



# Oaktree Strategic Credit Fund

Shareholder Update for the Quarter Ended March 31, 2024

## Highlights

**2.48%**

Calendar YTD  
Total Return  
(Class I Shares)<sup>1</sup>

**10.17%**

Annualized  
Distribution  
Rate (Class I)<sup>2</sup>

**\$3.5B**

Fair Value  
of Investments

**93.5%**

Senior Secured  
Investments<sup>3</sup>

**91.9%**

Floating Rate  
Investments<sup>4</sup>

**0.48x**

Leverage<sup>5</sup>

## Quarterly Performance Update

The **Oaktree Strategic Credit Fund** (the “Fund”) reported strong performance for the first calendar quarter of 2024 amid persistent market volatility fueled by macroeconomic and geopolitical challenges. The Fund’s net asset value (NAV) per share was essentially unchanged at \$23.61 as of March 31, 2024, from \$23.62 as of December 31, 2023, primarily due to unrealized price appreciation on certain of the Fund’s public debt investments, partially offset by slightly lower earnings due to the timing of fundings, which occurred toward the end of the quarter. The Fund’s annualized distribution rate for Class I shares was 10.17%<sup>2</sup> and the quarter-to-date net return for Class I shares was 2.48%<sup>1</sup> reflecting the portfolio’s defensive positioning.

## Portfolio Positioning

The Fund’s all-weather approach aims to capitalize on favorable relative-value opportunities in credit across different market conditions. Our disciplined, bottom-up credit underwriting allows us to identify attractive risk-adjusted investment opportunities. Our portfolio emphasizes investments that are positioned at the top of the capital structure. As a result, we aim to enhance the stability and resilience of our investments, providing a solid foundation for long-term risk-adjusted returns.

As of March 31, 2024, the Fund:

- Originated approximately \$1.1 billion across 15 new investments in the quarter
- Had leverage of 0.48x,<sup>5</sup> positioning the Fund to go on the offensive to invest in attractive opportunities as they arise
- Was approximately 94%<sup>3</sup> senior secured, demonstrating our focus on being at the top of the capital structure
- Had a 92%<sup>4</sup> allocation to floating-rate debt, which we believe positions us well in a higher rate environment
- Was diversified across 159 issuers and 34 industries, which helps to avoid being overly reliant on any particular industry for sourcing deal flow
- Had an average debt position of \$24.6 million and a weighted average yield on debt investments of 10.98%
- Had a median portfolio company EBITDA of \$241.0 million and loan-to-value of 39.8%, underscoring our emphasis on investing in larger businesses with lower leverage
- Received investment grade ratings by Moody’s of Baa3 and by Fitch of BBB-, underscoring our high credit quality<sup>6</sup>

## Outlook

We believe the portfolio's construction should continue to support performance. Given the current interest rate environment, investors today have the potential to earn solid risk-adjusted returns from credit instruments.

Credit markets experienced a strong start to the year, as both public and private markets have experienced a wave of repricing activity. As a result, we have seen overall spreads compress from where they were a year ago. However, we are still finding good opportunities within private credit and continue to employ our rigorous approach to underwriting and investment selection.

Moreover, we believe there are ample opportunities to invest across both the sponsor- and non-sponsor-backed markets, and we remain committed to investing in defensively positioned businesses in less cyclical sectors that we believe should be resilient through various market conditions.

Against that backdrop, we believe the Fund is positioned well for both market uncertainty around future economic growth and geopolitics, as well as a still-high interest rate environment, given the portfolio's preponderance of senior secured, primarily first lien floating-rate holdings.

Oaktree has navigated through many economic cycles and gained valuable experience that has allowed us to capitalize on opportunities during more turbulent markets. We believe that having ample capital, taking a long-term view, and remaining focused on navigating short-term volatility should position the Fund well to capitalize on opportunities going forward.

Thank you for your continued investment and support.

All data as of March 31, 2024, unless otherwise indicated.

**Performance data quoted represent past performance; past performance is not a guarantee of future results.**

The investment return and fair value of an investment will fluctuate, so an investor's shares of the Fund, when sold, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end available may be obtained by visiting [osc.brookfieldoaktree.com](http://osc.brookfieldoaktree.com).

**This investor communication is not an offer to sell or a solicitation of an offer to buy any securities. An offering of the Fund's common shares will be made only by means of the Fund's prospectus to individuals who meet the minimum suitability requirements described therein.**

## Performance Summary

### Total Returns as of March 31, 2024<sup>1</sup>

	Monthly	Quarter-to-Date	Calendar Year-to-Date	1-Year	Since Inception	Distribution Rate <sup>2</sup>
Class S Without Placement Fees	0.90%	2.26%	2.26%	10.38%	9.00%	9.32%
Class S With Maximum Placement Fees	-2.60%	-1.24%	-1.24%	6.88%	7.11%	
Class D Without Placement Fees	0.95%	2.41%	2.41%	–	10.19%	9.92%
Class D With Maximum Placement Fees	-0.55%	0.91%	0.91%	–	8.69%	
Class I	0.98%	2.48%	2.48%	11.32%	7.95%	10.17%

#### ENDNOTES

<sup>1</sup>Total return is calculated as the change in NAV per share during the period, plus distributions per share (assuming dividends and distributions are reinvested) divided by the beginning NAV per share. Class S Inception Date July 1, 2022. Class I Inception Date June 1, 2022. Class D Inception Date June 1, 2023.

<sup>2</sup>As of April 30, 2024. Annualized distribution rate reflects the current month's distribution annualized and divided by the prior month's last reported NAV. Past performance is not necessarily indicative of future results. There is no assurance we will pay distributions in any particular amount, or at all. We may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have not established any limits on the amounts we may pay from such sources.

The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, how quickly we invest the proceeds from our ongoing public offering, and the performance of our investments. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of our public offering will result in us having less funds available to acquire investments. As a result, the return an investor realizes on their investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of securities will reduce an investor's interest in us on a percentage basis and may impact the value of an investment in us, especially if we sell these securities at prices less than we valued them in determining the price you paid for your shares. We believe the likelihood that we pay distributions from sources other than cash flow from operations will be higher in the early stages of the Fund's public offering.

<sup>3</sup>Calculated as a percentage of total assets.

<sup>4</sup>Floating rate figure is a percent of fair value of debt investments.

<sup>5</sup>Leverage ratio calculated as total debt divided by total net assets.

<sup>6</sup>The underlying loans in the Fund are not rated. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. Oaktree provides compensation directly to Fitch and Moody's for its evaluation of the Fund. Credit ratings do not address the suitability of securities or the suitability of securities for investment purposes and should not be relied on as investment advice.

## IMPORTANT DISCLOSURE INFORMATION AND RISK FACTORS

Oaktree Strategic Credit Fund (the "Fund") is a non-exchange-traded business development company ("BDC") that seeks to invest primarily in a diversified portfolio of private debt across industries and transaction types, targeting bespoke, highly negotiated loans and private equity-related financings such as those backing leveraged buyouts.

An investment in the Fund involves a high degree of risk. You should invest in the Fund only if you can afford the complete loss of your investment. You should read the Fund's prospectus, including the "Risk Factors" section therein, which contains a discussion of the risks and uncertainties that the Fund believes are material to its business, operating results, prospects and financial condition. These risks include, but are not limited to, the following:

- We have a limited operating history and there is no assurance that we will achieve our investment objective.
- We are conducting a "blind pool" public offering pursuant to our prospectus and investors therein will not have the opportunity to evaluate our investments before we make them.
- You should not expect to be able to sell your shares regardless of how we perform.
- You should consider that you may not have access to the money you invest for an extended period of time.
- We do not intend to list our shares on any securities exchange, and we do not expect a secondary market in our shares to develop prior to any listing.
- Because you may be unable to sell your shares, you will be unable to reduce your exposure in any market downturn.
- We have implemented a share repurchase program, but only a limited number of shares will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions.
- An investment in our common shares of beneficial interest ("Common Shares") is not suitable for you if you need access to the money you invest. See "Suitability Standards" and "Share Repurchase Program" in the Fund's prospectus.
- We cannot guarantee that we will make distributions, and if we do, we may fund such distributions from sources other than cash flow from operations, including the sale of assets, borrowings, return of capital or offering proceeds, and although we generally expect to fund distributions from cash flow from operations, we have not established limits on the amounts we may pay from such sources.
- Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by Oaktree Fund Advisors, LLC (the "Adviser") or its affiliates, that may be subject to reimbursement to the Adviser or its affiliates. The repayment of any amounts owed to our affiliates will reduce future distributions to which you would otherwise be entitled.
- We use and continue to expect to use leverage, which will magnify the potential for loss on amounts invested in us.
- We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, which means that we are eligible to take advantage of certain exemptions from various reporting and disclosure requirements that are applicable to public companies that

are not emerging growth companies, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Common Shares less attractive to investors.

- We invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below-investment-grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be illiquid and difficult to value.

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the Fund's securities or determined if the Fund's prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This investor communication must be read in conjunction with the Fund's prospectus in order to fully understand all of the implications and risks of an investment in the Fund. This investor communication is neither an offer to sell nor a solicitation of an offer to buy securities. An offering of the Common Shares is made only by the Fund's prospectus, which must be made available to you prior to making a purchase of the Fund's Common Shares and is available at <https://osc.brookfieldoaktree.com>. Prior to making an investment, investors should read the Fund's prospectus, including the "Risk Factors" section therein, which contains a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition.

## FORWARD-LOOKING STATEMENTS

This investor communication contains forward-looking statements about Oaktree Strategic Credit Fund's business, including, in particular, statements about its plans, strategies and objectives. You can generally identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. These statements include Oaktree Strategic Credit Fund's financial projections and estimates and their underlying assumptions, plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and they are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and most of which are beyond Oaktree Strategic Credit Fund's control. Although Oaktree Strategic Credit Fund believes the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there is no assurance that these forward-looking statements will prove to be accurate, and Oaktree Strategic Credit Fund's actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by Oaktree Strategic Credit Fund or any person that Oaktree Strategic Credit Fund's objectives and plans, which it considers to be reasonable, will be achieved.

You should carefully review the "Risk Factors" section of Oaktree Strategic Credit Fund's prospectus, and any updated risk factors included in Oaktree Strategic Credit Fund's periodic filings with the Securities and Exchange Commission (the "SEC"), which will be accessible on the SEC's website at [www.sec.gov](http://www.sec.gov), for a discussion of the risks and uncertainties that Oaktree Strategic Credit Fund believes are material to its business, operating results, prospects and financial condition. These factors should not be construed as exhaustive, and they should be read in conjunction with the other cautionary statements that are included in this document (or Oaktree Strategic Credit Fund's prospectus and other SEC filings). Except as otherwise required by federal securities laws, Oaktree Strategic Credit Fund does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## DISTRIBUTION MANAGER

Brookfield Oaktree Wealth Solutions LLC (member FINRA/SIPC) is the distribution manager for the Oaktree Strategic Credit Fund public offering. A copy of the prospectus for the Fund's public offering may be obtained from Brookfield Oaktree Wealth Solutions LLC.

**Before investing, consider the Fund's investment objectives, risks, charges and expenses. To obtain a prospectus, which contains this information, please download the prospectus from [osc.brookfieldoaktree.com](https://osc.brookfieldoaktree.com). Please read the prospectus carefully before investing.**

Brookfield Oaktree Wealth Solutions LLC (member FINRA/SIPC) is the distribution manager for the Oaktree Strategic Credit Fund offering.

Investment Products: Not FDIC Insured | May Lose Value | Not Bank Guaranteed


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