
**Oaktree Asset Backed Income Fund Inc. (“the Fund”)
Q2 2026 Podcast Transcript
Recorded on August 5, 2026**

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 privatewealth.brookfield.com

Read the prospectus carefully before investing.

Oaktree Fund Advisors LLC is the investment adviser and Quasar Distributors, LLC is the distributor of the Fund.

As of June 30, 2026

Jennifer Marques (Jennifer): Hello everyone, and welcome to the latest edition of The Manager Minute Podcast for Oaktree's Asset-Backed Income Fund. I'm Jennifer Marques, and I'm the head of strategy and structuring for Oaktree's asset-backed finance and structured credit platform. I'm thrilled to be joined by Chris Gray, managing director within Oaktree's structured credit team, and a lead for our consumer and esoteric ABF verticals. Chris, it's great to have you on the podcast today.

Chris Gray (Chris): Great to join you, Jen.

Jennifer: Chris also has deep experience in liquid-traded ABS,¹ and so we're going to dig into our perspective on relative value there too. First though, we'll start with a brief overview of how the portfolio performed during the quarter, and discuss how Oaktree approaches consumer lending within the context of asset-backed finance.

So we've reached the end of our second full quarter since the Fund launched, and whilst we're still ramping the portfolio, our Oaktree Asset-Backed Income Fund reached approximately \$424 million in net assets, and our portfolio is now invested across 75 issuers, constructed around a diversified selection of private asset-backed finance investments, everything from consumer loans, which we plan to spotlight in today's discussion, to transportation, aviation, and vehicle fleet financing, to business-critical equipment finance.

¹ Asset-Backed Securities (ABS) are financial investments backed by a pool of income-generating assets like loans, leases, or credit card balances.

The Fund's Class I shares generated a net return of 2.91% for the quarter and 3.22% since inception. The Fund's annualized net distribution rate was 9.69%, 9.19%, and 7.46% for the months of April, May, and June respectively.²

Average Annual Total Net Returns as of June 30, 2026

Share Class	1 Month	YTD	1-Year	3-Year	Since Inception (December 12, 2025)
Class I	0.42%	3.04%	-	-	3.22%

Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate, and shares may be worth more or less than their original cost. The Fund has a limited operating history. The since-inception return reflects approximately two full quarters of operations, is not annualized and may not be indicative of longer-term performance. Current performance may be lower or higher than the performance shown.

The annualized net distribution rate is not a measure of total return or investment yield. Distributions are not guaranteed and may be reduced or discontinued. Distributions may be paid from sources other than net investment income, including offering proceeds, borrowings or return of capital. A return of capital is not income, reduces an investor's tax basis and may reduce the Fund's assets available for investment.

As of June 30, 2026, the portfolio has an average spread³ of approximately 666 basis points⁴ and a gross portfolio-level yield of about 10.46%⁵.

The portfolio has a weighted average life of roughly 4.4 years, and from an income standpoint, the fund targets monthly distributions, and is designed to generate durable current income⁶ and attractive risk-adjusted returns.

Now, to pick up on the thread from our last podcast, we continue to see financing needs across the breadth of asset-backed finance markets, driven by continued bank retrenchment. In Oaktree's view, this structural shift continues to create opportunities for alternative lenders that can underwrite the underlying assets with expertise, understand the specialty finance companies and originators seeking capital, and provide flexible unrated financing solutions across sectors. We believe we're still in the very early innings of an exciting

² Distribution may contain return of capital.

³ Average spread is defined as the market value-weighted average option-adjusted spread for bonds and discount margin for loans of the portfolio in basis points.

⁴ A basis point is used to indicate changes in the interest rates of a financial instrument.

⁵ Calculated based on total debt investments only. Portfolio-Level Yield is calculated gross of any Fund-level fees and is not a yield calculation experienced by any investor in the Fund. Portfolio-Level Yield is a security-level yield measurement that varies by instrument type to provide a more comprehensive and comparable portfolio yield figure than a typical current yield or yield-to-worst calculation. Portfolio-Level Yield conventions are applied as follows: (i) Bank Debt – yield to maturity when priced below 90 and yield to a three-year workout when priced at or above 90; (ii) Corporate Bonds, Sovereigns, Treasuries, ABS, and CLOs – yield to worst based on the forward curve; (iii) Convertible Bonds – the lower of the yield to put date or yield to maturity; and (iv) CMBS/RMBS – yield incorporating transaction-specific prepayment, default, and extension assumptions. Average spread is defined as the market value-weighted average option-adjusted spread for bonds and discount margin for loans of the portfolio in basis points. Weighted average investment life (WAL) is the average length of time that each dollar of principal in the portfolio is expected to remain invested, weighted by the timing of principal repayments. The gross portfolio-level yield is a security-level portfolio metric calculated before Fund-level fees and expenses. It is not the yield or return experienced by an investor and may decline as a result of defaults, prepayments, market movements or other factors.

⁶ Durable current income refers to income that is reliable/consistent/long-lasting stream of cash flow, resilient to market volatility, economic shocks and inflation. There is no guarantee that the Fund will achieve its objectives.

changing of the guards in asset-backed finance, and that the Fund provides exposure to asset-backed investments across multiple sectors.

So before we turn our spotlight to the consumer lending vertical, it may be helpful to take a step back and revisit how critical this financing is to the real economy. Asset-backed finance is essentially financing that we provide to non-bank lenders, secured against the contractual assets they originate. These loans, leases, and receivables help finance activity across the real economy, from business-critical equipment and transportation assets, such as planes and trucks, to financing for essential consumer goods and services, including vehicles and home improvement loans.

With such a broad addressable market and different types of collateral, Chris, I now want to bring you in, and let's focus on consumer. I think it's important for our listeners to know upfront that consumer lending, of course, represents a very large part of the total addressable market in asset-backed finance, and indeed, if you include all consumer assets and residential mortgages, perhaps somewhere in the region of 60% to 80%⁷.

As we'll discuss, there are segments of the consumer sector we like, but we think one of the great things about asset-backed finances is diversity you can achieve across sectors and collateral types within a portfolio, and we see many interesting opportunities across the broader market too. We actively use diversification⁸ as a risk management tool, and our portfolio therefore tilts lighter versus the market in consumer concentration. Chris, with that context, help our listeners understand how we think about the consumer segment within ABF, and the pockets within it that we like.

Chris: So consumer lending is a very broad sector. It includes collateral types ranging from residential mortgages to auto loans, credit cards, student loans. In the context of ABF, our collateral is the obligation of these borrowers to repay their loans, and may be additionally secured by underlying hard assets, such as the cars or homes.

When we think about consumer, we focus on two elements, the product and the structure. On the product side, we look for high-touch essential use items, such as cell phones, HVAC systems, and vehicles, that we believe borrowers will prioritize in what we call the consumer priority of payments waterfall. In terms of financial stress, we want to be invested in assets that consumers are most likely to defend, and generally, we're wary of consumer lending that is reliant on automated algorithmic measures to estimate repayment likelihood rather than conducting common sense will-the-borrower-pay underwriting. We also prefer investments backed by some form of security, which may enhance recovery rates if a borrower defaults. And then, on the structural side, a common misconception is that we simply assess how assets are performing today. In reality, we underwrite to a range of downside scenarios, and design structures with built-in cushion to help mitigate risk on the downside.

Jennifer: It's interesting, consumer lending is a segment of the market that is often talked about, perhaps because it's a tangible part of our everyday lives, as you say, Chris, or perhaps because of the frequent data points. The state of the consumer is under constant debate. And so amid all this data, all the opinions and outlooks, how do you rationally evaluate consumer lending investments?

Chris: In order for us to lend against an asset, we need to understand how that asset is expected to perform and how it can perform in a downside. So macro data is clearly the first useful high-level input, unemployment rate, personal savings rate, but that doesn't drive all the analysis. For instance, we see divergence in consumer

⁷ Source: Bloomberg, Lincoln International, Pitchbook LCD, as of February 2025.

⁸ Diversification does not ensure a profit or protect against loss in a declining market.

trends across asset types, jurisdictions, and income bands. So really, a more nuanced approach is required to understand how these different products and credits might perform in a variety of environments.

Many in the market, many of our peers emphasize only transacting with prime borrowers. At Oaktree, we're more focused on predictability and stability of payment behavior. While prime credit scores are a favorable fact pattern, we emphasize narrowing the range of potential outcomes in our underwriting process so we can so we can apply structural features intended to mitigate certain adverse credit outcomes. Something we really stress at Oaktree is you can't be overly reliant on the data. Case in point, behind every consumer loan is an originator. The originator is the company that originates or creates the loans, so we look at those guys too. We have to overlay qualitative factors. How does the originator underwrite loans? How are they motivated or incentivized? Are they being aggressive, they're trying to grow, they're trying to take market share, or are they being conservative and they're more focused on making high-quality loans?

Jennifer: And that's where our decades of experience, having invested in originators in other pockets of capital at Oaktree, and the experience and intelligence that we have really comes to bear. So let's shift and talk about market dynamics. Is this another case of banks pulling back and creating space for alternative lenders?

Chris: That's certainly part of the story. There's tremendous scale in consumer lending across the spectrum, from large banks to regionals, credit unions to non-bank lenders. In recent years, we've seen significant growth in non-banks and specialty finance companies offering products that go beyond what banks have traditionally provided. We often find relative value in segments that were previously well-trafficked, but have seen lender retrenchment or performance hiccups. So banks stepping back, as you mentioned, is a good example. Some lenders are also still dealing with underperformance from the post-COVID period, '21 and '22, whereas others, especially asset-light non-bank lenders, may be struggling to place loans with buyers. We look for those situations because we're often able to negotiate better economics.

Jennifer: And Chris, can you talk us through an investment that you've been working on that exemplifies our approach in consumer?

Chris: Yeah. So we actually just finished the annual review of one of our first investments in the fund, a forward flow partnership with Time Investment Company.⁹ Time is a home improvement finance company. It was founded in 1982, based in Wisconsin. It originates home improvement loans mostly for water treatment services through a network of dealers. So in July 2025, Oaktree agreed to purchase an initial portfolio of loans combined with ongoing monthly purchases of new originations. That's what we mean by forward flow. So far, the partnership and investment has performed in line with our expectations.

I'll talk about a few things that attracted us to this deal with this originator specifically. So one, high-touch essential use assets. We already talked about this. Water filtration systems with low monthly payments installed onsite by dealers that borrowers are likely to defend in a downturn, that's what we like. Number two, borrower profile. The borrowers are mostly prime and they're all homeowners, that's important. And number three, asset security. This is a little complex, but Time files UCC liens for home improvement loans that exceed a certain dollar size or become delinquent. What does that mean? It gives the company, as buyers, a security interest in the assets. Now, realistically, if a borrower defaults, we're not going to take back a water filtration

⁹ As of June 30, 2026, Time Investment Company represented 2.6% of the Fund's portfolio (by market value). 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. The investment was selected to illustrate aspects of Oaktree's investment process and is not representative of all Fund investments. Other investments may have experienced materially different results. The discussion should not be viewed as a recommendation or as evidence that the investment or similar investments will be profitable.

system. But it means when the borrower comes to sell their home or refinance their mortgage, the UCC appears as a lien that needs to be paid off. This is a large driver of recoveries on defaulted loans.

Jennifer: That's a strong product story, essential use consumer financing. What attributes of the originator, Time, were compelling?

Chris: So as it relates to the qualitative factors that we discussed earlier, management expertise and company philosophy were a big driver for us here. They closely align with what Oaktree looks for when partnering with originators. They have a long history of prudent originations and established dealer relationships. They don't grow for growth's sake, but rather they prioritize credit quality over volume. They don't put blind faith into AI or machine learning models to predict performance, but rather hands-on experience. Jen, here's something you'll like. The management team, along with most new employees, start in the collections department so they can really understand the lending business and what it takes to service and manage loan collections.

Jennifer: I think that's critical. The real credit focus there was very important to our underwriting.

Chris: Yeah. There's a few other things we like about this investment. We have aligned incentives with the company. So we pay them an upfront purchase price, we pay them an ongoing servicing fee, but we also structured the deal with delayed economic incentive payments based on performance milestones. So if the loans perform as expected, we will pay them more at a later date. That's to ensure that the company is aligned with us in originating quality loans and servicing them to high standards.

We also have a tight buy box. So we want to control what we're buying, and we control that through numerous concentration limits and a loan pricing matrix so we can ensure that the company's originating loans in line with our expectations. This covers a range of different variables, including FICO, dealer concentrations, promotional contracts, state concentrations, asset type concentrations. There's a whole bunch to really craft the buy box to what we want.

And then, relative value is the final thing I'd touch on in this investment. We're the company's only forward flow partner, we're not one of many, which allowed us to be a price maker versus a price taker. We spent a lot of time with the company to develop the program, and therefore are able to buy loans using conservative underwriting assumptions at a spread premium to comparable transactions in the market.

Jennifer: I think that's really important, relationship-based flexible financing. So of course, consumer lending is only one part of the asset-backed universe, and one of the advantages we have at Oaktree is the ability to draw on expertise across the full range of the market. We're not limited to one or two areas.

Chris: Absolutely. We cover a bunch of other sectors, including equipment, transportation, real estate, commercial, energy, and infrastructure, which includes digital infrastructures, like data centers and fiber. The US is undergoing a massive CapEx¹⁰ cycle right now, and we're seeing opportunities to lend against cash-flowing assets in securitized structures that we find attractive. The ABF universe, as you say, is vast, and Oaktree's experience allows us to evaluate relative value across sectors, investment formats, and collateral types.

Jennifer: Could you talk us through a recent investment in the fiber space?

¹⁰ Capital expenditure, refers to the money a company spends to buy, upgrade, or fix long-term physical assets like buildings, equipment, or land. Businesses use CapEx to grow, expand their operations, and create future value that lasts for more than one year.

Chris: Our effort in fiber is a really good example of the whole of Oaktree approach that we place so much value on. Oaktree has a rich history and strong relationships in the telecom space, and over the last few years, securitization technology has evolved to facilitate ABF financing of fiber contracts to consumers and businesses. The assets and the cash-flowing contracts can be dropped into a bankruptcy remote box, which can then be lent against.

The attractive thing about fiber right now is there are strong tailwinds in the space, but it also has risk mitigation potential. So in the US, most fiber offerings compete with cable. We believe fiber is generally viewed by consumers as superior to cable in speed and reliability.

This allows market shares to be taken without a race to the bottom in pricing. It really grew out of COVID, more people worked from home, they required better and faster internet services. And it's been accelerated by the amount of data we consume and AI. However, the fiber cash flows we securitize are themselves resilient and they're utility-like in that they are essential use and business-critical to customers. We believe the underlying assets are also valuable, and massive capital deployment to build fiber networks creates a significant barrier to entry that benefits first-movers.

So this summer, funds managed by Oaktree, including Oaktree Asset-Backed Income Fund, across various strategies structured and arranged a \$900 million facility to a nationwide fiber provider to facilitate the acquisition of additional fiber networks. The company has an established public ABS issuance program that provides a useful market reference point. While public transactions have recently priced at spreads around 220 basis points over the benchmark, private transactions may differ significantly from public offerings with respect to structure, liquidity, terms, and risk profile. In this instance, we believed the economics appropriately reflected the complexity, customization, and risk characteristics of the transaction.

Furthermore, while we expect to be able to rely on the cash flows generated by the assets to repay us, what could happen here is the ABS platform will be the source of the takeout of our loan at much tighter levels, i.e. the company is economically incentivized to refinance our loan before final maturity. In terms of risk mitigation potential, our investment benefits from strong structural protections, including cash traps and sweeps to pay down our loan if performance doesn't live up to expectations, so here, think debt coverage, leverage, things like that. We have a lien on the assets and the cash flows. And unlike regular ABS structures, we also have a corporate guarantee from the parent that also wrote a large equity check beneath us.

Jennifer: So that's great, so more flexibility, perhaps more structural protection than the comparative ABS. But let's talk more about that premium in pricing. Asset-backed finance seems to offer a spread premium over the public ABS markets in many sectors. Is this unique to this particular transaction? And if not, what do you think is driving that premium today? Is it just a liquidity premium or is there more to it?

Chris: I think there are a few factors at play. So liquid-traded ABS transactions, they're typically fully funded, they're based on a fixed pool of assets, and they're structured with ratings in mind. You can think of them as standardized, rated, and tradable. All of these features contribute to market efficiency, which is great in the public market, but they create rigidity. In contrast, ABF allows us to deliver bespoke solutions to originators. We can offer variable funding, forgo formal credit ratings, build dynamic asset bases that adjust with the originator's needs. These flexibilities allow us to structure transactions that meet the needs of counterparties, while maintaining strong credit protections. However, there's still relatively few lenders in the private market with the scale, expertise, and structuring capabilities needed to offer these solutions. I think that scarcity of capital results in a spread premium. It compensates us not only for the reduced liquidity, but for the value of customization and the complexity we're underwriting.

Jennifer: Thanks, Chris. I think that's a good place to drop off. And we are excited about providing access to our clients. And we appreciate you all listening to the podcast, and look forward to continuing the conversation on the next episode of The Manager Minute. Thank you all, and take care.

IMPORTANT INFORMATION

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.

The Fund is a continuously offered, diversified, unlisted closed-end management investment company that is structured as an "interval fund."

Principal Investment Risks: The Fund is illiquid, and shares are not listed on an exchange and may only be redeemed through limited quarterly repurchase offers, which may not satisfy all redemption requests. The Fund may use leverage and invest in below-investment-grade securities, asset-backed and mortgage-backed securities, foreign securities, and other complex investments, which are subject to credit, market, interest rate, valuation, inflation, currency, and real estate-related risks. The Fund's performance depends on the Adviser's investment decisions and may be adversely affected by regulatory changes, operational disruptions, cybersecurity incidents, conflicts of interest, or unfavorable market conditions.

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.

As of June 30, 2026, the Fund's top 10 holdings by market value were Fiber Intermediate Holdings LLC (7.7%), Klarna Bank AB (7.1%), BasePoint LPI (6.5%), Consumer Portfolio Services Inc (5.3%), Santander Bank, N.A. (4.1%), North Mill Equipment Finance LLC (3.5%), Kona Spc Ltd (3.4%), VCI Asset Holdings 2 LLC (3.4%), EnFin Corp (2.7%) and Time Investment Co Inc (2.6%).

Diversification does not ensure a profit or protect against loss in a declining market.

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This sales and advertising literature is neither an offer to sell nor a solicitation of an offer to buy any securities. An offering is made only by the Fund's registration statement. This literature must be read in conjunction with the Fund's prospectus in order to fully understand all of the implications and risks of the offering of securities to which the Fund's registration statement relates. A copy of the Fund's prospectus must be made available to you in connection with any offering. Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of our common shares, determined if the Fund's prospectus is truthful or complete, or passed on or endorsed the merits of the offering. Any representation to the contrary is a criminal offense. **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 Fund, and it may be obtained by calling 855-862-5873 or visiting privatewealth.brookfield.com. Read the prospectus carefully before investing.**

The Annualized Net Distribution Rate is calculated as the annualized amount of the most recent monthly distribution declared divided by most recent month-end net asset value (NAV). Distributions are not guaranteed and are subject to change at the Board's discretion.

Distributions are paid from sources that can include net investment income, asset sales, borrowings, return of capital, or offering proceeds, which reduce the Fund's assets and can lower the value of an investment; there are no limits on amounts paid from such sources. The Fund estimates that year-to-date through June 30, 2026, approximately 100% of distributions were attributable to net investment income and 0% to return of capital under GAAP, with final tax characterization reported on Form 1099-DIV. A notice disclosing the source(s) of a distribution is provided after a payment is made from any source other than net investment income. This notice, if applicable, will be available on the Fund's website page under Distributions. Any such notice is provided only for informational purposes in order to comply with the requirements of Section 19(a) of the 1940 Act and not for tax reporting purposes. The tax composition of the Fund's distributions for each calendar year is reported on IRS Form 1099-DIV.

There is no assurance monthly distributions will be paid. The Fund's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. Any capital returned to shareholders through distributions will be distributed after payment of fees and expenses. Although the Fund's distributions may constitute a return of capital, return of capital does not constitute income.

FORWARD-LOOKING STATEMENTS

Information herein contains, includes or is based on forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended, and Canadian securities laws. Forward-looking statements include all statements, other than statements of historical fact, that address future activities, events or developments, including, without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals, expansion and growth of our business, plans, prospects and references to our future success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

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

Information herein may contain, include or be based upon forward-looking statements with the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended.

Oaktree Fund Advisors LLC is the investment adviser and Quasar Distributors, LLC is the distributor of the Fund.