

# Oaktree Strategic Credit Fund

Shareholder Update for the Quarter Ended June 30, 2025

## Highlights

**3.57%**

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

**10.37%**

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

**\$6.4B**

Fair Value  
of Investments

**90.3%**

Senior Secured  
Investments<sup>3</sup>

**93.3%**

Floating Rate  
Investments<sup>4</sup>

**0.47x**

Leverage<sup>5</sup>

## Quarterly Performance Update

The **Oaktree Strategic Credit Fund** (the “Fund”) reported solid performance for the second calendar quarter of 2025 amid continued market volatility fueled by macroeconomic and geopolitical challenges. The Fund’s net asset value (NAV) per share finished the second calendar quarter of 2025 at \$23.14, down slightly from \$23.28 as of March 31, 2025. The Fund’s annualized distribution rate for Class I shares was 10.37%<sup>2</sup> and the net return for the quarter for Class I shares was 2.00%<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 June 30, 2025, the Fund:

- Made over \$1 billion in new investments, including 17 private loan originations, in the quarter
- Had net leverage of 0.47x,<sup>5</sup> positioning the Fund to go on the offensive to invest in attractive opportunities as they arise
- Was over 90%<sup>3</sup> senior secured, demonstrating our focus on being at the top of the capital structure
- Had a 93%<sup>4</sup> allocation to floating-rate debt, which we believe positions us well in an uncertain rate environment
- Was diversified across 171 issuers and more than 35 industries, which helps to avoid being overly reliant on any particular industry for sourcing deal flow<sup>6</sup>
- Had an average debt position (including unfunded commitments) of \$49.5 million and a weighted average yield on debt investments of just over 9.6%
- Had a median portfolio company EBITDA of \$177 million and loan-to-value of approximately 44%, 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>7</sup>

## Outlook

We believe the portfolio's construction positions us well to navigate today's market backdrop. While interest rates remained elevated and job growth slowed in the second calendar quarter of the year, the U.S. economy continued to see healthy consumer spending, and credit instruments continued to provide investors with the potential for attractive risk-adjusted returns.

During the second quarter, uncertainty surrounding the implementation of increased tariffs and their potential impact on inflation, the economy, and monetary policy deterred M&A (mergers and acquisitions) activity, which remained muted. Consequently, most lending in the marketplace pivoted to refinancing existing debt, rather than *de novo* buyouts. Robust CLO (collateralized loan obligation) issuance in recent months has created some competition for deal flow, and some deals moved from the private market into the broadly syndicated loan (BSL) market.

This dynamic, coupled with continued strength of fundraising for private credit, pushed credit spreads tighter albeit with a slight reprieve in April when spreads briefly widened by ~25 bps. Recently, new-issue first lien loan spreads for a few high-quality large-cap borrowers have been pricing as low as SOFR + 425 bps. However, most higher quality assets are being financed in the SOFR + 450 to 475 bps range. Despite this spread tightening, we still find direct loans interesting given they enjoy a 100-150 bps yield premium to comparable new issue BSLs, which are pricing in the SOFR + 325 bps context and come with lower original issue discounts.

Our pipeline remains robust in this environment, however, we believe prudent managers should remain disciplined to pass on opportunities where risk-adjusted returns fall short. Similarly, we believe investors should prioritize managers with strong credit selection and workout capabilities over those focused on rapid deployment.

Beyond core middle market lending in the U.S., we are seeing pockets of opportunity in asset-backed financing and life sciences—areas where Oaktree has extensive capabilities. We are observing increased opportunities in Europe, supported by a strengthening economic outlook and favorable valuation metrics. Concurrently, we are seeking to expand our capabilities across the Asia Pacific region and within infrastructure debt.

Against this backdrop, credit quality has remained stable and most problems are tied to company-specific issues where management teams have not executed in line with expectations, creating financial pressure on their balance sheets and capital structures.

We are also keeping a close eye on areas of potential risk within the portfolio, including the use of PIK (payment-in-kind) income. In this regard, we have maintained a conservative stance and continue to rank near the low end of our peer set with PIK as a percentage of total income at 1.5% as of the end of the second calendar quarter.

The Fund recently celebrated its three-year anniversary and delivered a three-year net return of 9.53%<sup>1</sup> and distribution rate of 10.37%<sup>2</sup>, outperforming traditional fixed income benchmarks and demonstrating its ability to navigate market turbulence and an uncertain interest rate environment. The portfolio's emphasis on senior secured, predominantly first lien floating-rate investments offers resilience across diverse market environments, and Oaktree's extensive experience navigating multiple economic cycles has equipped us to identify and seize opportunities, particularly during periods of heightened volatility. We believe that maintaining ample capital, adopting a long-term perspective, and staying disciplined through short-term market fluctuations positions the Fund well to capitalize on future opportunities.

All data as of June 30, 2025, 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](https://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 Net Returns as of June 30, 2025<sup>1</sup>

	Monthly	Quarter	Calendar Year-to-Date	1-Year	3-Year	Since Inception	Distribution Rate <sup>2</sup>
Class S Without Placement Fees	0.71%	1.79%	3.14%	8.00%	8.61%	8.61%	9.52%
Class S With Maximum Placement Fees	-2.79%	-1.71%	-0.36%	4.50%	7.61%	7.61%	
Class D Without Placement Fees	0.76%	1.94%	3.44%	8.65%	–	10.15%	10.12%
Class D With Maximum Placement Fees	-0.74%	0.44%	1.94%	7.15%	–	9.50%	
Class I	0.78%	2.00%	3.57%	8.92%	9.53%	8.36%	10.37%

#### 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. Returns for periods greater than one year are annualized. 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 July 31, 2025. 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 and distributions may be modified at the Board's discretion. Distributions may be funded from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds. Distributions paid from offering proceeds may constitute a return of capital. We have no limits on the amounts we may pay from such sources to fund distributions. For the nine months ended June 30, 2024, the Fund estimates that approximately 88% of the distribution referenced herein is attributable to current fiscal year net investment income and that the remaining portion (12%) may be considered a return of capital, each as determined in accordance with generally accepted accounting principles. Final determination of our annualized distribution rate's tax character will be reported on Form 1099 DIV (as applicable) sent to shareholders each January (as applicable). Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by the Adviser or its affiliates, that may be subject to reimbursement to the Adviser or its affiliates, and therefore can reduce future distributions to which you would otherwise be entitled. 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 this offering (and any future offering) and the performance of our investments. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of this offering will result in us having less funds available to acquire investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than 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 offering. Where distributions are funded through borrowings, the distribution rate may not be sustainable.

<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>Net leverage ratio calculated as total debt divided by total net assets after adjusting for cash and cash equivalents.

<sup>6</sup>Diversification does not ensure a profit or protect against loss in a declining market.

<sup>7</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 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.




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