the greater the return for a given level of risk compared to the risk-free rate.
³Since oldest strategy inception in October 1988. Excludes closed-end Senior Loan funds, CLOs, Oaktree Asia Special Situations Fund, Asia Principal Opportunities Fund, certain separate accounts and co-investments
⁴Represents annualized time-weighted return since October 1988
A Diverse and Growing Base of Clients

DIVERSE CLIENTELE
- Public Funds 24%
- Corporate Pensions 15%
- Insurance Companies 9%
- Corporate 9%
- Sub-Advisory – Mutual Funds 9%
- Sovereign Wealth Funds 8%
- Endowments/Foundations 6%
- Private – HNW/Family Office 5%
- Oaktree and Affiliates 4%
- Fund of Funds 3%
- Unions 2%
- Other 6%

SUCCESS IN CROSS SELLING

<table>
<thead>
<tr>
<th>% AUM</th>
<th>Clients in 4 or more strategies</th>
<th>36%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clients in 2-3 strategies</td>
<td>41%</td>
</tr>
<tr>
<td></td>
<td>Total in multiple strategies</td>
<td>77%</td>
</tr>
</tbody>
</table>

SIGNIFICANT BASE OF BLUE-CHIP CLIENTELE

- 100 largest U.S. pension funds: 75
- States: 38
- Corporations: 433
- Colleges, Universities, Endowments & Foundations: 367
- Sovereign wealth funds: 16

GROSS CAPITAL RAISED

For the year ended December 31, unless otherwise noted ($ in billions)

- 2007: $19
- 2008: $12
- 2009: $13
- 2010: $12
- 2011: $10
- 2012: $11
- 2013: $13
- 2014: $15
- 2015: $23
- 2016: $12

$10 billion or more of gross capital raised for 10 consecutive years
Excellence in Distressed Debt Investing

SUBSTANTIAL HARVESTING SINCE PEAK NAV

From December 31, 2010 through December 31, 2016.

1From December 31, 2010 through December 31, 2016. Represents High-water Mark NAV, Contributions, Profit & Loss, Gross Distributions and Current NAV of the Opportunities Funds (TCW Funds managed by Oaktree Principals: Opportunities Funds I, II, III, IV, IVb, V, VI, VII, VIIb, VIII, Huntington, and all related trusts and separate accounts).

2Percentage represents the decrease in capital commitment from predecessor fund.

3Capital raised as of 12/31/16

- Invest opportunistically in mostly senior or secured debt of financially distressed companies with hard asset values, dependable cash flows and durable business franchises
- Seek to combine protection against loss, which comes from buying claims on assets at bargain prices, with substantial gains to be achieved by returning companies to financial viability through restructuring
- Take advantage of a broad charter within a closed-end structure to identify the best opportunities resulting from market inefficiencies and cyclical downturns

Funds Sized to the Opportunity Set

- Increase fund size ahead of potential market dislocation
- Scale back funds when opportunity set shrinks
- Dramatic downsizing of funds enables team to remain highly selective
- Largest funds are among our best performers


IV/IVb V VI VII VIIb VIII VIIIb IX X Xb

$3.5 $1.2 $1.8 $3.6 $4.5 $2.7 $5.1 $3.2 $8.1

-66% 2 -66% 2 -59% 2 -36% 2
Diverse Real Estate Platform

- **Strategy Inception:** 2016
- **AUM:** $0.6 billion
- **Real Estate Value-Add**
  - Strategy Inception: 2016
  - AUM: $0.6 billion
  - **Focus Areas:**
    - Commercial
    - Office
    - Multifamily
    - Industrial
    - Retail (selectively)
    - Hotels (selectively)
    - Other Income-Generating Assets

- **Real Estate Debt**
  - Strategy Inception: 2010
  - AUM: $1.5 billion
  - **Focus Areas:**
    - CMBS
    - Corporate Debt
    - Commercial First Mortgages
    - Mezzanine Loans/B-Notes
    - Residential First Mortgages

- **Real Estate Opportunities**
  - Strategy Inception: 1994
  - AUM: $6.6 billion
  - **Focus Areas:**
    - Commercial
    - Commercial NPLs
    - Corporate (REITs)
    - Residential/Residential NPLs
    - Structured Finance (CMBS)

**Real Estate AUM of $8.6 billion with a 27% CAGR since 2008**

As of December 31, 2016
Targeted Strategies in Control Investing

$16 billion of control investing AUM

INDUSTRY / DEAL SPECIALIZATION

- European Principal
- Special Situations
- Power/Infrastructure

- Targets control investments in sectors and regions (primarily in Europe) where dislocation or distress results in an attractive purchase price or creation value
- Primary investing activities include:
  - Special Situation PE: Buying assets and companies at a discount from forced or distressed sellers or as a result of a broken auction
  - Platforms: Acquiring or creating a de novo operating company in industries that are “out-of-favor” or undergoing structural change
  - Distress-for-Control: Purchasing distressed securities and investing new capital to lead a balance sheet and operational restructuring

- Power Opportunities: Seeks to make controlling equity investments in successful companies that provide products and services used in the marketing, distribution, transmission, generation, trading or consumption of energy
- Infrastructure: Seeks to make controlling equity investments in core infrastructure assets exhibiting sustainable downside protection where experience and ability to add value to the assets provide significant upside potential
  - Primarily targets investments in the energy, transportation and environmental services sectors in North America

- Special Situations
  - Focuses on special situations and distressed private equity investing in the U.S. and Australia
  - Seeks to make investments that result in control of or significant influence in companies experiencing some element of distress, dislocation or dysfunction, and then actively manages those businesses
  - Flexibility to invest across capital structures, including:
    - Secondary purchases of debt (distress-for-control)
    - Direct investments in distressed businesses
  - Target companies with total enterprise values of less than $2 billion

Leveraging our focus on risk control and specialization for opportunities in middle market private equity

As of December 31, 2016

1 Effective November 2016, the Global Principal strategy was renamed Special Situations.
## Attractive Growth Opportunities

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established</td>
<td>Offering investors a diverse range of products across large addressable</td>
<td>• Opportunities Funds Xb</td>
</tr>
<tr>
<td>Strategies</td>
<td>markets including distressed debt, control investing, real estate and</td>
<td>• Real Estate VII</td>
</tr>
<tr>
<td></td>
<td>credit strategies</td>
<td>• European Principal Fund IV</td>
</tr>
<tr>
<td></td>
<td>• Executing our existing closed-end fundraising pipeline and deploying that</td>
<td>• European Capital Solutions</td>
</tr>
<tr>
<td></td>
<td>capital judiciously</td>
<td>• Open-end and Evergreen funds</td>
</tr>
<tr>
<td>Step-Out</td>
<td>Addressing investors’ demand for yield with risk under control in a low</td>
<td>• Global Credit Fund</td>
</tr>
<tr>
<td>Products</td>
<td>return world</td>
<td>• Middle Market Direct Lending</td>
</tr>
<tr>
<td></td>
<td>• Fast growing, inefficient asset classes</td>
<td>• Real Estate Debt / Value Add Real Estate</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>• Substantial opportunities to penetrate existing channels by increasing</td>
<td>• European Private Debt</td>
</tr>
<tr>
<td></td>
<td>cross-selling and enhancing geographic footprint</td>
<td>• Strategic Credit</td>
</tr>
<tr>
<td></td>
<td>• Accessing increasing global retail demand for alternatives</td>
<td>• Enhanced Income Fund / CLOs</td>
</tr>
<tr>
<td>Existing Channels</td>
<td>• 77% of investors by AUM invested in 2 or more strategies and 36% in 4 or</td>
<td>• 33% of our AUM is managed for clients outside the U.S.</td>
</tr>
<tr>
<td></td>
<td>more strategies</td>
<td></td>
</tr>
<tr>
<td>New Channels</td>
<td>• SICAV product offerings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Intermediary distribution for closed-end funds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• High net worth</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Sub-advisory relationships</td>
<td></td>
</tr>
</tbody>
</table>
$19 BILLION OF AUM IN ADJACENT PRODUCTS\(^1\)

As of December 31 ($ in millions)

- 2012: $804
- 2014: $15,401
- 2016: $19,137

ORGANIC GROWTH A RESULT OF “STEP-OUT” STRATEGIES

- Distressed Debt
- Senior Loans
- Real Estate
- Emerging Markets Absolute Return
- European Principal

- Emerging Markets Opportunities
- Emerging Markets Debt Total Return
- Strategic Credit
- Value Equities
- Enhanced Income
- CLOs
- Real Estate Debt
- Real Estate Value Add
- Emerging Markets Equities
- European Private Debt

---

1 Includes strategies launched since January 2011

2 “Other” includes Real Estate Debt, Emerging Markets Opportunities, Emerging Markets Debt Total Return, European Private Debt, Value Equities, Infrastructure, European Credit Fund, and Real Estate Value-Add
Benefits of Locked-in Capital

**MANAGEMENT FEES**

For the year ended December 31, unless otherwise noted ($ in millions)

- **Open-end funds**
- **Evergreen funds**
- **Closed-end funds**

- Management fees have remained stable despite:
  - Significant closed-end fund distributions (more than $60 billion since January 2010)
  - $13 billion of AUM not yet generating management fees (“shadow AUM”) at 12/31/16

- The stability of management fees can be attributed to:
  - Locked-in capital: 73% of management fees from closed-end funds in 2016
  - Diversified mix of pro- and counter-cyclical investment strategies

---

1 This compares with $20.8 billion of uncalled capital commitments as of 12/31/16. The difference primarily relates to funds that pay fees based on committed capital and have already begun their investment period, as these funds are excluded from shadow AUM but included in uncalled capital commitments to the extent they have not yet drawn 100% of committed capital. Shadow AUM also excludes general partner commitments.
Well Positioned for Fee-related Earnings Growth

**SHADOW AUM** of $13.5 billion

- **Opportunities Fund Xb** 59%
- Other Distressed Debt 10%
- European Principal 7%
- Strategic Credit 4%
- Mezzanine 4%
- European Private Debt 2%
- Other 3%

**CONTINUED STRENGTH IN FUNDRAISING**

- $6 billion in closed-end fundraising in 2016, including:
  - Nearly $1 billion for Opportunities Funds X/Xb, $1 billion for European Principal Fund IV and nearly $1 billion for Real Estate Opportunities Fund VII

- Continued fundraising in established strategies, including:
  - Real Estate Debt Fund II (“REDF II”) – successor to the first Real Estate Debt Fund, a $1 billion fund
  - European Principal Fund IV – successor to European Principal Fund III, a €3 billion fund

- New product development in 2017 to include:
  - Real Estate Income Fund – primarily focused on value add and some core plus investments
  - Middle-Market Direct Lending – step-out product from our Mezzanine Finance team
  - Global Credit Strategy – multi-strategy product combining the full breadth of Oaktree’s more liquid credit strategies

---

1 Shadow AUM: Uncalled capital commitments that will start generating management fees when (i) for funds that pay fees based on drawn capital or NAV, the capital is drawn or (ii) for funds that pay fees based on committed capital, the investment period begins. Excludes capital commitments from the general partner and its affiliates since they are not fee generating.

2 Includes Real Estate Debt and Real Estate Value Add.

3 “Other” primarily includes Emerging Markets Opportunities, Value Equities, a separate account associated with our Special Situations strategy, Emerging Markets Debt Total Return, Infrastructure, as well as un-invested multi-strategy AUM.

Blended annual fee rate of 1.35%
Net accrued incentives increased 17% in 2016 to $947 million ($6.12 per unit)

Legend:
- Liquidating Funds (Not Yet Paying)
- Liquidating Funds (Paying)
- Investing Funds
- Distressed debt
- Real Estate
- Control Investing
- Other

1 Funds paying include all incentive-creating evergreen funds and closed-end funds that have reached the stage of their distribution waterfall where the drawn capital and preferred return have been distributed to investors and, therefore, incremental distributions thereafter generate incentive income for the Company. Funds paying does not reflect funds that may pay incentive income related to tax distributions only.

2 Other primarily includes Mezzanine, European Private Debt and Emerging Markets Opportunity funds.

3 Per Operating Group unit (not per Class A unit). Net accrued incentives (fund level) is presented before income taxes.
Distributable Earnings: Strength through Diversification

- **Fee-Related Earnings**: 22% year-on-year increase in fee-related earnings in 2016 driven in part by recent record fundraising

- **DoubleLine**: $64 million of distributable earnings in 2016 as DoubleLine grew AUM 20% over this period

- **Investment Income Proceeds from Funds**: A steady source, with unrealized investment income proceeds on corporate investments of $369 million, of which $186 million was in closed-end funds in their liquidation period

- **Incentive Income**: 52 straight quarters of incentive income

**Our strong financial profile enables us to maintain a high payout ratio, while investing in growth and product development**
The key tenets of our capital management strategy have been and remain:

1) Grow a strong, highly rated balance sheet with ample liquidity that allows us to fund growth for our current investment strategies along with strategic or opportunistic corporate development initiatives

2) Distribute to unitholders any cash that isn’t needed to achieve #1, subject to our cash distribution policy

3) Consider opportunistic, not formulaic, purchases of our units, in the context of a long-term goal of enhancing the public float of our units

---

*Per Operating Group unit (not per Class A unit). Net accrued incentives (fund level) is presented before income taxes.*
Effective November 2016, the Global Principal strategy was renamed Special Situations.
# Preponderance of Capital in Long-Term Closed-End Funds

<table>
<thead>
<tr>
<th>CLOSED-END</th>
<th>OPEN-END</th>
<th>EVERGREEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Distressed Debt</td>
<td>• High Yield Bonds</td>
<td>• Value Opportunities</td>
</tr>
<tr>
<td>• Control Investing</td>
<td>• Convertible Securities</td>
<td>• Emerging Markets</td>
</tr>
<tr>
<td>• Real Estate</td>
<td>• Senior Loans</td>
<td>• Strategic Credit</td>
</tr>
<tr>
<td>• Mezzanine Finance</td>
<td>• Emerging Markets Equities</td>
<td>• Value Equities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of AUM</th>
<th>% Management Fees</th>
<th>Lockup</th>
<th>Incentive Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>73%</td>
<td>10-11 year fund term</td>
<td>20% of LP profits after return of capital, subject to preferred return hurdle</td>
</tr>
<tr>
<td>35%</td>
<td>20%</td>
<td>mostly 30 days</td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>7%</td>
<td>90 days to 3 years</td>
<td>10-20% of annual LP profits, subject to high-water mark or preferred return hurdle</td>
</tr>
</tbody>
</table>

Note: The above represents the general characteristics of the fund structures, but specific terms may vary depending on the strategy.

1 For the full year ended 12/31/16.
Primary Earnings Measure: Adjusted Net Income

Fee-related Earnings
- Equity-based Compensation
- Interest Expense, net
+ Other Income (Expense)

Fee-related Earnings & Other
+ Investment Income from Funds
+ Doubleline & Other

Investment Income

+ Incentive Income
- Incentive Income Comp

Incentive Income, net

COMPONENTS OF ADJUSTED NET INCOME

For the year ended December 31, unless otherwise noted ($ in millions)

$676 $764 $428 $717 $1,081 $573 $312 $583

$0 $200 $400 $600 $800 $1,000 $1,200

FRE and other Investment income Incentive income, net

Please see page 24 for a description of non-GAAP financial metrics.
### Economic Net Income

#### Adjusted Net Income

- **+ Accrued Incentives (Fund), net**
- **- Accrued Incentives (Fund), net**

#### Economic Net Income (ENI)

For the year ended December 31, unless otherwise noted ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,270</td>
<td>$1,051</td>
<td>$972</td>
<td>$1,034</td>
<td>$338</td>
<td>$123</td>
<td>$718</td>
<td></td>
</tr>
</tbody>
</table>

1 Net of associated incentive income compensation expense.

Please see page 24 for a description of non-GAAP financial metrics.
Distributable Earnings

ADJUSTED NET INCOME

- Investment Income (MTM basis)
+ Receipts Of Investment Income – Funds
+ Receipts Of Investment Income – Companies

+ Equity-based Compensation
- Operating Group Income Taxes

DISTRIBUTABLE EARNINGS (DE)

Please see page 24 for a description of non-GAAP financial metrics.

COMPONENTS OF DISTRIBUTABLE EARNINGS

For the year ended December 31, unless otherwise noted ($ in millions)

- Incentive income, net
- Receipts of investment income from funds
- Receipts of investment income from companies
- FRE & Other
**Disclosures: Fund Table Provides Meaningful Insights**

<table>
<thead>
<tr>
<th>Distressed Debt</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Committed Capital</th>
<th>% Invested</th>
<th>% Drawn</th>
<th>Fund Net Income Since Inception</th>
<th>Distributions Since Inception</th>
<th>Net Asset Value</th>
<th>Management Fee-generating AUM</th>
<th>Oaktree Segment Incentive Income Recognized</th>
<th>Accrued Incentives (Fund Level)</th>
<th>Unreturned Drawn Capital Plus Accrued Preferred Return</th>
<th>IRR Since Inception</th>
<th>Multiple of Drawn Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oaktree Opportunities Fund Xb, L.P.</td>
<td>TBD</td>
<td>—</td>
<td>$8,063</td>
<td>—%</td>
<td>—%</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>—</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Oaktree Opportunities Fund X, L.P.</td>
<td>Jan. 2016</td>
<td>Jan. 2019</td>
<td>3,243</td>
<td>74</td>
<td>35</td>
<td>367</td>
<td>41</td>
<td>1,461</td>
<td>3,161</td>
<td>71</td>
<td>1,152</td>
<td>6m</td>
<td>1.4</td>
<td>—</td>
</tr>
<tr>
<td>Oaktree Opportunities Fund IX, L.P.</td>
<td>Jan. 2014</td>
<td>Jan. 2017</td>
<td>5,066</td>
<td>100</td>
<td>100</td>
<td>132</td>
<td>5</td>
<td>5,193</td>
<td>4,066</td>
<td>—</td>
<td>—</td>
<td>6,219</td>
<td>0.9%</td>
<td>1.1</td>
</tr>
<tr>
<td>Oaktree Opportunities Fund VIIIb, L.P.</td>
<td>Aug. 2011</td>
<td>Aug. 2014</td>
<td>2,692</td>
<td>nm</td>
<td>100</td>
<td>452</td>
<td>1,314</td>
<td>1,830</td>
<td>2,074</td>
<td>52</td>
<td>2,372</td>
<td>—</td>
<td>6.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Special Account A</td>
<td>Nov. 2014</td>
<td>Nov. 2017</td>
<td>1,031</td>
<td>nm</td>
<td>100</td>
<td>497</td>
<td>1,147</td>
<td>452</td>
<td>438</td>
<td>15</td>
<td>—</td>
<td>428</td>
<td>12.8</td>
<td>10.3</td>
</tr>
<tr>
<td>Oaktree Opportunities Fund VIII, L.P.</td>
<td>Oct. 2014</td>
<td>Oct. 2017</td>
<td>4,507</td>
<td>nm</td>
<td>100</td>
<td>2,069</td>
<td>4,652</td>
<td>1,924</td>
<td>1,797</td>
<td>144</td>
<td>1,627</td>
<td>218</td>
<td>8.4</td>
<td>1.5</td>
</tr>
<tr>
<td>OCM Opportunities Fund VIIb, L.P.</td>
<td>May 2008</td>
<td>May 2011</td>
<td>10,940</td>
<td>nm</td>
<td>90</td>
<td>8,817</td>
<td>17,369</td>
<td>1,292</td>
<td>1,202</td>
<td>1,472</td>
<td>242</td>
<td>—</td>
<td>21.9</td>
<td>16.6</td>
</tr>
<tr>
<td>OCM Opportunities Fund VII, L.P.</td>
<td>Mar. 2007</td>
<td>Mar. 2010</td>
<td>3,598</td>
<td>nm</td>
<td>100</td>
<td>1,472</td>
<td>4,637</td>
<td>435</td>
<td>633</td>
<td>81</td>
<td>553</td>
<td>10.3</td>
<td>7.6</td>
<td>1.5</td>
</tr>
<tr>
<td>OCM Opportunities Fund VI, L.P.</td>
<td>Jul. 2005</td>
<td>Jul. 2008</td>
<td>1,773</td>
<td>nm</td>
<td>100</td>
<td>1,297</td>
<td>3,051</td>
<td>19</td>
<td>249</td>
<td>4</td>
<td>—</td>
<td>11.9</td>
<td>8.8</td>
<td>1.8</td>
</tr>
<tr>
<td>OCM Opportunities Fund V, L.P.</td>
<td>Jun. 2004</td>
<td>Jun. 2007</td>
<td>1,179</td>
<td>nm</td>
<td>100</td>
<td>957</td>
<td>2,104</td>
<td>32</td>
<td>180</td>
<td>7</td>
<td>18.4</td>
<td>—</td>
<td>14.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Legacy funds</td>
<td>Various</td>
<td>Various</td>
<td>9,543</td>
<td>nm</td>
<td>100</td>
<td>8,205</td>
<td>17,695</td>
<td>55</td>
<td>—</td>
<td>1,113</td>
<td>11</td>
<td>—</td>
<td>34.5</td>
<td>19.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note:</th>
<th>There are some exceptions to the statements above (e.g. some closed-end funds charge fees on contributed capital or NAV during the investment period).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additionally, tax distributions impact the timing of incentive income recognition.</td>
</tr>
</tbody>
</table>

% invested reflects how invested the fund is and, therefore, provides an indication of when we might raise a successor fund. Indicative for generating incentives (must cross net return threshold, generally 8%, before generating incentives).
Description of Non-GAAP Metrics

**Adjusted net income** ("ANI") is a measure of profitability for our investment management segment. The components of revenues ("segment revenues") and expenses used in the determination of ANI do not give effect to the consolidation of the funds that we manage. Segment revenues include investment income (loss) that is classified in other income (loss) in the GAAP-basis statements of operations. Segment revenues and expenses also reflect Oaktree's proportionate economic interest in Highstar, whereby amounts received for contractually reimbursable costs are classified for segment reporting as expenses and under GAAP as other income. In addition, ANI excludes the effect of (a) non-cash equity-based compensation expense related to unit grants made before our initial public offering, (b) acquisition-related items, including amortization of intangibles and changes in the contingent consideration liability, (c) differences arising from equity value units ("EVUs") that are classified as liability awards under GAAP but as equity awards for segment reporting, (d) income taxes, (e) other income or expenses applicable to OCG or its Intermediate Holding Companies, and (f) the adjustment for non-controlling interests. Moreover, third-party placement costs associated with closed-end funds under GAAP are expensed as incurred, but for ANI are capitalized and amortized as general and administrative expense in proportion to the associated management fee stream. Gains and losses resulting from foreign-currency transactions and hedging activities under GAAP are recognized as general and administrative expense whether realized or unrealized in the current period, but for ANI unrealized gains and losses from foreign-currency hedging activities are deferred until realized, at which time they are included in the same revenue or expense line item as the underlying exposure that was hedged. Additionally, for ANI, foreign-currency transaction gains and losses are included in other income (expense), net. Incentive income and incentive income compensation expense are included in ANI when the underlying fund distributions are known or knowable as of the respective quarter end, which may be later than the time at which the same revenue or expense is included in the GAAP-basis statements of operations, for which the revenue standard is fixed or determinable and the expense standard is probable and reasonably estimable. CLO investments are carried at fair value for GAAP reporting, whereas for segment reporting they are carried at amortized cost, subject to any impairment charges. Investment income on CLO investments is recognized in ANI when cash distributions are received. Cash distributions are allocated between income and return of capital based on the effective yield method. ANI is calculated at the Operating Group level.

**Economic net income** ("ENI") is a non-GAAP performance measure that we use to evaluate the financial performance of our segment by applying the “Method 2,” instead of the “Method 1,” revenue recognition approach to accounting for incentive income. ANI follows Method 1, except incentive income is recognized when the underlying fund distributions are known or knowable as of the respective quarter end, as opposed to the fixed or determinable standard of Method 1. The Method 2 approach followed by ENI recognizes incentive income as if the funds were liquidated at their reported values as of the date of the financial statements. ENI is computed by adjusting ANI for the change in accrued incentives (fund level), net of associated incentive income compensation expense, during the period.

**Distributable earnings** is a non-GAAP performance measure derived from our segment results that we use to measure our earnings at the Operating Group level without the effects of the consolidated funds for the purpose of, among other things, assisting in the determination of equity distributions from the Operating Group. However, the declaration, payment and determination of the amount of equity distributions, if any, is at the sole discretion of our board of directors, which may change our distribution policy at any time. Distributable earnings and distributable earnings revenues differ from ANI in that they exclude segment investment income or loss and include the receipt of investment income or loss from distributions by our investments in funds and companies. Additionally, any impairment charges on our CLO investments included in ANI are, for distributable earnings purposes, amortized over the remaining investment period of the respective CLO, in order to align with the timing of expected cash flows. In addition, distributable earnings differs from ANI in that it is net of Operating Group income taxes and excludes non-cash equity-based compensation expense.

**Fee-related earnings** ("FRE") is a non-GAAP performance measure that we use to monitor the baseline earnings of our business. FRE is comprised of segment management fees ("fee-related earnings revenues") less segment operating expenses other than incentive income compensation expense and non-cash equity-based compensation expense. FRE is considered baseline because it applies all cash compensation and benefits other than incentive income compensation expense, as well as all general and administrative expenses, to management fees, even though a significant portion of those expenses is attributable to incentive and investment income. FRE is presented before income taxes.
Reconciliations of Non-GAAP Metrics

For the year ended December 31, unless otherwise noted ($ in thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation of Net Income (Loss) Attributable to Oaktree Capital Group, LLC to ANI to DE:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) attributable to Oaktree Capital Group, LLC</td>
<td>$ (57,058)</td>
<td>$ (49,455)</td>
<td>$ (95,972)</td>
<td>$107,810</td>
<td>$221,998</td>
<td>$126,283</td>
<td>$ 71,349</td>
</tr>
<tr>
<td>Incentive income¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(64,460)</td>
<td>28,813</td>
<td>(19,002)</td>
</tr>
<tr>
<td>Incentive income compensation¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,334</td>
<td>(10,677)</td>
</tr>
<tr>
<td>Investment income²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity-based compensation³</td>
<td>940,683</td>
<td>949,376</td>
<td>948,746</td>
<td>36,024</td>
<td>24,613</td>
<td>-</td>
<td>21,690</td>
</tr>
<tr>
<td>Placement costs³</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,619</td>
</tr>
<tr>
<td>Foreign-currency hedging</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition-related items⁴</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,003)</td>
</tr>
<tr>
<td>Income taxes¹</td>
<td>18,267</td>
<td>26,399</td>
<td>21,088</td>
<td>30,858</td>
<td>26,232</td>
<td>18,536</td>
<td>17,549</td>
</tr>
<tr>
<td>Non-Operating Group other income¹</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-Operating Group expenses⁸</td>
<td>1,008</td>
<td>1,111</td>
<td>768</td>
<td>553</td>
<td>1,195</td>
<td>1,645</td>
<td>2,097</td>
</tr>
<tr>
<td>Non-controlling interests⁹</td>
<td>(227,313)</td>
<td>(163,555)</td>
<td>(446,246)</td>
<td>548,265</td>
<td>824,795</td>
<td>386,398</td>
<td>192,968</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>675,587</td>
<td>763,878</td>
<td>428,384</td>
<td>717,250</td>
<td>1,080,707</td>
<td>573,127</td>
<td>311,862</td>
</tr>
<tr>
<td>Investment income¹⁰</td>
<td>(289,001)</td>
<td>(149,449)</td>
<td>(23,763)</td>
<td>(202,932)</td>
<td>(258,654)</td>
<td>(117,662)</td>
<td>(48,253)</td>
</tr>
<tr>
<td>Receipts of investment income from funds¹¹</td>
<td>22,591</td>
<td>28,891</td>
<td>88,693</td>
<td>129,621</td>
<td>128,896</td>
<td>81,438</td>
<td>101,206</td>
</tr>
<tr>
<td>Receipts of investment income from companies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity-based compensation¹²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,828</td>
</tr>
<tr>
<td>Operating Group income taxes</td>
<td>(4,031)</td>
<td>(7,640)</td>
<td>(6,275)</td>
<td>(6,136)</td>
<td>(6,175)</td>
<td>(18)</td>
<td>(3,374)</td>
</tr>
<tr>
<td>Distributable Earnings</td>
<td>$ 405,146</td>
<td>$ 635,680</td>
<td>$ 488,535</td>
<td>$ 672,181</td>
<td>$ 984,266</td>
<td>$ 606,136</td>
<td>$ 447,576</td>
</tr>
</tbody>
</table>

¹ This adjustment adds back the effect of timing differences associated with the recognition of incentive income and incentive income compensation expense between adjusted net income and net income attributable to OCG.
² This adjustment adds back the effect of differences associated with the recognition of investment income related to corporate investments in CLOs which under GAAP are marked-to-market but for segment reporting are accounted for at amortized cost, subject to impairment.
³ This adjustment adds back the effect of (a) equity-based compensation expense related to unit grants made before our initial public offering, which is excluded from distributable earnings because it is non-cash in nature and does not impact our ability to fund our operations.
⁴ This adjustment eliminates our segment investment income, which with respect to investments in funds is initially largely non-cash in nature and is thus not available to fund our operations.
⁵ This adjustment adds back the effect of (a) equity-based compensation expense related to unit grants made before our initial public offering, which is excluded from adjusted net income and from distributable earnings because it is non-cash in nature and does not impact our ability to fund our operations.
⁶ This adjustment adds back the effect of (a) equity-based compensation expense related to unit grants made before our initial public offering, which is excluded from distributable earnings because it is non-cash in nature and does not impact our ability to fund our operations.
⁷ This adjustment reflects the portion of the distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.
⁸ This adjustment reflects the portion of the distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.
⁹ This adjustment reflects the portion of the distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.
¹⁰ This adjustment reflects the portion of the distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.
¹¹ This adjustment reflects the portion of the distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.
¹² This adjustment reflects the portion of the distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.
Reconciliations of Non-GAAP Metrics

For the year ended December 31, unless otherwise noted ($ in thousands)

### Reconciliation of Fee-Related Earnings (FRE) to ANI to ENI:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FRE</td>
<td>$290,231</td>
<td>$375,362</td>
<td>$314,968</td>
<td>$307,617</td>
<td>$260,115</td>
<td>$248,260</td>
<td>$218,562</td>
<td>$267,733</td>
</tr>
<tr>
<td>Incentive income</td>
<td>175,065</td>
<td>413,240</td>
<td>303,963</td>
<td>461,116</td>
<td>1,030,195</td>
<td>491,402</td>
<td>263,806</td>
<td>355,152</td>
</tr>
<tr>
<td>Incentive income compensation</td>
<td>(65,639)</td>
<td>(159,243)</td>
<td>(179,234)</td>
<td>(222,594)</td>
<td>(436,217)</td>
<td>(231,871)</td>
<td>(141,822)</td>
<td>(169,683)</td>
</tr>
<tr>
<td>Investment income</td>
<td>289,001</td>
<td>149,449</td>
<td>23,763</td>
<td>202,392</td>
<td>258,654</td>
<td>117,662</td>
<td>48,253</td>
<td>221,377</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(318)</td>
<td>(3,828)</td>
<td>(19,705)</td>
<td>(39,798)</td>
<td>(51,759)</td>
</tr>
<tr>
<td>Interest income compensation</td>
<td>(13,071)</td>
<td>(26,173)</td>
<td>(33,867)</td>
<td>(31,730)</td>
<td>(28,621)</td>
<td>(30,190)</td>
<td>(35,032)</td>
<td>(31,845)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>594,600</td>
<td>286,704</td>
<td>(138,872)</td>
<td>254,483</td>
<td>(46,968)</td>
<td>(235,303)</td>
<td>(188,383)</td>
<td>(135,002)</td>
</tr>
<tr>
<td>ANI</td>
<td>675,587</td>
<td>763,878</td>
<td>428,384</td>
<td>717,250</td>
<td>1,080,707</td>
<td>573,127</td>
<td>311,862</td>
<td>582,583</td>
</tr>
<tr>
<td>Change in accrued incentives (fund level), net of associated incentive income compensation</td>
<td>594,600</td>
<td>286,704</td>
<td>(138,872)</td>
<td>254,483</td>
<td>(46,968)</td>
<td>(235,303)</td>
<td>(188,383)</td>
<td>(135,002)</td>
</tr>
<tr>
<td>ENI</td>
<td>$1,270,187</td>
<td>$1,050,582</td>
<td>$289,512</td>
<td>$971,733</td>
<td>$1,033,739</td>
<td>$337,824</td>
<td>$123,479</td>
<td>$717,585</td>
</tr>
</tbody>
</table>

### Reconciliation of Consolidated Management fees to Segment Management fees:

<table>
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<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management fees - Consolidated</td>
<td>$115,839</td>
<td>$162,051</td>
<td>$140,715</td>
<td>$134,568</td>
<td>$192,605</td>
<td>$192,055</td>
<td>$195,308</td>
<td>$774,587</td>
</tr>
<tr>
<td>Adjustments 4</td>
<td>520,421</td>
<td>587,980</td>
<td>583,606</td>
<td>612,872</td>
<td>557,296</td>
<td>570,768</td>
<td>558,497</td>
<td>11,086</td>
</tr>
<tr>
<td>Management fees - Segment</td>
<td>$636,260</td>
<td>$750,031</td>
<td>$724,321</td>
<td>$747,440</td>
<td>$749,901</td>
<td>$762,823</td>
<td>$753,805</td>
<td>$785,673</td>
</tr>
</tbody>
</table>

1 Fee-related earnings is a component of adjusted net income and is comprised of segment management fees less segment operating expenses other than incentive income compensation expense and non-cash equity-based compensation expense related to unit grants made after our initial public offering.

2 This adjustment adds back the effect of equity-based compensation expense related to unit grants made after our initial public offering, which is excluded from fee-related earnings because it is non-cash in nature and does not impact our ability to fund our operations or make equity distributions.

3 The change in accrued incentives (fund level), net of associated incentive income compensation expense, represents the difference between (a) our recognition of net incentive income and (b) the incentive income generated by the funds during the period that would be due to us if the funds were liquidated at their reported values as of that date, net of associated incentive income compensation expense.

4 This adjustment reflects the elimination of amounts attributable to the Company's consolidated funds and the reclassification of net gains or losses related to foreign-currency hedging activities to general and administrative expense.
Benchmark Disclosures

BENCHMARK DETAIL

*U.S. High Yield Bonds:*
Citigroup U.S. High Yield Cash-Pay Capped Index

*European High Yield Bonds:*
BofA Merrill Lynch Global Non-Financial High Yield European Issuers excluding Russia 3% Constrained Index (USD Hedged)