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Oaktree Strategic Credit Trust Q3 2025 Podcast Transcript

Introduction: Before we get started, it is our obligation to give you some important information.

Any comments made on this podcast may include forward looking statements. These statements that relate to future results and events are based on current expectations. Actual results in future periods may differ materially from those currently expected because of a number of risks, uncertainties and assumptions. The risks, uncertainties and assumptions that we believe are material are outlined in publicly accessible regulatory filings.

All investing involves risk. The value of an investment will fluctuate over time, and an investor may gain or lose money or the entire investment. **Past performance is no guarantee of future results.**

A fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by visiting www.brookfieldoaktree.com

Read the prospectus carefully before investing.

This podcast is for direct unitholders of Oaktree Strategic Credit Trust.

Clark Koury (Clark): Hi everyone, and welcome to the second edition of the Manager Minute podcast for Oaktree Strategic Credit Fund. My name is Clark Koury and I'm head of the product specialist team here at Oaktree, and joining me today is Milwood Hobbs Jr., deputy CIO of our Fund.

Today we'll discuss Oaktree Strategic Credit Fund's performance and positioning for the quarter ended September 30th, 2025, as well as the Fund's outlook. The Fund sits at nearly \$6.9 billion in total investments at fair value at the end of the quarter, up from just over \$5 billion at the beginning of the year.

The Canadian feeder generated a net return of 1.92% for the quarter, bringing its trailing three-year net return to 9.07%, trailing one-year net return to 6.51%, and 7.59% since inception.¹

As of the end of September, the annualized net distribution rate stood at 8.85%² for Series F units, and the fund has maintained a conservative net fund level leverage of 0.5 times.

¹ Inception is June 1, 2022.

² 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.** As the Fund invests substantially all its assets in the Master Fund, the Fund's ability to pay and the amount of distributions will be almost entirely based on the distributions paid by the Master Fund as distributions from the Master Fund received by the Fund, if any, will generally be converted to Canadian dollars for Series F and Series B Units, and distributed by the Fund to its unitholders. Distributions for Series U units will be distributed in U.S. dollars. Distributions will be subject to, in the Manager's sole discretion, reasonable reserves for the payment of expenses of the Fund and other obligations of the Fund, less any tax required to be withheld by the Fund. There is no assurance that the Master Fund or the Fund will pay distributions. Distributions of the Master Fund 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 for U.S. tax purposes. The Master Fund has no limits on the amounts it may pay from such sources to fund distributions. Distributions may

Milwood, let's bring you into the conversation. One of the most interesting men on the street coming to us live from Livingston, New Jersey. Often, Charles Barkley is mistaken for Milwood Hobbs. Welcome to the convo.

Milwood Hobbs, Jr. (Milwood): You're too kind, and thank you for that introduction. I should use you for all my introductions.

Clark: I like being a hype man for you.

Milwood: I appreciate it. So look, thank you for the time. It's great to join you on the Manager Minute. In terms of positioning, the portfolio is comprised of approximately 76% private assets as of September 30th, 2025. We are staying senior in the capital structure with roughly 93% of our investments in senior-secured debt, mostly first lien across 158 issuers.

Clark: Thanks, Milwood. Credit quality continues to be a big focus for us as well as the market. You're seeing it in some of these headlines. Can you offer some insight for us on that front?

Milwood: Yeah, and I think the market is starting to read in some of the headlines, and I would say our portfolio continues to be in solid shape with median leverage at 4.8 times, loan-to-value just over 43% and interest coverage at 2.1 times, which speaks to the underlying stability of the companies we're providing capital for. Non-accruals remain de minimis at four basis points³ of fair value, something we are very focused on at Oaktree. Overall, the default backdrop remains well below historical average within private credit. I think that demonstrates the assets class resilience in light of recent headlines and economic uncertainty.

Clark: On the last Manager Minute episode that we did with Raghav, we discussed how more and more managers are using PIK (or paid in kind)⁴ as a way to win in the market versus other asset classes like broadly syndicated loans where it's a little bit less common. We also talked about the difference between PIK at origination and restructured PIK or amended PIK, good and bad PIK, as they call it. Milwood, have you noticed any further trends on the PIK front or more broadly any other trends that are notable in the marketplace today?

Milwood: Yeah, Clark, we have seen certain parts of the market show early signs of stress, and PIK interest and private credit has climbed to its highest level in about four years. This kind of PIK is often tied to deal amendments where we're addressing the borrower's cash flow constraints rather than a proactive desire for payment flexibility. Within our own portfolio, we remain conservative on PIK and continue to sit near the low

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 the Fund would otherwise be entitled. The extent to which the Master Fund pays distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in its distribution reinvestment plan, how quickly the Master Fund invests the proceeds from its offerings and the performance of its investments. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of an offering will result in the Master Fund having less funds available to acquire investments. As a result, the return the Fund would realize on its investment may be reduced. Doing so may also negatively impact the Master Fund's ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute the Fund's interest on a percentage basis in the Master Fund and may impact the value of the Fund's investment especially if the Master Fund sells these securities at prices less than the price the Fund paid for the shares. The Master Fund believes the likelihood that it will pay distributions from sources other than cash flow from operations will be higher in the early stages of its offering.

³ A basis point (bp) is a unit of measurement used in finance, equivalent to one one-hundredth of one percent (0.01%).

⁴ PIK occurs when a borrower pays interest "in-kind," deferring and adding interest payments to the outstanding balance of a loan in lieu of cash payment. Sometimes called toggle notes or toggle loans, PIK allows borrowers to switch between paying interest in cash or in-kind. PIK often commands a higher interest rate to compensate the lender for additional risk.

end of our peer group, with PIK representing just 1.4% of total investment income. We prefer to use PIK judiciously and in situations such as financing a high return on equity project or a carve-out acquisition that requires the PIK option only for defined period, we would like to add, after which a project or acquisition generates the necessary cash flow to cover the debt's full cash interest payment.

Clark: Thanks, Milwood. Appreciate the color there, and I think that posturing has really resonated in a lot of ways with our clients. Let's switch gears a bit and turn to the market opportunity and what we're seeing from an origination standpoint.

Milwood: Yeah, I think look, we continue to put capital to work at scale. We've committed over a billion dollars in new investments during the quarter, primarily again, consistent with our philosophy and the current market backdrop and first lien loans. Over 70% of those commitments were in private credit, which helped us pick up additional yield. And then the last thing I'd like to add, we have over 500 million in repayments and sells primarily from both our public and private debt holdings.

Clark: Love the deployment figure, a lot of deployment there. And maybe before we pack the opportunities in the private markets, let's discuss that public component which you just alluded to. That makes up roughly 22% of our current exposure on a committed but unfunded basis. Looking at the market, performance of risk assets was strong throughout the third calendar quarter, supported by those lower rate expectations, tighter credit spreads as well as an uptick in economic data surprises. Without a significant uptick in inflation, the FOMC delivered the first 25 basis points of expected cuts in its September meeting.

Without a significant uptick in inflation, the FOMC delivered the first 25 basis points of expected cuts in its September meeting. Rates across the curve ended the quarter lower with a yield on the two and ten-year US treasuries declining by 11 and eight basis points respectively to 3.61 and 4.15%.

Although risk assets have performed well, we believe uncertainty is likely to persist, and Milwood, you should chime in on this. We see potential risks stemming from another possible U.S. government shutdown in January, pending Supreme Court rulings related to the Fed and tariffs, aggressive expectations for future rate cuts. With that macro backdrop in mind, Milwood, what are your thoughts on the public markets as we head into the end of the year?

Milwood: Look, I think, Clark, you highlight a couple significant potential headlines. The market has historically digested the information with relative ease and continues to power forward. I think the question will become at what point does the market find a little bit of indigestion with the potential headlines that you mentioned? I think for us, we continue to see price upside with bonds in particular as well as the broader market benefits from a lower interest rate environment. Broadly syndicated loans, or BSLs as they're commonly referred to, have rebound meaningfully, and I think that's just a function of capital continuing to find the space of credit interesting. And public credit markets have actually seen growing competition with private credit markets, and we think that dynamic is healthy for the market to have attention between public and private markets. In the large cap space, sponsors have taken advantage of the opening of both markets and tend to dual track transactions with more direct loans migrating into the syndicated market right now than the other way around, although like I've mentioned earlier, there continues to be robust activity in both markets.

Clark: Given that backdrop, which I think is really helpful, what are you seeing in the private markets? Where is their opportunity?

Milwood: Yeah, we think most new issue first lien loans today are landing in that SOFR⁵ plus four hundreds context or above, which we think still offers a reasonable premium compared to BSLs, which have tightened really recently on the back of strong CLO demand. In Europe, private credit pricing is generally holding around your LIBOR plus high four hundreds for both large cap and middle market deals. Even though the market has shown some signs of stress, and I'm talking about the private credit with a higher pick interest usage and growing concerns over credit quality and private portfolios, we continue to believe that our discipline, underwriting and selectivity remain key to our investment approach.

Clark: One of the things that we've talked a lot about our clients with, Milwood, is our capabilities in the non-sponsor space. If you look at our private credit exposure today, it is largely sponsor-driven, about 90% versus non-sponsor. Are we starting to see more opportunities in the non-sponsor side today?

Milwood: Yeah, look, I think regional banks, if you just think about our competition, have generally been the largest lender to non-sponsor given how they price deposits and the ability to offer relationship pricing as they provide other suites of products to their clients. We think that that may actually shift a little bit as the regional banks deal with large asset pools in commercial real estate. You're seeing what's happening with ABF. As the balance sheets of regional banks are becoming full, ABF has actually migrated and asset-based finances migrate a little bit into private credit. So we think there could be future opportunities in non-sponsored lending as a source of differentiated opportunities, and again, that gives us a higher spread or premium to the traditional sponsor private credit deal. It's a little bit longer sales cycle and requires some more work, but given our hub and spoke origination model where we've got regional resources, we think we're best capitalized on that opportunity.

Clark: Perfect transition to the pipeline, especially since private equity activity has really yet to reach the deployment pace that I think many had expected at the onset of 2025. Where are you seeing value within the opportunity set today and specifically within our pipeline?

Milwood: Yeah, we were pretty excited about M&A activity and then we had Liberation Day and that sort of paused, so it's on the slower end on the M&A side, although I think it's picked up a little bit. We see the direct lending market in the U.S. continue to remain pretty active as sponsors, of course are taking advantage of the capital available and the improved financing conditions to provide refinancing and re-capitalizations in an environment where a tremendous amount of capital is chasing yield and risk premiums have compressed. We think it's important to remain disciplined and we continue to pass on opportunities where risk-adjusted returns may fall short for us.

There are a few other markets we find compelling, but it's worth noting they fall outside of the BDC qualifying asset test. As a reminder, BDCs are generally required to invest 70% of capital in qualifying assets which are private or public U.S. companies with a market capitalization of less than \$250 million. European direct lending is one such market, and it's interesting given an improving economic outlook. They continue to have favorable valuation trends and relatively good insulation from tariffs. We think spreads there are in the 525, the 575 over, and we continue to see pockets of opportunities to deploy in Europe. I think the other areas where we see opportunity, and I mentioned earlier asset-backed financing and then life sciences where we've got we think a differentiating strategy and approach.

⁵ The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

Clark: Looking a little further ahead, and you sort of alluded to this in terms of the portfolio positioning around risk, how are we thinking about managing risk in this environment given some of the trends, the headline risks, the macroeconomic concerns that are out there?

Milwood: Yeah, look, I think it's important that we first hold true to one of our tenants and that is price and risk, so I think we continue to look for opportunities where we feel like we can appropriately price the risks from number one. I think we also in this market where some may view capital as a bit of a commodity, we continue to leverage our sourcing capabilities in what we think is unique hub-and-spoke model. And then again, active portfolio monitoring becomes important given the things that are potentially changing the market landscape. We find that discussions and robust dialogue on a weekly basis around our names is a helpful approach to managing that portfolio.

Clark: And really, I think summarizing everything you just said, is really focusing on the things that we can control in the environment. Why is the focus that we have on risk control so important in this environment?

Milwood: Yeah, Clark, you said it right. Again, we feel good about our pipeline, but as you know, deal quality can vary. So deployment needs to be balanced with selectivity. I think in this market, access selection remains paramount. No matter what the pricing is, if you pick the wrong assets, that can be detrimental to your portfolio. And we think investors should prioritize managers with strong credit selection and underwriting capabilities over those that are probably more focused on deploying the many dollars that are coming in.

Clark: Milwood, let's shift gears a bit, and we're fortunate to have you, I would say one of Oaktree's best storytellers here, but as you know, stories are what sell. I want to provide listeners with a real world example of how our strategy comes together and would like to have you highlight a recent or specific portfolio holding that you feel showcases some of the attractive opportunities we're seeing in the market as well as the credit selection and risk orientation piece.

Milwood: Yeah, Clark. Sure. I've been doing leveraged buyouts since 1999, so always happy to talk about an investment. One notable one this quarter was the Walgreens Boots Alliance, which is an integrated healthcare pharmacy and retailer with 170-year history. I think most people, at least in the U.S. have heard of Walgreens, and I think most people in Europe have heard of Boots. The company was taken private by Sycamore Partners⁶ for over \$20 billion and the sponsor was basically going to split the conglomerate into four operating businesses. Each segment required its own bespoke lending solution, and the sponsor sought lenders who could move quickly to underwrite the distinct challenges and the transformation opportunities of the retail and pharmaceutical businesses.

This was a really collaborative approach across several strategies at Oaktree, and I would note that the capital markets professional who was running the deal for Sycamore, we have been doing deals together since 2005, so familiarity and comfort with the relationship, not only of the firms together more broadly, but just our deal sort of philosophy and acumen was very important in the structure.

Clark: Obviously a very large deal. Can you unpack the structure of the financing a little bit more?

Milwood: Thanks, Clark. Sure. Oaktree, several funds collaborate and acted as a joint lead arranger for the \$2.5 billion first in last out, FILO first lien term loan to support the U.S. retail business. The FILO was priced at SOFR

⁶ The case study discussions are provided for informational purposes only and are intended to illustrate the investment process. Does not constitute a recommendation nor investment advice and should not be used as the basis for any investment decision. This is not a representation that an investment in the securities described were or will be profitable.

plus 700 basis points, and it came with a two and a half point OID, original issue discount, which we believe is attractive for the industry risk and complexity of the deal. And again, I think one of our hallmarks is pricing risk and helping sponsors navigate more complicated financing opportunities, so we were happy to be an anchor and lead in this transaction.

Clark: No, you touched on it with your last sentence there around industry risks and complexity of the deal a little bit, but talk a little bit more about how this particular financing is reflective of our fund strategy.

Milwood: Yeah, look, I think this deal underscores the core of Oaktree and its deep expertise around pricing risks, evaluating things like inventory, and really our loan track record of investing in FILOs made us comfortable with the collateral coverage of the loan. This transaction also demonstrates our flexible approach and emphasis on relative value, which allows us to capitalize on complicated yet compelling investment opportunities across a range of market environments. More broadly, the fund, and that is Oaktree Strategic Credit Fund, aims to deliver stable income through monthly distributions with the potential for attractive capital appreciation.

Clark: Thanks for walking us through that example, Milwood. It really comes down to identifying differentiated opportunities where we can add value. Milwood, great guest.

That wraps up our second episode of the Manager Minute podcast for Oaktree Strategic Credit Fund. We appreciate your support and thanks to our listeners for tuning in. We hope you found this discussion insightful and we look forward to catching up again next quarter with more updates and perspectives. Take care.

As of September 30, 2025.

DISCLOSURES

All of the information contained herein regarding the Master Fund or Oaktree Fund Advisors, LLC (the “Adviser”), the manager of the Master Fund, has been provided by the Adviser. This website is confidential and is not an offer to sell nor a solicitation of an offer to buy securities of the Fund or the Master Fund. Any offering of securities of the Fund will only occur in accordance with the terms and conditions of the Fund’s confidential offering memorandum, which describes more fully the implications, terms and risks of the Fund. Notwithstanding the foregoing, an investment in the Fund is not an investment in the Master Fund and a unitholder of the Fund will have no contractual relationship with or direct recourse against the Master Fund or the Adviser.

Summary of Risk Factors:

Because the Fund has been established to invest substantially all of its assets in the Master Fund, an investment in the Fund involves all of the risks of investing in the Master Fund in addition to those risks particular to the Fund and its operation as a feeder Fund. The Master Fund may purchase certain instruments or utilize certain investment techniques that carry specific risks. Accordingly, investment in the Fund involves considerations and risk factors that prospective investors should consider before subscribing. The risks associated with the Master Fund are not summarized fully below but rather are described in “Risk Factors” in the Master Fund prospectus (the “Master Fund Prospectus”). The following are key risks of an investment in the Fund itself.

Investment Risks in General. All investments in securities risk the loss, including the complete loss, of capital. No guarantee or representation is made that the Fund’s or the Master Fund’s investment strategy will be successful, and investment results may vary substantially over time. Adverse changes in regulation and

provincial, national or international economic conditions, including, for example, financial market fluctuations, local market conditions, governmental rules and fiscal policies, availability of terms of debt financing, and interest rates, can affect substantially and adversely the prospects of the investments of the Master Fund and, consequently, the performance of the Fund.

Investment of Substantially All Assets in the Master Fund. Because the Fund invests substantially all of its assets in, and conducts its investment program through, the Master Fund, prospective investors should also carefully consider the risks that accompany an investment in the Master Fund. The risks and conflicts of interest described in the Master Fund Prospectus with respect to the Master Fund and an investment therein apply generally to the Fund and investment in the units of the Fund. The returns of the Fund depend almost entirely on the performance of its investment in the Master Fund and there can be no assurance that the Master Fund will be able to achieve its investment objective or implement its investment strategy. Certain ongoing operating expenses of the Fund, which will be in addition to those expenses indirectly borne by the Fund as an investor in the Master Fund, generally will be borne by the Fund and the Unitholders, with a corresponding impact on the returns to the Unitholders. Such additional expenses of the Fund will reduce the Fund's performance relative to the Master Fund. Although the Fund will be an investor in the Master Fund, investors in the Fund will not themselves be investors of the Master Fund and will not be entitled to enforce any rights directly against the Master Fund or assert claims directly against the Master Fund or its affiliates. Brookfield Public Securities Group LLC (the "Manager") is not the manager or adviser of the Master Fund and does not have any control whatsoever over its trading strategies or policies. None of the Fund nor the Manager will take part in the management of the Master Fund or have control over its management strategies and policies. The Fund is subject to the risk of bad judgment, negligence or misconduct of the Adviser. The terms of the Master Fund are subject to change.

Investments in privately owned small- and medium-sized companies pose a number of significant risks. The Master Fund invests primarily in privately owned medium-sized companies and may also invest in privately owned small companies and, as a result, the Fund will have significant exposure to such companies. Investments in these types of companies pose a number of significant risks. For example, such companies: (a) have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress; (b) may have limited financial resources and may be unable to meet their obligations under the debt securities that the Master Fund may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Master Fund realizing any guarantees it may have obtained in connection with its investment; (c) may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns; (d) are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on the Master Fund; (e) may have less predictable operating results, may from time to time be parties to litigation, may be engaged in volatile businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and (f) are not subject to the U.S. Securities Act of 1933, the U.S. Commodity Exchange Act and other regulations that govern public companies, and, therefore, provide little information to the public. In addition, the Master Fund, the Adviser, its and their affiliates and directors, executive management team and members, and the investment professionals may, in the ordinary course of business, be named as defendants in litigation arising from the Master Fund's investments in such portfolio companies. Further, investments in such companies tend to be less liquid.

Finally, little public information generally exists about privately owned companies, and these companies often do not have third-party debt ratings or audited financial statements. Unitholders, therefore, must rely on the ability of the Adviser to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. Additionally, these companies and their financial information will not generally be subject to the U.S. Sarbanes-Oxley Act of 2002 and other rules that govern U.S. or Canadian public companies. If the Adviser is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and shareholders may lose money on their investments.

These factors may make certain portfolio companies of the Master Fund more susceptible to the adverse effects of COVID-19 or other outbreaks and resulting government regulations.

The Master Fund is regulated as a Business Development Company and taxed as a Registered Investment Company. To qualify for the tax benefits available to registered investment companies (“RICs”) and to minimize corporate-level U.S. federal income taxes, the Master Fund intends to distribute to its shareholders at least 90% of its taxable income each tax year, except that it may retain some or all of its net capital gains, and to designate the retained amount as a “deemed distribution.” In that case, among other consequences, the Master Fund will pay corporate-level tax on the retained amount. The amount of the deemed distribution net of such tax will be added to its shareholder’s cost basis for its shares of the Master Fund for U.S. tax purposes.

As a business development company, the Master Fund may issue “senior securities,” including borrowing money from banks or other financial institutions so long as it meets meet an asset coverage ratio, as calculated as provided in the U.S. Investment Company Act of 1940, of at least 150%, after such incurrence or issuance.

These requirements limit the amount that the Master Fund may borrow, may unfavorably limit its investment opportunities and may reduce its ability in comparison to other companies to profit from favorable spreads between the rates at which it can borrow and the rates at which it can lend. If the value of its assets declines, the Master Fund may be unable to satisfy the asset coverage test, which could prohibit it from paying distributions and could prevent it from being subject to U.S. tax as a RIC. If the Master Fund cannot satisfy the asset coverage test, it may be required to sell a portion of its investments and, depending on the nature of its debt financing, if any, repay a portion of such indebtedness at a time when such sales may be disadvantageous.

No Due Diligence of the Master Fund. The Fund has been formed specifically to invest in the Master Fund, and the Manager has not conducted due diligence to evaluate alternative potential investments for the Fund. The Manager does not intend to conduct investment or operational due diligence with respect to the Master Fund and its target investments. Similarly, the Manager will not perform any due diligence on or otherwise gauge the effectiveness of the Master Fund’s investment program or process. Accordingly, there is a risk that the Manager may not detect potential conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses with respect to the Master Fund, any of which may give rise to substantial losses.

Reliance on the Adviser. The Master Fund’s success, and in turn the Fund’s success, is dependent upon the relationship with, and the performance of, the Adviser in the management of Master Fund’s portfolio, and Master Fund’s operations. The Adviser may suffer or become distracted by adverse financial or operational problems in connection with its business and activities unrelated to the Master Fund and over which the Master Fund, the Fund and the Manager have no control. Should the Adviser fail to allocate sufficient

resources to perform its responsibilities to the Master Fund for any reason, the Fund may be unable to achieve its investment objectives or to pay distributions to investors.

Tracking Error. Although the Fund invests substantially all of its assets in the Master Fund, its performance will not be identical to the returns achieved by the Master Fund. The costs and expenses applicable to an investment in the Fund itself (including the management fee, the Fund's loan facility, the Fund's investment in cash equivalents and cost of the hedging strategy) will necessarily result in the Fund underperforming the Master Fund shares. In addition, a variety of other factors may contribute to deviations between the performance of the Fund and the Master Fund, including, but not limited to, tax consequences, the Fund's loan facility, the fact that a portion of the Fund's assets may be invested in cash equivalents and the Fund's hedging strategy. From time to time and over time, there will be a tracking error between the performance of the Fund and the performance of the Master Fund that could, under certain circumstances, be material.

Reliance on Information Received from the Master Fund and the Adviser. The Fund has no means of independently verifying the information supplied to it by the Master Fund or the Adviser, including valuations and estimates of valuations (and subsequent potentially material revisions to such valuations or estimates) of investments made by the Master Fund. All information prepared by the Fund, the Manager and the Fund's administrator and provided to Unitholders generally will be based on information received from the Master Fund. There can be no assurance that such information will be accurate. The Manager is entitled to rely conclusively on valuations provided to it by the Master Fund and shall not be liable to existing or former Unitholders for its reliance on any erroneous valuations or calculations provided by the Adviser or the Master Fund or any other service provider thereto.

Inflation. Certain of the portfolio companies of the Master Fund may be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results and their ability to pay interest and principal on their loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in the Master Fund's portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of the Master Fund's investments could result in future unrealized losses and therefore reduce its net assets resulting from operations.

Government Intervention. In recent years, the global financial markets have undergone disruptions which have led to certain governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the market or the effect of such restrictions on the objective and strategies of the Fund and the Master Fund.

Deployment of Capital by the Master Fund. In light of the nature of Master Fund's continuous offering and its investment strategy and the need to be able to deploy capital quickly to capitalize on potential investment opportunities or to establish reserves for anticipated debts, liabilities or obligations, including liquidity needs, the Master Fund may hold cash in money market instruments pending deployment into other investments, the amount of which may at times be significant. While the duration of any such holding period is expected to be relatively short, in the event the Master Fund is unable to find suitable investments, such money market investments may be held for longer periods, which would dilute overall investment returns. It is not anticipated

that the temporary investment of such cash into money market investments will generate significant interest, and shareholders of Master Fund, including the Fund, should understand that such low interest payments on the temporarily invested cash may adversely affect the overall returns of the Master Fund.

Forward-Looking Statements:

Statements contained on this website that are not historical facts are based on the Manager's current expectations, estimates, projections, opinions or beliefs. Such statements are not facts and involve known and unknown risks, uncertainties and other factors. Prospective investors should not rely on these statements as if they were fact. Certain information contained on this website constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," "forecast" or "believe" or the negatives thereof or other variations thereon or other comparable terminology. Due to various risks and uncertainties, including those described in the confidential offering memorandum of the Fund, actual events or results or our actual performance may differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to future performance or such 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 us or any other person that our objectives and plans, which the Manager considers to be reasonable, will be achieved.

You should carefully review the "Risk Factors" section of the Fund's offering memorandum and the prospectus of the Master Fund for a discussion of the risks and uncertainties that the Manager believes are material to the Fund and its business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, the Fund and the Manager, do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any offers and sales of securities of the Fund in Canada will be made in accordance with regulatory requirements in the particular province through registered dealers including a Brookfield affiliate, Brookfield Investment Management (Canada) Inc. Any offering of securities of the Fund will only occur in accordance with the terms and conditions of the Fund's confidential offering memorandum, which describes more fully the implications, terms and risks of the Fund.

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