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## Oaktree Strategic Credit Fund Q2 2026 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 [privatewealth.brookfield.com](http://privatewealth.brookfield.com)

Read the prospectus carefully before investing.

This podcast is for direct and indirect shareholders of Oaktree Strategic Credit Fund.

Oaktree Strategic Credit Fund is structured as a perpetually offered, non-listed business development company ("BDC"), which primarily invests in privately negotiated loans to U.S. companies.

Alison Mermey (Alison): Hi everyone, and welcome to the latest edition of the Manager Minute Podcast for the Oaktree Strategic Credit Fund. My name is Alison Mermey and I'm head of BDC Investor Relations. Joining me today is Christine Pope, managing director and assistant portfolio manager for Oaktree's global private debt strategy.

Christine, it's great to have you on.

Today, we'll start off by discussing Oaktree Strategic Credit Fund's performance and positioning for the quarter ended June 30th, 2026, and the Fund's outlook. Then we'll discuss how we're seeing opportunities across private credit today and dive deeper into a recent transaction.

The Fund sits at approximately \$6.8 billion in total investments at fair value at the end of June. For the Fund's Class I shares, we generated a net return of 1.89% for the quarter, bringing our trailing three-year net return to 8.48%, trailing one-year net return to 5.82%, and 7.73% since inception.<sup>1</sup> As of the end of June 30th, the annualized net distribution rate stood at 8.60%<sup>2</sup> for Class I shares.

<sup>1</sup> Inception is June 1, 2022.

<sup>2</sup> Annualized Net Distribution Rate reflects the current month's distribution annualized and divided by the prior month's last reported NAV. 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 three months ended December 31, 2025, the Fund estimates that approximately 94% of the distribution referenced herein is attributable to current fiscal year net investment income and that the remaining portion (6%) 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, which is 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, and which 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

In terms of positioning, the portfolio was comprised of about 89% private investments as of June 30th, 2026. Based on committed investments, including unfunded commitments, we are staying senior in the capital structure with roughly 92.4% of our investments in senior secured debt, mostly first lien, across 152 portfolio companies.

We think it is important to stay on top of credit quality and we believe the portfolio is in solid shape. Median portfolio company leverage is 5.1 times, loan to value of about 44%, and interest coverage of 2.2 times, which we think speaks to the underlying stability of the companies we're lending to.

Non-accruals remain very low and are currently at less than one basis point<sup>3</sup> of fair value in just one loan. We have also remained conservative on payment-in-kind, or PIK loans,<sup>4</sup> which represent 3.1% of total investment income. Furthermore, the vast majority of our PIK is by design, meaning that PIK was structured at underwriting.

The Fund has taken a disciplined approach to its balance sheet since inception, and as of June 30th, 2026, Fund leverage was 0.58 times net debt to equity, well below the two-to-one leverage limit applicable to BDCs and below the perpetual BDC peer average.<sup>5</sup>

Alongside our low leverage, we continued to maintain an ample amount of liquidity. As of June 30th, the Fund had \$1.8 billion of available liquidity from cash and undrawn credit facilities, or around 40% of net assets. Private loan origination picked up in June and the fund deployed approximately \$292 million of investments during the month.

We participated in six new privately-originated loans in the month and 10 for the quarter, one of which we'll highlight a little later in the conversation.

We believe a combination of a defensive credit portfolio and a conservative capital structure positioned OSC Well to navigate the evolving markets from a position of strength.

Christine, let's bring you into the conversation. On our last episode, we characterized what was happening in private credit as more of a recalibration than a systemic issue. How's the market evolved since then?

Christine Pope (Christine): There's been a lot to talk about private credit over the first half of the year, but overall, I think that characterization holds up. The June quarter was less volatile than the March quarter. Credit and equity markets stabilized and the overall tone became less bearish, although dispersion continued to be a dominant theme. You can see that bifurcation clearly in the credit markets. Higher quality syndicated loans recovered much of the spread widening we saw earlier in the year, while lower rated credits remain under more pressure. Direct lending activity also remained relatively subdued, largely reflecting slower private equity transaction activity. While the markets have stabilized, the recovery hasn't been uniform. Stronger borrowers can generally still access capital on attractive terms while weaker borrowers face a much more challenging financing environment. That is typically when credit selection becomes increasingly important.

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

<sup>4</sup> 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.

<sup>5</sup> Source: BDC Collateral and public filing data. As of June 30, 2026.

Alison: Do you think the slower transaction environment has changed the balance between borrowers and lenders today, and what does that mean for the opportunity set?

Christine: Yes, I think so, and in several ways. We think it has improved the environment for lenders. In our view, competition has generally become more rational and underwriting standards have strengthened, in part because net outflows from non-traded BDCs have reduced competition for new investments. On average, loans issued in 2026 have offered more attractive terms than transactions completed in 2024 and 2025.

Across Oaktree, we are seeing first lien sponsored-backed direct loans, pricing today around SOFR<sup>6</sup> plus 500 to 525 basis points, while more bespoke, non-sponsored opportunities can offer spreads in the SOFR plus 600s. That brings the average spread in our pipeline today into the mid to high SOFR plus 500s alongside stronger documentation and structural protections as well as lower leverage and lower loan to value.

We are also seeing opportunities emerge through secondary portfolio purchases and potential industry consolidation. Because traditional sponsor-backed middle market activity remains measured, the breadth of the Oaktree and Brookfield platform is particularly valuable. We can evaluate sponsor-backed and non-sponsored direct lending alongside asset-backed finance, liquid credit, situational lending, non-US direct lending, and secondary transactions, and compare relative value across those markets rather than relying on a single channel for deployment. That said, competition for higher quality middle market deals increased towards the end of the quarter, so we remain selective and don't assume today's lender-friendly conditions will persist indefinitely.

Alison: Christine, software has been another dominant theme over the first half of the year, and the 2027-2028 refinancing calendar remains a major topic for investors. Has your thinking changed at all around this topic?

Christine: Our thinking has become more nuanced as investors have done more work on the sector. Software isn't a monolithic category and AI exposure isn't evenly distributed. We are increasingly seeing the market distinguish between businesses with more defensible models and those facing greater disruption risk. We think the greatest risk is where business model disruption intersects with high leverage, limited free cashflow, and a near or medium-term refinancing need.

Many of the loans that were originated in 2020 and 2021 were underwritten when base rates were near zero and valuation multiples were at peak levels. A meaningful portion of that cohort, particularly ARR-based loans,<sup>7</sup> mature in 2027 and 2028. We think refinancing those investments will be an important test for the market, but we also expect outcomes to be issuer-specific rather than uniform across software. Importantly, OSC has limited exposure to the more stressed part of the market, with less than one and a half percent of loans originated before 2022 and approximately 65 basis points of ARR exposure as a percentage of portfolio fair value as of June 30th.

Alison: That's great. So, how are you thinking about the rest of the year?

Christine: We think there are several ways the market could evolve. If geopolitical uncertainty diminishes where the macroeconomic outlook improves, a recovery in M&A and private equity exits could increase demand for financing at a time when the supply of direct lending capital has become somewhat more constrained. That could be constructive for both deal flow and lender economics.

On the other hand, if transaction activity remains limited and inflows to private credit increase, we could see further spread tightening. Persistent inflation has also increased the possibility that base rates remain higher for longer. Higher base rates support income potential on floating rate loans, but they also increase interest burdens for borrowers, so interest coverage remains a metric we monitor closely. Rather than trying to predict

<sup>6</sup> The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

<sup>7</sup> ARR loans represent annual recurring revenue loans, which are typically tied to negative or low EBITDA companies. These businesses tend to be more sensitive to shifts in growth expectations and cashflow durability, particularly during periods of technological disruption.

precisely which scenario plays out, our focus today remains on what we can control: Disciplined underwriting, active portfolio management, and maintaining the flexibility to invest as opportunities emerge.

Alison: You mentioned the importance of being able to source beyond traditional sponsor-backed direct lending and compare opportunities across public and private markets. Could you walk us through a recent transaction that illustrates that?

Christine: Sure. One example is a fiber infrastructure company that provides high speed connectivity between businesses, data centers, cloud networks, and the broader internet. In May of this year, Oaktree participated in a private junior warehouse securitization facility supporting Zayo's<sup>8</sup> acquisition of Crown Castle's fiber infrastructure network. The facility was priced at SOFR plus 675 basis points with junior liens supported by the underlying fiber network assets. It also includes a corporate guarantee from a parent entity that provides additional support ahead of the sponsor equity.

Alison: What was it about this deal that was particularly attractive, from your perspective?

Christine: What makes this one interesting is that it wasn't Oaktree's first involvement with the company. Before this transaction, Oaktree had purchased the company's first lien broadly syndicated term loan at a discount to par. That loan has since been partially repaid with proceeds from asset-backed securitization, or ABS issuance.

We think the two investments together demonstrate several capabilities that are particularly valuable in this market: The ability to evaluate relative value across a company's capital structure, identify opportunities in public credit, structure more complex private transactions with strong documentation, and collaborate across Oaktree's investment teams. That broader toolkit allows us to look beyond traditional sponsor-backed direct lending and invest where we believe the risk-adjusted return is most compelling.

Alison: That's really interesting, Christine. So, having a background in restructuring law and advisory, how does that experience shape the way you evaluate downside risk in an opportunity like this?

Christine: I think my restructuring background naturally leads me to start with the downside. Rather than focusing only on what happens if the business performs to plan, I'm also asking what happens if it doesn't? Where do we sit in the capital structure? What assets and guarantees support our position? And what protections do we have if the credit comes under pressure? Having worked through restructurings, you develop an appreciation for how important structure and documentation can be when circumstances change, so we're always thinking not just about the return we can earn in the base case, but about the durability of our position and our potential recovery in a downside scenario.

Alison: I have one last market question for you. You also mentioned secondary opportunities earlier. Is there anything noteworthy materializing in the secondary market today?

Christine: Our view is the secondary private transactions' partial or full portfolio sales will reshape the private credit landscape as certain market participants look to optimize their asset portfolio or satisfy their liquidity demands. We believe we're well-positioned to evaluate and potentially capitalize on these opportunities as they arise. As the market continues to refine views, including with respect to AI-related disintermediation and liquidity needs across portfolios, we expect to see more secondaries and processes in the second half of 2026.

Alison: Thanks, Christine. Before we break, we tried out some rapid fire questions with Lindsay in the last episode, so we thought we'd bring them back for today's session since this is your first time on the series with us. You ready to try it out?

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<sup>8</sup> 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.

Christine: Sure.

Alison: Okay. What is one area of the credit market you think is getting more interesting right now?

Christine: I think that the private credit transactions in the asset-backed financing space are really interesting. I believe we'll continue to see borrowers looking for more interesting ways to finance them in the private credit markets, particularly with potentially highly-structured transactions such as the one I described.

Alison: Yeah, we're looking forward to seeing more of those. My second question are, what are characteristics that separate a good structure from a great one?

Christine: I think about this a lot as we're deploying capital and talking to our teams about it. It's not just a great business that you're looking for, but you're looking for a great business with a great management team in a well-structured loan with a good relative return, but also good documentation. If you remove any one of those from the picture, you could have a great business underperforming under the wrong strategy set by a team that you didn't believe was the right one in place. I think all of those coming together really separate a good situation and a good structure from a great one.

Alison: Last one for you. What is one word you would use to describe the current private credit opportunity set?

Christine: Variable.

Alison: Good one.

Great, Christine, thank you for sharing your insights. That wraps up our latest edition of the Manager Minute Podcast for Oaktree Strategic Credit Fund. Thanks again to Christine for joining us and 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 June 30, 2026.

### Important Information

This shareholder update 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 prospectus. 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 prospectus 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 prospectus is truthful or complete, or passed on or endorsed the merits of the offering. Any representation to the contrary is a criminal offense.

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An investment in common shares (the "shares") of beneficial interest in Oaktree Strategic Credit Fund involves a high degree of risk. You should only purchase shares of Oaktree Strategic Credit Fund if you can afford to lose your complete investment. Prior to making an investment, you should read the prospectus, including the "Risk Factors" section therein, which contains 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 risks include, but are not limited to, the following:

- Oaktree Strategic Credit Fund has only a limited prior operating history and there is no assurance that it will achieve its investment objective.

- This is a “blind pool” offering and thus you will not have the opportunity to evaluate Oaktree Strategic Credit Fund’s investments before it makes them.
- You should not expect to be able to sell your shares regardless of how well Oaktree Strategic Credit Fund performs.
- You should consider that you may not have access to the money you invest for an extended period of time.
- Oaktree Strategic Credit Fund does not intend to list the shares on any securities exchange, and it does not expect a secondary market in the 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.
- Oaktree Strategic Credit Fund has 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 the Fund’s shares is not suitable for you if you need access to the money you invest. See “Suitability Standards” and “Share Repurchase Program” in the prospectus.
- Oaktree Strategic Credit Fund cannot guarantee that it will make distributions, and if it does, it may Fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and there are no limits on the amounts Oaktree Strategic Credit Fund 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 Advisers, LLC (the “Adviser”) or its affiliates and which may be subject to reimbursement to the Adviser or its affiliates. The repayment of any amounts owed to Oaktree Strategic Credit Fund’s affiliates will reduce future distributions to which you would otherwise be entitled.
- Oaktree Strategic Credit Fund is using and expects to continue to use leverage, which will magnify the potential loss on amounts invested in it.
- Oaktree Strategic Credit Fund intends to 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.

#### *Forward-Looking Statements*

This 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.

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