

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the fiscal year ended December 31, 2023
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the transition period from _____ to _____.

Brookfield Oaktree Holdings, LLC

(Exact name of registrant as specified in its charter)

Commission File Number 001-35500

Delaware

(State or other jurisdiction of
incorporation or organization)

26-0174894

(I.R.S. Employer
Identification Number)

**333 South Grand Avenue, 28th Floor
Los Angeles, CA 90071
Telephone: (213) 830-6300**

(Address, zip code, and telephone number, including
area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
6.625% Series A preferred units	OAK-PA	New York Stock Exchange
6.550% Series B preferred units	OAK-PB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 and 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 19, 2024, there were 109,198,991 Class A units and 50,930,598 Class B units of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

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FORWARD-LOOKING STATEMENTS

In March 2024, we changed our name from Oaktree Capital Group, LLC to Brookfield Oaktree Holdings, LLC (“BOH”). We will not distinguish between our prior and current name and will refer to our current name throughout this annual report.

This annual report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), which reflect our current views with respect to, among other things, our future results of operations and financial performance. In some cases, you can identify forward-looking statements by words such as “anticipate,” “approximately,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “seek,” “should,” “will” and “would” or the negative version of these words or other comparable or similar words. These statements identify prospective information. Important factors could cause actual results to differ, possibly materially, from those indicated in these statements. Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Such forward-looking statements are subject to risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity.

In addition to factors identified elsewhere in this annual report, the following factors, among others, could cause actual results to differ materially from forward-looking statements and information or historical performance: the ability of BOH to retain and hire key service providers; the continued availability of capital and financing; the business, economic and political conditions in the markets in which BOH operates; changes in BOH’s anticipated revenue and income, which are inherently volatile; changes in the value of BOH’s investments; the pace of Oaktree’s raising of new funds; changes in assets under management; the timing and receipt of, and impact of taxes on, carried interest; distributions from and liquidation of Oaktree’s existing funds; the amount and timing of distributions on BOH’s preferred units; changes in BOH’s operating or other expenses; the degree to which BOH encounters competition; and general political, economic and market conditions.

Any forward-looking statements and information speak only as of the date of this annual report or as of the date they were made, and except as required by law, BOH does not undertake any obligation to update forward-looking statements and information. For a more detailed discussion of these factors, also see the information under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this annual report, and in each case any material updates to these factors contained in any of BOH’s future filings.

As for the forward-looking statements and information that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements and information.

This annual report and its contents do not constitute and should not be construed as (a) a recommendation to buy, (b) an offer to buy or solicitation of an offer to buy, (c) an offer to sell or (d) advice in relation to, any securities of BOH or securities of any Oaktree investment fund.

Risk Factor Summary

We are providing the following summary of the risk factors contained in this annual report to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors contained in this annual report in their entirety for additional information regarding the material factors that make an investment in our preferred units speculative or risky. These risks and uncertainties include, but are not limited to, the following:

- Oaktree may alter the terms under which it or we do business when Oaktree or we deem it appropriate;
- Our business could be materially harmed by conditions in the global financial markets and economies;
- Inflation has adversely affected and may continue to adversely affect our business, results of operations and financial condition of our funds and their portfolio companies;

- If Oaktree were unable to raise capital from investors, it would adversely affect our financial condition;
- We depend on OCM and certain of its affiliates to advise the funds in which we invest and support our operations;
- Our revenues are volatile due to the nature and structure of our business;
- Conflicts of interest or inter-fund governance matters could cause reputational harm to us;
- The investment management business is intensely competitive, and poor performance of Oaktree funds could adversely affect Oaktree's ability to raise capital for future funds;
- We may not be able to maintain our current incentive fee structure as a result of industry pressure from clients to reduce fees, which could have an adverse effect on our profit margins and results of operations;
- Our funds often pursue investment opportunities that involve business, regulatory, legal or other complexities;
- Technological developments in artificial intelligence could disrupt the markets in which we operate and subject us to increased competition, legal and regulatory risks and compliance costs;
- Extensive regulation and/or legal and regulatory changes, as well as regulatory compliance failures and negative publicity surrounding the financial industry in general, could adversely affect us;
- The replacement of LIBOR may adversely affect our credit arrangements and our collateralized loan obligation transactions;
- SEC rules barring so-called "bad actors" from relying on Rule 506 of Regulation D in private placements could materially adversely affect our business, financial condition and results of operations;
- Oaktree's failure to comply with, or changes to, "pay to play" regulations could adversely affect our reputation;
- Oaktree's failure to maintain the security of its information and technology networks or a cybersecurity breach or other incident could have a material adverse effect on us;
- Interruption of Oaktree's information technology, communications systems or data services could disrupt our business, result in losses and/or limit our growth;
- We are subject to substantial litigation risks and may face significant liabilities and damage to our professional reputation as a result;
- Oaktree employee misconduct could harm our reputation;
- The United Kingdom's exit from the European Union could adversely affect us;
- The historical returns attributable to our funds should not be considered indicative of future results;
- Certain of our funds make investments in distressed businesses that involve significant risks and potential liabilities;
- Certain of our funds may be subject to risks arising from potential control group liability;
- Poor investment performance during periods of adverse market conditions may result in relatively high levels of investor redemptions, which can adversely impact the affected funds;
- Valuation methodologies for certain assets in our funds can be subject to significant subjectivity, and the values of assets established pursuant to the methodologies may never be realized;
- Our funds make investments in companies that are based outside the United States, which exposes us to additional risks;

- We have made and expect to continue to make significant investments in our current and future funds, and we may lose money on some or all of our investments;
- Our funds often invest in companies that are highly leveraged, a fact that may increase the risk of loss;
- The use of leverage by our funds could have a material adverse effect on us;
- Changes in the debt financing markets and higher interest rates may negatively impact our funds and their portfolio companies;
- Our funds are subject to risks in using agents and third-party service providers;
- The market price of our preferred units could be adversely affected by various factors;
- If we, including any service organizations that we use, fail to maintain effective internal controls over our financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected;
- Distributions on the preferred units are discretionary and non-cumulative;
- We have an indirect economic interest in only a portion of the earnings and cash flows of the Oaktree Operating Group, which may negatively impact our ability to pay distributions on our preferred units;
- If we or any of Oaktree's private funds were deemed an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business or such funds;
- Our operating agreement contains provisions that substantially limit remedies available to our preferred unitholders for actions that might otherwise result in liability for our officers and/or directors;
- Our ability to make distributions to holders of any series of preferred units may be limited;
- If the amount of distributions on the preferred units is greater than our gross ordinary income, then the amount that a holder of preferred units would receive upon liquidation may be less than the preferred unit liquidation value;
- Holders of preferred units who are U.S. taxpayers should anticipate the need to file annually a request for an extension of the due date of their income tax return, and may be required to file amended income tax returns;
- An investment in preferred units will give rise to UBTI to certain tax-exempt holders;
- Non-U.S. holders face unique U.S. tax issues from owning preferred units that may result in adverse tax consequences to them;
- Holders of preferred units may be subject to state and local taxes and return filing requirements as a result of investing in our preferred units;
- Amounts distributed in respect of the preferred units could be treated as "guaranteed payments" for U.S. federal income tax purposes; and
- Holders of preferred units who do not hold the units through the record date for a distribution may be allocated gross ordinary income even though no distribution is received.

MARKET AND INDUSTRY DATA

This annual report includes market and industry data and forecasts that are derived from independent reports, publicly available information, various industry publications, other published industry sources and our internal data, estimates and forecasts. Independent reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable. We have not commissioned, nor are we affiliated with, any of the sources cited herein.

Our internal data, estimates and forecasts are based upon information obtained from investors in Oaktree funds, partners, trade and business organizations, and other contacts in the markets in which we operate and our management's understanding of industry conditions.

In this annual report, unless the context otherwise requires:

"Oaktree" refers to (i) Brookfield Oaktree Holdings, LLC and, where applicable, its subsidiaries and affiliates prior to October 1, 2019 and (ii) the Oaktree Operating Group and, where applicable, their respective subsidiaries and affiliates after September 30, 2019.

"BOH," "Company," "we," "us," "our" or "our company" refers to Brookfield Oaktree Holdings, LLC and, where applicable, its subsidiaries and affiliates, including, as the context requires, affiliated Oaktree Operating Group members after September 30, 2019. The reference to "our funds" refers to investment funds, other entities or accounts managed by Oaktree for which we, directly or indirectly, act as general partner or otherwise controlled by us.

"OCM" refers to Oaktree Capital Management, L.P. and, where applicable, its subsidiaries and affiliates. OCM is one of the Oaktree Operating Group entities but not one of our subsidiaries. OCM acts as the U.S. registered investment adviser to most of the Oaktree funds.

"Oaktree Operating Group," or "Operating Group," refers collectively to the entities that either (i) act as or control the general partners and investment advisers of the Oaktree funds or (ii) hold interests in other entities or investments generating income for Oaktree.

"OCGH" refers to Oaktree Capital Group Holdings, L.P., a Delaware limited partnership, which holds an interest in the Oaktree Operating Group and all of our Class B units.

"OCGH unitholders" refers collectively to Oaktree's senior executives, current and former Oaktree employees and their respective transferees who hold interests in the Oaktree Operating Group through OCGH.

"OEP" refers to Oaktree Equity Plan, L.P., a Delaware limited partnership, which holds an interest in the Oaktree Operating Group.

"assets under management," or "AUM," generally refers to the sum of (i) the assets Oaktree manages and equals the NAV (as defined below) of the assets Oaktree manages, (ii) the leverage on which management fees are charged, (iii) the undrawn capital that Oaktree is entitled to call from investors in the funds pursuant to their capital commitments, (iv) investment proceeds held in trust for use in investment activities, (v) Oaktree's pro rata portion of AUM managed by DoubleLine Capital LP and its affiliates ("DoubleLine"), in which Oaktree holds a minority ownership interest and (vi) 100% of the AUM managed by 17 Capital LLP and its affiliates, in which Oaktree acquired a majority ownership interest in 2022. For Oaktree's collateralized loan obligation vehicles, AUM represents the aggregate par value of collateral assets and principal cash; for Oaktree's BDCs, gross assets (including assets acquired with leverage), net of cash; for Oaktree's special purpose acquisition companies ("SPACs"), the proceeds of any initial public offering held in trust for use in a business combination; and for DoubleLine funds, NAV. Oaktree's AUM amounts include AUM for which Oaktree charges no management fees. Oaktree's definition of AUM is not based on any definition contained in our operating agreement or the agreements governing the funds that Oaktree manages. Oaktree's calculation of AUM and the AUM-related metric described below may not be directly comparable to the AUM metrics of other investment managers.

"incentive-creating assets under management," or "incentive-creating AUM," refers to the AUM that may eventually produce incentive income, as more fully described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Metrics."

"Class A units" refer to the common units of BOH designated as Class A units.

"CLOs" refer to collateralized loan obligation vehicles.

“common units” or “common unitholders” refer to the Class A common units of BOH or Class A common unitholders, respectively, unless otherwise specified.

“consolidated funds” refers to the funds and CLOs that we are required to consolidate as of the applicable reporting date.

“funds” refers to investment funds and, where applicable, CLOs and separate accounts that are managed by Oaktree or its subsidiaries.

“net asset value,” or “NAV,” refers to the value of all the assets of a fund (including cash and accrued interest and dividends) less all liabilities of the fund (including accrued expenses and any reserves established by us, in our discretion, for contingent liabilities) without reduction for accrued incentives (fund level) because they are reflected in the partners’ capital of the fund.

“preferred units” or “preferred unitholders” refer to the Series A and Series B preferred units of BOH or Series A and Series B preferred unitholders, respectively, unless otherwise specified.

Part I.

Item 1. Business

Overview

Oaktree is a leading global alternative investment management firm with expertise in investing in credit, real assets, private equity, and listed equities. Oaktree's mission is to deliver superior investment results with risk under control and to conduct its business with the highest integrity. Oaktree emphasizes an opportunistic, value-oriented and risk-controlled approach to its investments. Over the last three decades, Oaktree has developed a large and growing client base through its ability to identify and capitalize on opportunities for attractive investment returns in less efficient markets.

Oaktree was formed in 1995 by a group of individuals who had been investing together since the mid-1980s. Oaktree's founders were pioneers in the management of high yield bonds, convertible securities and distressed debt. From those roots Oaktree has developed a diversified mix of specialized credit- and equity-oriented strategies. Oaktree operates according to a unifying investment philosophy, which consists of six tenets-risk control, consistency, market inefficiency, specialization, bottom-up analysis and disavowal of market timing-and is complemented by a set of core business principles that articulate our commitment to excellence in investing, commonality of interests with clients, a collaborative and cooperative culture, a disciplined, opportunistic approach to the expansion of products, and responsible actions with our stakeholders and society at large.

The Company's current ownership and operational structure were the result of certain mergers with affiliates of Brookfield Corporation (formerly known as Brookfield Asset Management, Inc.) ("Brookfield") completed on September 30, 2019 (the "Mergers") and subsequent restructurings completed on October 1, 2019 in connection with the Mergers (the "2019 Restructuring") and on November 30, 2022 in connection with an internal Oaktree reorganization to facilitate the separation of Brookfield's capital business and asset management business (the "2022 Restructuring"). See Part I, Item I included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission (the "SEC") on March 2, 2020 for more information regarding the Mergers and the 2019 Restructuring. See Item 1.01 of the Company's Current Report on Form 8-K filed with the SEC on December 6, 2022 and Part I, Item I included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 21, 2023 for more information about the 2022 Restructuring. During the second quarter of 2024, subject to obtaining certain regulatory approvals, another internal Oaktree reorganization is expected to be effected whereby, among other things, the General Partner of Oaktree Capital I, L.P. ("Oaktree Capital I") will be changed from Brookfield OCM Holdings II, LLC (formerly known as OCM Holdings I, LLC) to Oaktree Capital I GP, LLC, a newly formed subsidiary of Oaktree Capital Holdings, LLC ("OCH") (formerly known as Atlas OCM Holdings, LLC), but Brookfield OCM Holdings II, LLC will remain a limited partner of Oaktree Capital I and retain its economic interest therein (the "2024 Restructuring"). See Item 8.01 of the Company's Current Report on Form 8-K filed with the SEC on March 5, 2024 for more information about the 2024 Restructuring.

Structure and Operation of Our Business

The Oaktree business is conducted through a group of six operating entities collectively referred to as the "Oaktree Operating Group." The Oaktree Operating Group consists of: (i) Oaktree Capital I, which acts as or controls the general partner of certain Oaktree funds and which holds a majority of Oaktree's investments in its funds, (ii) Oaktree Capital II, L.P. ("Oaktree Capital II"), a series limited partnership which acts as or controls the general partner of certain Oaktree funds and which includes Oaktree's investments in certain funds and other businesses, including Oaktree's investment in DoubleLine Capital, L.P., (iii) OCM, (iv) Oaktree Capital Management (Cayman), L.P. ("OCM Cayman"), which represents Oaktree's non-U.S. fee business, (v) Oaktree Investment Holdings, L.P. ("Oaktree Investment Holdings"), which holds certain corporate investments in other entities and (vi) Oaktree AIF Investments, L.P. ("Oaktree AIF"), which primarily holds interests in certain Oaktree fund investments for regulatory and structuring purposes.

From the date of the 2019 Restructuring until the date of the 2022 Restructuring, the Company's operations were conducted through indirect economic interests in only two of these six Oaktree Operating Group entities, specifically Oaktree Capital I and OCM Cayman. As a result of the 2022 Restructuring, however, the Company (i) distributed all of its interests in the economic shares of Oaktree Holdings, Ltd., the parent entity of OCM Cayman, to its sole Class A unitholder and (ii) transferred all of its interests in the voting shares of Oaktree Holdings, Ltd. to OCH which is a non-subsidiary affiliate of the Company. Accordingly, subsequent to the 2022 Restructuring, the Company's operations are now conducted through an indirect economic interest in only one of the Oaktree Operating Group entities, specifically Oaktree Capital I, and because the Company no longer controls or has an economic interest in OCM Cayman, OCM Cayman was deconsolidated as of the effective date of the 2022

Restructuring. Additionally, the Company concluded that it is no longer the primary beneficiary for CLOs as their direct ownership interests are held by OCM Cayman.

The Company's business is comprised of one segment, our investment management business, which consists of the investment management services that Oaktree provides to its clients, of which we are a component.

OCM, an affiliate of the Company, has since the 2019 Restructuring provided certain administrative and other services relating to the operations of the Company's business. These services are provided pursuant to a Services Agreement between the Company and OCM (as amended from time to time, the "Services Agreement").

Prior to the 2022 Restructuring, the Company's employees directly provided investment management and administrative support for its non-U.S. fee-based operations, while providing investment management, marketing and administrative services to OCM. The Company received fees from OCM for providing these services. Subsequent to the 2022 Restructuring, the Company no longer receives such fee-based income from OCM but continues to pay fees to OCM under the Services Agreement for services it provides to the Company.

Subsequent to the 2022 Restructuring, the Company's revenue continues to include the incentive income generated by certain funds that OCM manages for which the Company acts as general partner and the investment income earned from the investments the Company makes in Oaktree funds, third-party funds and other companies. Investment income generally reflects the investment return on a mark-to-market basis and the Company's equity participation on the amounts that it invests in Oaktree and third-party funds.

Structure of Funds

Closed-end Funds

Oaktree's closed-end funds are typically structured as limited partnerships that have a 10- or 11-year term and have a specified period during which clients can subscribe for limited partnership interests in the fund. Once a client is admitted as a limited partner, that client is required to contribute capital when called by us as the general partner, and generally cannot withdraw its investment. These closed-end funds have an investment period that generally ranges from three to five years, during which Oaktree is permitted to call the committed capital of those funds to make investments. As closed-end funds liquidate their investments, Oaktree typically distributes the proceeds to the clients, although during the investment period Oaktree has the ability to retain or recall such proceeds to make additional investments. Once a fund has committed to invest approximately 80% of its capital, Oaktree typically raises a new fund in the same strategy, generally ensuring that it always has capital to invest in new opportunities. Oaktree may also provide discretionary management services for clients within its closed-end fund strategies through a separate account or through a limited partnership or limited liability company managed by Oaktree with the client as the sole limited partner or sole non-managing member (a "fund-of-one").

Oaktree's closed-end funds also include special purpose acquisition companies managed by Oaktree and CLOs for which it serves as collateral manager. CLOs are structured finance vehicles in which Oaktree makes an investment and for which it is entitled to earn management fees. Investors in CLOs are generally unable to redeem their interests until the CLO liquidates, is called or otherwise terminates. Subsequent to the 2022 Restructuring, the Company no longer consolidates the CLOs as their direct ownership interests are held by OCM Cayman.

Open-end Funds

Oaktree's commingled open-end funds are typically structured as limited partnerships that are designed to admit clients as new limited partners (or accept additional capital from existing limited partners) on an ongoing basis during the fund's life. Clients in commingled open-end funds typically contribute all of their committed capital upon being admitted to the fund. These funds do not have an investment period and do not distribute proceeds of realized investments to clients. Oaktree is permitted to commit the fund's capital (including realized proceeds) to new investments at any time during the fund's life. Clients in commingled open-end funds generally have the right to withdraw their capital from the fund on a monthly basis (with prior written notice of up to 90 days).

Oaktree also provides discretionary management services for clients through separate accounts within the open-end fund strategies. Clients establish accounts with Oaktree by depositing funds or securities into accounts maintained by qualified independent custodians and granting Oaktree discretionary authority to invest such funds pursuant to their investment needs and objectives, as stated in an investment management agreement. Separate account clients generally may terminate Oaktree's services at any time by providing us with prior notice of 30 days or less.

Evergreen Funds

Oaktree's evergreen funds invest in marketable securities, private debt and equity, and in certain cases on a long or short basis. As with open-end funds, commingled evergreen funds are designed to accept new capital on an ongoing basis and generally do not distribute proceeds of realized investments to clients. Oaktree also provides discretionary management services for clients through separate accounts or funds-of-one within its evergreen fund strategies. Clients in evergreen funds are generally subject to a lock-up, which restricts their ability to withdraw their entire capital for a certain period of time after their initial subscription. Evergreen funds include business development companies ("BDCs").

Incentive Income

We have the potential to earn incentive income from most of the closed-end funds managed by Oaktree in our capacity as the general partner of those funds. Substantially all of such funds follow the European-style waterfall, by which we receive incentive income only after the fund first distributes all contributed capital plus an annual preferred return, typically 8%. Once this occurs, we generally receive as incentive income 80% of all distributions otherwise attributable to our investors, and those investors receive the remaining 20% until we have received, as incentive income, 20% of all such distributions in excess of the contributed capital from the inception of the fund. Thereafter, all such future distributions attributable to our investors are distributed 80% to those investors and 20% to us as incentive income. As a result, we generally receive incentive income, if any, in the latter part of a fund's life, although earlier in a fund's term we may receive tax-related distributions, which we recognize as incentive income, to cover our allocable share of income taxes until we are otherwise entitled to payment of incentive income.

We may also earn incentive income from certain evergreen funds on an annual basis, up to 20% of the year's profits, subject to either a high-water mark or hurdle rate. The high-water mark refers to the highest historical NAV attributable to a limited partner's account when either incentive income has been earned or the capital was contributed.

As a result of the 2022 Restructuring, we are generally only entitled to earn one-third of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established in 2022 or later and in respect of incentive income from our evergreen funds earned subsequent to January 1, 2023.

Investment Income

We earn investment income from our corporate investments in funds and companies, with Oaktree-managed funds constituting the majority of our corporate investments. Our investments in Oaktree-managed funds generally fall into one of four categories: general partner interests in commingled funds or funds-of-one, investments in CLOs, seed capital for new investment strategies prior to third-party capital raising, and corporate cash management. In the case of general partner interests in our closed-end or evergreen funds, we typically invest the greater of 2.5% of committed capital or \$20 million in each fund, not to exceed \$100 million per fund. For CLOs, we generally invest up to 10% of the CLO's total par value. We may also invest in certain third-party managed funds or companies for strategic or financial purposes. Subsequent to the 2022 Restructuring, we no longer hold investments in Oaktree's CLOs as their direct ownership interests are held by OCM Cayman.

Investment Approach

As part of Oaktree's business, we adhere to Oaktree's goal of excellence in investing. This means achieving attractive investment returns without commensurate risk, an imbalance which can only be achieved in markets that are not "efficient." Although Oaktree strives for superior returns, its first priority is that its actions produce consistency, protection of capital and outperformance in bad times. At its core, Oaktree is a contrarian, value-oriented investor focused on buying securities and companies at prices below their intrinsic value and selling or exiting those investments when they become fairly or fully valued. Oaktree believes it can do this best by investing in markets where specialization and superior analysis can offer an investing edge.

In Oaktree's investing activities, it adheres to the following fundamental tenets:

- ***Focus on Risk-Adjusted Returns.*** Oaktree's primary goal is not simply to achieve superior investment performance, but to do so with less-than-commensurate risk. Oaktree believes that the best long-term records are built more through the avoidance of losses in bad times than the achievement of superior relative returns in good times. Thus, rather than merely searching for prospective profits, Oaktree places the highest priority on preventing losses. It is Oaktree's overriding belief that, especially in the opportunistic markets in which it works, "if we avoid the losers, the winners will take care of themselves."

- *Emphasis on Consistency.* Oaktree believes that a superior record is best built on a high batting average, rather than a mix of brilliant successes and dismal failures. Oscillating between top-quartile results in good years and bottom-quartile results in bad years is not acceptable.
- *The Importance of Market Inefficiency.* Oaktree feels skill and hard work can lead to a “knowledge advantage,” and thus to potentially superior investment results, but not in the most efficient markets where larger numbers of participants have roughly equal access to information. Therefore, Oaktree only invests in less efficient markets in which dispassionate application of skill and effort should pay off for Oaktree clients.
- *Focus on Fundamental Analysis.* Oaktree believes consistently excellent performance can only be achieved through superior knowledge of companies and their securities, not from macro-forecasting. Therefore, Oaktree employs a bottom-up approach to investing, based on proprietary, company-specific research. Oaktree’s investment professionals have developed a deep and thorough understanding of a wide number of companies and industries, providing Oaktree with a significant institutional knowledge base. Oaktree uses overall portfolio structuring as a defensive tool to help it avoid dangerous concentration, rather than as an aggressive weapon expected to enable it to hold more of the things that do best.
- *Disavowal of Market Timing.* Oaktree does not believe in the predictive ability required to correctly time markets. However, concern about the market climate may cause Oaktree to tilt toward more defensive investments, increase selectivity or act more deliberately. In open-end and evergreen funds Oaktree keeps portfolios fully invested whenever attractively priced assets can be bought.
- *Specialization.* Oaktree offers a broad array of specialized investment strategies. It believes this offers the surest path to the results Oaktree, and its clients, seek. Clients interested in a single investment strategy can limit themselves to the risk exposure of that particular strategy, while clients interested in more than one investment strategy can combine investments in Oaktree funds to achieve their desired mix. Oaktree also provides clients both commingled and customized solutions with one-stop access to the breadth of its credit platform through its Multi-Strategy Credit strategy, which invests in a number of Oaktree liquid and illiquid credit strategies. Oaktree’s focus on specific strategies has allowed it to build investment teams with extensive experience and expertise. At the same time, Oaktree teams access and leverage each other’s expertise, affording Oaktree both the benefits of specialization and the strengths of a larger organization.

Asset Classes and Investment Strategies

Oaktree manages investments in a number of strategies across four asset classes: Credit, Private Equity, Real Assets and Listed Equities. The diversity of Oaktree’s investment strategies allows it to meet a wide range of investor needs suited for different market environments globally and, for certain strategies, targeted regions, while providing Oaktree with a long-term diversified revenue base.

Oaktree adds new products when it identifies a market with potential for attractive returns that it believes can be exploited in a risk-controlled fashion, and where it has access to the investment talent capable of producing the results it seeks. Because of the high priority Oaktree places on assuring that these requirements are met, it prefers that new products represent “step-outs” from its current investment strategies into highly related fields that are managed by people with whom it has had extensive first-hand experience or for whom it can validate qualifications. When adding new products, Oaktree considers it far more important to avoid mistakes than to capture every opportunity.

Oaktree’s asset classes are described below. We act as general partner or adviser for, and make investments in, funds that are within all four assets classes although we may not have an interest in a specific strategy group within each Oaktree asset class.

Credit

Oaktree’s credit strategies invest in both liquid and illiquid instruments, sourced directly from borrowers and via public markets. Oaktree focuses primarily on rated and non-rated debt of sub-investment grade issuers in developed and emerging markets, and it invests in an array of high yield bonds, convertible securities, leveraged loans, structured credit instruments, distressed debt and private debt. While varied in investment objective and risk-return profile, each of Oaktree’s credit strategies is grounded in its unifying investment philosophy, placing primary emphasis on risk control and consistency.

Within the credit asset class, Oaktree's strategies are: Opportunistic Credit, High Yield Bonds, Senior Loans, Private Credit, Multi-Strategy Credit, Emerging Markets Debt, Convertible Securities, Structured Credit and Investment Grade Solutions.

Private Equity

Oaktree's private equity strategies focus on a broad range of regions and market sectors, and they combine traditional private equity and special situation opportunities. Using a flexible and opportunistic approach, Oaktree invests in companies it believes to be undervalued. Oaktree seeks to enhance value through key strategic and tactical initiatives, including rightsizing capital structures, streamlining operations, improving core businesses, and creating new platforms for growth. Oaktree teams leverage deep sector knowledge and extensive proprietary networks to gain superior access to deal flow, and they reflect Oaktree's emphasis on risk control and downside protection.

Within the private equity asset class, Oaktree's strategies are: Corporate Private Equity and Special Situations.

Real Assets

Oaktree's real assets platform capitalizes on Oaktree's global footprint, multi-disciplinary capabilities, extensive network of industry experts, and key relationships with operating partners. Oaktree adheres to its investment philosophy, emphasizing the purchase of assets – or liens on assets – where it believes the relationship between risk and return is asymmetrical and where it believes relationships and a knowledge advantage can make a significant positive impact on its ability to successfully source, purchase, manage and exit investments.

Within the real assets asset class, Oaktree's strategies are: Real Estate and Infrastructure.

Listed Equities

Oaktree's listed equities strategies seek to invest in undervalued stocks in specific regions. By coupling fundamental analysis with in-depth country and industry knowledge, Oaktree looks to uncover stocks trading at a discount to their intrinsic value. Oaktree believes our superior knowledge allows us to identify attractive investment opportunities while limiting downside risk.

Within the listed equities asset class, Oaktree's strategies are: Emerging Market Equities and Value Equities.

Investment Performance

Oaktree's investment professionals have generated impressive investment performance through multiple market cycles. Oaktree's long term investment performance track record of positive gross and net IRRs reflects, among many factors, Oaktree's practice of sizing funds in proportion to our view of the supply of potential attractive investment opportunities. Information regarding Oaktree's most significant and longest-managed closed-end funds is shown below, as of or for the year ended December 31, 2023.

(\$ in millions)	Strategy Inception	Assets Under Management ⁽²⁾	Since Inception through December 31, 2023		
			IRR Since Inception ⁽¹⁾		Gross Multiple of Drawn Capital ⁽³⁾
			Gross	Net	
Credit:					
Opportunistic Credit	1988	\$44,670	21.8%	15.8%	1.7x
Private Credit					
<i>Global Private Debt</i> ⁽⁴⁾	2012	5,441	nm	nm	1.1x
<i>U.S. Private Debt</i>	2002	2,778	13.0%	8.7%	1.4x
<i>European Private Debt</i>	2013	2,763	13.7%	9.3%	1.3x
Emerging Markets Debt	2012	1,309	10.4%	6.9%	1.3x
Private Equity:					
Corporate Private Equity					
<i>European Principal</i>	1999	5,143	11.3%	7.1%	1.7x
<i>Power Opportunities</i>	1995	3,831	35.0%	27.2%	2.4x
Special Situations	1994	7,349	12.8%	9.0%	1.6x
Real Assets:					
Real Estate Opportunities	1994	8,656	15.0%	11.1%	1.6x
Real Estate Debt	2010	4,534	10.1%	6.2%	1.2x
Real Estate Income	2016	577	8.5%	7.0%	1.5x
Infrastructure	2014	2,217	26.9%	22.3%	1.7x
Subtotal		89,268			
Other ⁽⁵⁾		20,910			
Total		\$110,178			

(1) The internal rate of return ("IRR") is the annualized implied discount rate calculated from a series of cash flows. It is the return that equates the present value of all capital invested in an investment to the present value of all returns of capital, or the discount rate that will provide a net present value of all cash flows equal to zero. Fund-level IRRs are calculated based upon the actual timing of cash contributions/distributions to investors and the residual value of such investor's capital accounts at the end of the applicable period being measured. Gross IRRs reflect returns before allocation of management fees, expenses and any incentive allocation to the fund's general partner. To the extent material, gross returns include certain transaction, advisory, directors or other ancillary fees ("fee income") paid directly to us in connection with the funds' activities (Oaktree credits all such fee income back to the respective fund(s) so that the funds' investors share pro rata in the fee income's economic benefit). Net IRRs reflect returns to non-affiliated investors after allocation of management fees, expenses and any incentive allocation to the fund's GP. The strategy inception and performance track record includes funds managed at Trust Company of the West by the portfolio managers and other senior investment professionals that joined Oaktree at its inception in 1995.

(2) Assets Under Management as of December 31, 2023. All figures are based on the conversion of amounts or cash flows from EUR to USD using the foreign exchange spot rate of 1.10 as of December 31, 2023.

(3) Gross multiple of drawn capital is calculated as drawn capital plus gross income and, if applicable, fee income before fees and expenses divided by drawn capital.

(4) This includes our Life Sciences funds and Direct Lending funds. Includes individual accounts across various strategies with different investment mandates. As such, a combined performance measure is not considered meaningful ("nm").

(5) This includes our closed-end Senior Loan funds, CLOs, 17 Capital funds and certain separate accounts and co-investments.

Performance of Oaktree's open-end funds is in part measured in relation to applicable benchmark returns. Oaktree's emphasis on risk control and credit selection has generally led to outperformance in challenging markets and over full market cycles. Information regarding Oaktree's open-end funds, together with relevant benchmark data, is set forth below as of or for the periods ended December 31, 2023.

(\$ in millions)	Strategy Inception	Assets Under Management	Since Inception through December 31, 2023		
			Annualized Rates of Return ⁽¹⁾		
			Gross	Net	Relevant Benchmark
Credit:					
High Yield Bonds					
U.S. High Yield Bonds	1986	\$13,677	8.4%	7.9%	7.6%
Global High Yield Bonds	2010	1,158	6.0%	5.5%	5.6%
Multi-Asset Credit					
Global Credit ⁽²⁾	2017	10,040	4.8%	4.1%	4.6%
Investment Grade Solutions					
Absolute Return Income ⁽³⁾	Various	3,859	nm	nm	nm
Convertible Securities					
High Income Convertibles	1989	926	10.2%	9.4%	7.4%
Global ex-U.S. Convertibles	1994	397	7.2%	6.7%	4.8%
Senior Loans					
U.S. Senior Loans	2008	434	5.7%	5.2%	5.1%
European Senior Loans	2009	324	6.1%	5.6%	6.4%
Structured Credit					
Structured Credit ⁽³⁾	Various	1,766	nm	nm	nm
Listed Equities:					
Emerging Markets Equities					
Emerging Markets Equities	2011	6,663	3.0%	2.2%	1.5%
Subtotal		39,244			
Other ⁽⁴⁾		\$245			
Total		\$39,489			

(1) Returns represent time-weighted rates of return, including reinvestment of income, net of commissions and transaction costs. The returns for Relevant Benchmarks are presented on a gross basis. The strategy inception and performance track record includes funds managed at Trust Company of the West by the portfolio managers and others senior investment professionals that joined Oaktree at its inception in 1995.

(2) The performance measures reflect Global Credit Cayman Fund as the representative account for the Global Credit strategy.

(3) Includes individual accounts across various strategies with different investment mandates. As such, a combined performance measure is not considered meaningful ("nm").

(4) Includes certain European High Yield Bonds and U.S. Convertible accounts.

Information regarding Oaktree's most significant Evergreen funds is shown below, as of or for the year ended December 31, 2023.

(\$ in millions)	Strategy Inception	Assets Under Management	Since Inception through December 31, 2023	
			Annualized Rates of Return ⁽¹⁾	
			Gross	Net
Credit:				
Private Credit				
Global Private Debt ⁽²⁾	2012	\$12,099	8.9%	6.7%
Emerging Markets Debt				
Emerging Markets Debt ⁽³⁾	2015	1,409	7.5%	5.3%
Opportunistic Credit				
Value Opportunities	2007	1,277	9.9%	6.3%
Real Assets:				
Real Estate				
Real Estate Income ⁽⁴⁾	2018	2,340	14.2%	11.6%
Real Estate Debt ⁽⁵⁾	2022	608	14.4%	11.7%
Infrastructure				
Infrastructure Investing	2022	1,434	(5.6)%	(5.4)%
Listed Equities:				
Value/Other Equities				
Value Equities ⁽⁶⁾	2012	500	17.2%	12.3%
Subtotal		19,667		
Other ⁽⁷⁾		934		
Total		\$20,601		

(1) Returns represent time-weighted rates of return.

(2) AUM includes institutional evergreen accounts, certain sub-advised assets of Brookfield Reinsurance, Oaktree's publicly-traded BDC and Oaktree's non-traded BDCs. The rates of return reflect the performance of a composite of certain evergreen accounts and exclude Oaktree's BDCs.

(3) AUM includes the Emerging Markets Debt Total Return and Emerging Markets Opportunities strategies. The rates of return reflect the performance of a composite of accounts for the Emerging Markets Debt Total Return strategy, including a single account with a December 2014 inception date.

(4) AUM includes the sub-advised equity assets of the Brookfield REIT. The rates of return reflect the performance of a single account and exclude the sub-advised equity assets of the Brookfield REIT.

(5) AUM includes institutional evergreen accounts, the sub-advised debt assets of the Brookfield REIT and a separately managed account.

(6) AUM includes performance of a proprietary fund with an initial capital commitment of \$25 million since its inception in May 2012.

(7) Includes certain Real Estate and Multi-Strategy Credit accounts.

Assets Under Management

Assets under management increased \$19.6 billion, or 11.6%, to \$189.2 billion as of December 31, 2023 from \$169.6 billion as of December 31, 2022, primarily driven by \$15.5 billion of closed-end fund capital commitments, \$8.3 billion of market value appreciation and foreign currency translation, and \$4.7 billion of net inflows into open-end and evergreen funds, partially offset by \$8.0 billion of distributions from closed-end funds and \$1.4 billion due to change in lifecycle of closed-end funds. The \$15.5 billion of capital commitments to closed-end funds over the last twelve months included \$7.2 billion for Oaktree Opportunities Fund XII, \$1.6 billion for CLOs, \$1.6 billion for Oaktree Special Situations Fund III, \$1.3 billion for 17Capital Preferred Fund 6, \$1.1 billion for Oaktree Real Estate Opportunities Fund IX, \$0.7 billion for Direct Lending, \$0.5 billion for Oaktree Lending Partners, \$0.5 billion for Oaktree Real Estate Debt Fund IV, and \$0.4 billion for Life Sciences Lending.

	As of December 31,	
	2023	2022
	(in millions)	
Assets Under Management:		
Closed-end funds	\$ 110,178	\$ 100,289
Open-end funds	39,489	35,769
Evergreen funds	20,601	15,123
DoubleLine ⁽¹⁾	18,903	18,447
Total	\$ 189,171	\$ 169,628

(1) DoubleLine AUM reflects our pro-rata portion (based on our 20% ownership stake) of DoubleLine's total AUM.

The following table details the change in Oaktree's AUM during the years ended December 31, 2023 and 2022.

	Year ended December 31,	
	2023	2022
	(in millions)	
Beginning balance	\$ 169,628	\$ 165,682
<u>Closed-end funds:</u>		
Capital commitments/other ⁽¹⁾	15,548	7,866
Acquisition (17Capital)	—	6,347
Distributions for a realization event/other ⁽²⁾	(8,033)	(6,027)
Change in uncalled capital commitments for funds entering or in liquidation ⁽³⁾	(1,394)	(423)
Change in market value, foreign-currency translation, and transfers, net ⁽⁴⁾	4,076	4,596
<u>Open-end funds:</u>		
Contributions	4,276	6,896
Redemptions	(4,400)	(6,601)
Change in market value, and foreign-currency translation, and transfers, net ⁽⁴⁾	3,842	(4,018)
<u>Evergreen funds:</u>		
Contributions or new capital commitments ⁽⁵⁾	6,429	4,494
Redemptions or distributions ⁽⁶⁾	(1,590)	(1,120)
Change in market value, and foreign-currency translation, and transfers, net ⁽⁴⁾	337	322
Change in applicable leverage	(5)	—
<u>DoubleLine:</u>		
Net change in DoubleLine	457	(8,388)
Ending balance	\$ 189,171	\$ 169,628

(1) These amounts include capital commitments, as well as the aggregate par value of collateral assets and principal cash related to new CLO formations.

(2) These amounts include distributions for a realization event, tax-related distributions, reductions in the par value of collateral assets and principal cash resulting from the repayment of debt as return of principal by CLOs, and callable distributions at the end of the investment period.

(3) The change in uncalled capital commitments generally reflects declines attributable to funds entering their liquidation periods, as well as capital contributions to funds in their liquidation periods for deferred purchase obligations or other reasons.

(4) The change in market value reflects the change in NAV of our funds, less management fees and other fund expenses, as well as changes in the aggregate par value of collateral assets and principal cash held by CLOs and other levered funds.

(5) These amounts include contributions and capital commitments, and for Oaktree's publicly-traded BDCs, issuances of equity or debt capital.

(6) These amounts include redemptions and distributions, and for Oaktree's publicly-traded BDCs, dividends, repurchases of equity capital or repayment of debt.

Marketing and Client Relations

Client relationships are fundamental to Oaktree's business and by extension, to our business. Oaktree believes its success is a byproduct of the success of Oaktree fund investors and thus always strive to achieve superior returns with risk under control, to charge fair and transparent management fees, and to conduct itself with the highest levels of professionalism and integrity.

Oaktree has developed a loyal following among many of the world's most significant institutional investors, and believes that their loyalty, as well as the loyalty of Oaktree's other investors, results from Oaktree's superior investment record, its reputation for integrity, and the fairness and transparency of its fee structures.

We benefit from Oaktree's extensive in-house global Marketing and Client Relations groups, which are dedicated to relationship management, sales and client service in the Americas, Asia/Pacific, Europe and the Middle East. This relationship management, sales and client service team is augmented by product specialists and dedicated support staff across the areas of due diligence services, product management and marketing programming.

Human Capital

Oaktree is a values-driven firm that seeks to demonstrate integrity in all that it does. Oaktree strives to maintain a work environment that fosters integrity, professionalism, excellence, candor and collegiality among its employees. Because Oaktree's people are its most important asset, Oaktree is committed to cultivating an environment that is inclusive and honors diversity of thought. Providing training and career development opportunities and emphasizing strong support for Oaktree's local communities through philanthropic initiatives are essential to Oaktree's culture.

Oaktree considers its labor relations to be good. As of December 31, 2023, we had no employees. OCM had 911 employees and OCM Cayman had 272 employees.

Competition

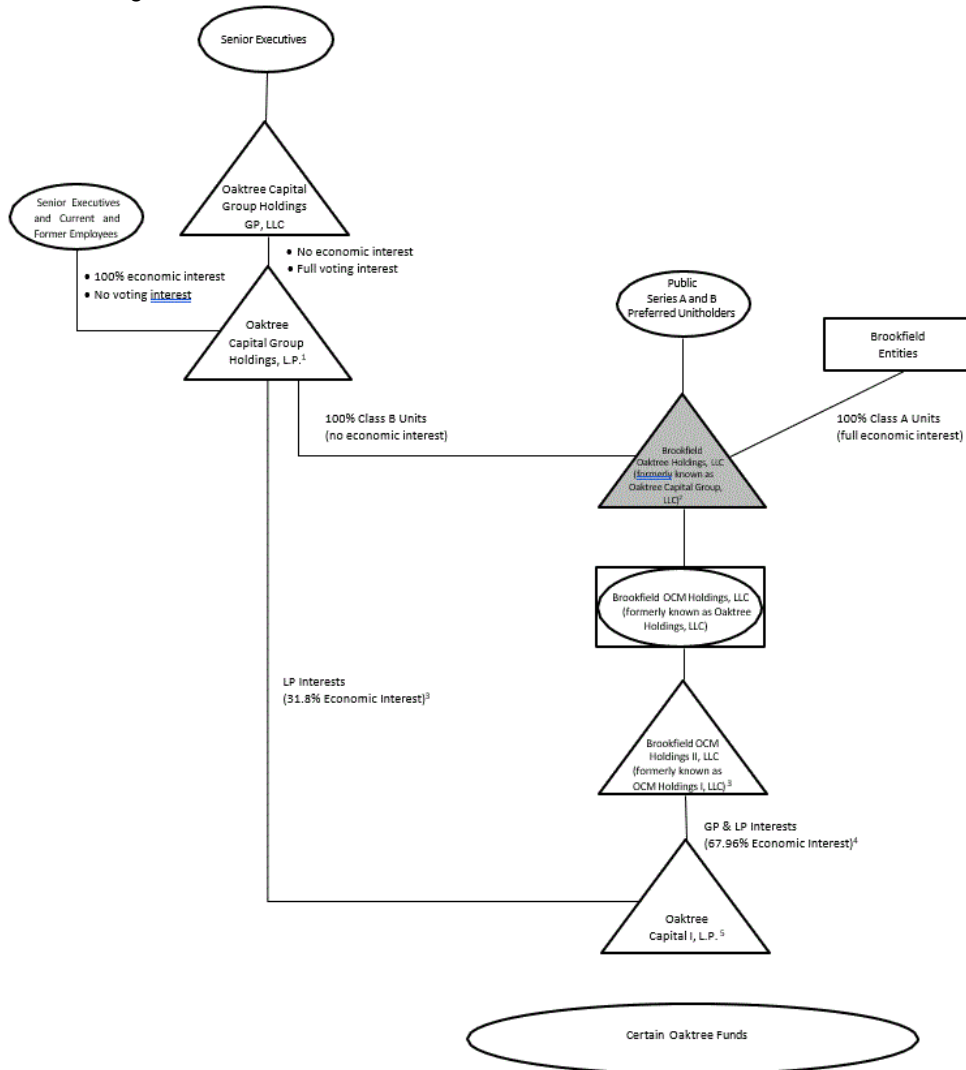
Oaktree and, by extension, we compete with many other firms in every aspect of our business, including raising funds, seeking investments and hiring and retaining professionals. Many of Oaktree's competitors are substantially larger than Oaktree and have considerably greater financial, technical and marketing resources. Certain of these competitors periodically raise significant amounts of capital in investment strategies that are similar to Oaktree's investment strategies. Some of these competitors also may have a lower cost of capital and access to funding sources that are not available to Oaktree, which may create further competitive disadvantages for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances or make different risk assessments than Oaktree does, allowing them to consider a wider variety of investments and establish broader networks of business relationships. In short, Oaktree and we operate in a highly competitive business and many of our competitors may be better positioned than we are to take advantage of opportunities in the marketplace. For additional information regarding the competitive risks that Oaktree and we face, please see "Risk Factors—Risks Relating to Our Business—The investment management business is intensely competitive."

Organizational Structure

Brookfield Oaktree Holdings, LLC is a Delaware limited liability company that was formed on April 13, 2007 under the name of Oaktree Capital Group, LLC. The Company's issued and outstanding member interests are divided into certain classes and series of units. The Company's outstanding units are held by (i) an affiliate of Brookfield as the sole holder of the Company's Class A common units, (ii) preferred unitholders as the holders of Series A and Series B preferred units listed on the New York Stock Exchange ("NYSE"), which represent only the right to receive certain distributions from the Company and such other rights as are specified in the relevant preferred unit designations, and (iii) OCGH as the sole holder of the Company's Class B common units, which units do not represent an economic interest in the Company. OCGH is owned by the OCGH unitholders. Subject to the operating agreement of the Company, to the extent the approval of any matter requires the vote of the Company's unitholders, the Class A units are entitled to one vote per unit and the Class B units are entitled to ten votes per unit, voting together as a single class.

As explained above, Oaktree's operations are conducted through a group of operating entities collectively referred to as the "Oaktree Operating Group." Subsequent to the 2022 Restructuring, we have an indirect economic interest in only one of the six Oaktree Operating Group members. Please see "Business—Structure and Operation of our Business" above for more details, including regarding the contemplated 2024 Restructuring. OCGH has a direct economic interest in all of the Oaktree Operating Group members. The interests in the Oaktree Operating Group are referred to as the "Oaktree Operating Group units." An Oaktree Operating Group unit is not a separate legal interest but represents one limited partnership interest in each of the Oaktree Operating Group entities.

The diagram below depicts our organizational structure in simplified form as of December 31, 2023, but gives effect to the entity name changes effected on March 15, 2024.



- (1) Holds 100% of the Class B units, which represent 82.39% of the total combined voting power of our outstanding Class A and Class B units. The Class B units have no economic interest in us. The general partner of Oaktree Capital Group Holdings, L.P. is Oaktree Capital Group Holdings GP, LLC, which is controlled by senior executives of Oaktree.
- (2) Brookfield Oaktree Holdings, LLC is the public registrant and the issuer of the Series A and Series B preferred units listed on the NYSE. It also indirectly holds the preferred mirror units issued by Oaktree Capital I, L.P.
- (3) Three additional entities, which are not subsidiaries of ours and are not reflected in this diagram, own interests in Brookfield OCM Holdings II, LLC which entitle them to receive (i) two-thirds of carried interest distributions from new closed-end funds organized in or after 2022 and incentive income from evergreen funds earned subsequent to January 1, 2023 and (ii) income from designated investments and investments having certain tax characteristics.
- (4) The percent economic interest in Oaktree Capital I, L.P. represents the aggregate number of Oaktree Capital I, L.P. units (other than mirror preferred units) held, directly or indirectly, as a percentage of the total number of Oaktree Capital I, L.P. units (other than mirror preferred units and Class P common units) outstanding. As of December 31, 2023, there were 160,114,755 Oaktree Capital I, L.P. units outstanding.
- (5) OEP, which is not a subsidiary of ours and is not reflected in this diagram, owns a less than 1% interest in Oaktree Capital I, L.P.

Regulatory Matters and Compliance

Oaktree's business, as well as the financial services industry in general, is subject to extensive regulation in the United States and elsewhere. Our affiliated entities, Oaktree Capital Management (UK) LLP, Oaktree Capital Management (Europe) LLP and Oaktree Capital Management (International) Limited, are authorized and regulated by the U.K. Financial Conduct Authority ("FCA") as an investment manager in the United Kingdom. The U.K. Financial Services and Markets Act 2000 ("FSMA") and rules promulgated thereunder govern all aspects of the U.K. investment business, including sales, research and trading practices, the provision of investment advice, the use and safekeeping of client funds and securities, regulatory capital, recordkeeping, margin practices and procedures, the approval standards for individuals, anti-money laundering, periodic reporting, and settlement procedures. Similarly, we have a number of other affiliated entities outside the United States that are regulated by the applicable regulators in their respective jurisdictions.

Our affiliated entity OCM, which provides certain services to us, is registered as an investment adviser with the SEC. Registered investment advisers are subject to the requirements and regulations of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). These requirements relate to, among other things, fiduciary duties to clients, maintaining an effective compliance program, solicitation agreements, conflicts of interest, recordkeeping and reporting, disclosure, limitations on agency cross and principal transactions between an adviser and advisory clients and general anti-fraud prohibitions. In addition, OCM is registered as a commodity pool operator and a commodity trading adviser with the U.S. Commodity Futures Trading Commission ("CFTC"). Registered commodity pool operators and commodity trading advisers are each subject to the requirements and regulations of the U.S. Commodity Exchange Act, as amended (the "Commodity Exchange Act"). These requirements relate to, among other things, maintaining an effective compliance program, recordkeeping and reporting, disclosure, business conduct, and general anti-fraud prohibitions. In addition, as a registered commodity pool operator and a commodity trading adviser with the CFTC, OCM is also required to be a member of the National Futures Association (the "NFA"), a self-regulatory organization for the U.S. derivatives industry. The NFA also promulgates and enforces rules governing the conduct of, and examines the activities of, its member firms.

One of OCM's indirect subsidiaries, OCM Investments, LLC, is registered as a broker-dealer with the SEC and in all 50 states, the District of Columbia and Puerto Rico, and is a member of the U.S. Financial Industry Regulatory Authority ("FINRA"). As a broker-dealer, this entity is subject to regulation and oversight by the SEC and state securities regulators. In addition, FINRA, a self-regulatory organization that is subject to oversight by the SEC, promulgates and enforces rules governing the conduct of, and examines the activities of, its member firms. Due to the limited authority granted to OCM Investments, LLC in its capacity as a broker-dealer, it is not required to comply with certain regulations covering trade practices among broker-dealers and the use and safekeeping of customers' funds and securities. As a registered broker-dealer and member of a self-regulatory organization, OCM Investments, LLC, however, is subject to the SEC's uniform net capital rule. Rule 15c3-1 of the Exchange Act specifies the minimum level of net capital a broker-dealer must maintain and also requires that a significant part of a broker-dealer's assets be kept in relatively liquid form. The SEC and FINRA impose rules that require notification when net capital falls below certain predefined criteria, limit the ratio of subordinated debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the SEC's uniform net capital rule imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital.

Certain of our activities are subject to compliance with laws and regulations of U.S. federal, state and municipal governments, non-U.S. governments, their respective agencies and/or various self-regulatory organizations or exchanges relating to, among other things, antitrust laws, anti-money laundering laws, anti-bribery laws relating to foreign officials, and privacy laws with respect to client information, and some of our funds invest in businesses that operate in highly regulated industries. Any failure to comply with these rules and regulations could expose us to liability and/or reputational damage. Our business has operated for many years within a legal framework that requires our being able to monitor and comply with a broad range of legal and regulatory developments that affect our activities. However, additional legislation, changes in rules or changes in the interpretation or enforcement of existing laws and rules, either in the United States or elsewhere, may directly affect our mode of operation and profitability. Please see "Risk Factors—Risks Relating to Our Business—Regulatory changes in the United States, regulatory compliance failures and the effects of negative publicity surrounding the financial industry in general could adversely affect our reputation, business and operations."

Financial and Other Information

Financial and other information for the years ended December 31, 2023, 2022 and 2021 are discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Operating Metrics” included elsewhere in this annual report.

Available Information

Oaktree’s website address is www.oaktreecapital.com (the “Oaktree website”). Information on this website is not a part of this annual report and is not incorporated by reference herein. BOH makes available free of charge on this website or provides a link on this website to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the SEC. To access these filings, go to the “Unitholders—Investor Relations” section of the Oaktree website and then click on “SEC Filings.” In addition, these reports and the other documents we file with the SEC are available at a website maintained by the SEC at www.sec.gov.

Investors and others should note that BOH uses the Unitholders – Investor Relations section of the Oaktree website to announce material information to investors and the marketplace. While not all of the information that we post on the Oaktree website is of a material nature, some information could be deemed to be material. Accordingly, we encourage investors, the media, and others interested in BOH to review the information that is shared on the Oaktree website at the Unitholders – Investor Relations section of the Oaktree website, ir.oaktreecapital.com. Information contained on, or available through, the Oaktree website is not incorporated by reference into this document.

Item 1A. Risk Factors

We are subject to a number of material risks inherent in our business. You should carefully consider the risks and uncertainties described below and other information included in this annual report. If any of the events described below occur, our business and financial results could be seriously harmed. The trading price of our preferred units could decline as a result of any of these risks, and you could lose all or part of your investment.

Risks Relating to Our Business

Given Oaktree’s focus on achieving superior investment performance with less-than-commensurate risk, and the priority afforded to its clients’ interests, Oaktree may reduce AUM, restrain its growth, reduce fees or otherwise alter the terms under which Oaktree or we do business when Oaktree or we deem it appropriate—even in circumstances where others might deem such actions unnecessary. This approach could adversely affect our results of operations.

One of the means by which Oaktree seeks to achieve superior investment performance is by limiting the AUM in its strategies to an amount that it believes can be invested appropriately in accordance with Oaktree’s investment philosophy and current or anticipated economic and market conditions. In the past Oaktree has taken, and may continue to take, affirmative steps to limit the growth of AUM, including the AUM of the funds that produce revenues for us. These steps include:

- from time to time, Oaktree has suspended marketing certain open-end funds, sometimes for long periods, and has declined to participate in searches aggregating billions of dollars;
- from time to time, Oaktree has returned capital from certain closed-end funds prior to the end of such funds’ respective investment periods or declined to call all of the capital committed to certain closed-end funds during those funds’ respective investment periods;
- Oaktree intentionally sized certain closed-ended funds to be smaller than their predecessors even though additional capital could have been raised; and
- since Oaktree’s founding it has turned away substantial amounts of capital offered to Oaktree for management.

From time to time, Oaktree has, and may continue to, afford certain investors in our funds or separate account clients more favorable economic terms than other investors in the same fund or separate account clients within the same or similar investment strategy, including with respect to management fees and performance-based fees. The availability of such terms is generally based on the aggregate size of commitments of such investor or client to one or more funds or accounts managed by Oaktree.

Oaktree's practice of putting clients' interests first and forsaking short-term advantage by, for example, reducing assets under management or management fee or carried interest rates may reduce the profits we could otherwise realize in the short term and adversely affect our business and financial condition. Our unitholders should understand that in instances in which Oaktree clients' interests diverge from the short-term interests of our unitholders, Oaktree intends to act in the interests of its clients. However, it is Oaktree's fundamental belief that prioritizing its clients' interests will maximize the long-term value of our business, which, in turn, will benefit our unitholders.

Our business is materially affected by conditions in the global financial markets and economies, and any disruption or deterioration in these conditions could materially reduce our revenues, earnings and cash flow and adversely affect our overall performance, ability to raise or deploy capital, financial prospects and condition and liquidity position.

Our business and the businesses in which our funds invest are materially affected by conditions in the global financial markets and economic conditions throughout the world that are outside our control, such as interest rates, the availability and cost of credit, inflation rates, general economic uncertainty, political uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls, volatility in financial markets, the impacts of public health issues, such as pandemics and epidemics, and national and international political circumstances (including wars such as the Russia-Ukraine and Israel-Hamas conflicts, terrorist acts and security operations). These and other uncertain conditions in the global financial markets and economy have resulted in, and may continue to result in, adverse consequences for many of our funds, including restricting such funds' investment activities and impeding such funds' ability to effectively achieve their investment objectives. Sanctions imposed by the U.S. and other countries in connection with hostilities between Russia and Ukraine have caused additional financial market volatility and affected the global economy. In addition, concerns over increasing inflation, as well as interest rate volatility and fluctuations in oil and gas prices resulting from global production and demand levels, as well as geopolitical tension, have exacerbated market volatility. Both domestic and international markets experienced significant inflationary pressures in 2023 and inflation rates in the U.S. as well as in other countries may continue at elevated levels for the near term. Steps taken by the Federal Reserve and central banks in various other countries to increase interest rates in response have contributed to significant volatility in debt and equity markets. In addition, U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns or a recession in the U.S. Moreover, our operations, investment opportunities, access to capital and ability to enforce the obligations of counterparties may be adversely affected by disruptions to the banking system and financial market volatility resulting from bank failures, market concerns related to liquidity, solvency or capitalization of banks or other financial institutions and related topics of speculation or uncertainty, such as the availability and terms of government assistance to financial institutions under financial pressure. Rising interest rates have in some cases exacerbated concerns about the financial condition of particular financial institutions and may do so in the future. There can be no assurance that future economic conditions in the U.S. or elsewhere around the world will be favorable to our business.

The economic environment in the past has resulted in, and may in the future result in, decreases in the market value of certain publicly-traded securities held by some of our funds. Illiquidity in certain portions of the financial markets could adversely affect the pace of realization of our funds' investments or otherwise restrict the ability of our funds to realize value from their investments, thereby adversely affecting our ability to generate incentive or investment income. There can be no assurance that conditions in the global financial markets will not deteriorate and/or adversely affect our investments and overall performance. These market and economic conditions are not in our control and are often difficult, if not impossible, to predict, manage, mitigate, hedge or foresee.

Our profitability may also be adversely affected by our fixed costs, such as service fees paid to OCM under the Services Agreement and interest payments on our debt, and the possibility that we would be unable to scale back other costs and otherwise redeploy our resources within a time frame sufficient to match changes in market and economic conditions to take advantage of the opportunities that may be presented by these changes. As a result, we may not be able to adjust our resources to take advantage of new investment opportunities that may be created as a result of specific dislocations in the market.

Inflation has adversely affected and may continue to adversely affect our business, results of operations and financial condition of our funds and their portfolio companies.

Certain of our funds and their portfolio companies are in industries that have been impacted by inflation. Recent inflationary pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and our funds' portfolio companies' operations. Should inflation, which recently has decreased, begin to increase again, our funds' portfolio companies profit margins may be pressured, particularly if such companies lack pricing power against a backdrop of economic slowdown or contraction. For example, high rates of inflation and significant interest rate increases contributed to significant

market volatility in 2022 and 2023, which disproportionately negatively impacted the value of future cash flows of technology and growth companies. These companies may be subject to continued depressed, or even further declines in, values in a challenging market environment. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results. In addition, any projected future decreases in the operating results of our funds' portfolio companies due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our fund investments could result in future realized or unrealized losses.

Our business depends in large part on Oaktree's ability to raise capital from investors. If Oaktree were unable to raise such capital, we would be unable to collect incentive fees or deploy such capital into investments, which would materially reduce our revenues and cash flow and adversely affect our financial condition.

Oaktree's ability to raise capital from investors depends on a number of factors, including many that are outside its' control. These include the general economic environment and the number of other investment funds being raised at the same time by our competitors that are focused on the same or similar investment strategies as our funds. Additionally, investors may reduce (or even eliminate) their investment allocations to alternative investments, including closed-ended private funds and hedge funds. During periods of high interest rates, investors may favor investments that are generally viewed as producing a risk-free return, such as treasury bonds, over investments in our funds. Poor performance of our funds could also make it more difficult for Oaktree to raise new capital. Investors in our funds may decline to invest in future funds Oaktree raises, and investors in open-end and evergreen funds may withdraw their investments in the funds (on specified withdrawal dates) as a result of poor performance. Our investors and potential investors continually assess our funds' performance, both on a standalone basis and relative to market benchmarks and our competitors, and Oaktree's ability to raise capital for existing and future funds and avoid excessive redemptions depends on our funds' relative and absolute performance. To the extent economic and market conditions deteriorate, we may be unable to raise sufficient amounts of capital to support the investment activities of future funds.

In addition, certain institutional investors, including sovereign wealth funds and public pension funds, have demonstrated an increased preference for alternatives to the traditional investment fund structure, such as managed accounts, funds-of-one and co-investment vehicles. There can be no assurance that such alternatives will be as profitable for us as the traditional investment fund structure, or as to the impact such a trend could have on the cost of our operations or profitability. Moreover, certain institutional investors are demonstrating a preference to make direct investments in alternative assets without the assistance of private asset managers like Oaktree. Such institutional investors may become our competitors and could cease to be Oaktree clients. As some existing investors cease or significantly curtail making commitments to alternative investment funds, Oaktree may need to identify and attract new investors in order to maintain or increase the size of our investment funds. There are no assurances that Oaktree can find or secure capital commitments from new investors. If economic conditions were to deteriorate or if Oaktree is unable to find new investors, Oaktree might raise less than our desired amount for a given fund.

If Oaktree were unable to successfully raise capital, it could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition.

We depend on OCM as the primary investment adviser to our funds to support our funds' investment activities and a Services Agreement with OCM to support our operations; if the terms of the services provided by OCM were significantly altered or if the arrangements to provide such services were terminated, our ability to achieve our investment objective or operate as a public reporting company could be significantly harmed.

We depend on the diligence, skill, judgment, reputation and business contacts of key personnel of OCM provided to us through investment management agreements with our funds and a Services Agreement with us. Our future success will depend upon OCM's ability to retain these key personnel and to recruit additional qualified personnel. These key personnel possess substantial experience and expertise in investing, are responsible for locating and executing our funds' investments, have significant relationships with the institutions that are the source of many of our funds' investment opportunities and in certain cases have strong relationships with our investors. Therefore, if these key personnel join competitors or form competing companies, it could result in the loss of significant investment opportunities and certain existing investors. OCM is not obligated to dedicate any specific personnel exclusively to us, nor are they or their personnel obligated to dedicate any specific portion of their time to the management of our business. Consequently, we may not receive the level of support and assistance that we otherwise might receive if our funds were managed directly by us. We are also subject to conflicts of interest arising out of our relationship with OCM, Brookfield and their respective affiliates. For example, Mr. Howard Marks, our Co-Chairman and one of our board members, is also the Co-Chairman of OCM and a board member of Brookfield. As

mentioned above (under “Business—Overview”), Brookfield and its affiliates acquired a majority interest in Oaktree upon the completion of the Mergers. Accordingly, Mr. Marks owes duties to OCM and Brookfield, which duties may from time-to-time conflict with the interests of us and our preferred unitholders. Additionally, if our Services Agreement with OCM was significantly altered or terminated, it could result in the loss of significant key personnel of OCM that we depend on to operate as a public reporting company and could have a material adverse effect on our financial condition and results of operation. Also, the services of our Chief Executive Officer, Mr. Nicholas H. Goodman, are made available by Brookfield. If Brookfield ceased to do so, we would have to identify another person to serve as our chief executive officer, which could be disruptive and/or have a material adverse effect on our financial condition and results of operation.

As the appointed investment adviser to our funds, OCM provides our funds services to evaluate, negotiate, structure, execute, monitor and service the funds’ investments. Key personnel of OCM have departed in the past and current key personnel could depart at any time. The termination of the Services Agreement or the departure of key personnel or of a significant number of the investment professionals or partners of OCM could have a material adverse effect on our ability to maintain our operations or achieve our funds’ investment objective. OCM may need to hire, train, supervise and manage new professionals to service our business and may not be able to find qualified professionals in a timely manner or at all.

Our revenues are volatile due to the nature and structure of our business, and if we experience a substantial decline in our incentive and investment income, we may not be able to pay distributions on our preferred units.

Our revenues and cash flow are more volatile and limited following the 2019 Restructuring and the 2022 Restructuring. The incentive income we receive and the investment income we recognize on our corporate investments in our funds and companies, which individually and collectively account for a substantial portion of our income, is now more limited than it was prior to the 2019 Restructuring and the 2022 Restructuring, because subsequent to the 2022 Restructuring we receive incentive and investment income only from Oaktree Capital I. If we were to experience a significant reduction in incentive or investment income received from our funds, we may not be able to pay future distributions on our preferred units.

Our failure to deal appropriately with conflicts of interest or inter-fund governance matters could damage our reputation and adversely affect our business.

As we and Oaktree have expanded the number and scope of our strategies and distribution channels, including Oaktree’s advising registered mutual funds and business development companies, we and Oaktree increasingly confront potential conflicts of interest that we need to manage and resolve. In our view, conflicts of interest may describe two types of potential situations: (i) where the interests of the funds we or Oaktree manage (or the investors in such funds) may conflict with one another; and (ii) where our or Oaktree’s interests, as manager or adviser, may conflict with the interests of our or Oaktree’s funds or clients.

Examples of potential inter-fund conflicts include: (i) the allocation of investment opportunities in situations where the investment focus of one or more of our funds overlaps (including certain instances in which funds registered under the Investment Company Act may be precluded from participating in certain opportunities as a result of regulatory restrictions applicable to companies with multiple types of funds with overlapping investment focuses); (ii) opportunities to co-invest directly alongside a fund that are offered to certain fund investors rather than to other Oaktree funds or other fund investors; (iii) investments by different funds at different levels of the capital structure of the same issuer; (iv) receipt of material, non-public information regarding an issuer by one strategy where another strategy does not wish to be restricted in trading the securities of that issuer; and (v) investments by a fund into a portfolio company held or controlled by another fund. Over time Oaktree has developed general guidelines or a course of conduct to manage these potential inter-fund governance matters, including establishing an inter-fund governance work group and standing committee composed of senior officers from Oaktree’s non-investment groups, including Oaktree’s legal and compliance departments. Oaktree seeks to resolve such governance issues in good faith and with a view to the best interests of all of its clients, but there can be no assurance that Oaktree will make the correct judgment or that its judgment will not be questioned or challenged.

In addition to the potential for conflict among our funds, we and Oaktree face the potential for conflict between us and Oaktree, on the one hand, and our funds or Oaktree’s clients, on the other hand. These conflicts may include: (i) personal trading by Oaktree personnel in the securities of issuers held by one or more of our funds; (ii) the allocation of investment opportunities among funds with different incentive fee structures, or where Oaktree personnel have invested more heavily in one fund than another; (iii) the use of subscription lines by our funds, which, among other things, may cause fund investors to indirectly bear interest expense when such investors would prefer to contribute capital and avoid the interest expense; and (iv) the determination of what constitutes fund-related expenses and the allocation of such expenses between our funds and us or Oaktree. Through Oaktree, we

maintain internal controls and various policies and procedures, including oversight, codes of ethics and conduct, compliance systems and communication tools, to identify, prevent, mitigate or resolve conflicts of interest that may arise. Notwithstanding these efforts, it is possible that perceived or actual conflicts could give rise to investor dissatisfaction or litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and any mistake could potentially create liability or damage our reputation. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which in turn could materially adversely affect our business in a number of ways, such as causing investors to redeem their capital (to the degree they have that right), making it harder for Oaktree to raise new funds for us and discouraging others from doing business with us.

The investment management business is intensely competitive.

The investment management business is intensely competitive, with competition based on a variety of factors, including investment performance, the quality of client service, brand recognition and business reputation. Our investment management business competes for clients, personnel and investment opportunities with a large number of private equity funds, specialized investment funds, hedge funds, corporate buyers, traditional investment managers, commercial banks, investment banks, other investment managers and other financial institutions, and we expect that competition will increase. Numerous factors serve to increase our competitive risks, some of which are outside of our control:

- a number of our competitors have more personnel and greater financial, technical, marketing and other resources than we do, and, in the case of some competitors, longer operating histories, more established relationships and/or greater experience;
- some of our funds may not perform as well as competitors' funds or other available investment products;
- many of our competitors have raised, or are expected to raise, significant amounts of capital, and many of them have investment objectives similar to ours, which may create additional competition for investment opportunities and reduce the size and duration of pricing inefficiencies that we seek to exploit;
- some of our competitors (including strategic competitors) may have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to our funds, particularly our funds that directly use leverage or rely on debt financing of their portfolio companies to generate superior investment returns;
- some of our competitors have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments;
- our competitors may be able to achieve synergistic cost savings in respect of an investment that we cannot, which may provide them with a competitive advantage in bidding for an investment;
- there are relatively few barriers to entry impeding new investment funds, and the successful efforts of new entrants into our various lines of business, including major commercial and investment banks and other financial institutions, have resulted in increased competition;
- some of our competitors may have better expertise or be regarded by investors as having better expertise in a specific asset class or geographic region than we do;
- some investors may prefer to pursue investments directly instead of investing through one of our funds; and
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us.

Oaktree may find it harder to raise funds for us, and we may lose investment opportunities in the future, if we do not match or improve on the fees, structures, products and terms offered by competitors to their fund clients. Alternatively, we may experience decreased profitability, rates of return and increased risk of loss if we match or improve on the prices, structures, products and terms offered by competitors. This competitive pressure could adversely affect our ability to make successful investments and limit Oaktree's ability to raise future funds, either of which would adversely impact our business, revenues, results of operations and cash flow.

Additionally, technological innovation, including the use of artificial intelligence and data science, has the potential to disrupt the financial industry and change the way financial institutions, including asset managers, do business. Some of our competitors may be more successful than us in the development and implementation of new technologies, including services and platforms based on artificial intelligence, to address investor demand or

improve operations. If we are unable to adequately advance our capabilities in these areas, or do so at a slower pace than others in our industry, we may be at a competitive disadvantage.

Poor performance of our funds would cause a decline in our revenues, net income and cash flow and could adversely affect Oaktree's ability to raise capital for future funds.

When any of our funds performs poorly, either by incurring losses or underperforming benchmarks or Oaktree's competitors, Oaktree's investment record suffers. Poor investment performance by our funds also adversely affects our incentive income and, all else being equal, may lead to a decline in our AUM. In such circumstances, we may experience losses on our investments of our own capital. If a fund performs poorly, we will receive little or no incentive income with regard to the fund and little income or possibly losses from our own principal investment in the fund. Poor performance of Oaktree's funds could also make it more difficult for Oaktree to raise new capital for us. Investors in Oaktree's closed-end funds may decline to invest in future closed-end funds Oaktree raises, and investors in open-end and evergreen funds may withdraw their investments in the funds (on specified withdrawal dates) as a result of poor performance. Our investors and potential investors continually assess our funds' performance, both on a standalone basis and relative to market benchmarks, our competitors, and other investment products, and Oaktree's ability to raise capital for our existing and future funds and avoid excessive redemption levels depends on our funds' performance.

We may not be able to maintain our current incentive fee structure as a result of industry pressure from clients to reduce fees, which could have an adverse effect on our profit margins and results of operations.

We may not be able to maintain our current incentive fee structure as a result of industry pressure from clients to reduce fees. Although our incentive fee rates may vary among and within asset classes, historically we have competed primarily on the basis of our performance and not on the level of our fees relative to those of our competitors. In recent years, however, there has been a general trend toward lower fees in the investment management industry, and we have in certain cases lowered the fees we charge in order to remain competitive. Additionally, we have afforded, and reserve the right in our sole discretion to continue to afford, certain clients more favorable economic terms, including with respect to incentive fee rates, in cases where such clients have committed capital to our funds or strategies that in the aggregate exceeds certain threshold amounts. In order to maintain our fee structure in a competitive environment, we must be able to continue to provide clients with investment returns and service that incentivize our investors to pay our current fee rates. We cannot provide any assurance that we will succeed in providing investment returns and service that will allow us to maintain our current fee structure. Fee reductions on existing or new business could have an adverse effect on our profit margins and results of operations. For more information about our fees please see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We often pursue investment opportunities that involve business, regulatory, legal or other complexities.

We often pursue unusually complex investment opportunities involving substantial business, regulatory or legal complexity that would deter other investment managers. Our tolerance for complexity presents risks, as such transactions can be more difficult, expensive and time-consuming to finance and execute; it can be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny or a greater risk of contingent liabilities. Any of these risks could harm the performance of our funds.

Technological developments in artificial intelligence could disrupt the markets in which we operate and subject us to increased competition, legal and regulatory risks and compliance costs.

Technological developments in artificial intelligence, including machine learning technology and generative artificial intelligence (collectively, "AI Technologies") and their current and potential future applications, including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, are rapidly evolving. The full extent of current or future risks related thereto is not possible to predict. AI Technologies could significantly disrupt the markets in which we operate and subject us to increased competition, legal and regulatory risks and compliance costs, which could have a material adverse effect on our business, financial condition and results of operations. We intend to seek to avail ourselves of the potential benefits, insights and efficiencies that are available through the use of AI Technologies, which presents a number of potential risks that cannot be fully mitigated. Data in models that AI Technologies utilize are likely to contain a degree of inaccuracy and error, which could result in flawed algorithms. This could reduce the effectiveness of AI Technologies and adversely impact us and our operations to the extent we rely on the work product of such AI Technologies in such operations. There is also a risk that AI Technologies may be misused or misappropriated by our employees and/or third parties engaged by us. For example, a user may input confidential information, including material non-public information or personal identifiable information, into AI Technology applications, resulting in such information

becoming part of a dataset that is accessible by third-party AI Technology applications and users, including our competitors. Such actions could subject us to legal and regulatory investigations and/or actions. Further, we may not be able to control how third-party AI Technologies that we choose to use are developed or maintained, or how data we input is used or disclosed, even where we have sought contractual protections with respect to these matters. The misuse or misappropriation of our data could have an adverse impact on our reputation and could subject us to legal and regulatory investigations and/or actions. In addition, we may communicate externally regarding AI Technology-related initiatives, including our development and use of AI Technologies, which subjects us to the risk of being accused of making inaccurate or misleading statements regarding our ability to avail ourselves of the potential benefits of AI Technology.

Regulations related to AI Technologies may also impose on us certain obligations and costs related to monitoring and compliance. For example, in April 2023, the Federal Trade Commission, U.S. Department of Justice, Consumer Financial Protection Bureau, and U.S. Equal Employment Opportunity Commission released a joint statement on artificial intelligence demonstrating interest in monitoring the development and use of automated systems and enforcement of their respective laws and regulations. In October 2023, the Presidential Administration signed an executive order that establishes new standards for AI safety and security. In addition to the U.S. regulatory framework, the EU is in the process of introducing a new regulation applicable to certain AI Technologies and the data used to train, test and deploy them, which if enacted, could impose significant requirements on both the providers and deployers of AI Technologies.

Extensive regulation in the United States and abroad affects our activities and creates the potential for significant liabilities and penalties that could adversely affect our business and results of operations.

Potential regulatory action poses a significant risk to our reputation and our business. Oaktree's business, and by extension our business, is subject to extensive regulation in the United States and in the other countries in which our investment activities occur, including periodic examinations, inquiries and investigations by governmental and self-regulatory organizations in the jurisdictions in which Oaktree operates around the world. Many of these regulators, including U.S. federal and state and foreign government agencies and self-regulatory organizations, are empowered to impose fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses and memberships. Even if an investigation did not result in a sanction, or the sanction imposed against us or our personnel were small in monetary amount, adverse publicity relating to the investigation could harm our or Oaktree's reputation and cause us to lose existing investors or fail to gain new investors.

Each of the regulatory bodies with jurisdiction over Oaktree or us has regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. A failure to comply with the applicable obligations imposed by the Advisers Act and the Investment Company Act, including recordkeeping, custody, advertising and operating requirements, disclosure obligations and prohibitions on fraudulent activities, could result in investigations, sanctions and reputational damage. Similarly, a failure to comply with the obligations imposed by the Commodity Exchange Act, including recordkeeping, reporting requirements, disclosure obligations and prohibitions on fraudulent activities, could also result in investigations, sanctions and reputational damage. Our funds are involved regularly in trading activities that implicate a broad number of U.S. securities law regimes, including laws governing trading on inside information, market manipulation and a broad number of technical trading requirements that implicate fundamental market regulation policies. Violation of these laws could result in severe restrictions on our activities and damage to our reputation.

Oaktree's or our failure to comply with applicable laws or regulations could result in litigation, fines, censure, suspensions of personnel or other sanctions, including revocation of the registration of our relevant affiliated entities as an investment adviser, CPO, CTA or registered broker-dealer. The regulations to which our business is subject are designed primarily to protect investors in our funds and to ensure the integrity of the financial markets. They are not designed to protect our preferred unitholders. Even if a sanction imposed against Oaktree or us, one of Oaktree's or our subsidiaries or Oaktree personnel by a regulator is for a small monetary amount, the adverse publicity related to the sanction could harm our reputation, which in turn could materially adversely affect our business in a number of ways, such as causing investors to redeem their capital (to the extent they have that right), making it harder for us to raise new funds and discouraging others from doing business with us.

Some of our funds from time to time invest in businesses that operate in highly-regulated industries, including businesses that are regulated by the U.S. Federal Communications Commission, the U.S. Federal Energy Regulatory Commission, U.S. federal and state banking authorities and U.S. state gaming authorities, as well as equivalent foreign regulatory bodies. The regulatory regimes to which such businesses are subject may, among

other things, condition our funds' ability to invest in those businesses upon the satisfaction of applicable ownership restrictions or qualification requirements or, absent any applicable exemption, require us or our subsidiaries to comply with registration, reporting or other requirements. Moreover, our failure to obtain or maintain any regulatory approvals necessary for our funds to invest in such industries may disqualify our funds from participating in certain investments or require our funds to divest themselves of certain assets.

Regulatory changes in the United States, regulatory compliance failures and the effects of negative publicity surrounding the financial industry in general could adversely affect our reputation, business and operations.

The business in which we operate both in and outside the United States may be subject to new or additional regulations from time to time. We and Oaktree may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the CFTC or other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets and businesses such as ours. The financial services industry in recent years has been the subject of heightened scrutiny, which is expected to continue to increase, and the SEC has specifically focused on private equity and the private funds industry. In that connection, in recent years the SEC's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, investor side letter terms, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, disclosures of investment risk, conflicts of interest, adherence to notice, consent and other contractual requirements regarding limited partnership advisory committees and compliance policies and procedures with respect to conflicts of interest. The SEC's stated examination priorities also include investment advisers' and funds' compliance with recently adopted rules, including those referenced herein. Statements by SEC staff in 2023 and the SEC's enforcement and rulemaking activities reflected a focus on certain of these topics and on bolstering transparency in the private funds industry, including with respect to fees earned and expenses charged by advisers. In recent years, the SEC has proposed, and in some instances, adopted, a number of new rules and amendments to existing rules that impact our or Oaktree's business and operations. Most significantly, in August 2023, the SEC adopted new rules and amendments to existing rules under the Advisers Act (collectively, the "Private Fund Adviser Rules"). The Private Fund Adviser Rules require registered investment advisers to distribute quarterly statements containing detailed information about, among other things, compensation, fees and expenses, investments, and performance; obtain an annual audit for private funds; and obtain a fairness or valuation opinion and make certain disclosures in connection with adviser-led secondary transactions. In addition, the rules restrict all investment advisers from engaging in certain practices unless they satisfy specified disclosure, and in some cases, consent requirements. The Private Fund Adviser Rules also prohibit providing preferential liquidity and information rights to investors unless certain conditions are met.

Although there is a pending legal challenge to the Private Fund Adviser Rules, whether such legal challenge will succeed is uncertain. While the full extent of the Private Funds Adviser Rules' impact cannot yet be determined, the general anticipation is that they will increase regulatory and compliance costs, place burdens on our or Oaktree's resources, including the time and attention of Oaktree's personnel, and heighten the risk of regulatory action.

The Private Fund Adviser Rules are complemented by amended rules that require enhanced record retention and documentation. Furthermore, the SEC (in May 2023) and the SEC and CFTC jointly (in February 2024) adopted changes to Form PF, a confidential form relating to reporting by private fund advisers and intended to be used by the Financial Stability Oversight Counsel ("FSOC") for systemic risk oversight purposes, that expand existing reporting obligations. Such increased obligations may increase our costs, including if we are required to spend more time, hire additional personnel, or buy new technology to comply effectively.

The SEC has also proposed several other rules that may impact our or Oaktree's operations. For example, an October 2022 SEC proposal would, if adopted, impose substantial obligations on registered investment advisers to conduct initial due diligence and ongoing monitoring of a broad universe of service providers that we or Oaktree may use. If adopted, these new rules could significantly increase compliance burdens and associated regulatory costs and complexity for us and Oaktree and enhance the risk of regulatory action, which could adversely impact our reputation and our fundraising efforts, including as a result of regulatory sanctions. Moreover, in February 2023, the SEC proposed extensive amendments to the custody rule for SEC-registered investment advisers which would apply to all assets of an advisory client, including real estate and other assets that generally are not considered securities under the federal securities laws. If adopted, the amendments would require, among other things, that qualified custodians maintain possession of and control of assets of advisory clients and participate in or effectuate any changes of such assets' beneficial ownership. There is a lack of clarity as to whether all assets held by advisory clients can be custodied in a manner that satisfies the proposed rule or whether existing qualified custodians will provide custodial services for such assets at a reasonable cost or at all. If adopted, these amendments could

expose Oaktree's registered investment advisers to additional regulatory liability, increase compliance costs and impose limitations on our investing activities.

We and Oaktree also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. For example, in recent years, senior officials at the SEC have shown a willingness to pursue violations that could be viewed as minor on the theory that publicly pursuing minor violations could reduce the prevalence of more significant violations.

It is difficult to determine the full extent of the impact on us or Oaktree of any new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law. Any changes in the regulatory framework applicable to our or Oaktree's business, including the changes described above, may impose additional costs on us, require the attention of Oaktree's senior management or result in limitations on the manner in which we conduct our business. Moreover, as calls for additional regulation have increased, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative asset management funds, including our funds. In addition, we may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. Compliance with any new laws or regulations could make our overall compliance activities more difficult and expensive, affect the manner in which we conduct our business and adversely affect our profitability.

Changes in law and government regulations may adversely affect our business, financial condition and results of operations.

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. Any changes in the regulatory framework applicable to our business or the businesses of the portfolio companies of our funds may impose additional costs or result in limitations on the manner in which business is conducted, or may ultimately have an adverse impact on the competitiveness of certain nonbank financial service providers vis-à-vis traditional banking organizations.

The replacement of LIBOR with an alternative reference rate may adversely affect our credit arrangements and our collateralized loan obligation transactions.

LIBOR and certain other "benchmarks" have been the subject of recent national, international, and other regulatory guidance and proposals for reform. These reforms have resulted in plans to phase out and eventually replace LIBOR which may cause such benchmarks to perform differently than in the past or have other consequences which cannot be predicted.

The FCA, which regulates LIBOR, ceased publication of one-week and two-month USD LIBOR in 2023, and the Federal Reserve Board has advised banks to stop entering into new USD LIBOR-based contracts. One-week and two-month USD LIBOR can no longer be referenced in financial contracts, and the FCA has announced that it will only require the publishing of one-, three- and six- month LIBOR on a synthetic basis through the end of September 2024. As a result of the phasing out of this benchmark, interest rates on our floating rate obligations, loans, deposits, derivatives, and other financial instruments formerly tied to LIBOR rates, as well as the revenue and expenses associated with those financial instruments, may be adversely affected. It is unclear what methods of calculating a replacement benchmark will be established or adopted generally, and whether different industry bodies, such as the loan market and the derivatives market will adopt the same methodologies. To address the transition away from LIBOR, we have amended our credit agreements and related loan documentation to provide for an agreed upon methodology to calculate new benchmark rate spreads, but there are as yet no comparable forward-looking benchmarks for the various LIBOR tenors. Additionally, there will be significant work required to transition to using the new benchmark rates and implement necessary changes to our systems, processes and models. This may impact our existing transaction data, products, systems, operations, and valuation processes. The calculation of interest rates under the replacement benchmarks could also negatively impact our business and financial results. We are assessing the impact of the transition; however, we cannot reasonably estimate the impact of the transition at this time.

There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases or volatility in risk-free benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on our business, result of operations, financial condition, and unit price.

Regulatory changes in jurisdictions outside the United States could adversely affect our business.

Certain of Oaktree's subsidiaries operate outside the United States. A number of these subsidiaries are regulated by governmental authorities in foreign jurisdictions where they operate. In addition, Oaktree regularly

relies on exemptions from various requirements of the regulations of certain foreign countries in conducting its asset management and fundraising activities.

Each of the regulatory bodies with jurisdiction over Oaktree has regulatory powers dealing with many aspects of our business generally and financial services specifically, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. We are involved regularly in trading activities that implicate a broad number of foreign (as well as U.S.) securities law regimes, including laws governing trading on inside information and market manipulation and a broad number of technical trading requirements that implicate fundamental market regulation policies. Additionally, we must comply with foreign laws governing the sale of interests in our funds and laws that govern other business activities. Violation of these laws could result in severe penalties, restrictions or prohibitions on our activities and damage to our reputation, which in turn could materially adversely affect our business in a number of ways, such as causing investors to redeem their capital (to the degree they have that right), making it harder for us to raise new funds and discouraging others from doing business with us.

SEC rules barring so-called “bad actors” from relying on Rule 506 of Regulation D in private placements could materially adversely affect our business, financial condition and results of operations.

Rules 501 and 506 of Regulation D under the Securities Act prohibit issuers deemed to be “bad actors” from relying on the exemptions available under Rule 506 of Regulation D (“Rule 506”) in connection with private placements (the “disqualification rule”). Specifically, an issuer will be precluded from conducting offerings that rely on the exemption from registration under the Securities Act provided by Rule 506 (“Rule 506 offerings”) if a “covered person” of the issuer has been the subject of a “disqualifying event” (each as defined below). “Covered persons” include, among others, the issuer, affiliated issuers, any investment manager or solicitor of the issuer, any director, executive officer or other officer participating in the offering of the issuer, any general partner or managing member of the foregoing entities, any promoter of the issuer and any beneficial owner of 20% or more of the issuer’s outstanding voting equity securities, calculated on the basis of voting power. A “disqualifying event” includes, among other things, certain (1) criminal convictions and court injunctions and restraining orders issued in connection with the purchase or sale of a security or false filings with the SEC; (2) final orders from the CFTC, federal banking agencies and certain other regulators that bar a person from associating with a regulated entity or engaging in the business of securities, insurance or banking or that are based on certain fraudulent conduct; (3) SEC disciplinary orders relating to investment advisers, brokers, dealers and their associated persons; (4) SEC cease-and-desist orders relating to violations of certain anti-fraud provisions and registration requirements of the federal securities laws; (5) suspensions or expulsions from membership in a self-regulatory organization (“SRO”) or from association with an SRO member; and (6) U.S. Postal Service false representation orders.

If any Oaktree covered person is subject to a disqualifying event, one or more of our funds could lose the ability to raise capital in a Rule 506 offering for a significant period of time. Most of our funds rely on Rule 506 to raise capital from investors during their fundraising periods. If one or more of our funds were to lose the ability to rely on the Rule 506 exemption because an Oaktree covered person has been the subject of a disqualifying event, our business, financial condition and results of operations could be materially and adversely affected.

Oaktree’s failure to comply with “pay to play” regulations implemented by the SEC and certain states, and changes to the “pay to play” regulatory regimes, could adversely affect our business.

In recent years, the SEC and several states have initiated investigations alleging that certain private equity firms and hedge funds or agents acting on their behalf have paid money to current or former government officials or their associates in exchange for improperly soliciting contracts with state pension funds. The SEC has also initiated a similar investigation into contracts awarded by sovereign wealth funds. Rule 206(4)-5 under the Advisers Act addresses “pay to play” practices by investment advisers involving campaign contributions and other payments to government officials able to exert influence on potential U.S. state and local government entity clients. Among other restrictions, the rule prohibits investment advisers from providing advisory services for compensation to a government entity for two years, subject to very limited exceptions, after the investment adviser, its senior executives or its personnel involved in soliciting investments from government entities make contributions to certain candidates and officials in a position to influence the hiring of an investment adviser by such government entity. The rule does not require any showing that a donation was made with intent to exert influence. Any donation that exceeds the limits set forth in Rule 206(4)-5 may lead to an investment adviser being required to forgo compensation from applicable government entities for two years; to the extent such fees have already been paid, the investment adviser may be required to forfeit the already-received compensation. Advisers are required to implement compliance policies designed, among other matters, to track contributions by certain of the adviser’s

employees and engagements of third parties that solicit government entities and to keep certain records in order to enable the SEC to determine compliance with the rule. Additionally, California law requires placement agents (including in certain cases employees of investment managers) who solicit funds from California state retirement systems, such as the California Public Employees' Retirement System and the California State Teachers' Retirement System, to register as lobbyists, thereby becoming subject to increased reporting requirements and prohibited from receiving contingent compensation for soliciting investments from California state retirement systems. New York has adopted similar rules. In July 2018, OCM reached a settlement with the SEC related to its "pay to play" rules pursuant to which OCM paid a monetary settlement to the SEC and agreed not to violate the rule in the future. Any failure by OCM or another of our affiliated entities or their respective personnel involved in soliciting investment from government entities to comply with these rules could expose us to reputational damage since we are closely affiliated with OCM. Additionally, the SEC's amended rules for investment adviser marketing that went into effect in 2022 impose more prescriptive requirements and will impact the marketing of our funds as well as placement agent arrangements globally. Compliance with the new rule may result in higher compliance and operational costs and less overall flexibility in our marketing.

Oaktree's failure to maintain the security of its information and technology networks, including personal data and client information, intellectual property and proprietary business information could have a material adverse effect on us.

Security breaches and other disruptions of or incidents affecting Oaktree's information and technology networks could result in compromising our or Oaktree's information and intellectual property and expose us or Oaktree to significant liability, reputational harm, regulatory investigation and remediation costs, which could cause material harm to our business and financial results. In the ordinary course of our and Oaktree's business, Oaktree collects, processes and stores sensitive data, including proprietary business information and intellectual property, and personal data of Oaktree employees and its clients, in Oaktree's data centers and on Oaktree's networks (including data stored on systems maintained by third parties). The secure processing, maintenance and transmission of this information are critical to our operations. In many cases, this information is provided or made available to third-party vendors who agree to protect it, which has in the past and may in the future become compromised through a cyber-attack or data breach, misappropriation, misuse, leakage, falsification or accidental release or loss of information by Oaktree or a third-party vendor. Although Oaktree and its third-party vendors take various measures and have made, and will continue to make, significant investments in an attempt to ensure the integrity of their respective systems and to safeguard against such failures or security breaches, there can be no assurance that these measures and investments will provide adequate protection. Despite security measures, Oaktree's and its third-party vendor's information technology and infrastructure are vulnerable to different types of attacks by third parties or breaches due to employee error, malfeasance or other disruptions. Certain of our funds invest in strategic assets having a national or regional profile or in infrastructure assets, the nature of which could expose them to a greater risk of being subject to a cyberattack or security breach. In addition, we, Oaktree, Oaktree's employees and Oaktree's third-party vendors have been and may continue to be the target of fraudulent emails or other targeted attempts to gain unauthorized access to proprietary or sensitive information, including personal data.

There has been an increase in the frequency and sophistication of the data security threats Oaktree faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target us or Oaktree because, as an investment management firm, Oaktree holds confidential and other price-sensitive information about the portfolio companies of our funds and their potential investments. As a result, through Oaktree we face a heightened risk of a security breach or disruption with respect to sensitive information resulting from an attack by computer hackers, foreign governments, cyber-terrorists or other bad actors. If successful, these types of attacks on Oaktree's network or other systems could have a material adverse effect on our business and results of operations, due to, among other things, the loss, unauthorized access to or other misuse of personal, regulated, investor or proprietary data, interruptions or delays in our business and damage to our reputation. We are not currently aware of any current or past cyberattacks or other incidents that, individually or in the aggregate, have materially affected, or would reasonably be expected to materially affect, our business strategy operations or financial condition. There can be no assurance that the various procedures and controls Oaktree utilizes to mitigate these threats will be sufficient to prevent or detect disruptions to its systems. Because cyberattacks can originate from a wide variety of sources and the techniques used change frequently and are not recognized until launched, Oaktree may not learn about an attack until well after the attack occurs, and the full scope of a cyberattack may not be realized until an investigation has been performed. The costs related to data security threats or disruptions may not be fully insured or indemnified by other means. In addition, privacy and data security have become a top priority for regulators around the world and a cybersecurity incident impacting our business could result in regulatory scrutiny, investigations or actions.

A significant actual or potential theft, loss, corruption, exposure, fraudulent use or misuse of client, employee or other personal data, regulated or proprietary business data, whether by third parties or as a result of Oaktree's employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of Oaktree's privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation or regulatory actions against Oaktree or us. Such an event could additionally disrupt our operations and the services we provide to clients, damage our reputation, result in a loss of a competitive advantage, impact our ability to provide timely and accurate financial data, and cause a loss of confidence in our services and financial reporting, which could adversely affect our business, revenues, competitive position and investor confidence.

Additionally, the General Data Protection Regulation (the "GDPR") became applicable in all European Union ("EU") member states on May 25, 2018. This regulation added a broad array of requirements for handling personal data of individuals that are residents of the EU and the processing and transfer of that data from the EU and could impose a fine of up to 4% of global annual revenue or 20 million euros, whichever is higher, for violations. The GDPR has resulted in and will continue to result in significantly greater compliance burdens and costs for companies like Oaktree. Further, due to Brexit (discussed below), Oaktree is required to comply with the GDPR and also the UK equivalent. The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, and any changes will lead to additional costs and increase our overall risk exposure.

In the U.S., the Gramm-Leach-Bliley Act of 1999 (the "GLBA") imposes privacy requirements on financial institutions, including obligations to protect and safeguard consumers' nonpublic personal information and records, and limits the ability to share and reuse such information. Under the GLBA, beginning in May 2024, the Federal Trade Commission will require financial institutions to report the unauthorized acquisition of unencrypted customer information involving at least five hundred customers, within thirty days of discovery. In December 2023, an SEC rule went into effect which requires us to report within four days on a Form 8-K any cybersecurity incident determined to be material. Material incidents requiring such disclosure include those involving a third party provider. At the state level, California was the first state to pass a comprehensive privacy law when it enacted the California Consumer Privacy Act of 2018 (the "CCPA"), which went into effect on January 1, 2020. The CCPA imposes sweeping data protection obligations on many companies doing business in California and provides for substantial fines for non-compliance and, in some cases, a private right of action for consumers who are victims of data breaches involving their unencrypted personal information. Further, in November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 ("CPRA"), which amends and further expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing those requirements. In March of 2021, Virginia enacted the Virginia Consumer Data Protection Act, creating the second comprehensive U.S. state privacy law, which took effect on January 1, 2023 (the same day CPRA took effect). Colorado, Connecticut, and Utah also have consumer protection laws in place. Additional states have since also passed comprehensive state privacy laws with additional obligations and requirements on businesses, with many more states considering passing their own similar laws. In 2023, Delaware, Indiana, Iowa, Florida, Montana, Oregon, Tennessee and Texas adopted laws regulating the permitted use and security of certain personal information, and New Jersey became the first state in 2024 to adopt such a law. Further, the U.S. Congress is considering passing a comprehensive privacy law on the federal level. Many regulators, including the Federal Trade Commission, have indicated an intention to take more aggressive enforcement actions regarding data security and data matters, and related private litigation is increasing and resulting in progressively larger judgments and settlements.

It remains unclear how various provisions of these newer laws will be interpreted and enforced. These and other data privacy laws and regulations and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction. The effects of the GDPR, CCPA, and other U.S. state, U.S. federal, and international data privacy laws and regulations are significant and may require Oaktree to modify its data processing practices and policies and to incur substantial costs and potential liability in an effort to comply with such laws and regulations.

Interruption of certain information technology, communications systems or data services could disrupt our business, result in losses and/or limit our growth.

We rely on Oaktree's financial, accounting, communications and other information technology systems. If these systems do not operate properly, are disabled or are compromised, we could suffer financial loss, a disruption of our business, liability to our funds, regulatory intervention or reputational damage. Oaktree's information technology and communications systems are vulnerable to damage or disruption from fire, power loss, telecommunications failure, system malfunctions, natural disasters such as hurricanes, earthquakes and floods,

acts of war or terrorism, employee errors or malfeasance, computer viruses, cyberattacks, or other events which are beyond our or Oaktree's control.

We depend on Oaktree's headquarters in Los Angeles, where a substantial portion of Oaktree's personnel are located, for the continued operation of our business. An earthquake or other disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services used by Oaktree or third parties with whom we conduct business, or directly affecting Oaktree's headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Insurance and other safeguards might only partially reimburse us for certain losses, if at all.

In addition, we rely on unaffiliated third party service providers for certain other aspects of our business, including software vendors for portfolio management and accounting software, outside financial institutions for back office processing and custody of securities and third party broker dealers for the execution of trades. An interruption or deterioration in the performance of these third parties or failures of their information systems and technology, over which we have no control, could cause system interruption, delays, loss, corruption or exposure of critical data or intellectual property and impair the quality of the funds' operations, which could impact our reputation and hence adversely affect our business. These risks could increase as vendors increasingly offer cloud-based software services rather than software services that can be operated within our own data centers. Our portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. Such an event may have adverse consequences on our investments or assets of the same type, or may require portfolio companies to increase preventative security measures or expand insurance coverage.

Any such interruption or deterioration in Oaktree's or our operations could result in substantial recovery and remediation costs and liability to Oaktree's or our clients, business partners and other third parties. While Oaktree has implemented disaster recovery plans, business continuity plans and backup systems to lessen the risk of any material adverse impact, such disaster recovery planning may not be sufficient to mitigate the harm and cannot account for all eventualities, and a catastrophic event that results in the destruction or disruption of any of our data, our critical business or information technology systems could severely affect our ability to conduct our business operations, and as a result, our future operating results could be materially adversely affected.

We are subject to substantial litigation risks and may face significant liabilities and damage to our professional reputation as a result.

Oaktree makes investment decisions on behalf of its clients that could result in substantial losses. This may subject us to the risk of legal liabilities or actions alleging negligence, breach of fiduciary duty, breach of contract or other causes of action. Heightened standards of care or additional fiduciary duties may apply in certain of our managed accounts or other advisory contracts. To the extent we enter into agreements with clients containing such terms or applicable law mandates a heightened standard of care or duties, we could, for example, be liable to certain clients for acts of simple negligence or breach of such duties.

Further, we may be subject to litigation arising from investor dissatisfaction with the performance of our funds or from third-party allegations that we improperly exercised control or influence over portfolio investments or that we are liable for actions or inactions taken by portfolio companies that such third parties argue we control. In addition, we and our affiliates that are the investment managers and general partners of our funds, our funds themselves and those individuals who are our affiliates' or the funds' officers and directors are each exposed to the risks of litigation specific to the funds' investment activities and portfolio companies and, in cases where our funds own controlling interests in public companies, to the risk of shareholder litigation by the public companies' other shareholders. Moreover, we are exposed to risks of litigation or investigation by investors and regulators relating to our having engaged, or our funds having engaged, in transactions that presented conflicts of interest that were not properly addressed. Please see also "—Extensive regulation in the United States and abroad affects our activities and creates the potential for significant liabilities and penalties that could adversely affect our business and results of operations."

Substantial legal liability could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could seriously harm our business. We depend, to a large extent, on Oaktree's business relationships and reputation for integrity and high-caliber professional services to attract and retain investors. As a result, allegations of improper conduct asserted by private litigants or regulators, regardless of whether the ultimate outcome is favorable or unfavorable to Oaktree, as well as negative

publicity and press speculation about Oaktree, its investment activities or the investment industry in general, whether or not valid, may harm Oaktree's reputation, which may be more damaging to our business than to other types of businesses.

Oaktree employee misconduct, which is difficult to detect and deter, could subject us to significant regulatory sanctions and reputational harm. Fraud and other deceptive practices or other misconduct at the portfolio companies of our funds could similarly subject us to liability and reputational damage and also harm our performance.

There have been a number of highly publicized cases involving fraud or other misconduct by individuals in the financial services industry, and there is a risk that Oaktree employees could engage in misconduct that adversely affects our business. Oaktree is subject to a number of obligations and standards arising from its investment management business and the authority over the assets Oaktree manages. The violation of any of these obligations or standards by any of Oaktree's employees or advisors could adversely affect Oaktree clients and us. Our business often requires that we deal with confidential matters of great significance to companies in which our funds may invest or to Oaktree clients. If Oaktree employees improperly use or disclose confidential information, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to deter employee misconduct, and the precautions we take to prevent this activity may not be effective in all cases. If Oaktree employees engage in misconduct, or if they are accused of misconduct, our business and our reputation could be adversely affected.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the Foreign Corrupt Practices Act (the "FCPA"). In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While we have developed and implemented policies and procedures designed to ensure compliance by us and our personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. Any determination that Oaktree personnel have violated the FCPA, UK anti-bribery laws or other applicable anti-corruption laws could subject Oaktree to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our reputation, business, financial condition or results of operations.

In addition, we may also be adversely affected if there is misconduct by personnel of portfolio companies in which our funds invest. For example, financial fraud or other deceptive practices at such portfolio companies, or failures by personnel at such portfolio companies to comply with anti-bribery, trade sanctions or other legal and regulatory requirements could adversely affect our business and reputation. Such misconduct might undermine our due diligence efforts with respect to such companies and could negatively affect the valuation of our funds' investments. In addition, we may face increased risk of such misconduct to the extent our funds' investment in markets outside the United States, particularly emerging markets, increases.

The United Kingdom's exit from the European Union, and the implementation of the trade and cooperation agreement between the United Kingdom and the European Union, could adversely affect us.

In 2016, the United Kingdom (the "U.K.") held a referendum on whether to remain a member state of the EU in which a majority of voters approved an exit from the EU, commonly referred to as "Brexit." The U.K. withdrew from the EU on January 31, 2020, but the U.K. remained in the EU's customs union and single market for a transition period that expired on December 31, 2020. On December 24, 2020, the U.K. and the EU entered into a trade and cooperation agreement (the "Trade and Cooperation Agreement"), which was applied on a provisional basis from January 1, 2021 and has since been approved by the European Parliament and so now applies permanently. While the economic integration does not reach the level that existed during the time the UK was a member state of the EU, the Trade and Cooperation Agreement sets out preferential arrangements in areas such as trade in goods and in services, digital trade and intellectual property. Negotiations between the UK and the EU are expected to continue in relation to the relationship between the UK and the EU in certain other areas which are not covered by the Trade and Cooperation Agreement. The long term effects of Brexit will depend on the effects of the implementation and application of the Trade and Cooperation Agreement and any other relevant agreements between the U.K. and the EU.

The effects of Brexit remain uncertain and, as a result, we face risks associated with the potential uncertainty and disruptions that may follow Brexit and the implementation and application of the Trade and Cooperation Agreement, including with respect to volatility in exchange rates and interest rates and disruptions to the free movement of data, goods, services, people and capital between the U.K. and the EU. The uncertainty concerning the U.K.'s future legal, political and economic relationship with the EU could adversely affect political, regulatory,

economic or market conditions in the EU, the U.K. and worldwide and could contribute to instability in global political institutions, regulatory agencies and financial markets. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and could significantly reduce global market liquidity and limit the ability of key market participants to operate in certain financial markets. In particular, it could also lead to a period of considerable uncertainty in relation to the U.K. financial and banking markets, as well as to the regulatory process in Europe. Asset valuations, currency exchange rates and credit ratings may also be subject to increased market volatility. Depending on the future relationship of the U.K. and the EU, the long-term effects of Brexit could be far-reaching. It could adversely affect the values of investments held by our funds, our ability to source new investments, and our ability to raise capital from investors in the U.K. and the EU. It has, and will in the future, also affect the ways in which Oaktree is able to operate in and from the U.K. and the EU. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which laws of the EU to replace or replicate.

It remains difficult to predict the overall impact of the U.K. withdrawal from the EU, the implementation and application of the Trade and Cooperation Agreement and what the economic, tax, fiscal, legal, regulatory and other implications will be for the asset management industry and the broader European and global financial markets generally and for our business and our funds and their investments specifically. However, any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business, results of operations, financial prospects and condition, and cash flow.

Risks Relating to Our Funds

Our results of operations are dependent on the performance of our funds. Poor fund performance will result in reduced revenues. Poor performance of our funds will also make it difficult for us to retain and attract investors to our funds, to retain and attract qualified professionals and to grow our business. The performance of each fund we manage is subject to some or all of the following risks.

The historical returns attributable to our funds should not be considered indicative of the future results of our funds or of our future results or of any returns expected on an investment in our preferred units.

The historical returns attributable to our funds should not be considered indicative of the future results of our funds. Poor performance of the funds we manage will cause a decline in our revenues and would therefore have a negative effect on our operating results.

Moreover, with respect to the historical returns of our funds:

- we may create new funds in the future that reflect a different asset mix and different investment strategies, as well as a varied geographic and industry exposure as compared to our present funds, and any such new funds could have different returns from our existing or previous funds;
- our funds' returns have previously benefited from investment opportunities and general market conditions that may not repeat themselves, and there can be no assurance that our current or future funds will be able to avail themselves of profitable investment opportunities;
- many of our funds' historical investments were made over a long period of time and over the course of various market and macroeconomic cycles, and the circumstances under which our current or future funds may make future investments may differ significantly from those conditions prevailing in the past;
- newly established funds may generate lower returns during the period in which they initially deploy their capital;
- our funds may not be able to successfully identify, make and realize upon any particular investment or generate returns for their investors; and
- any material increase or decrease in the size of our funds could result in materially different rates of returns.

The future internal rate of return for any current or future fund may vary considerably from the historical internal rate of return generated by any particular fund, or for our funds as a whole. In addition, future returns will be affected by the applicable risks described elsewhere in this annual report, including risks of the industries and businesses in which a particular fund invests. Moreover, we are generally only entitled to earn one-third of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established in 2022 or later and in respect of incentive income from our evergreen funds earned subsequent to January 1, 2023.

Certain of our funds make investments in distressed businesses that involve significant risks and potential additional liabilities.

Certain of our funds invest in obligors and issuers with weak financial conditions, poor operating results, substantial financing needs, negative net worth or significant competitive issues and/or securities that are illiquid, distressed or have other high-risk features. These funds also invest in obligors and issuers that are involved in bankruptcy or reorganization proceedings. In these situations, it may be difficult to obtain full information as to the exact financial and operating conditions of these obligors and issuers. Furthermore, some of our funds' distressed debt investments may not be widely traded or may have no recognized market. Depending on the specific fund's investment profile, a fund's exposure to the investments may be substantial in relation to the market for those investments, and the acquired assets are likely to be illiquid and difficult to transfer. As a result, it may take a number of years for the market value of the investments to ultimately reflect their intrinsic value as we perceive it.

A central strategy of our opportunistic credit funds, for example, is to anticipate the occurrence of certain corporate events, such as debt or equity offerings, restructurings, reorganizations, mergers, takeover offers and other transactions. If the relevant corporate event that we anticipate is delayed, changed or never completed, the market price and value of the applicable fund's investment could decline sharply.

In addition, these investments could subject a fund to certain potential additional liabilities that may exceed the value of its original investment. Under certain circumstances, payments or distributions on certain investments may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. In addition, under certain circumstances, a lender that has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In the case where the investment in securities of troubled companies is made in connection with an attempt to influence a restructuring proposal or plan of reorganization in bankruptcy, the fund may become involved in substantial litigation.

Certain of our funds may be subject to risks arising from potential control group liability.

Certain of our investment funds could potentially be liable under U.S. Employee Retirement Income Security Act of 1974 ("ERISA") for the pension obligations of one or more of our portfolio companies if the investment fund were determined to be a "trade or business" under ERISA and deemed part of the same "controlled group" as the portfolio company under ERISA's controlled group rules. While a number of cases have held that managing investments is not a "trade or business" for tax purposes, at least one federal Circuit Court has determined that a private equity fund could be a "trade or business" for ERISA controlled group liability purposes based on a number of factors, including the fund's level of involvement in the management of its portfolio companies and the nature of its management fee arrangements. Litigation related to the Circuit Court's decision suggests that additional factors may be relevant, including the structure of the investment and the nature of the fund's relationship with other affiliated investors and co-investors in the portfolio company.

If any of our funds were determined to be a trade or business for purposes of ERISA controlled group liability, it is possible that pension liabilities incurred by a portfolio company could result in liability being incurred by the fund, with a resulting need for additional capital contributions, the appropriation of such fund's assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain fund assets. Moreover, regardless of whether any of our funds were determined to be a trade or business for purposes of ERISA controlled group liability, a court might hold that one of our fund's portfolio companies is jointly and severally liable for another portfolio company's unfunded pension liabilities pursuant to the ERISA "controlled group" rules, depending upon the relevant investment structures and ownership interests as noted above.

Poor investment performance during periods of adverse market conditions may result in relatively high levels of investor redemptions, which can exacerbate the liquidity pressures on the affected funds, force the sale of assets at distressed prices or reduce the funds' returns.

Poor investment performance during periods of adverse market conditions, together with investors' increased need for liquidity given adverse conditions in the credit markets during such periods, can prompt relatively high levels of investor redemptions at times when many funds may not have sufficient liquidity to satisfy some or all of their investor redemption requests. During times when market conditions are deteriorating, many funds may face additional redemption requests and/or compulsory investor withdrawals or redemptions, which will exacerbate the liquidity pressures on the affected funds. If such funds cannot satisfy their current and future redemption requests, they may be forced to sell assets at distressed prices or cease operations. Various measures taken by funds to

improve their liquidity profiles (such as the implementation of “gates” or the suspension of redemptions) that reduce the amounts that would otherwise be paid out in response to redemption requests may have the effect of incentivizing investors to “gross up” or increase the size of the future redemption requests they make, thereby exacerbating the cycle of redemptions.

Valuation methodologies for certain assets in our funds can be subject to significant subjectivity, and the values of assets established pursuant to the methodologies may never be realized.

Our funds make investments for which market quotations are not readily available, and thus the process by which we value such investments involves inherent uncertainties. We are required by GAAP to make good faith determinations as to the fair value of these investments on a quarterly basis in connection with the preparation of our funds’ financial statements.

There is no single method for determining fair value in good faith. The types of factors that may be considered when determining the fair value of an investment in a particular company include acquisition price of the investment, discounted cash flow valuations, historical and projected operational and financial results for the company, the strengths and weaknesses of the company relative to its comparable companies, industry trends, general economic and market conditions, information with respect to offers for the investment, the size of the investment (and any associated control) and other factors deemed relevant. Because valuations of investments for which market quotations are not readily available are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for our investments, the quotations may not reflect the value that we would actually be able to realize because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity in the market for a company’s securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market’s view of overall company and management performance.

Because there is significant uncertainty in the valuation of, or in the stability of the value of, illiquid investments, the fair values of such investments as reflected in a fund’s NAV do not necessarily reflect the prices that would actually be obtained by us on behalf of the fund when such investments are sold. Sales at values significantly lower than the values at which investments have previously been reflected in a fund’s NAV may result in losses for the applicable fund and the loss of incentive income that may have been accrued by the applicable fund.

Our funds make investments in companies that are based outside the United States, which exposes us to additional risks not typically associated with investing in companies that are based in the United States.

Many of our funds invest a portion of their assets in the equity, debt, loans or other securities of issuers located outside the United States, while certain of our funds invest substantially all of their assets in these types of securities. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to:

- our funds’ abilities to exchange local currencies for U.S. dollars and other currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another;
- controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital;
- less developed or less efficient financial markets than exist in the United States, which may lead to price volatility and relative illiquidity;
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation;
- differences in legal and regulatory environments, particularly with respect to bankruptcy and reorganization, less developed corporate laws regarding fiduciary duties and the protection of investors and less reliable judicial systems to enforce contracts and applicable law;
- less publicly available information in respect of companies in non-U.S. markets;
- heightened exposure to corruption risk;
- certain economic and political risks, including potential exchange control regulations and restrictions on our non-U.S. investments and repatriation of capital, potential political, economic or social instability, the

possibility of nationalization or expropriation or confiscatory taxation and adverse economic and political developments; and

- the possible imposition of non-U.S. taxes or withholding on income and gains recognized with respect to the securities.

There can be no assurance that adverse developments with respect to these risks will not adversely affect our funds that invest in securities of non-U.S. issuers.

We have made and expect to continue to make significant investments in our current and future funds, and we may lose money on some or all of our investments.

We have had a practice of making significant principal investments in Oaktree funds and expect to continue to make significant principal investments in our funds and may choose to increase the amount we invest at any time. Further, from time to time we make loans or otherwise extend credit or guarantees to our funds. Contributing capital, making other investments or extending credit to these funds is risky, and we may lose some or all of our investments. Any such loss could have a material adverse impact on our financial condition and results of operations.

Our funds often invest in companies that are highly leveraged, a fact that may increase the risk of loss associated with the investments.

Our funds often invest in companies whose capital structures involve significant leverage. These investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structures of these companies place significant burdens on their cash flows and increases the exposure of our funds to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by our funds may be the most junior in what could be a complex capital structure and thus subject us to the greatest risk of loss in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of one of these companies.

The use of leverage by our funds could have a material adverse effect on our financial condition, results of operation and cash flow.

Some of our funds use leverage (including through credit facilities, swaps and other derivatives) as part of their respective investment programs and may borrow a substantial amount of capital. The use of leverage poses a significant degree of risk and can enhance the magnitude of a significant loss in the value of the investment portfolio. To the extent that any fund leverages its capital structure, it is subject to the risks normally associated with debt financing, including the risk that its cash flows will be insufficient to meet principal and interest payments, which could significantly reduce or even eliminate the value of such fund's investments. In addition, the interest expense and other costs incurred in connection with such leverage may not be recovered by the appreciation in the value of any associated securities or bank debt and will be lost – and the timing and magnitude of such losses may be accelerated or exacerbated – in the event of a decline in the market value of such securities or bank debt. In addition, such funds may be subject to margin calls or acceleration in the event of a decline in the value of the posted collateral. To meet liquidity needs as a result of margin calls or acceleration, we may elect to invest additional capital into or loan money to such funds. Any such investment or loan would be subject to the risk of loss. In addition, if we were to elect to enforce our rights against any fund with respect to a loan to such fund, we may damage our relationships with our investors and have difficulty raising additional capital. Any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flow.

Changes in the debt financing markets and higher interest rates may negatively impact the ability of our funds and their portfolio companies to obtain attractive financing for their investments or refinance existing debt and may increase the cost of such financing if it is obtained, leading to lower-yielding investments and potentially decreasing our incentive income and investment income.

The markets for debt financing are subject to retrenchment, resulting in more restrictive covenants or other more onerous terms (including posting additional collateral) in order to obtain financing, and in some cases lenders may refuse to provide any financing that would have been readily obtained under different credit conditions. In addition, higher interest rates generally impact the investment management industry by making it harder to obtain financing for new investments, refinance existing investments or liquidate debt investments, which can lead to reduced investment returns and missed investment opportunities.

If our funds are unable to obtain committed debt financing or can only obtain debt at an increased interest rate or on other less advantageous terms, such funds' investment activities may be restricted and their profits may be lower than they would otherwise have achieved, either of which could lead to a decrease in the incentive and investment income earned by us. Similarly, the portfolio companies owned by our funds regularly utilize the corporate debt markets to obtain financing for their operations. To the extent that credit markets render such financing difficult or more expensive to obtain, the operating performance of those portfolio companies and therefore the investment returns on our funds may be negatively impacted. In addition, to the extent that the then-current markets make it difficult or impossible to refinance debt or extend maturities on outstanding debt, a portfolio company may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection. Any of the foregoing circumstances could impair the value of our funds' investments in those portfolio companies and have a material adverse effect on our financial condition, results of operations and cash flow.

Our funds are subject to risks in using prime brokers, custodians, counterparties, administrators, other agents and third-party service providers.

Many of our funds depend on the services of prime brokers, custodians, counterparties, administrators and other agents and third-party service providers to carry out certain securities and derivatives transactions and other business functions. The terms of these contracts are often customized and complex, and many of these arrangements occur in markets or relate to products that are subject to limited or no regulatory oversight. In particular, some of our funds utilize prime brokerage arrangements with a relatively limited number of counterparties, which has the effect of concentrating the transaction volume (and related counterparty default risk) of such funds with these counterparties.

Our funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur suddenly and without notice to us. Moreover, if a counterparty defaults, we may be unable to take action to cover our exposure, either because we lack contractual recourse or because market conditions make it difficult to take effective action. This inability could occur in times of market stress, which is when defaults are most likely to occur.

In addition, risk-management models that we may employ from time to time may not accurately anticipate the impact of market stress or counterparty financial condition, and as a result, we may not have taken sufficient action to reduce our risks effectively. Default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses.

In the event of a counterparty default, particularly a default by a major investment bank, one or more of our funds could incur material losses, and the resulting market impact of a major counterparty default could harm our business, results of operation and financial condition.

In the event of the insolvency of a prime broker, custodian, counterparty or any other party that is holding assets of our funds as collateral, our funds might not be able to recover equivalent assets in full as they will rank among the prime broker's, custodian's or counterparty's unsecured creditors in relation to the assets held as collateral. In addition, our funds' cash held with a prime broker, custodian or counterparty generally will not be segregated from the prime broker's, custodian's or counterparty's own cash, and our funds may therefore rank as unsecured creditors in relation thereto.

Risks Relating to Our Preferred Units

The market price of our preferred units could be adversely affected by various factors.

The market price for the preferred units may fluctuate based on a number of factors, including:

- variations in our quarterly operating results or distributions, which may be substantial;
- the incurrence of additional indebtedness or additional issuances of other series or classes of preferred units;
- whether we declare or fail to declare distributions on the preferred units from time to time and our ability to make distributions under the terms of our indebtedness;
- the credit ratings of the preferred units;

- a lack of liquidity in the trading of our preferred units (including, if the preferred units are voluntarily or involuntarily delisted from the NYSE);
- the prevailing interest rates or rates of return being paid by other companies similar to us and the market for similar securities; and
- general market, political and economic conditions.

Our performance, market conditions and prevailing interest rates have fluctuated in the past and can be expected to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the preferred units. In general, as market interest rates rise, securities with fixed interest rates or fixed distribution rates, such as the preferred units, decline in value. Consequently, if you purchase the preferred units and market interest rates increase, the market price of the preferred units may decline. We cannot predict the future level of market interest rates.

Our ability to pay quarterly distributions on the preferred units will be subject to, among other things, general business conditions, our financial results, restrictions under the terms of our existing and future indebtedness or senior units, and our liquidity needs. Any reduction or discontinuation of quarterly distributions could cause the market price of the preferred units to decline significantly. Accordingly, the preferred units may trade at a discount to their purchase price.

If we, including any service organizations that we use, fail to maintain effective internal controls over our financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected.

The Sarbanes-Oxley Act requires, among other things, that as a public company we maintain effective internal control over financial reporting and disclosure controls and procedures. We are required under Section 404 to provide an annual management assessment of the effectiveness of our internal controls over financial reporting. Following the 2019 Restructuring, we are no longer required to include in our annual reports an opinion from our independent registered public accounting firm addressing its assessment of such controls. To maintain and improve the effectiveness of our disclosure controls and procedures, significant resources and management oversight are required. We have implemented and continue to implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies.

If it is determined that we are not in compliance with Section 404 in the future, we would be required to implement remedial procedures and re-evaluate our internal controls over financial reporting and our operations, financial reporting or financial results could be adversely affected. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC, or violations of applicable stock exchange listing rules. Moreover, if a material misstatement occurs, we may need to restate our financial results and there could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. This could materially adversely affect us and lead to a decline in the market price of our preferred units.

Preparing our consolidated financial statements involves a number of complex manual and automated processes, which are dependent on individual data input or review and require significant management judgment. One or more of these elements may result in errors that may not be detected and could result in a material misstatement of our consolidated financial statements.

Distributions on the preferred units are discretionary and non-cumulative.

Distributions on each of the Series A preferred units and Series B preferred units are discretionary and non-cumulative. Holders of each series of our preferred units will only receive distributions when, as and if declared by our board of directors. Consequently, if the board of directors does not authorize and declare a distribution for a distribution period, holders of each of our preferred units would not be entitled to receive any distribution for such distribution period, and such unpaid distribution will not be payable in such distribution period or in later distribution periods. We will have no obligation to pay distributions for a distribution period if our board of directors does not declare such distribution before the scheduled record date for such period, whether or not distributions are declared or paid for any subsequent distribution period with respect to our outstanding preferred units or any other preferred units we may issue in the future. This may result in holders of our preferred units not receiving the full amount of distributions that they expect to receive, or any distributions, and may make it more difficult to resell our preferred units, or to do so at a price that the holder finds attractive. Our board of directors may, in its sole discretion, determine to suspend distributions on our outstanding preferred units, which may have a material adverse effect on

the market price of those units. There can be no assurances that our operations will generate sufficient cash flows to enable us to pay distributions on our preferred units. Our financial and operating performance is subject to prevailing economic and industry conditions and to financial, business and other factors, some of which are beyond our control.

Risks Relating to Our Organization and Structure

We have an indirect economic interest in only a portion of the earnings and cash flows of the Oaktree Operating Group, which may negatively impact our ability to pay distributions on our preferred units.

Following the 2022 Restructuring, the only entity within the Oaktree Operating Group in which we have an indirect economic interest is Oaktree Capital I. Please see “Item 1. Business—Structure and Operation of our Business.” We have no material assets other than the ownership of the indirect economic interests in Oaktree Capital I.

Because we derive, and expect to continue to derive, a substantial portion of our revenue and cash flows from our indirect economic interests in Oaktree Capital I, our success depends on the performance of Oaktree Capital I irrespective of the performance of the Oaktree Operating Group as a whole. Additionally, subsequent to the 2022 Restructuring, we no longer earn management fees or subadvisory fees from our funds or our affiliates, and we are generally only entitled to earn one-third of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established in 2022 or later and in respect of incentive income from our evergreen funds earned subsequent to January 1, 2023.

We have subscribed for a limited partner interest in, and made a capital commitment of, \$750 million to Oaktree Opportunities Fund XI, L.P., a parallel investment vehicle thereof or a feeder fund in respect of one of the foregoing (such limited partner interest, the “Opps XI Investment” and such fund entities collectively, “Opps XI”). In order to fund the Opps XI Investment, our sole Class A unitholder, or one of its affiliates, will contribute cash as a capital contribution (the “Opps XI Investment Cash”) as and to the extent required to satisfy our obligations to Opps XI. We will use the Opps XI Investment Cash solely to fund the Opps XI Investment and satisfy our obligations in respect of Opps XI. Distributions from the Opps XI Investment are intended for the benefit of the Class A unitholder, subject to applicable law. Our preferred unitholders should not rely on distributions received by us in respect of our Opps XI Investment for payment of distributions on or redemption of the preferred units. As of December 31, 2023, the Company has funded in the aggregate \$637.5 million of the \$750 million capital commitment.

In addition, we have subscribed for a limited partner interest in, and made a capital commitment of, \$750 million to Oaktree Opportunities Fund XII, L.P., a parallel investment vehicle thereof or a feeder fund in respect of one of the foregoing (such limited partner interest, the “Opps XII Investment” and such fund entities collectively, “Opps XII”). In order to fund the Opps XII Investment, our sole Class A unitholder, or one of its affiliates, will contribute cash as a capital contribution (the “Opps XII Investment Cash”) as and to the extent required to satisfy our obligations to Opps XII. We will use the Opps XII Investment Cash solely to fund the Opps XII Investment and satisfy our obligations in respect of Opps XII. Distributions from the Opps XII Investment are intended for the benefit of the Class A unitholder, subject to applicable law. Our preferred unitholders should not rely on distributions received by us in respect of our Opps XII Investment for payment of distributions on or redemption of the preferred units. As of December 31, 2023, the Company has not funded any of its capital commitment.

There can be no assurances that the distributions we receive from Oaktree Capital I will generate sufficient cash flows to enable us to pay distributions on our preferred units.

If we or any of our private funds were deemed an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business or such funds as contemplated and could have a material adverse effect on our business.

A person will generally be deemed to be an “investment company” for purposes of the Investment Company Act if:

- it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

We believe that we are engaged primarily in the business of providing asset management services and not primarily in the business of investing, reinvesting or trading in securities. We also believe that the primary source of

income from our business is properly characterized as income earned in exchange for the provision of services. We hold ourselves out as an asset management firm and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that we are an investment company under the Investment Company Act.

The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act. While we do advise or sub-advise funds that are registered under the Investment Company Act, we operate our private funds so that they are not deemed to be investment companies that are required to be registered under the Investment Company Act. If anything were to happen that would cause us to be deemed to be an investment company under the Investment Company Act or that would require us to register our private funds under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on capital structure, ability to transact business with affiliates and ability to compensate senior employees, could make it impractical for us to continue our business or the private funds as currently conducted, impair the agreements and arrangements between and among OCGH, us, our private funds and our senior management, or any combination thereof, and materially adversely affect our business, financial condition and results of operations. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our business in a manner that does not subject us to the registration and other requirements of the Investment Company Act.

Our operating agreement contains provisions that substantially limit remedies available to our preferred unitholders for actions that might otherwise result in liability for our officers and/or directors.

While our operating agreement provides that our officers and directors have fiduciary duties equivalent to those applicable to officers and directors of a Delaware corporation under the Delaware General Corporation Law, the agreement also provides that our officers and directors are liable to us or our unitholders for an act or omission only if such act or omission constitutes a breach of the duties owed to us or our unitholders, as applicable, by any such officer or director and such breach is the result of willful malfeasance, gross negligence, the commission of a felony or a material violation of law, in each case, that has, or could reasonably be expected to have, a material adverse effect on us or fraud. Moreover, we have agreed to indemnify each of our directors and officers, to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with our approval and counsel fees and disbursements) arising from the performance of any of their obligations or duties in connection with their service to us, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may be made party by reason of being or having been one of our directors or officers, except for any expenses or liabilities that have been finally judicially determined to have arisen primarily from acts or omissions that violated the standard set forth in the preceding sentence. Furthermore, our operating agreement provides that OCGH does not have any liability to us or our other unitholders for any act or omission and is indemnified in connection therewith.

Under our operating agreement, each of our directors and us is entitled, subject to certain consent rights, to take actions or make decisions in its "sole discretion" or "discretion" or that it deems "necessary or appropriate" or "necessary or advisable." In those circumstances, each of our directors or us is entitled to consider only such interests and factors as it desires, including our own or our directors' interests, and neither it nor our board of directors has any duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any unitholders, and neither we nor our board of directors is subject to any different standards imposed by our operating agreement, the Act or under any other law, rule or regulation or in equity, except that we must act in good faith at all times. These modifications of fiduciary duties are expressly permitted by Delaware law. These modifications are detrimental to our unitholders because they restrict the remedies available to them for actions that without those limitations might constitute breaches of duty (including fiduciary duty).

Our ability to make distributions to holders of any series of preferred units may be limited by our holding company structure, applicable provisions of Delaware law, contractual restrictions and the terms of any senior securities we may issue in the future.

We are a limited liability holding company and have no material assets other than the indirect ownership of interests in Oaktree Capital I. We have no independent means of generating revenues. In connection with the issuance of our preferred units, we caused Oaktree Capital I to issue "mirror" preferred units to a holding company in which we indirectly own an interest to correspond with each series of our preferred units. The terms of the mirror

preferred units state that, subject to certain exceptions, no distributions may be declared or paid with respect to the common units of Oaktree Capital I until distributions have been declared and paid or declared and set aside with respect to each series of mirror preferred units and the series of our preferred units to which they correspond. Accordingly, our ability to receive distributions from Oaktree Capital I may be impaired to the extent we have not declared and paid or declared and set aside distributions on each series of mirror preferred units and each series of preferred units.

Under the Act, we may not make a distribution to a member if, after the distribution, all our liabilities, other than liabilities to members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specific property of the limited liability company, would exceed the fair value of our assets. If we were to make such an impermissible distribution, any member who received a distribution and knew at the time of the distribution that the distribution was in violation of the Act would be liable to us for three years for the amount of the distribution. In addition, Oaktree Capital I's cash flow may be insufficient to enable it to make required minimum tax distributions to holders of its units, in which case it may have to borrow funds or sell assets and thus our liquidity and financial condition could be materially adversely affected. Our operating agreement contains provisions authorizing the issuance of preferred units in us by our board of directors at any time without unitholder approval.

Risks Relating to United States Taxation

If the amount of distributions on the preferred units is greater than our gross ordinary income, then the amount that a holder of preferred units would receive upon liquidation may be less than the preferred unit liquidation value.

In general, to the extent of our gross ordinary income in any taxable year, we will specially allocate to the preferred units items of our gross ordinary income in an amount equal to the distributions paid in respect of the preferred units during the taxable year. Similar allocations will be made with respect to any equity securities we issue in the future that rank equally with the preferred units. Allocations of gross ordinary income will increase the capital account balances of the holders of the preferred units. Distributions will correspondingly reduce the capital account balances of the holders of the preferred units. So long as our gross ordinary income equals or exceeds the distributions paid to the holders of the preferred units, the capital account balances of the holders of the preferred units with respect to the preferred units will equal the aggregate preferred unit liquidation value at the end of each taxable year. If the distributions paid in respect of the preferred units in a taxable year exceed our gross ordinary income, items of our gross ordinary income will be allocated to the preferred units pro-rata based on the amount of distributions paid in respect of the preferred units in such taxable year. If the distributions paid in respect of the preferred units in a taxable year exceed the proportionate share of our gross ordinary income allocated in respect of the preferred units for such year, the capital account balances of the holders of the preferred units with respect to the preferred units will be reduced below the aggregate preferred unit liquidation value by the amount of such excess. In that event, we will allocate additional gross ordinary income, to the extent available in any taxable year, in subsequent years until such excess is eliminated. If we were to have insufficient gross ordinary income to eliminate such excess, holders of preferred units would be entitled, upon our liquidation, dissolution or winding up, to less than the aggregate preferred unit liquidation value. In addition, to the extent that we make additional allocations of gross ordinary income in a taxable year to eliminate such excess from prior years, the gross ordinary income allocated to holders of the preferred units in such taxable year would exceed the distributions paid to the preferred units during such taxable year. In such taxable year, holders of preferred units may recognize taxable income in respect of their investments in the preferred units in excess of our cash distributions, thus giving rise to an out-of-pocket tax liability for such holders. Future issuances of equity securities that rank equally with the preferred units could increase the likelihood that the capital account balances of holders of the preferred units decrease below the aggregate preferred unit liquidation value and holders of preferred units bear an out-of-pocket tax liability in future taxable years.

Holders of preferred units who are U.S. taxpayers should anticipate the need to file annually a request for an extension of the due date of their income tax return. In addition, it is possible that holders of preferred units may be required to file amended income tax returns.

Holders of preferred units are required to take into account items of gross ordinary income that are allocated to them for our taxable year ending within or with their taxable year. It may require a substantial period of time after the end of our fiscal year to obtain the requisite information from all lower-tier entities so that tax information (including IRS Schedules K-1) may be prepared by us. For this reason, holders of preferred units who are U.S. taxpayers should anticipate the need to file annually with the IRS (and certain states) a request for an extension

past the applicable due date of their income tax return for the taxable year. Because holders of our preferred units will be required to report the items of gross income that are allocated to them, tax reporting for such holders will generally be more complicated than for shareholders of a corporation. In addition, it is possible that a holder of preferred units will be required to file amended income tax returns as a result of adjustments to items on the corresponding income tax returns of the Company. Any obligation for a holder of preferred units to file amended income tax returns for that or any other reason, including any costs incurred in the preparation or filing of such returns, is the responsibility of each holder of preferred units.

An investment in preferred units will give rise to UBTI to certain tax-exempt holders.

We will make investments through entities classified as partnerships or disregarded entities for U.S. federal income tax purposes in “debt-financed” property and, thus, an investment in preferred units will give rise to unrelated business taxable income (“UBTI”) to tax-exempt holders of preferred units. Moreover, if the IRS successfully asserts that we are engaged in a trade or business, then additional amounts of income could be treated as UBTI. Tax-exempt holders of our preferred units are strongly urged to consult their tax advisors regarding the tax consequences of owning our preferred units. Because we are under no obligation to minimize UBTI, tax-exempt U.S. holders of preferred units should consult their own tax advisers regarding all aspects of UBTI.

Non-U.S. holders face unique U.S. tax issues from owning preferred units that may result in adverse tax consequences to them.

In light of our investment activities, we may be, or may become, engaged in a U.S. trade or business for U.S. federal income tax purposes, in which case some portion of our income would be treated as effectively connected income, or “ECI,” with respect to non-U.S. holders of our preferred units. Moreover, dividends paid by real estate investment trust, or “REIT,” investments that are attributable to gains from the sale of U.S. real property interests may be treated as ECI with respect to non-U.S. holders of our preferred units. In addition, certain income of non-U.S. holders from U.S. sources not connected to any U.S. trade or business conducted by us could be treated as ECI. We may earn ECI and/or income treated as ECI. To the extent our income is treated as ECI, each non-U.S. holder generally would be subject to withholding tax on distributions attributable to such income, would be required to file a U.S. federal income tax return for such year reporting such income effectively connected with such trade or business and any other income treated as ECI, and would be subject to U.S. federal income tax at regular U.S. tax rates on any such income (state and local income taxes and filings may also apply in that event). Non-U.S. holders that are corporations may also be subject to a 30% branch profits tax (potentially reduced under an applicable tax treaty) on their allocable share of such income. In addition, if we are treated as being engaged in a U.S. trade or business, a portion of any gain recognized by non-U.S. holders on the sale or exchange of preferred units may be treated for U.S. federal income tax purposes as ECI. Consequently, such non-U.S. holders could be subject to U.S. federal income tax and branch profits tax on the sale or exchange of preferred units. In certain circumstances, for transfers on or after January 1, 2022, the transferee of such preferred units (or a broker through which the transfer is effected) may be required to deduct and withhold a tax equal to 10% of the amount realized (or deemed realized) on the sale or exchange of such preferred units, or such other amount as is specified in the Treasury Regulations. Because this guidance is recent, it is unclear how this provision may impact transfers of preferred units in the future. In addition, certain income from U.S. sources that is not ECI allocable to non-U.S. holders may be subject to withholding taxes imposed at the highest effective applicable tax rate. Non-U.S. holders of our preferred units are strongly urged to consult their tax advisors regarding the tax consequences of owning our preferred units.

Holders of preferred units may be subject to state and local taxes and return filing requirements as a result of investing in our preferred units.

In addition to U.S. federal income taxes, holders of our preferred units may be subject to other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property now or in the future, even if the holders of our preferred units do not reside in any of those jurisdictions. Holders of our preferred units may also be required to file state and local income tax returns and pay state and local income taxes in some or all of these jurisdictions. Further, holders of our preferred units may be subject to penalties for failure to comply with those requirements. It is the responsibility of each unitholder to file all U.S. federal, state and local tax returns that may be required of such unitholder.

Amounts distributed in respect of the preferred units could be treated as “guaranteed payments” for U.S. federal income tax purposes.

The treatment of interests in a partnership such as the preferred units and the payments received in respect of such interests is uncertain. The IRS may contend that payments on the preferred units represent “guaranteed payments,” which would generally be treated as ordinary income and may not have the same character when received by a holder as our gross ordinary income had when earned by us. If distributions on the preferred units are treated as “guaranteed payments,” a holder’s taxable income would be equal to the guaranteed payment accrued or received, regardless of the amount of our gross ordinary income. Our limited liability company agreement provides that we and all holders agree to treat payments made in respect of the preferred units as other than guaranteed payments. Potential holders of preferred units are encouraged to consult their own tax advisors regarding the treatment of payments on the preferred units as “guaranteed payments.”

Holders of preferred units who do not hold the units through the record date for a distribution may be allocated gross ordinary income even though no distribution is received.

While distributions (if any) with respect to preferred units will be made on a quarterly basis, under the allocation methodology we have adopted we will prorate the total amount of gross ordinary income allocated to preferred units for a taxable year among holders of the preferred units on a monthly basis. As a result, a holder of a preferred unit who does not hold the preferred unit through the record date for a distribution may be allocated gross ordinary income even though no distribution is received. Holders of preferred units will remain liable for any income taxes associated with allocations of gross ordinary income even if they do not receive a distribution with respect to their preferred units or if the amount of such allocations exceed the amount of distributions they receive with respect to their preferred units. Any such gross ordinary income allocation will increase the holder’s adjusted basis in its preferred units.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Oaktree maintains a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats. This program is integrated into Oaktree's overall risk management processes and focuses on the corporate information technology environment.

The underlying controls of the cyber risk management program are designed to meet Oaktree's business requirements, security risks and organization profile, and leverages many elements of the National Institute of Standards and Technology ("NIST") Cybersecurity Framework ("CSF") and the International Organization Standardization ("ISO") 27001 Information Security Management System Requirements. The Internal Audit team conducts an annual internal audit of the Company's cyber risk management program utilizing the services of a third-party provider. Additionally, Oaktree hires a third party provider to conduct an annual penetration test of Oaktree's systems. Oaktree has developed and implemented controls and processes to oversee and manage its engagements with third-party vendors. These procedures encompass pre-engagement due diligence efforts and the ongoing monitoring of the third-party vendors that are considered to be high-risk. Although these controls and processes are designed to mitigate risks associated with third-party engagements, they do not guarantee the elimination of all potential risks. The effectiveness of these controls and processes is dependent on a variety of factors, some of which are outside our control.

A third party Managed Security Service Provider (MSSP) manages Oaktree's Security Operations Center to provide 24/7 monitoring of its global systems and to coordinate the investigation of alerts of potential security incidents. Alerts are then escalated to the Oaktree Cybersecurity team for investigation and remediation, if necessary. Cyber partners are a key part of Oaktree's cybersecurity infrastructure. Oaktree partners with leading cybersecurity companies and organizations, leveraging third-party technology and expertise. Oaktree engages with these partners to monitor and maintain the performance and effectiveness of products and services that are deployed in Oaktree's environment. A Managing Director in Oaktree's information technology department heads Oaktree's cybersecurity team. This individual reports to Oaktree's Chief Information Officer, and is responsible for assessing and managing Oaktree's cyber risk management program, informs senior management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents and supervises such efforts. The cybersecurity team has decades of collective experience selecting, deploying and operating cybersecurity technologies, initiatives and processes and relies on threat intelligence as well as other information obtained from governmental, public and private sources, including external consultants engaged by Oaktree.

The head of Oaktree's cybersecurity team has substantial information technology and cybersecurity experience, with a career spanning over 30 years in managing global IT operations in a wide range of areas, including, but not limited to, cybersecurity, IT governance, controls, compliance, data center operations, network engineering and cloud computing.

The audit committee of the board of directors oversees Oaktree's cybersecurity program. The cybersecurity team briefs the audit committee on the effectiveness of Oaktree's cyber risk management program. The Internal Audit team also shares the results of its annual cybersecurity audits with the audit committee.

Oaktree faces risks from cybersecurity threats that could have a material adverse effect on its business, financial condition, results of operations, cash flows or reputation. Oaktree has experienced, and will continue to experience, cyber incidents in the normal course of its business. However, we are not currently aware of any current or past cyberattacks or other incidents that, individually or in the aggregate, have materially affected, or are reasonably likely to materially affect, Oaktree's business, business strategy, financial condition, results of operations, or cash flows. See "Risk Factors – Risks Relating to Our Business – Oaktree's failure to maintain the security of its information and technology networks, including personal data and client information, intellectual property and proprietary business information could have a material adverse effect on us."

Item 2. Properties**Properties**

We do not directly own or lease any real property. Our principal executive offices are located in office space leased by OCM at 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071. OCM also leases office space in New York City, Stamford, Dallas and Houston. OCM Cayman leases office space in London, Frankfurt, Luxembourg, Beijing, Hong Kong, Shanghai, Seoul, Singapore, Sydney, Tokyo, Dubai, Mumbai and Stockholm. Certain affiliates of our managed funds lease office space in Amsterdam, Luxembourg and Dublin. We consider our facilities to be suitable and adequate for the management and operation of our business.

Item 3. Legal Proceedings

For a discussion of legal proceedings, please see the section entitled “Legal Actions” in note 17 to our consolidated financial statements included elsewhere in this annual report, which section is incorporated herein by reference.

Item 4. Mine Safety Disclosures

None.

PART II.**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****Market Information**

Our Class A units are not listed on a securities exchange. The number of holders of record of our Class A units as of March 19, 2024 was one.

Equity Compensation Plan Information

The following table sets forth information concerning the awards that may be issued under the 2011 Plan as of December 31, 2023.

<u>Plan Category</u>	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) ⁽²⁾
	(a)	(b)	(c)
Equity compensation plans approved by security holders	19,782,993	—	4,217,434
Equity compensation plans not approved by security holders	—	—	—
Total ⁽³⁾	19,782,993	—	4,217,434

- (1) Reflects the aggregate number of OCGH units, Class A units, OEP units, phantom units and EVUs granted under the 2011 Plan as of December 31, 2023.
- (2) The 2011 Plan provides that the maximum number of Units that may be delivered pursuant to awards under the 2011 Plan is 22,300,000, as increased on January 1 of each year beginning in 2012 by a number of Units equal to the excess of (a) 15% of the number of outstanding Oaktree Operating Group units on December 31 of the immediately preceding year over (b) the number of Oaktree Operating Group units that have been issued or are issuable under the 2011 Plan as of such date, except that our board of directors may, in its discretion, increase the number of Units covered by the 2011 Plan by a lesser amount. The issuance of Units or the payment of cash upon the exercise of an award or in consideration of the cancellation or termination of an award will reduce the total number of Units available under the 2011 Plan, as applicable. Units underlying awards under the 2011 Plan that are forfeited, cancelled, expire unexercised or are settled in cash will be available again to be used as awards under the 2011 Plan. However, Units used to pay the required exercise price or tax obligations, or Units not issued in connection with the settlement of an award or that are used or withheld to satisfy tax obligations of a participant, will not be available again for other awards under the 2011 Plan.
- (3) As of December 31, 2023, 4,929,054 OCGH units have been granted under the 2007 Plan. However, such amounts are not reflected in this table because our board of directors has resolved that the administrator of the 2007 Plan will no longer grant awards under the 2007 Plan.

Unregistered Sales of Equity Securities and Purchases of Equity Securities in the Fourth Quarter of 2023

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements of Brookfield Oaktree Holdings, LLC and the related notes included within this annual report. For a discussion and analysis of historical periods ended before January 1, 2022, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the year ended December 31, 2022. This discussion contains forward-looking statements that are subject to risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. The factors listed under "Risk Factors" and "Forward-Looking Statements" in this annual report provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations described in any forward-looking statements.

Business Overview

Oaktree is a leading global alternative investment management firm with expertise in investing in credit, real assets, private equity, and listed equities. Oaktree's mission is to deliver superior investment results with risk under control and to conduct its business with the highest integrity. Oaktree emphasizes an opportunistic, value-oriented and risk-controlled approach to its investments. Over more than three decades, Oaktree has developed a large and growing client base through its ability to identify and capitalize on opportunities for attractive investment returns in less efficient markets.

Oaktree was formed in 1995 by a group of individuals who had been investing together since the mid-1980s. Oaktree's founders were pioneers in the management of high yield bonds, convertible securities and distressed debt. From those roots Oaktree has developed a diversified mix of specialized credit- and equity-oriented strategies. Oaktree operates according to a unifying investment philosophy, which consists of six tenets—risk control, consistency, market inefficiency, specialization, bottom-up analysis and disavowal of market timing—and is complemented by a set of core business principles that articulate our commitment to excellence in investing, commonality of interests with clients, a collaborative and cooperative culture, and a disciplined, opportunistic approach to the expansion of products.

The Company's current ownership and operational structure were the results of the Mergers with Brookfield, the 2019 Restructuring and the 2022 Restructuring. See Part I, Item I included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on March 2, 2020 for more information regarding the Mergers and the 2019 Restructuring. See Item 1.01 of the Company's Current Report on Form 8-K filed with the SEC on December 6, 2022 and Part I, Item I included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 21, 2023 for more information about the 2022 Restructuring. During the second quarter of 2024, the 2024 Restructuring is expected to be effected. See Item 8.01 of the Company's Current Report on Form 8-K filed with the SEC on March 5, 2024 for more information about the 2024 Restructuring.

OCM provides certain administrative and other services relating to the operations of the Company's business pursuant to the Services Agreement between the Company and OCM.

Business Environment and Developments

As a global investment manager, Oaktree is affected by a wide range of factors, including the condition of the global economy and financial markets; the relative attractiveness of Oaktree's investment strategies and investors' demand for them; and regulatory or other governmental policies or actions. Global economic conditions can significantly impact the values of Oaktree's and its funds' investments and the ability to make new investments or sell existing investments for these funds. Historically, however, Oaktree's diversified nature, of both its investment strategies and revenue mix, has generally allowed it to benefit from both strong and weak economic environments. Weak economies and the declining financial markets that typically accompany them tend to dampen revenues from asset-based management fees, investment realizations or price appreciation, but their prospect can present opportunities to raise relatively larger amounts of capital for certain strategies, especially opportunistic credit. Additionally, weak financial markets may also present more opportunities for funds to make investments at reduced prices. Conversely, strong financial markets generally increase the value of fund investments, which positions Oaktree for growth in management fees that are based on asset value, and typically create favorable exit opportunities that enhance the prospect for incentive income and fund-related realized investment income proceeds for Oaktree and us. Those same markets may delay or diminish opportunities to deploy capital and thus management fees paid to Oaktree from certain funds.

The failures of three U.S. commercial banks (First Republic, Silicon Valley Bank and Signature Bank) in 2023 have raised concerns about institutions with concentrated exposure to certain types of depositors in the same industry as well as those with large unrealized losses in their investment security holdings. While the Company does not have any direct exposure to the failed banks, our cash is held with various third-party financial institutions. In particular, our cash is generally held with a large, global systemically important bank, typically in balances that exceed the current FDIC insurance limits. If the banks that we hold our deposits with enter receivership or become insolvent, we may be prevented from accessing our cash and cash equivalents in excess of FDIC insured limits. Oaktree's credit facility is with a syndicate of large global banks, including one that was sold in 2023 under financial distress. If one or more of the banks in the syndicate were unable to satisfy its obligations to lend to Oaktree in a timely manner in accordance with the terms of the credit facility it could have a material impact on Oaktree's operation or financial condition. In addition, Oaktree funds and their respective portfolio companies hold cash with third-party financial institutions and in some cases have credit facilities, as do Oaktree clients. If Oaktree funds or portfolio companies were unable to access cash and cash equivalents at banks with which they do business, or if clients were unable to access cash and cash equivalents needed to satisfy capital calls from Oaktree funds, it could adversely affect the funds or such portfolio companies.

The ongoing Russia-Ukraine conflict, including global sanctions imposed on Russia, and more recent conflict between Israel and Hamas, create continued uncertainty and volatility in the global financial markets and economy and, as a result, may adversely impact Oaktree's business and its funds' and their respective portfolio companies' business. As of the date of this filing, we are not aware of any material risk to the stability of our consolidated financial statements caused by the Russia-Ukraine conflict or the Israel-Hamas conflict or the materiality of any effect such uncertainties may have on our business and operations.

There has been significant recent progress and developments in the area of generative artificial intelligence, such as ChatGPT, but the impact to our business of such evolving technology cannot be fully determined at this time.

Understanding Our Results—Consolidation of Oaktree Funds

Generally accepted accounting principles in the United States (“GAAP”) requires us to consolidate entities in which we have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. A limited partnership or similar entity is a variable interest entity (“VIE”) if the unaffiliated limited partners do not have substantive kick-out or participating rights. Most of the Oaktree funds are VIEs because they have not granted unaffiliated limited partners substantive kick-out or participating rights. The Company consolidates those VIEs in which we are the primary beneficiary. For entities that are not VIEs, consolidation is evaluated through a majority voting interest model. Please see note 2 to our consolidated financial statements included elsewhere in this annual report for more information.

We do not consolidate most of the Oaktree funds that are VIEs because we are not the primary beneficiary due to the fact that our fee arrangements are considered at-market and thus not deemed to be variable interests, and we do not hold any other interests in those funds that are considered to be more than insignificant. However, investment vehicles in which we have a significant investment, such as CLOs and certain Oaktree funds, are consolidated (“consolidated funds”). When a CLO or fund is consolidated, we reflect the assets, liabilities, revenues, expenses and cash flows of the consolidated funds on a gross basis, and the majority of the economic interests in those consolidated funds, which are held by third-party investors, are reflected as debt obligations of CLOs or non-controlling redeemable interests in consolidated funds in the consolidated financial statements. All of the revenues earned by us as investment manager of the consolidated funds are eliminated in consolidation. However, because the eliminated amounts are earned from and funded by third-party investors, the consolidation of a fund does not impact net income or loss attributable to us.

Certain entities in which we have the ability to exert significant influence, including unconsolidated Oaktree funds for which we act as general partner, are accounted for under the equity method of accounting.

Subsequent to the 2022 Restructuring, we no longer consolidate the CLOs as their direct ownership interests are held by OCM Cayman.

Revenues

We have the potential to earn incentive income from many of the closed-end funds and certain evergreen funds managed by Oaktree in our capacity as the general partner of those funds. These closed-end funds generally provide that we receive incentive income only after we have returned to our investors all of their contributed capital plus an annual preferred return, typically 8%. Once this occurs, we generally receive as incentive income 80% of all distributions otherwise attributable to our investors, and those investors receive the remaining 20% until we have received, as incentive income, 20% of all such distributions in excess of the contributed capital from the inception of the fund. Thereafter, all such future distributions attributable to our investors are distributed 80% to those investors and 20% to us as incentive income. As a result of the 2022 Restructuring, we are generally only entitled to earn one-third of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established in 2022 or later and in respect of incentive income from our evergreen funds earned subsequent to January 1, 2023. We will generally continue to earn 100% of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established prior to 2022. We also earn revenue from investment income, which represents our pro-rata share of income or loss from our investments, generally in our capacity as general partner in Oaktree funds and as an investor in our CLOs and third-party managed funds and companies. Subsequent to the 2022 Restructuring, the Company no longer consolidates the CLOs as their direct ownership interests are held by OCM Cayman.

We may earn incentive income upon deconsolidation of a SPAC arising from the completion of a merger with an identified target. Upon deconsolidation, we will derecognize the net assets of the entity and record any gain or loss related to the remeasurement of its investments to fair value as incentive income in its consolidated statements of operations. Subsequent fair value changes in our investments held in the entity will be recorded in investment income in our consolidated statements of operations.

Our consolidated revenues reflect the elimination of all management fees, if any, incentive income and investment income earned related to consolidated Oaktree funds. Investment income is presented within the other income (loss) section of our consolidated statements of operations. Please see “Business—Structure and Operation of Our Business—Structure of Funds” in this annual report for a detailed discussion of the structure of Oaktree funds.

Expenses*Incentive Income Compensation*

Incentive income compensation expense primarily reflects compensation directly related to incentive income, which generally consists of percentage interests (sometimes referred to as “points” or an allocation of shares received upon the completion of a successful SPAC merger) that are granted to Oaktree investment professionals associated with the particular fund or SPAC that generated the incentive income, and secondarily, compensation directly related to investment income. There is no fixed percentage for the incentive income-related portion of this compensation, either by fund, SPAC or strategy. The percentage that consolidated incentive income compensation expense represents of the particular period’s consolidated incentive income may not be meaningful because incentive income from consolidated funds or SPACs is eliminated in consolidation, whereas no incentive income compensation expense is eliminated in consolidation.

General and Administrative

General and administrative expense has historically included costs related to occupancy, outside auditors, tax professionals, legal advisers, research, consultants, travel and entertainment, communications and information services, business process outsourcing, foreign-exchange activity, insurance, placement costs, changes in the contingent consideration liability, and other general items related directly to the Company’s operations. These expenses are net of amounts borne by fund investors and are not offset by credits attributable to fund investors’ non-controlling interests in consolidated funds. General and administrative expense reflects the gross-up of reimbursable costs incurred on behalf of Oaktree funds in which the Company has determined it is the principal. Subsequent to the 2019 Restructuring, general and administrative expenses primarily include direct and reimbursable expenses incurred by Oaktree Capital I and OCM Cayman and the Company’s share of certain expenses through the Services agreement with OCM. Subsequent to the 2022 Restructuring, general and administrative expenses no longer includes direct and reimbursable expenses incurred by OCM Cayman due to the deconsolidation, and generally includes costs related to outside auditors, tax professionals, derivative and hedging activity, and other general items related directly to the Company’s operations.

Consolidated Fund Expenses

Consolidated fund expenses consist primarily of costs, expenses and fees that are incurred by, or arise out of the operation and activities of or otherwise are related to, our consolidated funds, including, without limitation, travel expenses, professional fees, research and software expenses, insurance, and other costs associated with administering and supporting those funds. Inasmuch as most of these fund expenses are borne by third-party investors, they reduce the investors’ interests in the consolidated funds and have no impact on net income or loss attributable to the Company.

Other Income (Loss)*Interest Expense*

Interest expense primarily reflects the interest expense of the consolidated funds, as well as the interest expense of Oaktree and its operating subsidiaries. After the 2019 Restructuring, our financial statements reflected debt obligations, interest expense or related liabilities associated with our operating subsidiaries only if one of the two remaining Oaktree Operating Group entities then owned by us directly borrowed under Oaktree’s credit agreements, issued private placement notes or entered into another debt arrangement. Subsequent to the 2022 Restructuring, our financial statements reflect debt obligations, interest expense or related liabilities associated with our operating subsidiary when Oaktree Capital I directly borrows under Oaktree’s credit agreements, issues private placement notes or enters into another debt arrangement.

Interest and Dividend Income

Interest and dividend income consists of interest and dividend income earned on the investments held by our consolidated funds, and interest income earned by Oaktree and its operating subsidiary.

Net Realized Gain (Loss) on Consolidated Funds’ Investments

Net realized gain (loss) on consolidated funds’ investments consists of realized gains and losses arising from dispositions of investments held by our consolidated funds.

Net Change in Unrealized Appreciation (Depreciation) on Consolidated Funds' Investments

Net change in unrealized appreciation (depreciation) on consolidated funds' investments reflects both unrealized gains and losses on investments held by our consolidated funds and the reversal upon disposition of investments of unrealized gains and losses previously recognized for those investments.

Investment Income

Investment income represents our pro-rata share of income or loss from our investments, generally in our capacity as general partner in certain Oaktree funds and as an investor in our CLOs and third-party managed funds and companies. Investment income, as reflected in our consolidated statements of operations, excludes investment income earned by us from our consolidated funds. Subsequent to the 2022 Restructuring, we no longer hold investments in the CLOs as their direct ownership interests are held by OCM Cayman.

Other Income (Expense), Net

Other income (expense), net represents non-operating income or expense.

Income Taxes

The Company is a publicly traded partnership. Because it satisfies the qualifying income test, it is not required to be treated as a corporation for U.S. federal and state income tax purposes; rather it is taxed as a partnership.

The Company analyzes its tax filing positions for all open tax years in all of the U.S. federal, state and local tax jurisdictions where it is required to file income tax returns. If the Company determines that uncertainties in tax positions exist, a reserve is established. The Company recognizes accrued interest and penalties related to uncertain tax positions within income tax expense in the consolidated statements of operations.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties. The Company reviews its tax positions quarterly and adjusts its tax balances as new information becomes available.

The Oaktree funds are generally not subject to U.S. federal and state income taxes and, consequently, no income tax provision has been made in the accompanying consolidated financial statements because individual partners are responsible for their proportionate share of the taxable income.

Net Income Attributable to Non-controlling Interests

Net income attributable to non-controlling interests represents the ownership interests that third parties hold in entities that are consolidated in our financial statements. These interests fall into two categories:

- **Net Income Attributable to Non-controlling Interests in Consolidated Funds.** This category represents the economic interests of the unaffiliated investors in the consolidated funds, as well as the equity interests held by third-party investors in CLOs that had not yet priced as of the respective period end. Subsequent to the 2022 Restructuring, we no longer consolidate the CLOs as their direct ownership interests are held by OCM Cayman. The net income of these interests is primarily driven by the investment performance of the consolidated funds and CLOs. In comparison to net income, this measure excludes our operating results and other items solely attributable to the Company; and,
- **Net Income Attributable to Non-controlling Interests in Consolidated Subsidiaries.** This category primarily represents the economic interest in the Oaktree Operating Group owned by OCGH and OEP ("OCGH and other non-controlling interest"), as well as the economic interest in certain consolidated subsidiaries held by third parties. Subsequent to the 2019 Restructuring, this category includes only the OCGH and other non-controlling interest in Oaktree Capital I and OCM Cayman and subsequent to the 2022 Restructuring, this category includes only the OCGH and other non-controlling interest in Oaktree Capital I. The OCGH and other non-controlling interest is determined at the Oaktree Operating Group level based on the weighted average proportionate share of Oaktree Operating Group units held by OCGH and other unitholders. Inasmuch as the number of outstanding Oaktree Operating Group units corresponds with the total number of outstanding Class A, OCGH and OEP units, changes in the economic interest held by the OCGH and other unitholders are driven by our additional issuances of Class A, OCGH and OEP units, as well as repurchases and forfeitures of, and exchanges between, Class A, OCGH and OEP units. Certain of our expenses, such as income tax and related administrative expenses of Brookfield Oaktree Holdings, LLC and the holding companies through which we hold interests in Oaktree Capital I, are solely attributable to the Class A unitholders. Please see note 11 to

our consolidated financial statements included elsewhere in this annual report for additional information on the economic interest in the Oaktree Operating Group owned by OCGH.

Net Income Attributable to Preferred Unitholders

This category represents distributions declared, if any, on our preferred units. Please see note 11 to our consolidated financial statements for more information.

Operating Metrics

We monitor certain operating metrics that we believe provide important information and data regarding our business. Subsequent to the 2022 Restructuring, our revenues are comprised of incentive income and investment income earned in our capacity as general partner of certain Oaktree funds and investment income earned on other investments in Oaktree funds and third party funds and companies. To analyze and monitor our operating performance we utilize incentive-creating AUM, incentives created (fund level) and accrued incentives (fund level). These operating metrics provide us with detailed information and insight into the operating performance of the funds we manage.

Incentive-creating Assets Under Management

Incentive-creating AUM refers to the AUM that may eventually produce incentive income. It generally represents the NAV of Oaktree funds for which we are entitled to receive an incentive allocation, excluding CLOs and investments made by us and our or Oaktree employees and directors (which are not subject to an incentive allocation) and gross assets (including assets acquired with leverage), net of cash, for our BDCs. All funds for which we are entitled to receive an incentive allocation are included in incentive-creating AUM, regardless of whether or not they are currently above their preferred return or high-water mark and therefore generating incentives. Incentive-creating AUM does not include undrawn capital commitments.

Accrued Incentives (Fund Level) and Incentives Created (Fund Level)

Oaktree funds record as accrued incentives the incentive income that would be paid to us if the funds were liquidated at their reported values as of the date of the financial statements. Incentives created (fund level) refers to the gross amount of potential incentives generated by these funds during the period. We refer to the amount of accrued incentives recognized as revenue by us as incentive income. Amounts recognized by us as incentive income are no longer included in accrued incentives (fund level), the term we use for remaining fund-level accruals. The amount of incentives created may fluctuate substantially as a result of changes in the fair value of the underlying investments of the fund, as well as incentives created in excess of our typical 20% share due to catch-up allocations for applicable closed-end funds. In general, while in the catch-up layer, approximately 80% of any increase or decrease, respectively, in the fund's NAV results in a commensurate amount of positive or negative incentives created (fund level).

The same performance and market risks inherent in incentives created (fund level) affect the ability to ultimately realize accrued incentives (fund level). One consequence of the accounting method we follow for incentives created (fund level) is that accrued incentives (fund level) is an off-balance sheet metric, rather than being an on-balance sheet receivable that could require reduction if fund performance suffers. We track accrued incentives (fund level) because it provides an indication of potential future value, though the timing and ultimate realization of that value are uncertain.

Incentives created (fund level), incentive income and accrued incentives (fund level) are presented gross, without deduction for direct compensation expense that is owed to Oaktree investment professionals associated with the particular fund when we earn the incentive income. We call that charge "incentive income compensation expense." Incentive income compensation expense varies by the investment strategy and vintage of the particular fund, among many other factors.

Incentives created (fund level) often reflects investments measured at fair value and therefore is subject to risk of substantial fluctuation by the time the underlying investments are liquidated. We earn the incentive income, if any, that the fund is then obligated to pay us with respect to our incentive interest (generally 20%) in the profits of our unaffiliated investors, subject to an annual preferred return of typically 8%. Incentive income is recognized when it is probable that significant reversal of revenue will not occur. We track incentives created (fund level) because it provides an indication of the value for us currently being created by investment activities of the funds and facilitates comparability with those companies in our industry that account for investments in carry funds as equity-method investments, thus effectively reflecting an accrual-based method for recognizing incentive income in their

financial statements. As a result of the 2022 Restructuring, we are only economically entitled to earn one-third of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established in 2022 or later and in respect of incentive income from our evergreen funds earned subsequent to January 1, 2023. We will generally continue to earn 100% of the incentive income attributable to closed-end funds established prior to 2022.

GAAP Consolidated Results of Operations

The following table sets forth our audited consolidated statements of operations:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands, except per unit data)		
Revenues:			
Management fees	\$ —	\$ 224,141	\$ 234,786
Incentive income	267,325	268,452	1,219,624
Total revenues	<u>267,325</u>	<u>492,593</u>	<u>1,454,410</u>
Expenses:			
Compensation and benefits	(675)	(142,079)	(162,260)
Equity-based compensation	—	(6,566)	(10,521)
Incentive income compensation	(134,837)	(94,427)	(594,300)
Total compensation and benefits expense	<u>(135,512)</u>	<u>(243,072)</u>	<u>(767,081)</u>
General and administrative	(5,556)	(24,512)	(21,694)
Depreciation and amortization	—	(1,581)	(2,332)
Consolidated fund expenses	(65,768)	(77,978)	(75,338)
Total expenses	<u>(206,836)</u>	<u>(347,143)</u>	<u>(866,445)</u>
Other income (loss):			
Interest expense	(50,272)	(248,401)	(155,265)
Interest and dividend income	348,801	557,844	389,251
Net realized gain (loss) on consolidated funds' investments	79,420	(13,114)	22,238
Net change in unrealized appreciation (depreciation) on consolidated funds' investments	29,064	(15,023)	122,517
Investment income	72,664	51,265	203,041
Other income, net	—	—	19
Total other income (loss)	<u>479,677</u>	<u>332,571</u>	<u>581,801</u>
Income before income taxes	540,166	478,021	1,169,766
Income taxes	—	(14,931)	(12,387)
Net income	<u>540,166</u>	<u>463,090</u>	<u>1,157,379</u>
Less:			
Net (income) loss attributable to non-controlling interests in consolidated funds	(245,928)	(190,905)	(186,515)
Net (income) attributable to non-controlling interests in consolidated subsidiaries	(73,061)	(68,539)	(339,204)
Net income attributable to Brookfield Oaktree Holdings, LLC	221,177	203,646	631,660
Net (income) attributable to preferred unitholders	(27,316)	(27,316)	(27,316)
Net income attributable to Brookfield Oaktree Holdings, LLC Class A unitholders	<u>\$ 193,861</u>	<u>\$ 176,330</u>	<u>\$ 604,344</u>
Distributions declared per Class A unit	<u>\$ 1.00</u>	<u>\$ 1.86</u>	<u>\$ 4.68</u>
Net income per unit (basic and diluted):			
Net income per Class A unit	<u>\$ 1.80</u>	<u>\$ 1.73</u>	<u>\$ 6.10</u>
Weighted average number of Class A units outstanding	<u>107,590</u>	<u>102,043</u>	<u>99,031</u>

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenues

Management Fees

Subsequent to the 2022 Restructuring, we no longer earn management fees and sub-advisory fees as a result of the deconsolidation of OCM Cayman.

Incentive Income

A summary of incentive income is set forth below:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Incentive Income:		
Oaktree funds:		
Credit	\$ 171,611	\$ 161,287
Private Equity	66,109	41,334
Real Assets	21,574	13,272
Listed Equities	8,031	52,559
Total incentive income	<u>\$ 267,325</u>	<u>\$ 268,452</u>

Incentive income decreased \$1.1 million, or 0.4%, to \$267.3 million for the year ended December 31, 2023, from \$268.5 million for the year ended December 31, 2022. The decrease in incentive income was primary due to lower incentive income related to Listed Equities as 2022 benefitted from the deconsolidation of a SPAC, mostly offset by higher incentive income related to Private Equity, Real Assets and Credit.

Expenses

Compensation and Benefits

Compensation and benefits expense decreased \$141.4 million, or 99.5%, to \$0.7 million for the year ended December 31, 2023, from \$142.1 million for the year ended December 31, 2022. The decrease in compensation and benefits expense was primarily due to the 2022 Restructuring, subsequent to which, we no longer incur compensation and benefits expense related to Oaktree's non-U.S. employees that are employed by OCM Cayman.

Equity-based Compensation

Subsequent to the 2022 Restructuring, we no longer incur equity-based compensation expense due to the deconsolidation of OCM Cayman.

Incentive Income Compensation

Incentive income compensation expense increased \$40.4 million, or 42.8%, to \$134.8 million for the year ended December 31, 2023, from \$94.4 million for the year ended December 31, 2022, primarily due to the compensation ratios of the funds that generated incentive income as well as differences in the timing of compensation recognition relative to incentive income recognition.

General and Administrative

Subsequent to the 2022 Restructuring, general and administrative expenses no longer includes direct and reimbursable expenses incurred by OCM Cayman. As a result, general and administrative expense decreased \$18.9 million, or 77.1%, to \$5.6 million for the year ended December 31, 2023, from \$24.5 million for the year ended December 31, 2022.

Depreciation and Amortization

In connection with the 2022 Restructuring, we deconsolidated OCM Cayman which held furniture and equipment, capitalized software and office leasehold improvements, and as a result, we no longer incur depreciation and amortization expense.

Consolidated Fund Expenses

Consolidated fund expenses decreased \$12.2 million, or 15.6%, to \$65.8 million for the year ended December 31, 2023, from \$78.0 million for the year ended December 31, 2022. The decrease is primarily due to the 2022 Restructuring, after which the Company no longer consolidates CLOs as their direct ownership interests are held by OCM Cayman.

Other Income (Loss)

Interest Expense

Interest expense decreased \$198.1 million, or 79.8%, to \$50.3 million for the year ended December 31, 2023, from \$248.4 million for the year ended December 31, 2022. The decrease was primarily due to the 2022 Restructuring, after which the Company no longer consolidates CLOs as their direct ownership interests are held by OCM Cayman, partially offset by interest on debt outstanding by the new consolidated fund, Opps XII.

Interest and Dividend Income

Interest and dividend income decreased \$209.0 million, or 37.5%, to \$348.8 million for the year ended December 31, 2023, from \$557.8 million for the year ended December 31, 2022. The decrease was primarily attributable to the deconsolidation of our CLOs as a result of the 2022 Restructuring, partially offset by an increase in income from our investment in our consolidated funds, primarily Opps XI.

Net Realized Gain (Loss) on Consolidated Funds' Investments

Net realized gain (loss) on consolidated funds' investments increased \$92.5 million, to a net gain of \$79.4 million for the year ended December 31, 2023, from a net loss of \$13.1 million for the year ended December 31, 2022. The net realized gain during the for the year ended December 31, 2023 reflects our consolidated funds' performance on investments sold and is primarily related to gains on sales of investments in Opps XI, whereas the net realized loss during the year ended December 31, 2022 primarily resulted from realized losses on our Real Assets investments and CLOs. Subsequent to the 2022 Restructuring, we no longer consolidate the CLOs as their direct ownership interests are held by OCM Cayman.

Net Change in Unrealized Appreciation (Depreciation) on Consolidated Funds' Investments

The net change in unrealized appreciation (depreciation) on consolidated funds' investments increased \$44.1 million, to net appreciation of \$29.1 million for the year ended December 31, 2023, from net depreciation of \$15.0 million for the year ended December 31, 2022. Excluding the impact of the reversal of net realized gain (loss) on consolidated funds' investments, the net change in unrealized appreciation (depreciation) on consolidated funds' investments increased \$136.6 million to a net gain of \$108.5 million for the year ended December 31, 2023, from a net loss of \$28.1 million for the year ended December 31, 2022, primarily due to the impact of the deconsolidation of our CLOs as a result of the 2022 Restructuring.

Investment Income

A summary of investment income is set forth below:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Income (loss) from investments in funds:		
Oaktree funds:		
Credit	\$ 175,692	\$ 47,205
Private Equity	(16,097)	8,040
Real Assets	(16,300)	5,210
Listed Equities	5,191	(1,062)
Non-Oaktree	23,644	(4,840)
Total investment income - Oaktree and operating subsidiaries	172,130	54,553
Eliminations	(99,466)	(3,288)
Total investment income	<u>\$ 72,664</u>	<u>\$ 51,265</u>

Investment income increased \$21.4 million, or 41.7%, to \$72.7 million for the year ended December 31, 2023, from \$51.3 million for the year ended December 31, 2022. The increase was primarily related to higher income from our Credit investments and the shares received in connection with the deconsolidation of SPACs in prior years, partially offset by declines in the values of our Private Equity and Real Assets investments.

Income Taxes

Subsequent to the 2022 Restructuring, the Company no longer consolidates OCM Cayman and no longer incurs income tax expense.

Net (Income) Loss Attributable to Non-controlling Interests in Consolidated Funds

Net (income) loss attributable to non-controlling interests in consolidated funds increased \$55.0 million, or 28.8% to net income of \$245.9 million for the year ended December 31, 2023, from net income of \$190.9 million for the year ended December 31, 2022. The increase reflected our consolidated funds' performance attributable to third-party investors in each period. These effects are described in more detail under "—Other Income (Loss)" above.

Net Income Attributable to Brookfield Oaktree Holdings, LLC Class A Unitholders

Net income attributable to Brookfield Oaktree Holdings, LLC Class A unitholders increased \$17.6 million, or 10.0%, to \$193.9 million for the year ended December 31, 2023, from \$176.3 million for the year ended December 31, 2022, primarily driven by improved realized and unrealized performance of our consolidated funds' investments.

Operating Metrics

We monitor certain operating metrics that we believe provide important data regarding our business. These operating metrics include incentive-creating AUM, incentives created (fund level) and accrued incentives (fund level) of Oaktree Capital I funds.

	As of or for the Year Ended December 31,		
	2023	2022	2021
	(in thousands except as otherwise indicated)		
Operating Metrics: ⁽¹⁾			
<i>Assets under management (in millions):</i>			
Incentive-creating assets under management	\$ 54,839	\$ 46,618	\$ 40,945
<i>Accrued incentives (fund level):</i>			
Incentives created (fund level)	397,380	375,391	1,467,898
Incentives created (fund level), net of associated incentive income compensation expense	251,153	175,693	558,668
Accrued incentives (fund level)	1,839,552	1,806,821	1,668,839
Accrued incentives (fund level), net of associated incentive income compensation expense	1,100,452	856,548	800,431

- (1) Our funds record as accrued incentives the incentive income that would be paid to us if the funds were liquidated at their reported values as of the date of the financial statements. Incentives created (fund level) refers to the gross amount of potential incentives generated by the funds during the period. We refer to the amount of incentive income recognized as revenue by us as incentive income. Amounts recognized by us as incentive income are no longer included in accrued incentives (fund level), the term we use for remaining fund-level accruals. Incentives created (fund level), incentive income and accrued incentives (fund level) are presented gross, without deduction for direct compensation expense that is owed to our investment professionals associated with the particular fund when we earn the incentive income. We call that charge "incentive income compensation expense." Incentive income compensation expense varies by the investment strategy and vintage of the particular fund, among many factors.

Incentive-creating AUM

Incentive-creating AUM is set forth below and does not include undrawn capital commitments.

	As of December 31,		
	2023	2022	2021
	(in millions)		
Incentive-creating Assets Under Management:			
Closed-end funds	\$ 51,491	\$ 43,635	\$ 36,726
Evergreen funds	3,348	2,983	4,219
Total	<u>\$ 54,839</u>	<u>\$ 46,618</u>	<u>\$ 40,945</u>

Year Ended December 31, 2023

Incentive-creating AUM increased \$8.2 billion, or 17.6%, to \$54.8 billion as of December 31, 2023, from \$46.6 billion as of December 31, 2022. The increase primarily reflected \$4.9 billion of net contributions, and \$3.3 billion attributable to market-value appreciation, inclusive of the impact of foreign currency fluctuations, in the year ended December 31, 2023.

The following Incentive-creating AUM rollforward reflects beginning and ending balances, gross inflows and outflows, and change in market value (including foreign currency exchange impacts) as of December 31, 2023:

	As of or for the Year Ended December 31, 2023	
	(in millions)	
Incentive-creating Assets Under Management:		
Beginning balance	\$	46,618
Contributions and Drawdowns		10,824
Distributions		(5,922)
Market appreciation (including foreign currency)		3,319
Ending balance	\$	54,839

Accrued Incentives (Fund Level) and Incentives Created (Fund Level)

Accrued incentives (fund level), gross and net of incentive income compensation expense, as well as changes in accrued incentives (fund level), are set forth below.

	As of or for the Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Accrued Incentives (Fund Level):			
Beginning balance ⁽¹⁾	\$ 1,709,497	\$ 1,668,839	\$ 1,314,443
Incentives created (fund level):			
Closed-end funds	384,208	362,060	1,406,656
Evergreen funds	13,172	13,331	61,242
DoubleLine	—	—	—
Total incentives created (fund level)	397,380	375,391	1,467,898
Less: incentive income recognized by us	(267,325)	(237,409)	(1,113,502)
Less: Restructuring reallocation of accrued incentives	—	—	—
Ending balance	\$ 1,839,552	\$ 1,806,821	\$ 1,668,839
Accrued incentives (fund level), net of associated incentive income compensation expense	\$ 1,100,452	\$ 856,548	\$ 800,431

(1) Beginning balance and activity for the year end December 31, 2023 has been adjusted to align the timing of tax related incentive distributions presented herein and incentive income recognized in our financial statements in accordance with US GAAP.

As of December 31, 2023, 2022 and 2021, the portion of net accrued incentives (fund level) represented by funds that were currently paying incentives was \$10.8 million (or 1.0%), \$16.6 million (or 1.9%), and \$30.0 million (3.7%), respectively, with the remainder arising from funds that as of that date were not at the stage of their cash distribution waterfall where Oaktree was entitled to receive incentives, other than possibly tax-related distributions.

As of December 31, 2023, \$747.2 million, or 65.8%, of the net accrued incentives (fund level) were in evergreen or closed-end funds in their liquidation period.

Year Ended December 31, 2023

Incentives created (fund level) was \$397.4 million for the year ended December 31, 2023, primarily reflecting \$446.9 million of incentives created (fund level) from Credit funds, \$7.9 million from Listed Equities funds, partially offset by \$(57.4) million from Real Assets and Private Equity funds.

GAAP Statement of Financial Condition

We manage our financial condition without the consolidation of the Oaktree funds in which we serve as general partner. Since Oaktree's founding, Oaktree and, by extension, we have managed our financial condition in a way that builds our capital base and maintains sufficient liquidity for known and anticipated uses of cash. Our assets do not include accrued incentives (fund level), an off-balance sheet metric. As a result of the 2022 Restructuring, we no longer directly hold an economic interest in OCM Cayman or a voting interest in its general partner and therefore OCM Cayman was deconsolidated as of the effective date of the 2022 Restructuring. Additionally, we concluded that we were no longer the primary beneficiary for CLOs as their direct ownership interests are held by OCM Cayman. Assets and liabilities related to OCM Cayman and CLOs are not reflected on our consolidated statement of financial condition as of December 31, 2023.

The following table presents our GAAP consolidating statement of financial condition:

	As of December 31, 2023			
	Oaktree and Operating Subsidiaries	Consolidated Funds	Eliminations	Consolidated
	(in thousands)			
Assets:				
Cash and cash-equivalents	\$ 28,507	\$ —	\$ —	\$ 28,507
Corporate investments	2,682,383	—	(1,150,175)	1,532,208
Receivables and other assets	299,135	—	—	299,135
Assets of consolidated funds	—	5,696,083	—	5,696,083
Total assets	<u>\$ 3,010,025</u>	<u>\$ 5,696,083</u>	<u>\$ (1,150,175)</u>	<u>\$ 7,555,933</u>
Liabilities and Capital:				
Liabilities:				
Accounts payable and accrued expenses	\$ 142,678	\$ —	\$ —	\$ 142,678
Due to affiliates	62,759	—	—	62,759
Debt obligations	219,682	—	—	219,682
Liabilities of consolidated funds	—	1,209,360	—	1,209,360
Total liabilities	<u>425,119</u>	<u>1,209,360</u>	<u>—</u>	<u>1,634,479</u>
Non-controlling redeemable interests in consolidated funds	—	—	3,336,548	3,336,548
Capital:				
Capital attributable to BOH preferred unitholders	400,584	—	—	400,584
Capital attributable to BOH Class A unitholders	1,851,127	784,419	(784,419)	1,851,127
Non-controlling interest in consolidated subsidiaries	333,195	365,756	(365,756)	333,195
Non-controlling interest in consolidated funds	—	3,336,548	(3,336,548)	—
Total capital	<u>2,584,906</u>	<u>4,486,723</u>	<u>(4,486,723)</u>	<u>2,584,906</u>
Total liabilities and capital	<u>\$ 3,010,025</u>	<u>\$ 5,696,083</u>	<u>\$ (1,150,175)</u>	<u>\$ 7,555,933</u>

Corporate Investments

	As of December 31,	
	2023	2022
	(in thousands)	
Oaktree funds:		
Credit	\$ 1,984,819	\$ 1,620,971
Private Equity	218,118	220,417
Real Assets	395,806	57,056
Listed Equities	45,424	40,233
Non-Oaktree	38,216	76,660
Total corporate investments – Oaktree and operating subsidiaries	2,682,383	2,015,337
Eliminations	(1,150,175)	(823,833)
Total corporate investments – Consolidated	<u>\$ 1,532,208</u>	<u>\$ 1,191,504</u>

Liquidity and Capital Resources

We manage our liquidity and capital requirements by focusing on our cash flows before the consolidation of Oaktree funds and the effect of normal changes in short-term assets and liabilities. Our primary cash flow activities on an unconsolidated basis involve (a) generating cash flow from operations, (b) generating income from investment activities, including strategic investments in certain third parties, (c) funding capital commitments that we have made to Oaktree funds in which we act as general partner, (d) funding our growth initiatives, (e) distributing cash flow to our Class A unitholders and to OCGH and OEP, (f) borrowings, interest payments and repayments under credit agreements, our senior notes and other borrowing arrangements, and (g) issuances of, and distributions made on, our preferred units. As of December 31, 2023, the Company on an unconsolidated basis had \$28.5 million of cash and U.S. Treasury and other securities and \$219.7 million of outstanding debt.

As a result of the 2022 Restructuring, the Company no longer controls OCM Cayman and therefore OCM Cayman was deconsolidated as of the effective date of the 2022 Restructuring. Ongoing sources of cash include incentive income, which is volatile and largely unpredictable as to amount and timing, and distributions stemming from our corporate investments in funds and companies. We primarily use cash flow from operations and distributions from our corporate investments to pay compensation and related expenses, service fees under the Services Agreement with OCM, debt service and distributions. This same cash flow, together with proceeds from equity and debt issuances, is also used to fund corporate investments, fixed assets and other capital items. Subject to applicable law and certain consent rights contained in our operating agreement, pursuant to a covenant in our operating agreement Oaktree plans to cause its operating group entities to distribute, on a quarterly basis, at least 85% of its adjusted distributable earnings, as defined in our operating agreement, and we plan to distribute amounts we receive in respect of such distributions, less any tax and tax receivable obligations, to holders of our Class A units. Distributions from each Operating Group entity may not be proportionate to its share of adjusted distributable earnings.

Distributions on the preferred units are discretionary and non-cumulative. We may redeem, at our option, out of funds legally available, at any time, in whole or in part, the Series A preferred units or the Series B preferred units, at a price of \$25.00 per preferred unit plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the preferred units have no right to require the redemption of the preferred units.

We have subscribed for a limited partner interest in, and made a capital commitment of, \$750 million to Oaktree Opportunities Fund XI, L.P., a parallel investment vehicle thereof or a feeder fund in respect of one of the foregoing (such limited partner interest, the “Opps XI Investment” and such fund entities collectively, “Opps XI”). In order to fund the Opps XI Investment, our sole Class A unitholder, or one of its affiliates, will contribute cash as a capital contribution (the “Opps XI Investment Cash”) as and to the extent required to satisfy our obligations to Opps XI. We will use the Opps XI Investment Cash solely to fund the Opps XI Investment and satisfy our obligations in respect of Opps XI. Distributions from the Opps XI Investment are intended for the benefit of the Class A unitholder, subject to applicable law. Our preferred unitholders should not rely on distributions received by us in respect of the Company’s Opps XI Investment for payment of distributions on or redemption of the preferred units. As of December 31, 2023, \$638 million of the \$750 million capital commitment was funded.

We have subscribed for a limited partner interest in, and made a capital commitment of, \$750 million to Oaktree Opportunities Fund XII, L.P., a parallel investment vehicle thereof or a feeder fund in respect of one of the foregoing (such limited partner interest, the "Opps XII Investment" and such fund entities collectively, "Opps XII"). In order to fund the Opps XII Investment, our sole Class A unitholder, or one of its affiliates, will contribute cash as a capital contribution (the "Opps XII Investment Cash") as and to the extent required to satisfy our obligations to Opps XII. We will use the Opps XII Investment Cash solely to fund the Opps XII Investment and satisfy our obligations in respect of Opps XII. Distributions from the Opps XII Investment are intended for the benefit of the Class A unitholder, subject to applicable law. Our preferred unitholders should not rely on distributions received by us in respect of the Company's Opps XII Investment for payment of distributions on or redemption of the preferred units. As of December 31, 2023, the Company has not funded any of its capital commitment.

On June 27, 2023, the Company entered into a contribution agreement (the "Treasury Contribution Agreement") with Brookfield Corporate Treasury Ltd. ("Treasury"). Treasury holds all of the outstanding Class A units of the Company. Pursuant to the Treasury Contribution Agreement, Treasury agreed to contribute to the Company an amount (the "Contributed Amount") equal to the value of BUSI II GP-C LLC, BUSI II-C L.P., BUSI II SLP-GP LLC and Brookfield REIT OP Special Limited Partner L.P. (collectively, and together with any additional entities that may become direct or indirect subsidiaries of NTR (as defined below) and that beneficially own shares of Brookfield REIT (as defined below), the "REIT Entities"), including their indirect ownership in Brookfield Real Estate Income Trust Inc., a Maryland corporation ("Brookfield REIT"), as of June 30, 2023, and the Company agreed to contribute the Contributed Amount to OCG NTR Holdings, LLC, a wholly owned subsidiary of the Company ("NTR"), in connection with the Company's indirect acquisition (the "Acquisition") of 100% of the interests in the REIT Entities. An amount of \$307.0 million in respect of the Contributed Amount was contributed to the Company on June 27, 2023 (the "Purchase Price") and a true-up contribution of \$13.9 million was made on July 31, 2023 (the "True-Up Payment"). Also on June 27, 2023, the Company entered into a contribution agreement (the "NTR Contribution Agreement") with NTR whereby the Company contributed the Purchase Price to NTR and agreed to make a contribution in an amount equal to the True-Up Payment to NTR, and NTR agreed to use the Contributed Amount in connection with the Acquisition. On June 29, 2023, NTR entered into an agreement of purchase and sale (the "Agreement of Purchase and Sale") to effect the Acquisition, whereby NTR acquired 100% of the interests in the REIT Entities from BUSI II NTR Sub LLC in exchange for cash. The Acquisition was completed on June 30, 2023.

As of December 31, 2023, the carrying value of NTR included in corporate investments was \$317.3 million.

In connection with the Acquisition, on June 29, 2023, the Company entered into a letter agreement (the "Restructuring Letter Agreement") with Treasury whereby, among other things, the Company agreed that, notwithstanding any provision of the operating agreement of the Company to the contrary, Treasury will have the right, in its sole and absolute discretion, to make up to \$200.0 million of additional capital contributions to the Company to be utilized in connection with the Company's indirect ownership of Brookfield REIT or any other matters with respect to the operations of NTR and the REIT Entities, and no vote, approval or other authorization will be required in connection with such additional capital contributions. Also on June 29, 2023, the Company entered into a letter agreement (the "Indemnification Letter Agreement") with BP US REIT LLC ("BP US") whereby, among other things, BP US agrees to defend, indemnify and hold harmless the Company, its members and the Company's and such members' respective officers, directors, employees, agents, successors, and assigns from any third-party claims brought against any of them related to the ownership, management or ongoing operating of the REIT Entities, and any subsidiaries thereof.

Consolidated Cash Flows

The accompanying consolidated statements of cash flows include our consolidated funds, despite the fact that we typically have only a minority economic interest in those funds. The assets of consolidated funds, on a gross basis, are larger than the assets of our business and, accordingly, have a substantial effect on the cash flows reflected in our consolidated statements of cash flows. The primary cash flow activities of our consolidated funds involve:

- raising capital from third-party investors;
- using the capital provided by us and third-party investors to fund investments and operating expenses;
- financing certain investments with indebtedness;
- generating cash flows through the realization of investments, as well as the collection of interest and dividend income; and
- distributing net cash flows to fund investors and to us.

Because our consolidated funds are either treated as investment companies for accounting purposes or represent CLOs whose primary operations are investing activities, their investing cash flow amounts are included in our cash flows from operations. We believe that we and each of the consolidated funds has sufficient access to cash to fund our and their respective operations in the near term. Subsequent to the 2022 Restructuring, the Company no longer consolidates the CLOs as their direct ownership interests are held by OCM Cayman.

Significant amounts from our consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021 are discussed below.

Operating Activities

Operating activities used \$0.7 billion, \$1.9 billion and \$2.7 billion of cash in 2023, 2022 and 2021, respectively. These amounts principally reflected net income, purchases of securities, net of non-cash adjustments, in each of the respective periods and net purchases of securities of the consolidated funds.

Investing Activities

Investing activities used \$366.6 million and \$228.7 million of cash in 2023 and 2022, respectively and provided \$184.8 million of cash in 2021. Corporate investments in funds and companies of \$488.3 million, \$308.4 million and \$180.0 million in 2023, 2022 and 2021, respectively, consisted of the following:

	Year Ended December 31,		
	2023	2022	2021
	(in millions)		
Funds	\$ 757.0	\$ 678.2	\$ 760.8
Eliminated in consolidation	(268.7)	(369.8)	(580.8)
Total investments	<u>\$ 488.3</u>	<u>\$ 308.4</u>	<u>\$ 180.0</u>

Distributions and proceeds from corporate investments in funds and companies of \$121.6 million, \$84.6 million and \$357.7 million in 2023, 2022 and 2021, respectively, consisted of the following:

	Year Ended December 31,		
	2023	2022	2021
	(in millions)		
Funds	\$ 158.1	\$ 254.8	\$ 468.6
Eliminated in consolidation	(36.5)	(170.2)	(110.9)
Total investments	<u>\$ 121.6</u>	<u>\$ 84.6</u>	<u>\$ 357.7</u>

Financing Activities

Financing activities provided \$1.3 billion, \$2.0 billion and \$2.7 billion of cash in 2023, 2022 and 2021, respectively. Financing activities included: (a) net contributions from non-controlling interests in consolidated funds of \$907.1 million, \$520.0 million and \$1,017.6 million in 2023, 2022 and 2021, respectively; (b) net repayment to credit facilities of the consolidated funds of \$48.9 million and \$81.1 million in 2023 and 2022, respectively, and net borrowings of \$761.0 million in 2021; (c) distributions to unitholders of \$177.7 million, \$329.2 million and \$779.6 million in 2023, 2022 and 2021, respectively; (d) net capital contributions of \$581.5 million, \$146.9 million and \$183.7 million in 2023, 2022 and 2021, respectively; (e) payments of debt issuance costs of \$0.1 million, \$8.9 million and \$2.6 million in 2023, 2022 and 2021, respectively. The decrease in proceeds from and repayment on CLO debt obligations were due to the 2022 Restructuring.

Future Sources and Uses of Liquidity

We expect to continue to make distributions to our preferred unitholders in accordance with their contractual terms and our Class A unitholders pursuant to our distribution policy for our common units as described in our operating agreement. In the future, subject to our operating agreement we may also issue additional units or debt and other equity securities with the objective of increasing our available capital. In addition, we may, from time to time, repurchase our preferred units in open market or privately negotiated purchases or otherwise, redeem our preferred units pursuant to the terms of their respective governing documents, or repurchase OCGH or OEP units.

In addition to our ongoing sources of cash that include incentive income and distributions related to our corporate investments in funds and companies, we also have access to liquidity through our debt financings, credit agreements and equity financings. Prior to the 2019 Restructuring, our financial statements reflected debt and debt service of the entire Oaktree Operating Group. Until 2022, OCM had historically been the only direct borrower or issuer under credit agreements and private placement notes with third parties and made all payments of principal and interest. While certain Oaktree Operating Group entities (including Oaktree Capital I) are co-obligors and jointly and severally liable, debt obligations are reflected in the consolidated financial statements based upon the entity that actually made the borrowing and received the related proceeds. Accordingly, our financial statements after the 2019 Restructuring generally do not reflect debt obligations, interest expense or related liabilities associated with OCM, Oaktree Capital II and Oaktree AIF. Subsequent to the 2022 Restructuring, our financial statements no longer reflect debt obligations, interest expense or related liabilities associated with OCM, OCM Cayman, Oaktree Capital II and Oaktree AIF.

We believe that the sources of liquidity described below will be sufficient to fund our working capital requirements for at least the next twelve months.

Debt Financings

In June 2022, our consolidated subsidiary Oaktree Capital I issued and sold to certain accredited investors €50 million of its 2.20% Senior Notes, Series A, due 2032, €75 million of its 2.40% Senior Notes, Series B, due 2034, and €75 million of its 2.58% Senior Notes, Series C, due 2037. These series of notes are senior unsecured obligations of Oaktree Capital I, jointly and severally guaranteed by our former indirect subsidiaries OCM, Oaktree Capital II, Oaktree AIF and OCM Cayman. These notes provide for certain affirmative and negative covenants, including financial covenants relating to the issuer's and guarantors' combined leverage ratio and minimum assets under management. In addition, these notes contain customary representations and warranties of the issuer and the guarantors, and customary events of default, in certain cases, subject to cure periods. The issuer may prepay all, or from time to time any part of, any series of these notes at any time, subject, in the case of optional prepayment prior to the date that is three months prior to the maturity of the notes, to the issuer's payment of the applicable make-whole amount and swap breakage loss, if any, determined with respect to such principal amount prepaid. Upon the occurrence of a change of control, the issuer will be required to make an offer to prepay each series of these notes without any make-whole amount.

In January 2022, OCM issued and sold to certain accredited investors \$200 million of 3.06% senior notes due 2037 (the "2037 Notes"). The 2037 Notes are senior unsecured obligations of OCM, jointly and severally guaranteed by Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman. The 2037 Notes provide for certain affirmative and negative covenants, including financial covenants relating to the issuer's and guarantors' combined leverage ratio and minimum assets under management. In addition, the 2037 Notes contain customary representations and warranties of the issuer and the guarantors, and customary events of default, in certain cases, subject to cure periods. The issuer may prepay all, or from time to time any part of, the 2037 Notes at any time, subject in the case of optional prepayment prior to the date that is three months prior to the maturity of the notes, to the issuer's payment of the applicable make-whole amount determined with respect to such principal amount prepaid. Upon the occurrence of a change of control, the issuer will be required to make an offer to prepay the 2037 Notes without any make-whole amount. As OCM is the issuer of such senior unsecured notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in our financial statements unless an event of default occurs.

In July 2020, OCM issued and sold to certain accredited investors \$200 million aggregate principal amount of 3.64% Senior Notes, Series A, due 2030 (the "Series A 2030 Notes") and \$50 million aggregate principal amount of 3.84% Senior Notes, Series B, due 2035 (the "Series B 2035 Notes") pursuant to a note and guaranty agreement. Both series of notes are senior unsecured obligations of OCM, jointly and severally guaranteed by Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman. Both series of notes provide for certain affirmative and negative covenants, including financial covenants relating to the issuer's and guarantors' combined leverage ratio and

minimum assets under management. In addition, the Series A 2030 Notes and Series B 2035 Notes contain customary representations and warranties of the issuer and the guarantors, and customary events of default, in certain cases, subject to cure periods. The issuer may prepay all, or from time to time any part of, the Series A 2030 Notes and Series B 2035 Notes at any time, subject in the case of optional prepayment prior to the date that is three months prior to the maturity of the notes, to the issuer's payment of the applicable make-whole amount determined with respect to such principal amount prepaid. Upon the occurrence of a change of control, the issuer will be required to make an offer to prepay both series of notes without any make-whole amount. As OCM is the issuer of such senior unsecured notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in our financial statements unless an event of default occurs.

In May 2020, Oaktree Capital I, along with certain other Oaktree Operating Group members as co-borrowers, entered into a credit agreement with a subsidiary of Brookfield that provides for a subordinated credit facility. The subordinated credit facility has a revolving loan commitment of \$250 million and borrowings generally bear interest at a spread to either LIBOR or an alternative base rate. Borrowings on the subordinated credit facility are subordinate to the outstanding debt obligations and borrowings on the primary credit facility of Oaktree Capital I and its co-borrowers as detailed in note 9 to our consolidated financial statements included elsewhere in this annual report. Oaktree Capital I is jointly and severally liable, along with its co-obligors for outstanding borrowings on the subordinated credit facility. As set forth in such note 9, the Company's financial statements generally will not reflect debt obligations, interest expense or related liabilities associated with its operating subsidiaries until such time as Oaktree Capital I directly borrows from the subordinated credit facility. In March 2022, the Company entered into an amendment to the credit facility to extend the revolving credit maturity date from May 19, 2023 to September 14, 2026. On October 6, 2023, an amendment was signed to further extend the maturity date to October 6, 2028 and change the interest rate to the secured overnight financing rate ("SOFR") plus 1.6% or an alternative base rate plus 0.5%. The amendment also provided that the maturity date will automatically extend annually in one-year increments until the lenders notify the borrowers of their intention to terminate the subordinated credit facility. No amounts were outstanding on the subordinated credit facility as of December 31, 2023.

In September 2021, Oaktree Capital I, OCM, Oaktree Capital II, and Oaktree AIF (collectively, the "Borrowers") entered into the Sixth Amendment to Credit Agreement (the "Sixth Amendment"), which amended the credit agreement as of December 13, 2019 (as amended through and including the Sixth Amendment, the "Credit Agreement"). The Sixth Amendment extended the maturity date of the Credit Agreement from December 13, 2024 to September 14, 2026, modified the AUM covenant threshold from \$65 billion of AUM to \$57.5 billion of management fee-generating AUM, and increased the maximum leverage ratio to 4.00x-to-1.00x. In December 2022, the Borrowers entered into the Seventh Amendment to Credit Agreement (the "Seventh Amendment"). The Seventh Amendment extended the maturity date of the Credit Agreement from September 14, 2026 to December 15, 2027 with the potential to extend the maturity for up to two additional years and implemented language consistent with U.S. syndicated loan market practice to use an adjusted forward-looking term rate based on the SOFR, as a replacement for the London Interbank Offered Rate. As set forth in note 9 to our consolidated financial statements included elsewhere in this annual report, the Company's financial statements generally will not reflect debt obligations, interest expense or related liabilities associated with its operating subsidiaries until such time as Oaktree Capital I directly borrows from the subordinated credit facility. Based on the current credit ratings of OCM, the interest rate on borrowings is the term SOFR reference rate plus 1.10% per annum and the commitment fee on the unused portions of the revolving credit facility is 0.10% per annum. The term SOFR reference rate is determined by the tenor of the borrowings and set by the CME Group Benchmark Administration Limited (CBA). As of December 31, 2023, no amounts were outstanding under the \$650 million revolving credit facility.

In December 2017, OCM issued and sold to certain accredited investors \$250 million of 3.78% senior notes due 2032 (the "2032 Notes"). The 2032 Notes are senior unsecured obligations of OCM, jointly and severally guaranteed by Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman. The proceeds from the sale of the 2032 Notes and cash on hand were used to redeem the \$250 million of 6.75% Senior Notes due 2019 and to pay the related make-whole premium to holders thereof. The 2032 Notes provide for certain affirmative and negative covenants, including financial covenants relating to the issuer's and guarantors' combined leverage ratio and minimum assets under management. In addition, the 2032 Notes contain customary representations and warranties of the issuer and the guarantors, and customary events of default, in certain cases, subject to cure periods. The issuer may prepay all, or from time to time any part of, the 2032 Notes at any time, subject to the issuer's payment of the applicable make-whole amount determined with respect to such principal amount prepaid. Upon the occurrence of a change of control, the issuer will be required to make an offer to prepay the 2032 Notes together with the applicable make-whole amount determined with respect to such principal amount prepaid. As OCM is the issuer of the 2032 Notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in our financial statements unless an event of default occurs.

In July 2016, OCM issued and sold to certain accredited investors \$100 million of 3.69% senior notes due July 12, 2031 (the "2031 Notes"). The 2031 Notes are senior unsecured obligations of OCM, jointly and severally guaranteed by Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman. The proceeds from the sale of the 2031 Notes were used to simultaneously repay \$100 million of borrowings outstanding under a term loan that has since been fully repaid. The 2031 Notes provide for certain affirmative and negative covenants, including financial covenants relating to the issuer's and guarantors' combined leverage ratio and minimum assets under management. In addition, the 2031 Notes contain customary representations and warranties of the issuer and the guarantors, and customary events of default, in certain cases, subject to cure periods. The issuer may prepay all, or from time to time any part of, the 2031 Notes at any time, subject to the issuer's payment of the applicable make-whole amount determined with respect to such principal amount prepaid. Upon the occurrence of a change of control, the issuer will be required to make an offer to prepay the 2031 Notes together with the applicable make-whole amount determined with respect to such principal amount prepaid. As OCM is the issuer of the 2031 Notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in our financial statements unless an event of default occurs.

In September 2014, OCM issued and sold to certain accredited investors \$50 million aggregate principal amount of 3.91% Senior Notes, Series A, due September 3, 2024 (the "Series A Notes"), \$100 million aggregate principal amount of 4.01% Senior Notes, Series B, due September 3, 2026 (the "Series B Notes") and \$100 million aggregate principal amount of 4.21% Senior Notes, Series C, due September 3, 2029 (the "Series C Notes" and together with the Series A Notes and the Series B Notes, the "Senior Notes") pursuant to a note and guarantee agreement. The Senior Notes are senior unsecured obligations of OCM, guaranteed on a joint and several basis by Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman. Interest on the Senior Notes is payable semi-annually. The Senior Notes provide for certain affirmative and negative covenants, including financial covenants relating to the issuer's and guarantors' combined leverage ratio and minimum assets under management. In addition, the Senior Notes contain customary representations and warranties of the issuer and the guarantors, and customary events of default, in certain cases, subject to cure periods. The issuer may prepay all, or from time to time any part of, the Senior Notes at any time, subject to the issuer's payment of the applicable make-whole amount determined with respect to such principal amount prepaid. Upon the occurrence of a change of control, the issuer will be required to make an offer to prepay the Senior Notes together with the applicable make-whole amount determined with respect to such principal amount prepaid. As OCM is the issuer of the Senior Notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in our financial statements unless an event of default occurs.

Preferred Unit Issuances

On May 17, 2018, we issued 7,200,000 of our 6.625% Series A preferred units representing limited liability company interests with a liquidation preference of \$25.00 per unit. The issuance resulted in \$173.7 million in net proceeds to us. Distributions on the Series A preferred units, when and if declared by the board of directors of Oaktree, will be paid quarterly on March 15, June 15, September 15 and December 15 of each year. Distributions on the Series A preferred units are non-cumulative.

On August 9, 2018, we issued 9,400,000 of our 6.550% Series B preferred units representing limited liability company interests with a liquidation preference of \$25.00 per unit. The issuance resulted in \$226.9 million in net proceeds to us. Distributions on the Series B preferred units, when and if declared by the board of directors of Oaktree, will be paid quarterly on March 15, June 15, September 15 and December 15 of each year. Distributions on the Series B preferred units are non-cumulative.

Unless distributions have been declared and paid or declared and set apart for payment on the preferred units for a quarterly distribution period, during the remainder of that distribution period we may not repurchase any common units or any other units that are junior in rank, as to the payment of distributions, to the preferred units and we may not declare or pay or set apart payment for distributions on any common units or junior units for the remainder of that distribution period, other than certain Permitted Distributions (as defined in the unit designation related to the applicable preferred units (each, the "Preferred Unit Designation")).

We may redeem, at our option, out of funds legally available, at any time, in whole or in part, the Series A preferred units or the Series B preferred units, at a price of \$25.00 per preferred unit plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the preferred units have no right to require the redemption of the preferred units.

The preferred units are not convertible into Class A units or any other class or series of our interests or any other security. Holders of the preferred units do not have any of the voting rights given to holders of our Class A units, except that holders of the preferred units are entitled to certain voting rights under certain conditions.

Contractual Obligations, Commitments and Contingencies

In the ordinary course of business, we and our consolidated funds enter into contractual arrangements that may require future cash payments. The following table sets forth information related to anticipated future cash payments as of December 31, 2023:

	2024	2025-2026	2027-2028	Thereafter	Total
	(in thousands)				
Oaktree and Operating Subsidiaries:					
Senior note principal repayment ⁽¹⁾	\$ —	\$ —	\$ —	\$ 220,931	\$ 220,931
Interest obligations on debt ⁽²⁾	5,341	10,682	10,682	35,376	62,081
BOH limited partner commitments to Oaktree funds ⁽³⁾	862,500	—	—	—	862,500
Oaktree Capital I general partner commitments to Oaktree and third-party funds ⁽³⁾	349,918	—	—	—	349,918
Subtotal	<u>1,217,759</u>	<u>10,682</u>	<u>10,682</u>	<u>256,307</u>	<u>1,495,430</u>
Consolidated Funds:					
Debt obligations payable	320,454	631,496	—	—	951,950
Interest obligations on debt ⁽⁴⁾	63,004	22,440	—	—	85,444
Total	<u>\$ 1,601,217</u>	<u>\$ 664,618</u>	<u>\$ 10,682</u>	<u>\$ 256,307</u>	<u>\$ 2,532,824</u>

(1) These obligations represent future principal payments, gross of debt issuance costs.

(2) Interest obligations include accrued interest on outstanding indebtedness. All figures are based on the conversion of amounts from EUR to USD using the foreign exchange spot rate of 1.10 as of December 31, 2023.

(3) These obligations represent commitments by us to provide limited and general partner capital funding to our funds and limited partner capital funding to funds managed by unaffiliated third parties. These amounts are due on demand and are therefore presented in the 2024 column. Capital commitments are generally expected to be called over a period of several years.

(4) Interest obligations include accrued interest on outstanding indebtedness. Where applicable, current interest rates are applied to estimate future interest obligations on variable-rate debt.

In some of our service contracts or management agreements, we have agreed to indemnify third-party service providers or separate account clients under certain circumstances. The terms of the indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined and has neither been included in the above table nor recorded in our consolidated financial statements as of December 31, 2023.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements. Please see note 14 to our consolidated financial statements included elsewhere in this annual report for information on our commitments and contingencies.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with GAAP. In applying many of these accounting principles, we need to make assumptions, estimates or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates or judgments, however, are both subjective and subject to change, and actual results may differ from our assumptions and estimates. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe our critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates or judgments. Our most significant assumptions and estimates are related to the valuation of our corporate investments and the investments of our consolidated funds. For a summary of our significant accounting policies and estimates, please see the notes to our consolidated financial statements included elsewhere in this annual report.

Recent Accounting Developments

Please see note 2 to our consolidated financial statements included elsewhere in this annual report for information regarding recent accounting developments.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to a broad range of risks inherent in the financial markets in which we participate, including price risk, interest-rate risk, access to and cost of financing risk, liquidity risk, counterparty risk and foreign exchange-rate risk. Potentially negative effects of these risks may be mitigated to a certain extent by those aspects of our investment approach, investment strategies, fundraising practices or other business activities that are designed to benefit, either in relative or absolute terms, from periods of economic weakness, tighter credit or financial market dislocations.

Our predominant exposure to market risk is related to our role as general partner or investment adviser to our funds and the sensitivities to movements in the fair value of their investments on incentive income and investment income, as applicable. The fair value of the financial assets and liabilities of our funds may fluctuate in response to changes in, among many factors, the fair value of securities, foreign-exchange rates, commodities prices and interest rates.

Price Risk

Impact on Net Change in Unrealized Appreciation (Depreciation) on Consolidated Funds' Investments

As of December 31, 2023, we had investments at fair value of \$5.1 billion related to our consolidated funds. We estimate that a 10% decline in market values would result in a decrease in unrealized appreciation (depreciation) on the consolidated funds' investments of \$514.4 million. Of this decline, \$81.8 million would impact net income attributable to BOH Class A unitholders, with the remainder attributable to non-controlling interests. The magnitude of the impact on net income is largely affected by the percentage of our equity ownership interest.

Impact on Incentive Income (before consolidation of funds)

Incentive income is recognized only when it is probable that a significant reversal will not occur, which in the case of (a) our closed-end funds, generally occurs only after all contributed capital and an annual preferred return on that capital (typically 8%) have been distributed to the fund's investors and (b) our active evergreen funds, generally occurs as of December 31, based on the increase in the fund's NAV during the year, subject to any high-water marks or hurdle rates. In the case of closed-end funds, the link between short-term fluctuations in market values and a particular period's incentive income may in part be indirect. Thus the effect on incentive income of a 10% decline in market values is not readily quantifiable. A decline in market values would be expected to cause a decline in incentive income.

Impact on Investment Income (before consolidation of funds)

Investment income or loss arises from our pro-rata share of income or loss from our investments, generally in our capacity as general partner in our funds. This income is directly affected by changes in market risk factors. Based on investments held as of December 31, 2023, a 10% decline in fair values of the investments held in our funds and other holdings would result in a \$268.2 million decrease in the amount of investment income. These estimated effects are without regard to a number of factors that would be expected to increase or decrease the magnitude of the change to degrees that are not readily quantifiable, such as the use of leverage facilities in certain of our funds, the timing of fund flows or the timing of new investments or realizations.

Exchange-rate Risk

Subsequent to the 2022 Restructuring and the deconsolidation of OCM Cayman, we no longer have foreign subsidiaries and the associated exchange rate risk related to those operations. At any point in time, some of the investments held by our closed-end and evergreen funds may be denominated in non-U.S. dollar currencies on an unhedged basis. Changes in currency rates could affect incentive income, incentives created (fund level) and investment income with respect to such closed-end and evergreen funds; however, the degree of impact is not readily determinable because of the many indirect effects that currency movements may have on individual investments.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the respective counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting to reputable financial institutions the counterparties with which we enter into financial transactions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets.

Interest-rate Risk

As of December 31, 2023, the Company and its operating subsidiary had \$220.9 million of debt obligations outstanding that bear interest at a fixed rate. As of December 31, 2023, the Company and its operating subsidiary are jointly and severally liable for \$1.1 billion of debt obligations outstanding under the senior notes issuances and no amounts outstanding under the revolving credit facilities. The senior notes issuances bear interest at a fixed rate. The revolving credit facilities bear interest at a variable rate.

Our consolidated funds have debt obligations, most of which accrue interest at variable rates. Changes in these rates would affect the amount of interest payments that our funds would have to make, impacting future earnings and cash flows. As of December 31, 2023, the consolidated funds had \$1.0 billion of principal or par value, as applicable, outstanding under these debt obligations. We estimate that interest expense relating to variable-rate debt would increase on an annualized basis by \$9.5 million in the event interest rates were to increase by 100 basis points.

As credit-oriented investors, we are also subject to interest-rate risk through the securities we hold in our consolidated funds. A 100-basis point increase in interest rates would be expected to negatively affect prices of securities that accrue interest income at fixed rates and therefore negatively impact the net change in unrealized appreciation (depreciation) on consolidated funds' investments. The actual impact is dependent on the average duration of such holdings. Conversely, securities that accrue interest at variable rates would be expected to benefit from a 100-basis point increase in interest rates because these securities would generate higher levels of current income and therefore positively impact interest and dividend income. In cases where our funds pay management fees based on NAV, we would expect our management fees to experience a change in direction and magnitude corresponding to that experienced by the underlying portfolios.

Item 8. Financial Statements and Supplementary Data**INDEX TO FINANCIAL STATEMENTS****Audited Consolidated Financial Statements:**

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Report of Independent Registered Public Accounting Firm

To the Unitholders and Board of Directors of Brookfield Oaktree Holdings, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of Brookfield Oaktree Holdings, LLC (the Company, formerly Oaktree Capital Group, LLC) as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, cash flows and changes in unitholders' capital for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of investments which utilize significant unobservable inputs**Description of the Matter**

At December 31, 2023, the Company's investments included \$3.6 billion of investments of consolidated funds, at fair value, categorized as Level III within the fair value hierarchy. The fair value of these fund investments is determined by management using the valuation techniques and significant unobservable inputs described in Notes 2 and 6 to the consolidated financial statements.

Auditing the fair value of the Company's fund investments categorized as Level III within the fair value hierarchy was complex and involved a high degree of subjectivity due to estimation uncertainty resulting from the unobservable nature of the inputs used in the valuations and the limited number of comparable market transactions for the same or similar investments.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's investment valuation process, including management's assessment of the significant inputs and estimates used in the fair value measurements.

We performed the following procedures, among others, for a sample of the Company's fund investments categorized as Level III:

We tested the mathematical accuracy of the Company's valuation models and agreed the values in the models to the Company's books and records. We evaluated the valuation techniques used by the Company and considered the consistency in application of the valuation techniques to each subject investment and investment class. We evaluated the reasonableness of significant unobservable inputs by comparing the inputs used by the Company against third-party sources such as recent trades, market indexes or other market data, evaluated the consistency of forecasted cash flows with historical operating results and trends and assessed the appropriateness of management's determination of comparable companies. Where applicable, we utilized our internal valuation specialists to assist with these procedures, including developing an independent range of inputs that we compared to the inputs selected by management or an independent fair value estimate that we compared to the Company's fair value estimate. We considered other information obtained through the audit that corroborated or contradicted the Company's inputs or fair value measurements. We also reviewed subsequent events and transactions, including sales of investments subsequent to the balance sheet date, and considered whether they corroborated or contradicted the Company's year-end valuations.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Los Angeles, California
March 21, 2024

Brookfield Oaktree Holdings, LLC
Consolidated Statements of Financial Condition
(\$ in thousands)

	As of December 31,	
	2023	2022
Assets		
Cash and cash-equivalents	\$ 28,507	\$ 9,514
Corporate investments (includes \$402,620 and \$108,159 measured at fair value as of December 31, 2023 and 2022, respectively)	1,532,208	1,191,504
Due from affiliates	232,485	207,874
Other assets	66,650	51,008
<i>Assets of consolidated funds:</i>		
Cash and cash-equivalents	308,172	166,616
Investments, at fair value	5,143,677	3,908,613
Dividends and interest receivable	37,839	26,029
Due from brokers	—	37,375
Receivable for securities sold	118,851	3,387
Derivative assets, at fair value	9,133	10,737
Other assets, net	78,411	42,232
Total assets	<u>\$ 7,555,933</u>	<u>\$ 5,654,889</u>
Liabilities and Unitholders' Capital		
Liabilities:		
Accrued compensation expense	\$ 138,841	\$ 124,253
Accounts payable, accrued expenses and other liabilities	3,837	4,483
Due to affiliates	62,759	36,164
Debt obligations (Note 9)	219,682	212,195
<i>Liabilities of consolidated funds:</i>		
Accounts payable, accrued expenses and other liabilities	14,701	8,985
Payables for securities purchased	124,789	153,439
Derivative liabilities, at fair value	22,230	24,022
Distributions payable	95,690	1,437
Debt obligations of the consolidated funds	951,950	1,000,859
Total liabilities	<u>1,634,479</u>	<u>1,565,837</u>
Commitments and contingencies (Note 14)		
Non-controlling redeemable interests in consolidated funds	<u>3,336,548</u>	<u>2,182,414</u>
Unitholders' capital:		
Series A preferred units, 7,200,000 units issued and outstanding as of December 31, 2023 and 2022, respectively	173,669	173,669
Series B preferred units, 9,400,000 units issued and outstanding as of December 31, 2023 and 2022, respectively	226,915	226,915
Class A units, no par value, unlimited units authorized, 109,198,991 and 103,080,160 units issued and outstanding as of December 31, 2023 and 2022, respectively	—	—
Class B units, no par value, unlimited units authorized, 50,915,764 and 56,922,688 units issued and outstanding as of December 31, 2023 and 2022, respectively	—	—
Paid-in capital	1,529,909	908,142
Retained earnings	334,314	246,353
Accumulated other comprehensive loss	(13,096)	(9,101)
Unitholders' capital attributable to Brookfield Oaktree Holdings, LLC	<u>2,251,711</u>	<u>1,545,978</u>
Non-controlling interests in consolidated subsidiaries	333,195	360,660
Total unitholders' capital	<u>2,584,906</u>	<u>1,906,638</u>
Total liabilities and unitholders' capital	<u>\$ 7,555,933</u>	<u>\$ 5,654,889</u>

Please see accompanying notes to consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Consolidated Statements of Operations
(in thousands, except per unit amounts)

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Management fees	\$ —	\$ 224,141	\$ 234,786
Incentive income	267,325	268,452	1,219,624
Total revenues	<u>267,325</u>	<u>492,593</u>	<u>1,454,410</u>
Expenses:			
Compensation and benefits	(675)	(142,079)	(162,260)
Equity-based compensation	—	(6,566)	(10,521)
Incentive income compensation	(134,837)	(94,427)	(594,300)
Total compensation and benefits expense	<u>(135,512)</u>	<u>(243,072)</u>	<u>(767,081)</u>
General and administrative	(5,556)	(24,512)	(21,694)
Depreciation and amortization	—	(1,581)	(2,332)
Consolidated fund expenses	(65,768)	(77,978)	(75,338)
Total expenses	<u>(206,836)</u>	<u>(347,143)</u>	<u>(866,445)</u>
Other income (loss):			
Interest expense	(50,272)	(248,401)	(155,265)
Interest and dividend income	348,801	557,844	389,251
Net realized gain (loss) on consolidated funds' investments	79,420	(13,114)	22,238
Net change in unrealized appreciation (depreciation) on consolidated funds' investments	29,064	(15,023)	122,517
Investment income	72,664	51,265	203,041
Other income, net	—	—	19
Total other income (loss)	<u>479,677</u>	<u>332,571</u>	<u>581,801</u>
Income before income taxes	540,166	478,021	1,169,766
Income taxes	—	(14,931)	(12,387)
Net income	<u>540,166</u>	<u>463,090</u>	<u>1,157,379</u>
Less:			
Net (income) loss attributable to non-controlling interests in consolidated funds	(245,928)	(190,905)	(186,515)
Net (income) attributable to non-controlling interests in consolidated subsidiaries	(73,061)	(68,539)	(339,204)
Net income attributable to Brookfield Oaktree Holdings, LLC	221,177	203,646	631,660
Net (income) attributable to preferred unitholders	(27,316)	(27,316)	(27,316)
Net income attributable to Brookfield Oaktree Holdings, LLC Class A unitholders	<u>\$ 193,861</u>	<u>\$ 176,330</u>	<u>\$ 604,344</u>
Distributions declared per Class A unit	<u>\$ 1.00</u>	<u>\$ 1.86</u>	<u>\$ 4.68</u>
Net income per unit (basic and diluted):			
Net income per Class A unit	<u>\$ 1.80</u>	<u>\$ 1.73</u>	<u>\$ 6.10</u>
Weighted average number of Class A units outstanding	<u>107,590</u>	<u>102,043</u>	<u>99,031</u>

Please see accompanying notes to consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 540,166	\$ 463,090	\$ 1,157,379
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(6,529)	(8,621)	4,418
Other comprehensive income (loss), net of tax	(6,529)	(8,621)	4,418
Total comprehensive income	533,637	454,469	1,161,797
Less:			
Comprehensive (income) loss attributable to non-controlling interests in consolidated funds	(245,928)	(190,905)	(186,515)
Comprehensive (income) attributable to non-controlling interests in consolidated subsidiaries	(70,527)	(65,685)	(341,542)
Comprehensive income attributable to BOH	217,182	197,879	633,740
Comprehensive (income) attributable to preferred unitholders	(27,316)	(27,316)	(27,316)
Comprehensive income attributable to BOH Class A unitholders	\$ 189,866	\$ 170,563	\$ 606,424

Please see accompanying notes to consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 540,166	\$ 463,090	\$ 1,157,379
Adjustments to reconcile net income to net cash used in operating activities:			
Investment income	(72,664)	(51,265)	(203,041)
Depreciation and amortization	—	1,581	2,332
Equity-based compensation	—	6,566	10,521
Net realized and unrealized (gain) loss from consolidated funds' investments	(108,484)	28,137	(144,755)
Accretion of original issue and market discount of consolidated funds' investments, net	(29,359)	(22,628)	(13,717)
Income distributions from corporate investments in funds and companies	62,622	111,904	201,983
SPAC deconsolidation gain and other non-cash items	(134)	(52,503)	(72,347)
Cash flows due to changes in operating assets and liabilities:			
(Increase) decrease in deferred tax assets	—	505	335
Decrease (increase) in other assets	11,775	(12,277)	2,601
Increase (decrease) in net due to affiliates	2,511	92,544	(232,783)
Increase (decrease) in accrued compensation expense	14,588	(1,387)	108,922
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(645)	1,295	(3,871)
Cash flows due to changes in operating assets and liabilities of consolidated funds:			
Increase in dividends and interest receivable	(11,812)	(37,462)	(19,439)
(Increase) decrease in due from brokers	—	(22,086)	(15,201)
Increase in receivables for securities sold	(115,460)	132,654	(107,242)
(Increase) decrease in other assets	1,597	(22,693)	25,989
Increase (decrease) in accounts payable, accrued expenses and other liabilities	99,194	13,869	41,764
Increase in payables for securities purchased	(28,525)	(275,532)	462,772
Purchases of securities	(4,800,884)	(7,730,412)	(9,683,352)
Proceeds from maturities and sales of securities	3,704,792	5,481,881	5,749,329
Net cash used in operating activities	<u>(730,722)</u>	<u>(1,894,219)</u>	<u>(2,731,821)</u>
Cash flows from investing activities:			
Purchases of U.S. Treasury and other securities	—	(17,446)	(16,322)
Proceeds from maturities and sales of U.S. Treasury and other securities	—	12,948	23,938
Corporate investments in funds and companies	(488,280)	(308,394)	(179,996)
Distributions and proceeds from corporate investments in funds and companies	121,638	84,632	357,734
Purchases of fixed assets	—	(466)	(583)
Net cash (used in) provided by investing activities	<u>(366,642)</u>	<u>(228,726)</u>	<u>184,771</u>

(continued)

Please see accompanying notes to consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Consolidated Statements of Cash Flows – (Continued)
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from financing activities:			
Capital contributions, net	\$ 581,502	\$ 146,892	\$ 183,684
Distributions to Class A unitholders	(97,293)	(190,591)	(465,669)
Distributions to OCGH unitholders	(53,058)	(111,319)	(286,647)
Distributions to preferred unitholders	(27,316)	(27,316)	(27,316)
Proceeds from issuance of debt obligations	—	214,094	—
Payment of debt issuance costs	(128)	(1,311)	—
<i>Cash flows from financing activities of consolidated funds:</i>			
Contributions from non-controlling interests	1,223,103	727,382	1,189,486
Distributions to non-controlling interests	(315,998)	(207,360)	(171,883)
Proceeds from debt obligations issued by CLOs	—	2,575,561	5,367,766
Payment of debt issuance costs	—	(7,611)	(2,577)
Repayment on debt obligations issued by CLOs	—	(1,042,672)	(3,800,803)
Borrowings on credit facilities	1,341,800	592,275	760,999
Repayments on credit facilities	(1,390,704)	(673,341)	—
Net cash provided by financing activities	<u>1,261,908</u>	<u>1,994,683</u>	<u>2,747,040</u>
Effect of exchange rate changes on cash	856	(26,248)	(24,753)
Net (decrease) increase in cash and cash-equivalents	165,400	(154,510)	175,237
Deconsolidation due to restructuring	—	(94,367)	—
Initial consolidation (deconsolidation) of funds	(4,851)	(734,112)	(216,459)
Cash and cash-equivalents, beginning balance	176,130	1,159,119	1,200,341
Cash and cash-equivalents, ending balance	<u>\$ 336,679</u>	<u>\$ 176,130</u>	<u>\$ 1,159,119</u>
	* * *		
Supplemental cash flow disclosures:			
Cash paid for interest	\$ 48,223	\$ 202,740	\$ 127,228
Cash paid for income taxes	—	8,786	8,208
Supplemental disclosure of non-cash activities:			
Net assets related to the deconsolidation of funds	\$ 4,957	\$ 329,570	\$ 350,422
Net assets related to the deconsolidation due to 2022 Restructuring	—	467,975	—
Reconciliation of cash and cash-equivalents			
Cash and cash-equivalents – Oaktree	\$ 28,507	\$ 9,514	\$ 167,319
Cash and cash-equivalents – Consolidated Funds	308,172	166,616	991,800
Total cash and cash-equivalents	<u>\$ 336,679</u>	<u>\$ 176,130</u>	<u>\$ 1,159,119</u>

Please see accompanying notes to consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Consolidated Statements of Changes in Unitholders' Capital
(in thousands)

Brookfield Oaktree Holdings, LLC									
	Class A Units	Class B Units	Series A Preferred Units	Series B Preferred Units	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests in Consolidated Subsidiaries	Total Unitholders' Capital
Unitholders' capital as of December 31, 2020	98,677	61,371	\$ 173,669	\$ 226,915	\$ 819,963	\$ 119,920	\$ (5,414)	\$ 544,935	\$ 1,879,988
Activity for the year ended December 31, 2021:									
Cumulative-effect adjustment from adoption of accounting guidance	—	—	—	—	—	—	—	—	—
Issuance of units	—	4	—	—	—	—	—	—	—
Unit Exchange	460	(460)	—	—	—	—	—	—	—
Cancellation of units associated with forfeitures	—	(132)	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	196,015	—	—	5,226	201,241
Equity reallocation between controlling and non-controlling interests	—	—	—	—	(11,155)	—	—	7,339	(3,816)
Capital increase related to equity-based compensation	—	—	—	—	6,510	—	—	4,011	10,521
Distributions declared	—	—	(11,924)	(15,392)	—	(472,473)	—	(290,825)	(790,614)
Net income	—	—	11,924	15,392	—	604,344	—	339,204	970,864
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	2,080	2,338	4,418
Unitholders' capital as of December 31, 2021	99,137	60,783	173,669	226,915	1,011,333	251,791	(3,334)	612,228	2,272,602
Activity for the year ended December 31, 2022:									
Issuance of units	—	105	—	—	—	—	—	—	—
Unit Exchange	3,944	(3,944)	—	—	—	—	—	—	—
Cancellation of units associated with forfeitures	—	(22)	—	—	—	—	—	—	—
Restructuring equity distribution of entities	—	—	—	—	(290,372)	—	—	(177,603)	(467,975)
Capital contributions	—	—	—	—	150,000	—	—	—	150,000
Equity reallocation between controlling and non-controlling interests	—	—	—	—	33,107	—	—	(36,215)	(3,108)
Capital increase related to equity-based compensation	—	—	—	—	4,074	—	—	2,492	6,566
Distributions declared	—	—	(11,924)	(15,392)	—	(181,768)	—	(105,927)	(315,011)
Net income	—	—	11,924	15,392	—	176,330	—	68,539	272,185
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(5,767)	(2,854)	(8,621)
Unitholders' capital as of December 31, 2022	103,081	56,922	173,669	226,915	908,142	246,353	(9,101)	360,660	1,906,638
Activity for the year ended December 31, 2023:									
Issuance of units	—	137	—	—	—	—	—	—	—
Unit exchange	6,118	(6,118)	—	—	—	—	—	—	—
Cancellation of units associated with forfeitures	—	(25)	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	583,402	—	—	—	583,402
Restructuring equity distribution of entities	—	—	—	—	—	—	—	—	—
Equity reallocation between controlling and non-controlling interests	—	—	—	—	38,365	—	—	(40,265)	(1,900)
Capital increase related to equity-based compensation	—	—	—	—	—	—	—	—	—
Distributions declared	—	—	(11,924)	(15,392)	—	(105,900)	—	(57,727)	(190,943)
Net income	—	—	11,924	15,392	—	193,861	—	73,061	294,238
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(3,995)	(2,534)	(6,529)
Unitholders' capital as of December 31, 2023	109,199	50,916	\$ 173,669	\$ 226,915	\$ 1,529,909	\$ 334,314	\$ (13,096)	\$ 333,195	\$ 2,584,906

Please see accompanying notes to consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2023
(\$ in thousands, except where noted)

1. ORGANIZATION AND BASIS OF PRESENTATION

As used in these consolidated financial statements:

“Oaktree” refers to the Oaktree Operating Group and, where applicable, their respective subsidiaries and affiliates; and

the “Company” refers to Brookfield Oaktree Holdings, LLC (formerly known as Oaktree Capital Group, LLC) and, where applicable, its subsidiaries and affiliates

Oaktree is a leader among global investment managers specializing in alternative investments. Oaktree emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. Funds managed by Oaktree (the “Oaktree funds”) include commingled funds, separate accounts, collateralized loan obligation vehicles (“CLOs”) and business development companies (“BDCs”). Commingled funds include open-end and closed-end limited partnerships in which Oaktree makes an investment and for which it serves as the general partner. CLOs are structured finance vehicles in which Oaktree typically makes an investment and for which it serves as collateral manager.

Brookfield Oaktree Holdings, LLC is a Delaware limited liability company that was formed on April 13, 2007 under the name of Oaktree Capital Group, LLC. The Company’s issued and outstanding member interests are divided into certain classes and series of units. The Company’s outstanding units are held by (i) an affiliate of Brookfield Corporation (formerly known as Brookfield Asset Management, Inc.) (“Brookfield”) as the sole holder of the Company’s Class A common units, (ii) preferred unitholders as the holders of Series A and Series B preferred units listed on the NYSE, which represent only the right to receive certain distributions from the Company and such other rights as are specified in the relevant preferred unit designations, and (iii) Oaktree Capital Group Holdings, L.P. (“OCGH”) as the sole holder of the Company’s Class B common units, which units do not represent an economic interest in the Company. OCGH is owned by Oaktree’s senior executives, current and former Oaktree employees, and their respective transferees (collectively, the “OCGH unitholders”). Subject to the operating agreement of the Company, to the extent the approval of any matter requires the vote of the Company’s unitholders, the Class A units are entitled to one vote per unit and the Class B units are entitled to ten votes per unit, voting together as a single class.

The Company’s current ownership and operational structure were the results of certain mergers with affiliates of Brookfield completed on September 30, 2019 (the “Mergers”) and subsequent restructurings completed on October 1, 2019 in connection with the Mergers (the “2019 Restructuring”) and on November 30, 2022 in connection with an internal Oaktree reorganization to facilitate the separation of Brookfield’s capital business and asset management business (the “2022 Restructuring”). See Part I, Item I included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on March 2, 2020 for more information regarding the Mergers and the 2019 Restructuring. See Item 1.01 of the Company’s Current Report on Form 8-K filed with the SEC on December 6, 2022 for more information about the 2022 Restructuring.

The Oaktree business is conducted through a group of six operating entities collectively referred to as the “Oaktree Operating Group.” The Oaktree Operating Group consists of: (i) Oaktree Capital I, L.P. (“Oaktree Capital I”), which acts as or controls the general partner of certain Oaktree funds and which holds a majority of Oaktree’s investments in its funds, (ii) Oaktree Capital II, L.P. (“Oaktree Capital II”), a series limited partnership which acts as or controls the general partner of certain Oaktree funds and which includes Oaktree’s investments in certain funds and other businesses, including Oaktree’s investment in DoubleLine Capital, L.P., (iii) Oaktree Capital Management, L.P. (“OCM”), the entity that serves as the U.S. registered investment adviser to most of the Oaktree funds, (iv) Oaktree Capital Management (Cayman), L.P. (“OCM Cayman”), which represents Oaktree’s non-U.S. fee business, (v) Oaktree Investment Holdings, L.P. (“Oaktree Investment Holdings”), which holds certain corporate investments in other entities and (vi) Oaktree AIF Investments, L.P. (“Oaktree AIF”), which primarily holds interests in certain Oaktree fund investments for regulatory and structuring purposes.

From the date of the 2019 Restructuring until the date of the 2022 Restructuring, the Company’s operations were conducted through indirect economic interests in only two of these six Oaktree Operating Group entities, specifically Oaktree Capital I and OCM Cayman. As a result of the 2022 Restructuring, however, the Company (i) distributed all of its interests in the economic shares of Oaktree Holdings, Ltd., the parent entity of OCM Cayman, to its sole Class A unitholder and (ii) transferred all of its interests in the voting shares of Oaktree Holdings, Ltd. to

Brookfield Oaktree Holdings, LLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2023
(\$ in thousands, except where noted)

Oaktree Capital Holdings, LLC (“OCH”) which is a non-subsiary affiliate of the Company. Accordingly, subsequent to the 2022 Restructuring, the Company’s operations are now conducted through an indirect economic interest in only one of the Oaktree Operating Group entities, specifically Oaktree Capital I, and because the Company no longer controls or has an economic interest in OCM Cayman, OCM Cayman was deconsolidated as of the effective date of the 2022 Restructuring. Additionally, the Company concluded that it is no longer the primary beneficiary for CLOs as their direct ownership interests are held by OCM Cayman.

OCM, an affiliate of the Company, has since the 2019 Restructuring provided certain administrative and other services relating to the operations of the Company’s business. These services are provided pursuant to a Services Agreement between the Company and OCM (as amended from time to time, the “Services Agreement”).

Prior to the 2022 Restructuring, the Company’s employees directly provided investment management and administrative support for its non-U.S. fee-based operations, while providing investment management, marketing and administrative services to OCM. The Company received fees from OCM for providing these services. Subsequent to the 2022 Restructuring, the Company will no longer receive such fee-based income from OCM but will continue to pay fees to OCM under the Services Agreement for services it provides to the Company.

Subsequent to the 2022 Restructuring, the Company’s revenue continues to include the incentive income generated by certain funds that OCM manages for which the Company acts as general partner and the investment income earned from the investments the Company makes in Oaktree funds, third-party funds and other companies. Investment income generally reflects the investment return on a mark-to-market basis and the Company’s equity participation on the amounts that it invests in Oaktree and third-party funds.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The consolidated financial statements include the accounts of the Company, its wholly-owned or majority-owned subsidiaries and entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. Certain of the Oaktree funds consolidated by the Company are investment companies that follow a specialized basis of accounting established by GAAP. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of income and expenses during the period then ended. Actual results could differ from these estimates.

Brookfield Oaktree Holdings, LLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2023
(\$ in thousands, except where noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies of the Company

Consolidation

The Company consolidates entities in which it has a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. A limited partnership or similar entity is a variable interest entity (“VIE”) if the unaffiliated limited partners do not have substantive kick-out or participating rights. Most of the Oaktree funds are VIEs because they have not granted unaffiliated limited partners substantive kick-out or participating rights. The Company consolidates those VIEs in which it is the primary beneficiary. An entity is deemed to be the primary beneficiary if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (a) whether an entity in which the Company holds a variable interest is a VIE and (b) whether the Company’s involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., management and performance-based fees), would give it a controlling financial interest. A decision maker’s fee arrangement is not considered a variable interest if (a) it is compensation for services provided, commensurate with the level of effort required to provide those services, and part of a compensation arrangement that includes only terms, conditions or amounts that are customarily present in arrangements for similar services negotiated at arm’s length (“at-market”), and (b) the decision maker does not hold any other variable interests that absorb more than an insignificant amount of the potential VIE’s expected residual returns.

The Company determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion at each reporting date. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the entity held either directly by the Company or indirectly through related parties. The consolidation analysis can generally be performed qualitatively; however, if it is not readily apparent that the Company is not the primary beneficiary, a quantitative analysis may also be performed. Investments and redemptions (either by the Company, affiliates of the Company or third parties) or amendments to the governing documents of the respective Oaktree funds could affect an entity’s status as a VIE or the determination of the primary beneficiary. The Company does not consolidate most of the Oaktree funds because it is not the primary beneficiary of those funds due to the fact that its fee arrangements are considered at-market and thus not deemed to be variable interests, and it does not hold any other interests in those funds that are considered to be more than insignificant. Please see note 4 for more information regarding both consolidated and unconsolidated VIEs. For entities that are not VIEs, consolidation is evaluated through a majority voting interest model.

“Consolidated funds” refers to Oaktree-managed funds and CLOs that the Company is required to consolidate. When funds or CLOs are consolidated, the Company reflects the assets, liabilities, revenues, expenses and cash flows of the funds or CLOs on a gross basis, and the majority of the economic interests in those funds or CLOs, which are held by third-party investors, are reflected as non-controlling interests in consolidated funds or debt obligations of CLOs in the consolidated financial statements. All of the revenues earned by the Company as investment manager of the consolidated funds are eliminated in consolidation. However, because the eliminated amounts are earned from and funded by third-party investors, the consolidation of a fund does not impact net income or loss attributable to the Company.

As a result of the 2022 Restructuring, the Company no longer controls OCM Cayman and therefore OCM Cayman was deconsolidated as of the effective date of the 2022 Restructuring. Additionally, the Company concluded that it was no longer the primary beneficiary for CLOs as their direct ownership interests are held by OCM Cayman.

Certain entities in which the Company has the ability to exert significant influence, including unconsolidated Oaktree funds for which the Company acts as general partner, are accounted for under the equity method of accounting.

Brookfield Oaktree Holdings, LLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2023
(\$ in thousands, except where noted)

Non-controlling Redeemable Interests in Consolidated Funds

The Company records non-controlling interests to reflect the economic interests of the unaffiliated limited partners in Oaktree-managed funds and the class A ordinary shareholders in Oaktree sponsored SPACs. These interests are presented as non-controlling redeemable interests in consolidated funds within the consolidated statements of financial condition, outside of the permanent capital section. Limited partners in open-end and evergreen funds generally have the right to withdraw their capital, subject to the terms of the respective limited partnership agreements, over periods ranging from one month to three years. While limited partners in consolidated closed-end funds generally have not been granted redemption rights, these limited partners do have withdrawal or redemption rights in certain limited circumstances that are beyond the control of the Company, such as instances in which retaining the limited partnership interest could cause the limited partner to violate a law, regulation or rule. For Oaktree sponsored SPACs, the class A ordinary shareholders have redemption rights that are considered to be outside of the Company's control. These shares are presented as non-controlling redeemable interests on the Company's consolidated statements of financial condition.

The allocation of net income or loss to non-controlling redeemable interests in consolidated funds and Oaktree sponsored SPACs is based on the relative ownership interests of the unaffiliated limited partners after the consideration of contractual arrangements that govern allocations of income or loss. At the consolidated level, potential incentives are allocated to non-controlling redeemable interests in consolidated funds until such incentives become allocable to the Company under the substantive contractual terms of the limited partnership agreements of the funds.

Non-controlling Interests in Consolidated Subsidiaries

Non-controlling interests in consolidated subsidiaries reflect the portion of unitholders' capital attributable to OCGH unitholders ("OCGH non-controlling interest") and third parties. All non-controlling interests in consolidated subsidiaries are attributed a share of income or loss in the respective consolidated subsidiary based on the relative economic interests of the OCGH unitholders or third parties after consideration of contractual arrangements that govern allocations of income or loss. Please see note 11 for more information.

Fair Value of Financial Instruments

GAAP establishes a hierarchical disclosure framework that prioritizes the inputs used in measuring financial instruments at fair value into three levels based on their market observability. Market price observability is affected by a number of factors, such as the type of instrument and the characteristics specific to the instrument. Financial instruments with readily available quoted prices from an active market or for which fair value can be measured based on actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment inherent in measuring fair value.

Financial assets and liabilities measured and reported at fair value are classified as follows:

- *Level I* – Quoted unadjusted prices for identical instruments in active markets to which the Company has access at the date of measurement. The types of investments in Level I include exchange-traded equities, debt and derivatives with quoted prices.
- *Level II* – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are directly or indirectly observable. Level II inputs include interest rates, yield curves, volatilities, prepayment risks, loss severities, credit risks and default rates. The types of investments in Level II generally include corporate bonds and loans, government and agency securities, less liquid and restricted equity investments, over-the-counter traded derivatives, debt obligations of consolidated CLOs, and other investments where the fair value is based on observable inputs.
- *Level III* – Valuations for which one or more significant inputs are unobservable. These inputs reflect the Company's assessment of the assumptions that market participants use to value the investment based on the best available information. Level III inputs include prices of quoted securities in markets for which there are few transactions, less public information exists or prices vary among brokered

Brookfield Oaktree Holdings, LLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2023
(\$ in thousands, except where noted)

market makers. The types of investments in Level III include non-publicly traded equity, debt, real estate and derivatives.

In some instances, the inputs used to value an instrument may fall into multiple levels of the fair-value hierarchy. In such instances, the instrument's level within the fair-value hierarchy is based on the lowest of the three levels (with Level III being the lowest) that is significant to the fair-value measurement. The Company's assessment of the significance of an input requires judgment and considers factors specific to the instrument. Transfers of assets into or out of each fair value hierarchy level as a result of changes in the observability of the inputs used in measuring fair value are accounted for as of the beginning of the reporting period. Transfers resulting from a specific event, such as a reorganization or restructuring, are accounted for as of the date of the event that caused the transfer.

In the absence of observable market prices, the Company values Level III investments inclusive of the Company's investments in unconsolidated Oaktree funds using valuation methodologies applied on a consistent basis. The quarterly valuation process for Level III investments begins with each portfolio company, property or security being valued by the investment and/or valuation teams. With the exception of open-end funds, all unquoted Level III investment values are reviewed and approved by (i) the Company's valuation officer, who is independent of the investment teams, (ii) a designated investment professional of each strategy and (iii) for a substantial majority of unquoted Level III holdings as measured by market value, a valuation committee of the respective strategy. For open-end funds, unquoted Level III investment values are reviewed and approved by the Company's valuation officer. For certain investments, the valuation process also includes a review by independent valuation parties, at least annually, to determine whether the fair values determined by management are reasonable. Results of the valuation process are evaluated each quarter, including an assessment of whether the underlying calculations should be adjusted or recalibrated. In connection with this process, the Company periodically evaluates changes in fair-value measurements for reasonableness, considering items such as industry trends, general economic and market conditions, and factors specific to the investment.

Certain assets are valued using prices obtained from pricing vendors or brokers. The Company seeks to obtain prices from at least two pricing vendors for the subject or similar securities. In cases where vendor pricing is not reflective of fair value, a secondary vendor is unavailable, or no vendor pricing is available, a comparison value made up of quotes for the subject or similar securities received from broker dealers may be used. These investments may be classified as Level III because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities, or may require adjustment for investment-specific factors or restrictions. The Company evaluates the prices obtained from brokers or pricing vendors based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. The Company also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, the Company performs due diligence procedures surrounding pricing vendors to understand their methodology and controls to support their use in the valuation process.

Foreign Currency

The assets and liabilities of the Company's foreign subsidiaries with non-U.S. dollar functional currencies are translated at exchange rates prevailing at the end of each reporting period. The results of foreign operations are translated at the weighted average exchange rate for each reporting period. Translation adjustments are included in other comprehensive income (loss) within the consolidated statements of financial condition until realized. Gains and losses resulting from foreign-currency transactions are included in general and administrative expense.

Subsequent to the 2022 Restructuring, the Company deconsolidated OCM Cayman which included the Company's foreign subsidiaries with non-U.S. dollar functional currencies.

Derivatives and Hedging

A derivative is a financial instrument whose value is derived from an underlying financial instrument or index, such as interest rates, equity securities, currencies, commodities or credit spreads. Derivatives include futures, forwards, swaps or option contracts, and other financial instruments with similar characteristics. Derivative

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contracts often involve future commitments to exchange interest payment streams or currencies based on a notional or contractual amount (e.g., interest-rate swaps, foreign-currency forwards or cross-currency swaps).

The Company enters into derivatives as part of its overall risk management strategy or to facilitate its investment management activities. The Company manages its exposure to interest rate and foreign exchange market risks, when deemed appropriate, through the use of derivatives, including foreign currency forward and option contracts, interest-rate and cross currency swaps with financial counterparties. Risks associated with fluctuations in interest rates and foreign-currency exchange rates in the normal course of business are addressed as part of the Company's overall risk management strategy that may result in the use of derivatives to economically hedge or reduce these exposures. From time to time, the Company may enter into (a) foreign-currency option and forward contracts to reduce earnings and cash-flow volatility associated with changes in foreign-currency exchange rates, and (b) interest-rate swaps to manage all or a portion of the interest-rate risk associated with its variable-rate borrowings. As a result of the use of these or other derivative contracts, the Company is exposed to the risk that counterparties will fail to fulfill their contractual obligations. The Company attempts to mitigate this counterparty risk by entering into derivative contracts only with major financial institutions that have investment-grade credit ratings. Counterparty credit risk is evaluated in determining the fair value of derivatives.

The Company recognizes all derivatives as assets or liabilities in its consolidated statements of financial condition at fair value. In connection with its derivative activities, the Company generally enters into agreements subject to enforceable master netting arrangements that allow the Company to offset derivative assets and liabilities in the same currency by specific derivative type or, in the event of default by the counterparty, to offset derivative assets and liabilities with the same counterparty. While these derivatives are eligible to be offset in accordance with applicable accounting guidance, the Company has elected to present derivative assets and liabilities based on gross fair value in its consolidated statements of financial condition.

When the Company enters into a derivative contract, it may or may not elect to designate the derivative as a hedging instrument and apply hedge accounting as part of its overall risk management strategy. In other situations, when a derivative does not qualify for hedge accounting or when the derivative and the hedged item are both recorded in current-period earnings and thus deemed to be economic hedges, hedge accounting is not applied. Freestanding derivatives are financial instruments that we enter into as part of our overall risk management strategy but do not utilize hedge accounting. These financial instruments may include foreign-currency exchange contracts, interest-rate swaps and other derivative contracts.

Cash and Cash-equivalents

Cash and cash-equivalents include demand deposit accounts, money market funds and other short-term investments with maturities of three months or less at the date of acquisition.

At December 31, 2023 and 2022, the Company had cash balances with financial institutions in excess of Federal Deposit Insurance Corporation insured limits. The Company monitors the credit standing of these financial institutions.

Corporate Investments

Corporate investments may consist of investments in funds, companies in which the Company does not have a controlling financial interest, equities received as part of our sponsorship of SPACs, and non-investment grade debt securities. Investments for which the Company is deemed to exert significant influence are accounted for under the equity method of accounting and reflect Oaktree's ownership interest in each fund or company. In the case of investments for which the Company is not deemed to exert significant influence or control, the fair value option of accounting has been elected. Investment income represents the Company's pro-rata share of income or loss from these funds or companies, or the change in fair value of the investment, as applicable. Oaktree's general partnership interests are substantially illiquid. While investments in funds reflect each respective fund's holdings at fair value, equity-method investments in companies are not adjusted to reflect the fair value of the underlying company. The fair value of the underlying investments in Oaktree funds is based on the Company's assessment, which takes into account expected cash flows, earnings multiples and/or comparisons to similar market transactions, among other factors. Valuation adjustments reflecting consideration of credit quality, concentration risk, sales restrictions and other liquidity factors are integral to valuing these instruments.

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Non-investment grade debt securities include domestic and international corporate fixed and floating rating debt and structured credit investments. These securities are classified as trading and are recorded at fair value with changes in fair value included in investment income.

Revenue Recognition - Incentive Income

The Company earns incentive income from the investment advisory services it provides to its customers. Revenue is recognized when control of the promised services is transferred to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services. These services are generally capable of being distinct and each is accounted for as separate performance obligations comprised of distinct service periods because the services are performed over time.

Incentive income generally represents 20% of each closed-end fund's profits, subject to the return of contributed capital and a preferred return of typically 8% per annum, and up to 20% of certain evergreen fund's annual profits, subject to high-water marks or hurdle rates. Incentive income is recognized when it is probable that a significant reversal will not occur. Revenue recognition is typically met (a) for closed-end funds, only after all contributed capital and the preferred return on that capital have been distributed to the fund's investors, and (b) for certain evergreen funds, at the conclusion of each annual measurement period. Potential incentive income is highly susceptible to market volatility, the judgment and actions of third parties, and other factors outside of the Company's control. The Company's experience has demonstrated little predictive value in the amount of potential incentive income ultimately earned due to the highly uncertain nature of returns inherent in the markets and contingencies associated with many realization events. As a result, the amount of incentive income recognized in any given period is generally determined after giving consideration to a number of factors, including whether the fund is in its investment or liquidation period, and the nature and level of risk associated with changes in fair value of the remaining assets in the fund. In general, it would be unlikely that any amount of potential incentive income would be recognized until (a) the uncertainty is resolved or (b) the fund is near final liquidation, assets are under contract for sale or are at low risk of significant fluctuation in fair value, and the assets are significantly in excess of the threshold at which incentive income would be earned.

Incentives received by the Company before the revenue recognition criteria have been met are deferred and recorded as a deferred incentive income liability within accounts payable, accrued expenses and other liabilities in the consolidated statements of financial condition. The Company may receive tax distributions related to taxable income allocated by funds, which are treated as an advance of incentive income and subject to the same recognition criteria. Tax distributions are contractually not subject to clawback.

The Company may earn incentive income upon deconsolidation of a SPAC arising from the completion of a merger with an identified target. Upon deconsolidation, the Company will derecognize the net assets of the entity and record any gain or loss related to the remeasurement of its investments to fair value as incentive income in its consolidated statements of operations. Subsequent fair value changes in the Company's investments held in the entity will be recorded in investment income in its consolidated statements of operations.

Total Compensation and Benefits

Incentive Income Compensation

Incentive income compensation expense primarily reflects compensation directly related to incentive income, which generally consists of percentage interests (sometimes referred to as "points" or an allocation of shares received upon the completion of a successful SPAC merger) that the Company grants to its investment professionals associated with the particular fund or SPAC that generated the incentive income, and secondarily, compensation directly related to investment income. The Company has an obligation to pay a fixed percentage of the incentive income earned from a particular fund or SPAC, including income from consolidated funds that is eliminated in consolidation, to specified investment professionals responsible for the management of the fund or SPAC. Amounts payable pursuant to these arrangements are recorded as compensation expense when they have become probable and reasonably estimable. The Company's determination of the point at which it becomes probable and reasonably estimable that incentive income compensation expense should be recorded is based on its assessment of numerous factors, particularly those related to the profitability, realizations, distribution status, investment profile and commitments or contingencies of the individual funds that may give rise to incentive income or the completion of a merger by an Oaktree sponsored SPAC. Incentive income compensation is generally

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expensed in the period in which the underlying income is recognized. Payment of incentive income compensation generally occurs in the same period the related income is received or in the next period. Participation in incentive income generated by the funds or SPACs is subject to forfeiture upon departure and to vesting provisions (generally over a period of five years), in each case, under certain circumstances set forth in the applicable governing documents. These provisions are generally only applicable to incentive income compensation that has not yet been recognized as an expense by the Company or paid to the participant.

Other Income (Expense), Net

Other income (expense), net represents non-operating income or expense items.

Income Taxes

The Company is a publicly traded partnership. Because it satisfies the qualifying income test, it is not required to be treated as a corporation for U.S. federal and state income tax purposes; rather it is taxed as a partnership.

The Company analyzes its tax filing positions for all open tax years in all of the U.S. federal, state and local tax jurisdictions where it is required to file income tax returns. If the Company determines that uncertainties in tax positions exist, a reserve is established. The Company recognizes accrued interest and penalties related to uncertain tax positions within income tax expense in the consolidated statements of operations.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties. The Company reviews its tax positions quarterly and adjusts its tax balances as new information becomes available.

The Oaktree funds are generally not subject to U.S. federal and state income taxes and, consequently, no income tax provision has been made in the accompanying consolidated financial statements because individual partners are responsible for their proportionate share of the taxable income.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting unitholders' capital that are excluded from net income (loss). Other gains and losses result from foreign-currency translation adjustments, net of tax.

Accounting Policies of Consolidated Funds

Investment Transactions and Income Recognition

The consolidated funds record investment transactions at cost on trade date for publicly-traded securities or when they have an enforceable right to acquire the security, which is generally on the closing date if not publicly traded. Realized gains and losses on investments are recorded on a specific-identification basis. The consolidated funds record dividend income on the ex-dividend date and interest income on an accrual basis, unless the related investment is in default or if collection of the income is otherwise considered doubtful. The consolidated funds may hold investments that provide for interest payable in-kind rather than in cash, in which case the related income is recorded at its estimated net realizable amount.

Income Taxes

The consolidated funds may invest in operating entities that are treated as partnerships for U.S. federal income tax purposes which may give rise to unrelated business taxable income or income effectively connected with a U.S. trade or business. In such situations, the consolidated funds permit certain investors to elect to participate in these investments through a "blocker structure" using entities that are treated as corporations for U.S. federal income tax purposes and are generally subject to U.S. federal, state and local taxes. The consolidated funds withhold blocker expenses and tax payments from electing limited partners, which are treated as deemed distributions to such limited partners pursuant to the terms of the respective limited partnership agreement.

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Foreign Currency

Investments denominated in non-U.S. currencies are recorded in the consolidated financial statements after translation into U.S. dollars utilizing rates of exchange on the last business day of the period. Interest and dividend income is recorded net of foreign withholding taxes and calculated using the exchange rate in effect when the income is recognized. The effect of changes in exchange rates on assets and liabilities, income, and realized gains or losses is included as part of net realized gain (loss) on consolidated funds' investments and net change in unrealized appreciation (depreciation) on consolidated funds' investments in the consolidated statements of operations.

Cash and Cash-equivalents

Cash and cash-equivalents held at the consolidated funds represent cash that, although not legally restricted, is not available to support the general liquidity needs of the Company as the use of such amounts is generally limited to the investment activities of the consolidated funds. Cash-equivalents, a Level I valuation, include highly liquid investments such as money market funds, whose carrying value approximates fair value due to its short-term nature.

Receivable for Investments Sold

Receivables for investments sold by the consolidated funds are recorded at net realizable value. Changes in net realizable value are reflected within net change in unrealized appreciation (depreciation) on consolidated funds' investments and realizations are reflected within net realized gain on consolidated funds' investments in the consolidated statements of operations.

Investments, at Fair Value

The consolidated funds include investment limited partnerships and CLOs that reflect their investments, including majority-owned and controlled investments, at fair value. The Company has retained the specialized investment company accounting guidance for investment limited partnerships with respect to consolidated investments and has elected the fair value option for the financial assets of CLOs. Thus, the consolidated investments are reflected in the consolidated statements of financial condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of net change in unrealized appreciation (depreciation) on consolidated funds' investments in the consolidated statements of operations. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

Non-publicly traded debt and equity securities and other securities or instruments for which reliable market quotations are not available are valued by management using valuation methodologies applied on a consistent basis. These securities may initially be valued at the acquisition price as the best indicator of fair value. The Company reviews the significant unobservable inputs, valuations of comparable investments and other similar transactions for investments valued at acquisition price to determine whether another valuation methodology should be utilized. Subsequent valuations will depend on the facts and circumstances known as of the valuation date and the application of valuation methodologies as further described below under "—Non-publicly Traded Equity and Real Estate Investments." The fair value may also be based on a pending transaction expected to close after the valuation date.

Exchange-traded Investments

Securities listed on one or more national securities exchanges are valued at their last reported sales price on the date of valuation. If no sale occurred on the valuation date, the security is valued at the mean of the last "bid" and "ask" prices on the valuation date. Securities that are not readily marketable due to legal restrictions that may limit or restrict transferability are generally valued at a discount from quoted market prices. The discount would reflect the amount market participants would require due to the risk relating to the inability to access a public market for the security for the specified period and would vary depending on the nature and duration of the restriction and the perceived risk and volatility of the underlying securities. Securities with longer duration restrictions or higher volatility are generally valued at a higher discount. Such discounts are generally estimated based on put option models or an analysis of market studies. Instances where the Company has applied discounts to quoted prices of

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restricted listed securities have been infrequent. The impact of such discounts is not material to the Company's consolidated statements of financial condition and results of operations for all periods presented.

Credit-oriented Investments (including Real Estate Loan Portfolios)

Investments in corporate and government debt which are not listed or admitted to trading on any securities exchange are valued at the mean of the last bid and ask prices on the valuation date based on quotations supplied by recognized quotation services or by reputable broker-dealers.

The market-yield approach is considered in the valuation of non-publicly traded debt securities, utilizing expected future cash flows and discounted using estimated current market rates. Discounted cash-flow calculations may be adjusted to reflect current market conditions and/or the perceived credit risk of the borrower. Consideration is also given to a borrower's ability to meet principal and interest obligations; this may include an evaluation of collateral and/or the underlying value of the borrower utilizing techniques described below under "—Non-publicly Traded Equity and Real Estate Investments."

Non-publicly Traded Equity and Real Estate Investments

The fair value of equity and real estate investments is determined using a cost, market or income approach. The cost approach is based on the current cost of reproducing a real estate investment less deterioration and functional and economic obsolescence. The market approach utilizes valuations of comparable public companies and transactions, and generally seeks to establish the enterprise value of the portfolio company or investment property using a market-multiple methodology. This approach takes into account the financial measure (such as EBITDA, adjusted EBITDA, free cash flow, net operating income, net income, book value or net asset value) believed to be most relevant for the given company or investment property. Consideration also may be given to factors such as acquisition price of the security or investment property, historical and projected operational and financial results for the portfolio company, the strengths and weaknesses of the portfolio company or investment property relative to its comparable companies or properties, industry trends, general economic and market conditions, and others deemed relevant. The income approach is typically a discounted cash-flow method that incorporates expected timing and level of cash flows. It incorporates assumptions in determining growth rates, income and expense projections, discount and capitalization rates, capital structure, terminal values, and other factors. The applicability and weight assigned to market and income approaches are determined based on the availability of reliable projections and comparable companies and transactions.

The valuation of securities may be impacted by expectations of investors' receptiveness to a public offering of the securities, the size of the holding of the securities and any associated control, information with respect to transactions or offers for the securities (including the transaction pursuant to which the investment was made and the elapsed time from the date of the investment to the valuation date), and applicable restrictions on the transferability of the securities.

These valuation methodologies involve a significant degree of management judgment. Accordingly, valuations by the Company do not necessarily represent the amounts that eventually may be realized from sales or other dispositions of investments. Fair values may differ from the values that would have been used had a ready market for the investment existed, and the differences could be material to the consolidated financial statements.

Securities Sold Short

Securities sold short represent obligations of the consolidated funds to make a future delivery of a specific security and, correspondingly, create an obligation to purchase the security at prevailing market prices (or deliver the security, if owned by the consolidated funds) as of the delivery date. As a result, these short sales create the risk that the funds' obligations to satisfy the delivery requirement may exceed the amount recorded in the accompanying consolidated statements of financial condition.

Securities sold short are recorded at fair value, with the resulting change in value reflected as a component of net change in unrealized appreciation (depreciation) on consolidated funds' investments in the consolidated statements of operations. When the securities are delivered, any gain or loss is included in net realized gain on consolidated funds' investments. The funds maintain cash deposits with prime brokers in order to cover their

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obligations on short sales. These amounts are included in due from brokers in the consolidated statements of financial condition.

Options

The purchase price of a call option or a put option is recorded as an investment, which is carried at fair value. If a purchased option expires, a loss in the amount of the cost of the option is realized. When there is a closing sale transaction, a gain or loss is realized if the proceeds are greater or less than, respectively, the cost of the option. When a call option is exercised, the cost of the security purchased upon exercise is increased by the premium originally paid.

When a consolidated fund writes an option, the premium received is recorded as a liability and is subsequently adjusted to the current fair value of the option written. If a written option expires, a gain is realized in the amount of the premium received. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain or loss. The writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option. Options written are included in accounts payable, accrued expenses and other liabilities in the consolidated statements of financial condition.

Total-return Swaps

A total-return swap is an agreement to exchange cash flows based on an underlying asset. Pursuant to these agreements, a fund may deposit collateral with the counterparty and may pay a swap fee equal to a fixed percentage of the value of the underlying security (notional amount). A fund earns interest on cash collateral held on account with the counterparty and may be required to deposit additional collateral equal to the unrealized appreciation or depreciation on the underlying asset. Changes in the value of the swaps, which are recorded as unrealized gains or losses, are based on changes in the underlying value of the security. All amounts exchanged with the swap counterparty representing capital appreciation or depreciation, dividend income and expense, items of interest income on short proceeds, borrowing costs on short sales, and commissions are recorded as realized gains or losses. Dividend income and expense on the underlying assets are accrued as unrealized gains or losses on the ex-date.

Due From Brokers

Due from brokers represents cash owned by the consolidated funds and cash collateral on deposit with brokers and counterparties that are used as collateral for the consolidated funds' securities and swaps.

Risks and Uncertainties

Certain consolidated funds invest primarily in the securities of entities that are undergoing, or are considered likely to undergo, reorganization, debt restructuring, liquidation or other extraordinary transactions. Investments in such entities are considered speculative and involve substantial risk of principal loss. Certain of the consolidated funds' investments may also consist of securities that are thinly traded, securities and other assets for which no market exists, and securities which are restricted as to their transferability. Additionally, investments are subject to concentration and industry risks, reflecting numerous factors, including political, regulatory or economic issues that could cause the investments and their markets to be relatively illiquid and their prices relatively volatile. Investments denominated in non-U.S. currencies or involving non-U.S. domiciled entities are subject to risks and special considerations not typically associated with U.S. investments. Such risks may include, but are not limited to, investment and repatriation restrictions; currency exchange-rate fluctuations; adverse political, social and economic developments; less liquidity; smaller capital markets; and certain local tax law considerations.

Credit risk is the potential loss that may be incurred from the failure of a counterparty or an issuer to make payments according to the terms of a contract. Some consolidated funds are subject to additional credit risk due to strategies of investing in debt of financially distressed issuers or derivatives, as well as involvement in privately-negotiated structured notes and structured-credit transactions. Counterparties include custodian banks, major brokerage houses and their affiliates. The Company monitors the creditworthiness of the financial institutions with which it conducts business.

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Bank debt has exposure to certain types of risk, including interest rate, market, and the potential non-payment of principal and interest as a result of default or bankruptcy of the issuer. Loans are generally subject to prepayment risk, which will affect the maturity of such loans. The consolidated funds may enter into bank debt participation agreements through contractual relationships with a third-party intermediary, causing the consolidated funds to assume the credit risk of both the borrower and the intermediary.

Certain consolidated funds may invest in real property and real estate-related investments, including commercial mortgage-backed securities (“CMBS”) and real estate loans, that entail substantial inherent risks. There can be no assurance that such investments will increase in value or that significant losses will not be incurred. CMBS are subject to a number of risks, including credit, interest rate, prepayment and market. These risks can be affected by a number of factors, including general economic conditions, particularly those in the area where the related mortgaged properties are located, the level of the borrowers’ equity in the mortgaged properties, and the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. Real estate loans include residential or commercial loans that are non-performing at the time of their acquisition or that become non-performing following their acquisition. Non-performing real estate loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or write-down of the principal balance. Moreover, foreclosure on collateral securing one or more real estate loans held by the consolidated funds may be necessary, which may be lengthy and expensive. Residential loans are typically subject to risks associated with the value of the underlying properties, which may be affected by a number of factors including general economic conditions, mortgage qualification standards, local market conditions such as employment levels, the supply of homes, and the safety, convenience and attractiveness of the properties and neighborhoods. Commercial loans are typically subject to risks associated with the ability of the borrower to repay, which may be impacted by general economic conditions, as well as borrower-specific factors including the quality of management, the ability to generate sufficient income to make scheduled principal and interest payments, or the ability to obtain alternative financing to repay the loan.

Certain consolidated funds hold over-the-counter derivatives that may allow counterparties to terminate derivative contracts prior to maturity under certain circumstances, thereby resulting in an accelerated payment of any net liability owed to the counterparty.

Effects of 2022 Restructuring

As a result of the 2022 Restructuring, including the deconsolidation of OCM Cayman and reconsideration of the primary beneficiary of the CLOs, certain accounts related to OCM Cayman and the CLOs are no longer included in the Company’s consolidated financial statements for the year ended December 31, 2023. The effects of the 2022 Restructuring are summarized as follows:

- The Company’s management fees consisted primarily of fees earned from funds managed by OCM Cayman and sub-advisory fees for services provided to OCM. Subsequent to the 2022 Restructuring, the Company no longer earns management or sub-advisory fees.
- Since the Company’s employees were all employees of OCM Cayman, the Company no longer incurs compensation and benefits expense that is not directly related to incentive income (including salaries, bonuses, compensation based on management fees or a definition of profits, employee benefits, payroll taxes, phantom equity awards, and awards under the long-term incentive plan) or equity-based compensation expense. Compensation and benefits expense subsequent to the 2022 Restructuring represents compensation to our board of directors.
- All of the Company’s lease contracts were obligations of OCM Cayman or its subsidiaries. Accordingly, the Company no longer incurs lease associated costs and no longer reflects right-of-use assets or operating lease liabilities in its statement of financial condition.
- The Company’s furniture and equipment, capitalized software and office leasehold improvements were all associated with OCM Cayman and deconsolidated in conjunction with the 2022 Restructuring. Accordingly, the Company no longer recognizes depreciation or amortization expense.
- While Oaktree Capital I is a non-corporate entity that is not subject to U.S. federal corporate income tax, OCM Cayman has certain subsidiaries that are taxable in non-U.S. jurisdictions. Subsequent to the 2022

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Restructuring, the tax balances related to OCM Cayman were deconsolidated and the Company will no longer incur income tax expense.

- The Company no longer consolidates the financial assets and liabilities of the CLOs as their direct ownership interests are held by OCM Cayman. Prior to the 2022 Restructuring, the Company had elected the fair value option for the financial assets and financial liabilities of the consolidated CLOs, which were primarily reflected within investments, at fair value and within debt obligations of CLOs line items in the consolidated statements of financial condition.

See Part II, Item 8, Note 2 and Note 11 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 21, 2023 for disclosure of the Company's accounting policies with respect to (i) revenue recognition for management fees, (ii) compensation and benefits, including equity-based compensation; (iii) leases; (iv) depreciation and amortization; (v) income taxes; (vi) foreign currency translation; and (vii) election of the fair value option and related measurement of the financial assets and liabilities of the CLOs.

Recent Accounting Developments

In March 2020, the Financial Accounting Standards Board ("FASB") issued guidance which provides temporary optional expedients and exceptions to the U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. The guidance is effective upon issuance and generally may be elected over time through December 31, 2024. The Company has not adopted any of the optional expedients or exceptions through December 31, 2023, but will continue to evaluate the possible adoption (including potential impact) of any such expedients or exceptions during the effective period as circumstances evolve.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting – Improvements to Reportable Segment Disclosures, which requires, among other things, disclosure of significant segment expense categories and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to provide the new disclosures and all the disclosures required under ASC 280, Segment Reporting. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

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3. REVENUES

Prior to the 2022 Restructuring, the Company provided investment management services to funds and separate accounts. The Company earned revenues from the management fees generated by the funds that it managed and continues to earn incentive income generated by the funds, for which it serves as general partner. Additionally, for acting as a sub-investment manager, or sub-advisor, to certain Oaktree funds, the Company earned sub-advisory fees. Under certain subsidiary services agreements the Company provided certain investment and marketing related services to Oaktree affiliated entities. Revenues are affected by economic factors related to the asset class composition of the holdings and the contractual terms such as the basis for calculating the management fees and investors' ability to redeem. As a result of the 2022 Restructuring, management fees and sub-advisory fees are no longer earned by the Company due to the deconsolidation of OCM Cayman. Revenues by fund structure and sub-advisory fees are set forth below.

	Year Ended December 31,		
	2023	2022	2021
Management Fees			
Closed-end	\$ —	\$ 7,947	\$ 4,572
Open-end	—	4,254	6,124
Sub-advisory fees	—	211,940	224,090
Total	<u>\$ —</u>	<u>\$ 224,141</u>	<u>\$ 234,786</u>
Incentive Income			
Closed-end	\$ 257,296	\$ 261,226	\$ 1,156,472
Evergreen	10,029	7,226	63,152
Total	<u>\$ 267,325</u>	<u>\$ 268,452</u>	<u>\$ 1,219,624</u>

Contract Balances

Prior to the 2022 Restructuring the Company received management fees monthly or quarterly in accordance with its contracts with customers. Incentive income is received generally after all contributed capital and the preferred return on that capital have been distributed to the fund's investors. Contract assets relate to the Company's conditional right to receive payment for its performance completed under the contract. Receivables are recorded when the right to consideration becomes unconditional (i.e., only requires the passage of time). Contract liabilities (i.e., deferred revenues) relate to payments received in advance of performance under the contract. Contract liabilities are recognized as revenues when the Company provides investment management services.

The table below sets forth contract balances for the periods indicated:

	As of December 31,	
	2023	2022
Receivables	\$ 9,407	\$ 8,471
Contract assets ⁽¹⁾	192,645	194,707

(1) The changes in the balances primarily relate to accruals, net of payments received.

4. VARIABLE INTEREST ENTITIES

The Company consolidates VIEs for which it is the primary beneficiary. VIEs include funds managed by Oaktree and CLOs for which Oaktree acts as collateral manager. The purpose of these VIEs is to provide investment opportunities for investors in exchange for management fees and, in certain cases, performance-based fees. While the investment strategies of the funds and CLOs differ by product, in general the fundamental risks of the funds and CLOs have similar characteristics, including loss of invested capital and reduction or absence of management and performance-based fees. As general partner or collateral manager, respectively, Oaktree generally considers itself the sponsor of the applicable fund or CLO. The Company does not provide performance guarantees and, other than capital commitments, has no financial obligation to provide funding to VIEs.

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As a result of the 2022 Restructuring, which constitutes a reconsideration event, the Company re-assessed the primary beneficiary determination and concluded that it was no longer the primary beneficiary for CLOs as their direct ownership interests are held by operating group entities no longer controlled directly by the Company.

Consolidated VIEs

As of December 31, 2023 and 2022, the Company consolidated 9 VIEs that are funds managed by Oaktree for which it was the primary beneficiary.

As of December 31, 2023, the assets and liabilities of the 9 consolidated VIEs representing funds amounted to \$5.7 billion and \$1.2 billion. The assets of these consolidated VIEs primarily consisted of investments in debt and equity securities. The assets of these VIEs may be used only to settle obligations of the same VIE. In addition, there is no recourse to the Company for the VIEs' liabilities. As of December 31, 2023, the Company's investments in consolidated VIEs had a carrying value of \$1.2 billion, which represented its maximum risk of loss as of that date.

Unconsolidated VIEs

The Company holds variable interests in certain VIEs in the form of direct equity interests that are not consolidated because it is not the primary beneficiary, inasmuch as its fee arrangements are considered at-market and it does not hold interests in those entities that are considered more than insignificant.

The carrying value of the Company's investments in VIEs that were not consolidated are shown below.

	As of December 31,	
	2023	2022
Corporate investments	\$ 999,112	\$ 976,569
Due from affiliates	199,861	200,498
Maximum exposure to loss	<u>\$ 1,198,973</u>	<u>\$ 1,177,067</u>

5. INVESTMENTS

Corporate Investments

Corporate investments consisted of the following:

	As of December 31,	
	2023	2022
Corporate Investments		
Equity-method investments:		
Funds	\$ 1,434,988	\$ 1,082,069
Companies	11,901	1,276
Other investments, at fair value	85,319	108,159
Total corporate investments	<u>\$ 1,532,208</u>	<u>\$ 1,191,504</u>

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The components of investment income are set forth below:

Investment Income (Loss)	Year Ended December 31,		
	2023	2022	2021
Equity-method investments:			
Funds	\$ 58,791	\$ 54,345	\$ 203,142
Companies	5	(10,305)	9,086
Other investments, at fair value	13,868	7,225	(9,187)
Total investment income	\$ 72,664	\$ 51,265	\$ 203,041

Equity-method Investments

The Company's equity-method investments include its investments in Oaktree funds for which it serves as general partner, and other third-party funds and companies that are not consolidated, but for which the Company is deemed to exert significant influence. The Company's share of income or loss generated by these investments is recorded within investment income in the consolidated statements of operations. The Company's equity-method investments in Oaktree funds principally reflect the Company's general partner interests in those funds, which typically does not exceed 2.5% in each fund. The Oaktree funds are investment companies that follow a specialized basis of accounting established by GAAP.

On June 27, 2023, the Company entered into a contribution agreement with Brookfield Corporate Treasury Ltd. and acquired the equity ownership in certain entities which beneficially own shares in Brookfield Real Estate Income Trust. The Company accounted for the acquired interests as equity method investments with fair value election. The fair value option has been elected to simplify the accounting for the investment in NTR. Changes in the fair value and cash dividends received from the investment in NTR are included in investment income. During the year ended December 31, 2023, the Company recognized an equity investment loss of \$3.6 million. Please refer to note 15 for the detailed description of the transaction.

Each reporting period, the Company evaluates each of its equity-method investments to determine if any are considered significant, as defined by the SEC. As of December 31, 2023 and 2022, or for the years ended December 31, 2023, 2022 and 2021, no individual equity-method investment met the significance criteria.

Summarized financial information of the Company's equity-method investments is set forth below:

Statements of Financial Condition	As of December 31,	
	2023	2022
Assets:		
Cash and cash-equivalents	\$ 2,834,702	\$ 3,056,609
Investments, at fair value	67,471,007	59,861,879
Other assets	2,007,260	1,555,704
Total assets	\$ 72,312,969	\$ 64,474,192
Liabilities and Capital:		
Debt obligations	\$ 5,633,599	\$ 3,165,317
Other liabilities	3,722,872	8,565,763
Total liabilities	9,356,471	11,731,080
Total capital	62,956,498	52,743,112
Total liabilities and capital	\$ 72,312,969	\$ 64,474,192

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	Year Ended December 31,		
	2023	2022	2021
<u>Statements of Operations</u>			
Revenues / investment income	\$ 4,506,814	\$ 3,460,281	\$ 1,932,884
Interest expense	(565,810)	(378,567)	(184,829)
Other expenses	(1,117,553)	(905,289)	(795,570)
Net realized and unrealized gain on investments	862,771	2,612,383	10,242,513
Net income	<u>\$ 3,686,222</u>	<u>\$ 4,788,808</u>	<u>\$ 11,194,998</u>

Other Investments, at Fair Value

Other investments, at fair value primarily consist of (a) investments in certain Oaktree and non-Oaktree funds, (b) non-investment grade debt securities, (c) equities received as part of our sponsorship of SPACs and (d) derivatives utilized to hedge the Company's exposure to investment income earned from its funds.

The following table summarizes net gains (losses) attributable to the Company's other investments at fair value:

	Year Ended December 31,		
	2023	2022	2021
Realized gain	\$ 4,475	\$ 4,072	\$ 9,306
Net change in unrealized gain (loss)	9,393	3,153	(18,493)
Total gain (loss)	<u>\$ 13,868</u>	<u>\$ 7,225</u>	<u>\$ (9,187)</u>

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<u>Investments</u>	Fair Value as of December 31,		Fair Value as a Percentage of Investments of Consolidated Funds as of December 31,	
	2023	2022	2023	2022
Europe:				
Debt securities:				
Communication services	\$ 111,898	\$ 103,068	2.1 %	2.7 %
Consumer discretionary	18,560	13,997	0.4	0.4
Consumer staples	3,107	8,024	0.1	0.2
Energy	1,185	1,097	—	—
Financials	18,381	35,091	0.4	0.9
Health care	12,136	8,178	0.2	0.2
Industrials	15,993	12,384	0.3	0.3
Information technology	5,402	4,583	0.1	0.1
Materials	13,487	10,920	0.3	0.3
Real estate	13,424	12,888	0.3	0.3
Utilities	5,417	5,102	0.1	0.1
Other	34,686	2,484	0.6	0.1
Total debt securities (cost: \$231,315 and \$230,090 as of December 31, 2023 and 2022, respectively)	253,676	217,816	4.9	5.6
Equity securities:				
Consumer discretionary	52,468	130,868	1.0	3.3
Financials	49,496	31,701	1.0	0.8
Health care	19	9	—	—
Industrials	93,662	53,790	1.7	1.4
Materials	24,282	24,282	0.5	0.6
Real estate	44,637	25,622	0.9	0.7
Total equity securities (cost: \$208,130 and \$241,129 as of December 31, 2023 and 2022, respectively)	264,564	266,272	5.1	6.8
Real estate:				
Consumer Discretionary	61,357	—	1.2	—
Real estate	100,216	72,675	1.9	1.9
Total real estate securities (cost: \$159,423 and \$69,100 as of December 31, 2023 and 2022, respectively)	161,573	72,675	3.1	1.9
Asia and other:				
Debt securities:				
Communication services	803	5,419	—	0.1
Consumer discretionary	17,195	5,641	0.3	0.2
Consumer staples	19,820	19,125	0.4	0.5
Energy	1,307	9,163	—	0.2
Financials	8,192	8,344	0.2	0.2
Health care	402	2,837	—	0.1
Industrials	4,181	3,754	0.1	0.1
Information technology	5	695	—	—
Materials	249,492	113,784	4.9	2.9
Real estate	435,799	328,343	8.5	8.4
Utilities	3,244	5,602	0.1	0.2
Other	—	59,998	—	1.5
Total debt securities (cost: \$761,394 and \$581,467 as of December 31, 2023 and 2022, respectively)	740,440	562,705	14.5	14.4

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<u>Investments</u>	Fair Value as of December 31,		Fair Value as a Percentage of Investments of Consolidated Funds as of December 31,	
	2023	2022	2023	2022
Asia and other:				
Equity securities:				
Energy	—	7,581	—	0.2
Industrials	63,161	113,270	1.2	2.9
Real estate	32,916	32,916	0.6	0.8
Utilities	3,375	4,530	0.1	0.1
Total equity securities (cost: \$90,638 and \$722,128 as of December 31, 2023 and 2022, respectively)	99,452	158,297	1.9	4.0
Total debt securities	3,322,558	2,098,838	64.8	53.7
Total equity securities	1,645,766	1,735,304	31.8	44.4
Total real estate	175,353	74,471	3.4	1.9
Total investments, at fair value	<u>\$ 5,143,677</u>	<u>\$ 3,908,613</u>	<u>100.0 %</u>	<u>100.0 %</u>

As of December 31, 2023 and 2022, no single issuer or investment had a fair value that exceeded 5% of the Company's total consolidated net assets.

Net Gains (Losses) From Investment Activities of Consolidated Funds

Net gains (losses) from investment activities in the consolidated statements of operations consist primarily of realized and unrealized gains and losses on the consolidated funds' investments (including foreign exchange gains and losses attributable to foreign-denominated investments and related activities) and other financial instruments. Unrealized gains or losses result from changes in the fair value of these investments and other financial instruments. Upon disposition of an investment, unrealized gains or losses are reversed and an offsetting realized gain or loss is recognized in the current period.

The following table summarizes net gains (losses) from investment activities:

	Year Ended December 31,					
	2023		2022		2021	
	Net Realized Gain (Loss) on Investments	Net Change in Unrealized Appreciation (Depreciation) on Investments	Net Realized Gain (Loss) on Investments	Net Change in Unrealized Appreciation (Depreciation) on Investments	Net Realized Gain (Loss) on Investments	Net Change in Unrealized Appreciation (Depreciation) on Investments
Investments and other financial instruments	\$ 63,213	\$ 27,890	\$ 4,103	\$ 99,199	\$ 25,599	\$ 135,306
CLO liabilities ⁽¹⁾	—	—	(30,033)	(99,550)	(6,951)	(14,370)
Foreign-currency forward contracts	898	(14,909)	43,145	(10,777)	6,232	4,477
Total-return and interest-rate swaps	(235)	328	975	284	(92)	(57)
Options and futures ⁽²⁾	4,382	(569)	13,322	(223)	(2,550)	(3,697)
Commodity swaps ⁽²⁾	11,162	16,324	(44,626)	(3,956)	—	—
Warrants ⁽²⁾	—	—	—	—	—	858
Total	<u>\$ 79,420</u>	<u>\$ 29,064</u>	<u>\$ (13,114)</u>	<u>\$ (15,023)</u>	<u>\$ 22,238</u>	<u>\$ 122,517</u>

(1) Represents the net change in the fair value of CLO liabilities based on the more observable fair value of CLO assets, as measured under the CLO measurement guidance. Please see note 2 for more information. Subsequent to the 2022 Restructuring, the assets and liabilities of the CLOs are no longer consolidated by the Company.

(2) Please see note 7 for additional information.

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6. FAIR VALUE

Fair Value of Financial Assets and Liabilities

The short-term nature of cash and cash-equivalents, receivables and accounts payable causes each of their carrying values to approximate fair value. The fair value of short-term investments included in cash and cash-equivalents is a Level I valuation. The Company's other financial assets and financial liabilities by fair-value hierarchy level are set forth below. Please see notes 10 and 18 for the fair value of the Company's outstanding debt obligations and amounts due from/to affiliates, respectively.

	As of December 31, 2023				As of December 31, 2022			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Assets								
Corporate investments	\$ 72,085	\$ 317,551	\$ 20,994	\$ 410,630	\$ 109,078	\$ 1,172	\$ 8,470	\$ 118,720
SPAC common stock and earn-out shares included in other assets	25,360	—	1,797	27,157	—	—	—	—
Foreign-currency forward contracts included in corporate investments	—	—	—	—	—	1,279	—	1,279
Foreign-currency forward contracts included in other assets	—	8,098	—	8,098	—	12,061	—	12,061
Total assets	\$ 97,445	\$ 325,649	\$ 22,791	\$ 445,885	\$ 109,078	\$ 14,512	\$ 8,470	\$ 132,060
Liabilities								
Foreign-currency forward contracts included in corporate investments	\$ —	\$ (8,010)	\$ —	\$ (8,010)	\$ —	\$ (11,840)	\$ —	\$ (11,840)
Total liabilities	\$ —	\$ (8,010)	\$ —	\$ (8,010)	\$ —	\$ (11,840)	\$ —	\$ (11,840)

The Company's Level III financial instrument held as of December 31, 2023 consists of sponsor earn-out shares received in connection with the deconsolidation of a SPAC and a mezzanine loan purchased during the second quarter of 2023.

The table below sets forth a summary of the valuation techniques and quantitative information utilized in determining the fair value of the Company's Level III financial instruments at December 31, 2023:

Financial Instrument	Fair Value as of		Valuation Technique	Significant Unobservable Input	Input Value
	December 31, 2023				
Mezzanine loan	\$	18,297	Recent market information	Broker quotations	N/A
Earn-out shares		4,494	Black-Scholes option pricing model	Volatility	50%
Total Level III Financial Instruments	\$	22,791			

Fair Value of Financial Instruments Held By Consolidated Funds

The short-term nature of cash and cash-equivalents held at the consolidated funds causes their carrying value to approximate fair value. The fair value of cash-equivalents is a Level I valuation. Derivatives may relate to a mix of Level I, II or III investments, and therefore their fair-value hierarchy level may not correspond to the fair-

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value hierarchy level of the economically hedged investment. The table below summarizes the investments and other financial instruments of the consolidated funds by fair-value hierarchy level:

	As of December 31, 2023				As of December 31, 2022			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Assets								
Investments:								
Corporate debt – bank debt \$	—	\$ 641,615	\$ 1,721,888	\$ 2,363,503	\$ —	\$ 411,997	\$ 702,497	\$ 1,114,494
Corporate debt – all other	—	698,763	260,292	959,055	—	764,841	219,503	984,344
Equities – common stock	165,649	31,779	846,773	1,044,201	226,862	34,389	777,198	1,038,449
Equities – preferred stock	1,929	—	599,636	601,565	80,251	—	616,604	696,855
Real estate	—	—	175,353	175,353	—	—	74,471	74,471
Total investments	<u>167,578</u>	<u>1,372,157</u>	<u>3,603,942</u>	<u>5,143,677</u>	<u>307,113</u>	<u>1,211,227</u>	<u>2,390,273</u>	<u>3,908,613</u>
Derivatives:								
Foreign-currency forward contracts	—	475	—	475	—	9,758	—	9,758
Swaps	8,658	—	—	8,658	—	700	—	700
Options and futures	—	—	—	—	279	—	—	279
Total derivatives ⁽¹⁾	<u>8,658</u>	<u>475</u>	<u>—</u>	<u>9,133</u>	<u>279</u>	<u>10,458</u>	<u>—</u>	<u>10,737</u>
Total assets	<u>\$ 176,236</u>	<u>\$ 1,372,632</u>	<u>\$ 3,603,942</u>	<u>\$ 5,152,810</u>	<u>\$ 307,392</u>	<u>\$ 1,221,685</u>	<u>\$ 2,390,273</u>	<u>\$ 3,919,350</u>
Liabilities								
Derivatives:								
Foreign-currency forward contracts	—	(21,659)	—	(21,659)	—	(16,356)	—	(16,356)
Swaps	—	—	—	—	(7,666)	—	—	(7,666)
Options and futures	(571)	—	—	(571)	—	—	—	—
Total derivatives ⁽²⁾	<u>(571)</u>	<u>(21,659)</u>	<u>—</u>	<u>(22,230)</u>	<u>(7,666)</u>	<u>(16,356)</u>	<u>—</u>	<u>(24,022)</u>
Total liabilities	<u>\$ (571)</u>	<u>\$ (21,659)</u>	<u>\$ —</u>	<u>\$ (22,230)</u>	<u>\$ (7,666)</u>	<u>\$ (16,356)</u>	<u>\$ —</u>	<u>\$ (24,022)</u>

(1) Amounts are included in other assets under "assets of consolidated funds" in the consolidated statements of financial condition.

(2) Amounts are included in accounts payable, accrued expenses and other liabilities under "liabilities of consolidated funds" in the consolidated statements of financial condition.

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The following tables set forth a summary of changes in the fair value of Level III investments:

	Corporate Debt – Bank Debt	Corporate Debt – All Other	Equities – Common Stock	Equities – Preferred Stock	Real Estate	Total
2023						
Beginning balance	\$ 702,497	\$ 219,503	\$ 777,198	\$ 616,604	\$ 74,471	\$ 2,390,273
Transfers into Level III	192,202	13,236	52,730	—	67,726	325,894
Transfers out of Level III	(184,854)	(15,170)	(50,853)	—	—	(250,877)
Purchases	1,234,175	103,654	101,028	125,684	34,615	1,599,156
Sales	(262,336)	(76,295)	(55,069)	(85,171)	—	(478,871)
Realized gain (loss), net	(22)	(639)	22,040	6,475	(13)	27,841
Unrealized appreciation (depreciation), net	40,226	16,003	(301)	(63,956)	(1,446)	(9,474)
Ending balance	<u>\$ 1,721,888</u>	<u>\$ 260,292</u>	<u>\$ 846,773</u>	<u>\$ 599,636</u>	<u>\$ 175,353</u>	<u>\$ 3,603,942</u>
Net change in unrealized appreciation (depreciation) attributable to assets still held at end of period	<u>\$ 28,278</u>	<u>\$ 14,951</u>	<u>\$ (342)</u>	<u>\$ (63,956)</u>	<u>\$ (1,444)</u>	<u>\$ (22,513)</u>
2022						
Beginning balance	\$ 597,188	\$ 229,576	\$ 581,748	\$ 486,030	\$ 33,834	\$ 1,928,376
Deconsolidation of funds	(196,906)	—	(964)	(16)	—	(197,886)
Transfers into Level III	116,213	10,548	—	—	—	126,761
Transfers out of Level III	(53,653)	(9,935)	(122)	—	—	(63,710)
Purchases	518,173	16,116	259,004	234,652	36,782	1,064,727
Sales	(296,175)	(25,501)	(193,950)	(110,612)	—	(626,238)
Realized loss, net	(2,501)	(1,692)	(92,514)	2,299	(813)	(95,221)
Unrealized depreciation, net	20,158	391	223,996	4,251	4,668	253,464
Ending balance	<u>\$ 702,497</u>	<u>\$ 219,503</u>	<u>\$ 777,198</u>	<u>\$ 616,604</u>	<u>\$ 74,471</u>	<u>\$ 2,390,273</u>
Net change in unrealized depreciation attributable to assets still held at end of period	<u>\$ 18,104</u>	<u>\$ 395</u>	<u>\$ 93,676</u>	<u>\$ 4,357</u>	<u>\$ 4,670</u>	<u>\$ 121,202</u>

Total realized and unrealized gains and losses recorded for Level III investments are included in net realized gain on consolidated funds' investments or net change in unrealized appreciation (depreciation) on consolidated funds' investments in the consolidated statements of operations.

Transfers out of Level III are generally attributable to certain investments that experienced a more significant level of market trading activity or completed an initial public offering during the respective period and thus were valued using observable inputs. Transfers into Level III typically reflect either investments that experienced a less significant level of market trading activity during the period or portfolio companies that undertook restructurings or bankruptcy proceedings and thus were valued in the absence of observable inputs.

The following table sets forth a summary of the valuation techniques and quantitative information utilized in determining the fair value of the consolidated funds' Level III investments as of December 31, 2023:

Investment Type	Fair Value	Valuation Technique	Significant Unobservable Inputs ⁽¹⁾⁽²⁾	Range	Weighted, Average
Credit-oriented investments:					
Consumer discretionary:	\$ 11,311	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	351	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	55,326	Discounted cash flow ⁽⁶⁾	Discount rate	13% – 17%	16%
Energy:	15,873	Discounted cash flow ⁽⁶⁾	Discount rate	14% – 14%	14%
	69,871	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	2,325	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable

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Financials:	26,689	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 15%	15
	3,646	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not app
	26,102	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not app
	20,520	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.5x – 1.0x	0.7
Industrials:	79,824	Discounted cash flow ⁽⁶⁾	Discount rate	11% – 15%	13
	62,544	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	9.8x – 9.8x	9.8
	51,788	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not app
	452	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not app
Materials:	306,319	Discounted cash flow ⁽⁶⁾	Discount rate	10% – 15%	12
	193,614	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not app
Real estate:	35,084	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not app
	211,211	Discounted cash flow ⁽⁶⁾	Discount rate	13% – 15%	15
	37,419	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not app
	193,771	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	1.0x – 1.0x	1.0
Other:	4,316	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not app
	19,820	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	6.0x – 6.0x	6.0
	1,345	Market approach (comparable companies) ⁽⁷⁾	Revenue multiple ⁽⁸⁾	0.3x – 0.3x	0.3
	1,612	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not app
Equity investments:	551,047	Discounted cash flow ⁽⁶⁾	Discount rate	9% – 19%	18
	179,009	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not app
	670,215	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.9x – 1.0x	1.0
	396,688	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	2.0x – 11.0x	8.8
	102,981	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 20%	15
	60,841	Market approach (comparable companies) ⁽⁷⁾	Revenue multiple ⁽⁸⁾	1.0x – 2.0x	1.5
			Discount rate	12% – 12%	12
	22,573	Discounted cash flow ⁽⁶⁾ / market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	9.0x – 11.0x	10.
	14,102	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not app
	Real estate-oriented:				
Consumer discretionary:	61,357	Discounted cash flow ⁽⁶⁾	Discount rate	20% – 20%	20
Real estate:	113,996	Discounted cash flow ⁽⁶⁾	Discount rate	4% – 27%	14
Total Level III investments	<u>\$ 3,603,942</u>				

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The following table sets forth a summary of the valuation techniques and quantitative information utilized in determining the fair value of the consolidated funds' Level III investments as of December 31, 2022:

Investment Type	Fair Value	Valuation Technique	Significant Unobservable Inputs ⁽¹⁾⁽²⁾	Range	Weighted Average ⁽³⁾
Credit-oriented investments:					
Consumer Discretionary:	\$ 43,934	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	293	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	16,062	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 15%	14%
Communication Services:	67,500	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 13%	13%
Energy:	32,765	Discounted cash flow ⁽⁶⁾	Discount rate	13% – 21%	18%
	2,676	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
Financials:	66,204	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 19%	15%
	12,880	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	6,143	Market approach (comparable companies)	Multiple of underlying assets ⁽⁹⁾	0.9x – 1.0x	1.0x
Industrials	9,875	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 15%	14%
	35,124	Market approach (comparable companies)	Multiple of underlying assets ⁽⁹⁾	0.9x – 1.0x	1.0x
	4,527	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
Materials:	197,427	Discounted cash flow ⁽⁶⁾	Discount rate	10% – 14%	12%
Real estate:	32,173	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	3,643	Discounted cash flow ⁽⁶⁾	Discount rate	9% – 9%	9%
	35,525	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	302,179	Market approach (comparable companies)	Multiple of underlying assets ⁽⁹⁾	0.76x – 1.00x	0.95x
Other:	(1,137)	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	22,732	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	31,474	Discounted cash flow ⁽⁶⁾	Discount rate	10% – 18%	14%
Equity investments:					
	74,329	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	582,299	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.9x – 1.1x	1.0x
	336,831	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	5x – 20x	9x
	214,172	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 21%	19%
	27,347	Discounted cash flow ⁽⁶⁾ / market approach (comparable companies) ⁽⁷⁾	Discount rate	14% – 14%	14%
	83,644	Market approach (comparable companies) ⁽⁷⁾	Revenue multiple ⁽⁸⁾	1x – 2x	1.81x
	75,181	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
Real estate-oriented:					
	7,695	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	66,776	Discounted cash flow ⁽⁶⁾	Discount rate	14% – 25%	18%
Total Level III investments	<u>\$ 2,390,273</u>				

- (1) The discount rate is the significant unobservable input used in the fair-value measurement of performing credit-oriented investments in which the consolidated funds do not have a controlling interest in the underlying issuer, as well as certain equity investments and real estate loan portfolios. An increase (decrease) in the discount rate would result in a lower (higher) fair-value measurement.
- (2) Multiple of either earnings or underlying assets is the significant unobservable input used in the market approach for the fair-value measurement of distressed credit-oriented investments, credit-oriented investments in which the consolidated funds have a controlling interest in the underlying issuer, equity investments and certain real estate-oriented investments. An increase (decrease) in the multiple would result in a higher (lower) fair-value measurement.

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- (3) The weighted average is based on the fair value of the investments included in the range.
- (4) Certain investments are valued based on recent transactions, generally defined as investments purchased or sold within six months of the valuation date. The fair value may also be based on a pending transaction expected to close after the valuation date.
- (5) Certain investments are valued using vendor prices or broker quotes for the subject or similar securities. Generally, investments valued in this manner are classified as Level III because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities, or may require adjustment for investment-specific factors or restrictions.
- (6) A discounted cash-flow method is generally used to value performing credit-oriented investments in which the consolidated funds do not have a controlling interest in the underlying issuer, as well as certain equity investments, real estate-oriented investments and real estate loan portfolios.
- (7) A market approach is generally used to value distressed investments and investments in which the consolidated funds have a controlling interest in the underlying.
- (8) Revenue multiples are based on comparable public companies and transactions with comparable companies. The Company typically applies the multiple to trailing twelve-months' revenue. However, in certain cases other revenue measures, such as pro forma revenue, may be utilized if deemed to be more relevant.
- (9) A market approach using the value of underlying assets utilizes a multiple, based on comparable companies, of underlying assets or the net book value of the portfolio company. The Company typically obtains the value of underlying assets from the underlying portfolio company's financial statements or from pricing vendors. The Company may value the underlying assets by using prices and other relevant information from market transactions involving comparable assets.
- (10) Earnings multiples are based on comparable public companies and transactions with comparable companies. The Company typically utilizes multiples of EBITDA; however, in certain cases the Company may use other earnings multiples believed to be most relevant to the investment. The Company typically applies the multiple to trailing twelve-months' EBITDA. However, in certain cases other earnings measures, such as pro forma EBITDA, may be utilized if deemed to be more relevant.

A significant amount of judgment may be required when using unobservable inputs, including assessing the accuracy of source data and the results of pricing models. The Company assesses the accuracy and reliability of the sources it uses to develop unobservable inputs. These sources may include third-party vendors that the Company believes are reliable and commonly utilized by other marketplace participants. As described in note 2, other factors beyond the unobservable inputs described above may have a significant impact on investment valuations.

During the year ended December 31, 2023, the valuation techniques for two credit-oriented investment were changed from discounted cash flow to market approach (comparable companies), and two equity investments were changed from recent market information to market approach (comparable companies). During the year ended December 31, 2022, there were no changes in the valuation techniques for Level III securities.

7. DERIVATIVES AND HEDGING

The fair value of freestanding derivatives consisted of the following:

	Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value
As of December 31, 2023				
Foreign-currency forward contracts	\$ 221,910	\$ 8,608	\$ (234,353)	\$ (8,520)
As of December 31, 2022				
Foreign-currency forward contracts	\$ 221,836	\$ 13,340	\$ (200,319)	\$ (11,840)

Realized and unrealized gains and losses arising from freestanding derivatives were recorded in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2023	2022	2021
Investment income (loss)	\$ (3,501)	\$ 16,259	\$ 15,924
General and administrative expense ⁽¹⁾	3,153	7,817	7,866
Total gain (loss)	<u>\$ (348)</u>	<u>\$ 24,076</u>	<u>\$ 23,790</u>

- (1) To the extent that the Company's freestanding derivatives are utilized to hedge its foreign-currency exposure to investment income and management fees earned from consolidated funds, the related hedged items are eliminated in consolidation, with the derivative impact (a positive number reflects a reduction in expenses) reflected in consolidated general and administrative expense.

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There were no derivatives outstanding that were designated as hedging instruments for accounting purposes as of December 31, 2023 and 2022.

Derivatives Held By Consolidated Funds

Certain consolidated funds utilize derivatives in their ongoing investment operations. These derivatives primarily consist of foreign-currency forward contracts and options utilized to manage currency risk, interest-rate swaps to hedge interest-rate risk, options and futures used to hedge certain exposures for specific securities, and total-return swaps utilized mainly to obtain exposure to leveraged loans or to participate in foreign markets not readily accessible. The primary risk exposure for options and futures is price, while the primary risk exposure for total-return swaps is credit. None of the derivative instruments are accounted for as a hedging instrument utilizing hedge accounting.

The fair value of derivatives held by the consolidated funds consisted of the following:

	Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value
As of December 31, 2023				
Foreign-currency forward contracts	\$ 508,174	\$ 475	\$ (118,263)	\$ (21,659)
Total-return and interest-rate swaps	41,113	8,658	—	—
Options and futures	6,749	—	(163,187)	(571)
Total	<u>\$ 556,036</u>	<u>\$ 9,133</u>	<u>\$ (281,450)</u>	<u>\$ (22,230)</u>
As of December 31, 2022				
Foreign-currency forward contracts	\$ 427,141	\$ 9,758	\$ (52,531)	\$ (16,356)
Total-return and interest-rate swaps	12,604	700	(3,182)	(7,666)
Options and futures	378,042	279	(125,283)	—
Total	<u>\$ 817,787</u>	<u>\$ 10,737</u>	<u>\$ (180,996)</u>	<u>\$ (24,022)</u>

The impact of derivatives held by the consolidated funds in the consolidated statements of operations was as follows:

	Year Ended December 31,					
	2023		2022		2021	
	Net Realized Gain (Loss) on Investments	Net Change in Unrealized Appreciation (Depreciation) on Investments	Net Realized Gain (Loss) on Investments	Net Change in Unrealized Appreciation (Depreciation) on Investments	Net Realized Gain (Loss) on Investments	Net Change in Unrealized Appreciation (Depreciation) on Investments
Foreign-currency forward contracts	\$ 898	\$ (14,909)	\$ 43,145	\$ (10,777)	\$ 6,232	\$ 4,477
Total-return and interest-rate and credit default swaps	(235)	328	975	284	(92)	(57)
Options and futures	4,382	(569)	13,322	(223)	(2,550)	(3,697)
Warrants	—	—	—	—	—	858
Commodity swaps	11,162	16,324	(44,626)	(3,956)	—	—
Total	<u>\$ 16,207</u>	<u>\$ 1,174</u>	<u>\$ 12,816</u>	<u>\$ (14,672)</u>	<u>\$ 3,590</u>	<u>\$ 1,581</u>

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Balance Sheet Offsetting

The Company recognizes all derivatives as assets or liabilities at fair value in its consolidated statements of financial condition. In connection with its derivative activities, the Company generally enters into agreements subject to enforceable master netting arrangements that allow the Company to offset derivative assets and liabilities in the same currency by specific derivative type or, in the event of default by the counterparty, to offset derivative assets and liabilities with the same counterparty. While these derivatives are eligible to be offset in accordance with applicable accounting guidance, the Company has elected to present derivative assets and liabilities based on gross fair value in its consolidated statements of financial condition. The table below sets forth the setoff rights and related arrangements associated with derivatives held by the Company. The “gross amounts not offset in statements of financial condition” columns represent derivatives that management has elected not to offset in the consolidated statements of financial condition even though they are eligible to be offset in accordance with applicable accounting guidance.

	Gross Amounts of Assets (Liabilities) Presented	Gross Amounts Not Offset in Statements of Financial Condition		Net Amount
		Derivative Assets (Liabilities)	Cash Collateral Received (Pledged)	
As of December 31, 2023				
Derivative Assets:				
Foreign-currency forward contracts	\$ 8,608	\$ 510	\$ —	\$ 8,098
<i>Derivative assets of consolidated funds:</i>				
Foreign-currency forward contracts	475	—	—	475
Total-return and interest-rate and credit default swaps	8,658	—	—	8,658
Subtotal	9,133	—	—	9,133
Total	<u>\$ 17,741</u>	<u>\$ 510</u>	<u>\$ —</u>	<u>\$ 17,231</u>
Derivative Liabilities:				
Foreign-currency forward contracts	\$ (8,520)	\$ (510)	\$ —	\$ (8,010)
<i>Derivative liabilities of consolidated funds:</i>				
Foreign-currency forward contracts	(21,659)	—	—	(21,659)
Options and futures	(571)	—	—	(571)
Subtotal	(22,230)	—	—	(22,230)
Total	<u>\$ (30,750)</u>	<u>\$ (510)</u>	<u>\$ —</u>	<u>\$ (30,240)</u>

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As of December 31, 2022	Gross Amounts of Assets (Liabilities) Presented	Gross Amounts Not Offset in Statements of Financial Condition		Net Amount
		Derivative Assets (Liabilities)	Cash Collateral Received (Pledged)	
Derivative Assets:				
Foreign-currency forward contracts	\$ 13,340	\$ 1,279	\$ —	\$ 12,061
<i>Derivative assets of consolidated funds:</i>				
Foreign-currency forward contracts	9,758	—	—	9,758
Total-return and interest-rate swaps	700	—	—	700
Options and futures	279	—	—	279
Subtotal	10,737	—	—	10,737
Total	\$ 24,077	\$ 1,279	\$ —	\$ 22,798
Derivative Liabilities:				
Foreign-currency forward contracts	\$ (11,840)	\$ (1,279)	\$ —	\$ (10,561)
<i>Derivative liabilities of consolidated funds:</i>				
Foreign-currency forward contracts	(16,356)	—	—	(16,356)
Total-return and interest-rate swaps	(7,666)	—	—	(7,666)
Warrants	—	—	—	—
Subtotal	(24,022)	—	—	(24,022)
Total	\$ (35,862)	\$ (1,279)	\$ —	\$ (34,583)

8. GOODWILL

Goodwill represents the excess of cost over the fair value of identifiable net assets of acquired businesses. Goodwill has an indefinite useful life and is not amortized, but instead is tested for impairment annually in the fourth quarter of each fiscal year, or more frequently if events or circumstances indicate that impairment may have occurred. Goodwill is included in other assets in the consolidated statements of financial position. As of December 31, 2023, the Company determined there was no goodwill impairment.

The carrying value of goodwill was \$18.4 million as of December 31, 2023 and 2022, and is included in other assets in the consolidated statements of financial condition.

9. DEBT OBLIGATIONS AND CREDIT FACILITIES

Oaktree Capital I Debt Obligations

On March 30, 2022, Oaktree Capital I entered into a note and guaranty agreement with certain accredited investors pursuant to which Oaktree Capital I agreed to issue and sell to such investors €50 million of its 2.20% Senior Notes, Series A, due 2032, €75 million of its 2.40% Senior Notes, Series B, due 2034, and €75 million of its 2.58% Senior Notes, Series C, due 2037. These notes are senior unsecured obligations of Oaktree Capital I, a consolidated subsidiary of the Company, and jointly and severally guaranteed by OCM, Oaktree Capital II, L.P. ("Oaktree Capital II") and Oaktree AIF Investments, L.P. ("Oaktree AIF"). The offering closed on June 8, 2022, and Oaktree Capital I received proceeds of €200 million on the closing date.

	As of	
	December 31, 2023	December 31, 2022
Senior unsecured notes		
€50,000, 2.20%, issued in June 2022, payable on June 8, 2032	\$ 55,233	\$ 53,362
€75,000, 2.40%, issued in June 2022, payable on June 8, 2034	82,849	80,044
€75,000, 2.58%, issued in June 2022, payable on June 8, 2037	82,849	80,044
Total remaining principal	220,931	213,450
Less: Debt issuance costs	(1,249)	(1,255)
Total debt obligations, net	\$ 219,682	\$ 212,195

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Oaktree Capital I Guaranty Agreements

As of December 31, 2023, OCM, Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman are co-obligors and jointly and severally liable for all debt obligations listed below, while the debt obligations are reflected in the consolidated financial statements based upon the entity that actually made the borrowing and received the related proceeds. Prior to 2022, OCM had historically been the only direct borrower or issuer under credit agreements and private placement notes with third parties and made all payments of principal and interest. The Company's financial statements after the 2019 Restructuring generally do not reflect debt obligations, interest expense or related liabilities associated with OCM, Oaktree Capital II and Oaktree AIF. Subsequent to the 2022 Restructuring, the Company's financial statements no longer reflect debt obligations, interest expense or related liabilities associated with OCM, OCM Cayman, Oaktree Capital II and Oaktree AIF.

On April 7, 2023, OCM, Oaktree Capital I, Oaktree Capital II, Oaktree AIF and OCM Cayman (collectively, the "Obligors") entered into amendments to each of the note and guaranty agreements listed below for each series of outstanding senior notes issued by OCM and Oaktree Capital I. Pursuant to these amendments, OCM Cayman became a guarantor of each such series of senior notes. These amendments also amended certain provisions in these note and guaranty agreements, including financial definitions, in order to facilitate the joinder of OCM Cayman as an obligor. Additionally, the amendments for the note purchase agreements executed in 2014 and 2020 amended the assets under management covenants to clarify the treatment of entities that the Obligors account for using equity method accounting. On the same date that the note and guaranty agreement amendments took effect, OCM Cayman became a Borrower under the \$650 million revolving credit facility with OCM, Oaktree Capital I, Oaktree Capital II and Oaktree AIF pursuant to a joinder agreement executed by OCM Cayman as part of the Seventh Amendment to the credit facility.

On May 20, 2020, OCM entered into a note and guaranty agreement with certain accredited investors pursuant to which OCM agreed to issue and sell to such investors \$250 million of senior unsecured notes that bear a blended 3.68% fixed rate of interest and a weighted average maturity of 2031. These notes are guaranteed by Oaktree Capital I, a consolidated subsidiary of the Company, along with Oaktree Capital II, Oaktree AIF and OCM Cayman, as co-obligors. The offering closed on July 22, 2020 and OCM received proceeds of \$250 million on the closing date. As OCM is the issuer of such senior notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in the Company's financial statements unless an event of default occurs.

Oaktree Capital I, along with certain other Oaktree Operating Group members as co-borrowers, are parties to a credit agreement with a subsidiary of Brookfield that provides for a subordinated credit facility. The subordinated credit facility has a revolving loan commitment of \$250 million and borrowings generally bear interest at a spread to either LIBOR or an alternative base rate. Borrowings on the subordinated credit facility are subordinate to the outstanding debt obligations and borrowings on the primary credit facility of Oaktree Capital I and its co-borrowers. Oaktree Capital I is jointly and severally liable, along with its co-obligors for outstanding borrowings on the subordinated credit facility. The Company's financial statements generally will not reflect debt obligations, interest expense or related liabilities associated with the subordinated credit facility until such time as Oaktree Capital I directly borrows from it. In March 2022, this credit facility was amended to extend the revolving credit maturity date from May 19, 2023 to September 14, 2026. On October 6, 2023, an amendment was signed to further extend the maturity date to October 6, 2028 and change the interest rate to the SOFR plus 1.6% or an alternative base rate plus 0.5%. The amendment also provided that the maturity date will automatically extend annually in one-year increments until the lenders notify the borrowers of their intention to terminate the subordinated credit facility. No amounts were outstanding on the subordinated credit facility as of December 31, 2023.

On November 4, 2021, OCM entered into a note and guaranty agreement with certain accredited investors pursuant to which OCM agreed to issue and sell to such investors \$200 million aggregate principal amount of its 3.06% Senior Notes due January 12, 2037. These notes are guaranteed by Oaktree Capital I, a consolidated subsidiary of the Company, along with Oaktree Capital II, Oaktree AIF and OCM Cayman, as co-obligors. The offering closed on January 12, 2022 and OCM received proceeds of \$200 million on the closing date. As OCM is the issuer of such notes, the outstanding principal and interest payments guaranteed by Oaktree Capital I will not be included in the Company's financial statements unless an event of default occurs.

Oaktree's credit facility was amended on September 14, 2021 to among other things, (i) extend the maturity date from December 13, 2024 to September 14, 2026, (ii) modify the assets under management covenant threshold from \$65 billion of assets under management to \$57.5 billion of management-fee generating assets under management and (iii) increase the maximum leverage ratio to 4.00 to 1.00. Oaktree's credit facility was further

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amended on December 15, 2022 to among other things, extend the maturity date from September 14, 2026 to December 15, 2027 with the potential to extend the maturity for up to two additional years, and implemented language consistent with U.S. syndicated loan market practice to use an adjusted forward-looking term rate based on the SOFR, as a replacement for the London Interbank Offered Rate. Based on the current credit ratings of OCM, the interest rate on borrowings is the term SOFR reference rate plus 1.10% per annum and the commitment fee on the unused portions of the revolving credit facility is 0.10% per annum. The term SOFR reference rate is determined by the tenor of the borrowings and set by the CME Group Benchmark Administration Limited (CBA). The credit agreement contains customary financial covenants and restrictions, including a maximum leverage ratio and a minimum required level of assets under management (as defined in the credit agreement, as amended above). As of December 31, 2023, no amounts were outstanding under the revolving credit facility.

The fair value of the Company's debt obligations, which are carried at amortized cost, is a Level III valuation that is estimated based on a discounted cash-flow calculation using estimated rates that would be offered to Oaktree for debt of similar terms and maturities. The fair value of these debt obligations, gross of debt issuance costs, was \$175.9 million and \$163.9 million as of December 31, 2023 and 2022, respectively, utilizing average borrowing rates of 4.9% and 5.1%, respectively.

OCM and the Company were in compliance with all financial maintenance covenants associated with its senior notes and bank credit facility as of December 31, 2023 and 2022, respectively. As of December 31, 2023, Oaktree Capital I is jointly and severally liable, along with its co-obligors, for the debt obligations listed below with an aggregate outstanding principal balance of \$1.05 billion. The Company's maximum exposure to these debt obligations is set forth below:

	As of December 31,	
	2023	2022
Senior unsecured notes		
\$50,000, 3.91%, issued in September 2014, payable on September 3, 2024	\$ 50,000	\$ 50,000
\$100,000, 4.01%, issued in September 2014, payable on September 3, 2026	100,000	100,000
\$100,000, 4.21%, issued in September 2014, payable on September 3, 2029	100,000	100,000
\$100,000, 3.69%, issued in July 2016, payable on July 12, 2031	100,000	100,000
\$250,000, 3.78%, issued in December 2017, payable on December 18, 2032	250,000	250,000
\$200,000, 3.64%, issued in July 2020, payable on July 22, 2030	200,000	200,000
\$50,000, 3.84%, issued in July 2020, payable on July 22, 2035	50,000	50,000
\$200,000, 3.06%, issued in January 2022, payable on January 12, 2037	200,000	200,000
Total remaining principal	<u>\$ 1,050,000</u>	<u>\$ 1,050,000</u>

Debt Obligations of the Consolidated Funds

Certain consolidated funds may maintain revolving credit facilities that are secured by the assets of the fund or may issue senior variable rate notes to fund investments on a longer-term basis, generally up to ten years. The obligations of the consolidated funds are nonrecourse to the Company.

The consolidated funds had the following debt obligations outstanding:

Credit Agreement	Outstanding Amount as of December 31,		Facility Capacity	Weighted Average Interest Rate	Weighted Average Remaining Maturity (years)	Commitment Fee Rate	L/C Fee
	2023	2022					
Revolving credit facilities ⁽¹⁾	\$ 951,950	\$ 1,000,859	\$1,316,463	7.47%	1.2	0.25%	2.05%
Less: Debt issuance costs ⁽²⁾	(6,155)	(1,972)					
Total debt obligations, net	<u>\$ 945,795</u>	<u>\$ 998,887</u>					

(1) Facility capacity, weighted average interest rate, weighted average remaining maturity, commitment fee rate and letter of credit fee are as of December 31, 2023. The credit facility capacity is calculated on a pro rata basis using fund commitments.

(2) Debt issuance costs are included in other asset as of December 31, 2023 and December 31, 2022.

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The carrying value of the revolving credit facilities approximated fair value due to recent issuance. Financial instruments that are valued using quoted prices for the security or similar securities are generally classified as Level III because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities or may require adjustment for investment-specific factors or restrictions.

10. NON-CONTROLLING REDEEMABLE INTERESTS IN CONSOLIDATED FUNDS

The following table sets forth a summary of changes in the non-controlling redeemable interests in the consolidated funds. Dividends reinvested and in-kind contributions or distributions are non-cash in nature and have been presented on a gross basis in the table below.

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 2,182,414	\$ 1,723,294	\$ 715,347
Deconsolidation of funds	(242)	(249,903)	(192,984)
Contributions	1,223,103	727,382	1,189,486
Distributions	(221,745)	(207,360)	(171,883)
Net income (loss)	245,928	190,905	186,515
Change in distributions payable	(94,253)	(1,314)	9,975
Foreign-currency translation and other	1,343	(590)	(13,162)
Ending balance	<u>\$ 3,336,548</u>	<u>\$ 2,182,414</u>	<u>\$ 1,723,294</u>

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11. UNITHOLDERS' CAPITAL

Unitholders' capital reflects the economic interests attributable to Class A unitholders, preferred unitholders, non-controlling interests in consolidated subsidiaries and non-controlling interests in consolidated funds. Non-controlling interests in consolidated subsidiaries represent the portion of unitholders' capital attributable to the OCGH non-controlling interest and third parties. The OCGH non-controlling interest is determined at the Oaktree Operating Group level, after giving effect to distributions, if any, attributable to the preferred unitholders, based on the proportionate share of Oaktree Operating Group units held by the OCGH unitholders. Certain expenses, such as income taxes and related administrative expenses of Brookfield Oaktree Holdings, LLC and the holding companies through which the Company holds interests in Oaktree Capital I, are solely attributable to the Class A unitholders.

As of December 31, 2023 and 2022, OCGH units represented 50,915,764 of the total 160,114,755 Oaktree Operating Group units and 56,922,688 of the total 160,002,848 Oaktree Operating Group units, respectively. Based on total allocable capital of \$1,058,126 and \$1,017,192 as of December 31, 2023 and 2022, respectively, the OCGH non-controlling interest was \$333,195 and \$360,660.

Distributions per Class A unit are set forth below:

Payment Date	Record Date	Applicable to Period Ended	Distribution Per Unit
November 10, 2023	November 3, 2023	September 30, 2023	\$ 0.08
August 10, 2023	August 2, 2023	June 30, 2023	0.09
May 10, 2023	May 1, 2023	March 31, 2023	0.72
February 24, 2023	February 15, 2023	December 31, 2022	0.11
Total 2023			<u>\$ 1.00</u>
November 10, 2022	October 31, 2022	September 30, 2022	\$ 0.31
August 10, 2022	August 3, 2022	June 30, 2022	0.38
May 10, 2022	April 30, 2022	March 31, 2022	0.27
February 25, 2022	February 15, 2022	December 31, 2021	0.90
Total 2022			<u>\$ 1.86</u>
November 10, 2021	October 31, 2021	September 30, 2021	\$ 0.83
August 10, 2021	July 30, 2021	June 30, 2021	0.50
May 10, 2021	April 30, 2021	March 31, 2021	2.28
February 25, 2021	February 15, 2021	December 31, 2020	1.07
Total 2021			<u>\$ 4.68</u>

Preferred Unit Issuances

On May 17, 2018, the Company issued 7,200,000 of its 6.625% Series A preferred units representing limited liability company interests with a liquidation preference of \$25.00 per unit. The issuance resulted in \$173.7 million in net proceeds to the Company. Distributions on the Series A preferred units, when and if declared by the board of directors of Oaktree, will be paid quarterly on March 15, June 15, September 15 and December 15 of each year. The first distribution was paid on September 17, 2018. Distributions on the Series A preferred units are non-cumulative.

On August 9, 2018, the Company issued 9,400,000 of its 6.550% Series B preferred units representing limited liability company interests with a liquidation preference of \$25.00 per unit. The issuance resulted in \$226.9 million in net proceeds to the Company. Distributions on the Series B preferred units, when and if declared by the board of directors of Oaktree, will be paid quarterly on March 15, June 15, September 15 and December 15 of each

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year. The first distribution was paid on December 17, 2018. Distributions on the Series B preferred units are non-cumulative.

Unless distributions have been declared and paid or declared and set apart for payment on the preferred units for a quarterly distribution period, during the remainder of that distribution period the Company may not repurchase any common units or any other units that are junior in rank, as to the payment of distributions, to the preferred units and the Company may not declare or pay or set apart payment for distributions on any common units or junior units for the remainder of that distribution period, other than certain Permitted Distributions (as defined in the unit designation related to the applicable preferred units (each, the "Preferred Unit Designation")).

The Company may redeem, at its option, out of funds legally available, at any time, in whole or in part, the Series A preferred units or the Series B preferred units, at a price of \$25.00 per preferred unit plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the preferred units have no right to require the redemption of the preferred units.

The preferred units are not convertible into Class A units or any other class or series of the Company's interests or any other security. Holders of the preferred units do not have any of the voting rights given to holders of our Class A units, except that holders of the preferred units are entitled to certain voting rights under certain conditions.

The following table sets forth a summary of net income attributable to the preferred unitholders, the OCGH and other non-controlling interests and the Class A common unitholders:

	Year Ended December 31,		
	2023	2022	2021
Weighted average Oaktree Capital I units outstanding (in thousands):			
OCGH and other non-controlling interests	56,306	60,704	60,956
Class A unitholders	103,791	99,211	99,031
Total weighted average units outstanding	<u>160,097</u>	<u>159,915</u>	<u>159,987</u>
Oaktree Capital I net income:			
Net income attributable to preferred unitholders ⁽¹⁾	\$ 27,316	\$ 27,316	\$ 27,316
Net income attributable to OCGH and other non-controlling interests	73,061	68,539	339,250
Net income attributable to BOH Class A unitholders	139,542	131,001	544,551
Oaktree Capital I net income	<u>\$ 239,919</u>	<u>\$ 226,856</u>	<u>\$ 911,117</u>
Net income attributable to BOH Class A unitholders:			
Oaktree Capital I net income attributable to BOH Class A unitholders	\$ 139,542	\$ 131,001	\$ 544,551
Non-Operating Group income (expense)	54,319	45,329	59,793
Net income attributable to BOH Class A unitholders	<u>\$ 193,861</u>	<u>\$ 176,330</u>	<u>\$ 604,344</u>

(1) Represents distributions declared, if any, on the preferred units.

The change in the Company's ownership interest in the Oaktree Operating Group is set forth below:

	Year Ended December 31,		
	2023	2022	2021
Net income attributable to BOH Class A unitholders	\$ 193,861	\$ 176,330	\$ 604,344
Equity reallocation between controlling and non-controlling interests	38,365	33,107	(11,155)
Change from net income attributable to BOH Class A unitholders and transfers from non-controlling interests	<u>\$ 232,226</u>	<u>\$ 209,437</u>	<u>\$ 593,189</u>

Please see notes 10, 11 and 12 for additional information regarding transactions that impacted unitholders' capital.

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12. EARNINGS PER UNIT

The computation of net income per Class A unit is set forth below:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands, except per unit amounts)		
Net income (net of tax) per Class A unit (basic and diluted):			
Net income attributable to BOH Class A unitholders	\$ 193,861	\$ 176,330	\$ 604,344
Weighted average number of Class A units outstanding (basic and diluted)	107,590	102,043	99,031
Basic and diluted net income (net of tax) per Class A unit	\$ 1.80	\$ 1.73	\$ 6.10

OCGH units are not exchangeable into Class A units. As the restrictions set forth in the then-current exchange agreement were in place for each applicable reporting period, OCGH units were not included in the computation of diluted earnings per unit for the years ended December 31, 2023 and 2022.

13. INCOME TAXES AND RELATED PAYMENTS

The Company is a publicly traded partnership and as a result of the 2019 Restructuring, held interests in Oaktree Capital I (a non-corporate entity that is not subject to U.S. federal corporate income tax) and OCM Cayman (which holds subsidiaries that are taxable in non-U.S. jurisdictions).

Subsequent to the 2022 Restructuring, however, the Company no longer holds interests in OCM Cayman and no longer consolidates OCM Cayman. All tax balances related to OCM Cayman were therefore deconsolidated as of the effective date of the 2022 Restructuring and the Company will no longer incur income tax expense.

Income tax expense from operations consisted of the following:

	Year Ended December 31,		
	2023	2022	2021
Current:			
Foreign income tax	\$ —	\$ 15,290	\$ 12,105
	\$ —	\$ 15,290	\$ 12,105
Deferred:			
Foreign income tax	\$ —	\$ (359)	\$ 282
	\$ —	\$ (359)	\$ 282
Total:			
Foreign income tax	\$ —	\$ 14,931	\$ 12,387
Income tax expense	\$ —	\$ 14,931	\$ 12,387

The Company's income (loss) before income taxes consisted of the following:

	Year Ended December 31,		
	2023	2022	2021
Domestic income (loss) before income taxes	\$ 540,166	\$ 437,779	\$ 1,073,218
Foreign income (loss) before income taxes	—	40,242	96,548
Total income (loss) before income taxes	\$ 540,166	\$ 478,021	\$ 1,169,766

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The Company's effective tax rate differed from the federal statutory rate for the following reasons:

	Year Ended December 31,		
	2023	2022	2021
Income tax expense at federal statutory rate	— %	21.00 %	21.00 %
Income passed through	—	(19.23)	(19.27)
Foreign taxes	—	1.35	(0.67)
Total effective rate	— %	3.12 %	1.06 %

The components of the Company's deferred tax assets and liabilities were as follows:

	As of December 31,		
	2023	2022	2021
Deferred tax assets:			
Net operating losses	\$ —	\$ —	\$ 1,817
Other ⁽¹⁾	—	—	1,731
Total deferred tax assets	—	—	3,548
Total deferred tax liabilities	—	—	—
Net deferred tax assets before valuation allowance	—	—	3,548
Valuation allowance	—	—	—
Net deferred tax assets	\$ —	\$ —	\$ 3,548

All tax balances related to OCM Cayman were deconsolidated as part of the 2022 Restructuring.

When assessing the realizability of deferred tax assets, the Company considers whether it is probable that some or all of the deferred tax assets will not be realized. In determining whether the deferred tax assets are realizable, the Company considers the period of expiration of the tax asset, historical and projected taxable income, and tax liabilities for the tax jurisdiction in which the tax asset is located. The deferred tax asset recognized by the Company, as it relates to the higher tax basis in the carrying value of certain assets compared to the book basis of those assets, will be recognized in future years by these taxable entities. Deferred tax assets are based on the amount of the tax benefit that the Company's management has determined is more likely than not to be realized in future periods. In determining the realizability of this tax benefit, management considered numerous factors that will give rise to pre-tax income in future periods. Among these are the historical and expected future book and tax basis pre-tax income of the Company and unrealized gains in the Company's assets at the determination date. All deferred tax assets related to OCM Cayman were deconsolidated as part of the 2022 Restructuring.

The Company recognizes tax benefits related to its tax positions only where the position is "more likely than not" to be sustained in the event of examination by tax authorities. As part of its assessment, the Company analyzes its tax filing positions in all of the federal, state and foreign tax jurisdictions where it is required to file income tax returns, and for all open tax years in these jurisdictions. All income tax reserve balances related to OCM Cayman were deconsolidated as part of the 2022 Restructuring. As of December 31, 2023, 2022 and 2021, the Company had no unrecognized tax benefits.

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The Company recognizes interest and penalties related to unrecognized tax positions in the provision for income taxes in the consolidated statements of operations. As of December 31, 2023 and 2022, there were no aggregate amount of interest and penalties accrued. The Company recognized no expense in 2023, 2022, and 2021.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by the relevant tax authorities. With limited exceptions, the Company is no longer subject to income tax audits by taxing authorities for periods before 2020. The Company believes that it has adequately provided for any reasonably foreseeable outcomes related to its tax examinations and that any settlements related thereto will not have a material adverse effect on the Company's consolidated financial statements; however, there can be no assurances as to the ultimate outcomes.

Exchange Agreement and Tax Receivable Agreement

Under the terms of an exchange agreement in effect prior to the 2019 Restructuring, each OCGH unitholder, subject to certain restrictions, including the approval of our board of directors, had the right to (or could have been required to) exchange his or her OCGH units for, at the option of the Company's board of directors, Class A units, an equivalent amount of cash based on then-prevailing market prices, other consideration of equal value or any combination of the foregoing. These exchanges resulted in, increases in the tax basis of the tangible and intangible assets of the Oaktree Operating Group. These increases in tax basis have increased and will increase (for tax purposes) depreciation and amortization deductions and reduce gain on sales of assets, and therefore reduced the taxes of two companies, Oaktree Holdings, Inc. and Oaktree AIF Holdings, Inc., that were the Company's subsidiaries prior to the 2019 Restructuring.

At the closing of the 2019 Restructuring, Oaktree entered into a Third Amended and Restated Tax Receivable Agreement (the TRA Amendment), which amended and restated the Original TRA. Pursuant to the TRA Amendment, the Original TRA no longer applies and no Tax Benefit Payments (as defined in the Original TRA) will be made with respect to any exchanges of OCGH units that occur on or after March 13, 2019. With respect to any exchanges of OCGH units that occurred prior to March 13, 2019, the TRA Amendment provides that Tax Benefit Payments (as defined in the Original TRA) will continue to be made with respect to such exchanges in accordance with the Original TRA (as amended in certain respects, including that such payments will be calculated without taking into account any tax attributes of Brookfield). Note that upon closing of the 2019 Restructuring, all of the obligation for future Tax Benefit Payments were transferred to the entities that were deconsolidated as part of the 2019 Restructuring.

14. COMMITMENTS AND CONTINGENCIES

In the normal course of business, Oaktree enters into contracts that contain certain representations, warranties and indemnifications. The Company's exposure under these arrangements would involve future claims that have not yet been asserted. Inasmuch as no such claims currently exist or are expected to arise, the Company has not accrued any liability in connection with these indemnifications.

Legal Actions

Oaktree, its affiliates, investment professionals, and portfolio companies are routinely involved in litigation and other legal actions in the ordinary course of their business and investing activities. In addition, Oaktree is subject to the authority of a number of U.S. and non-U.S. regulators, including the SEC and the Financial Industry Regulatory Authority, and those authorities periodically conduct examinations of Oaktree and make other inquiries that may result in the commencement of regulatory proceedings against Oaktree and its personnel. Oaktree is currently not subject to any pending actions or regulatory proceedings that either individually or in the aggregate are expected to have a material impact on its consolidated financial statements.

Incentive Income

In addition to the incentive income recognized by the Company, certain of its funds have amounts recorded as potentially allocable to the Company as its share of potential future incentive income, based on each fund's net asset value. Inasmuch as this incentive income is contingent upon future investment activity and other factors, it is not recognized by the Company as revenue until it is probable that a significant reversal will not occur. As of both

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December 31, 2023 and 2022, the aggregate of such amounts recorded at the fund level in excess of incentive income recognized by the Company was \$1.8 billion, for which related direct incentive income compensation expense was estimated to be \$739.1 million and \$950.3 million, respectively.

Commitments to Funds

As of December 31, 2023 and 2022, the Company, generally in its capacity as general partner, had undrawn capital commitments of \$349.9 million and \$275.4 million, respectively, including commitments to both unconsolidated and consolidated funds. Additionally, as of December 31, 2023, the Company had undrawn capital commitments of \$112.5 million in its capacity as a limited partner in Opps XI and undrawn commitments of \$750.0 million in its capacity as a limited partner in Opps XII (Opps XI and Opps XII as defined in note 15).

Investment Commitments of the Consolidated Funds

Certain of the consolidated funds are parties to credit arrangements that provide for the issuance of letters of credit and/or revolving loans, which may require the particular fund to extend loans to investee companies. The consolidated funds use the same investment criteria in making these commitments as they do for investments that are included in the consolidated statements of financial condition. The unfunded liability associated with these credit arrangements is equal to the amount by which the contractual loan commitment exceeds the sum of funded debt and cash held in escrow, if any. As of December 31, 2023 and 2022, the consolidated funds had no potential aggregate commitments.

A consolidated fund may agree to guarantee the repayment obligations of certain investee companies. As of December 31, 2023 and 2022, there were no guaranteed amounts under such arrangements.

Certain consolidated funds are investment companies that are required to disclose financial support provided or contractually required to be provided to any of their portfolio companies. During the year ended December 31, 2023 and 2022, the consolidated funds did not provide any financial support to portfolio companies.

15. RELATED PARTY TRANSACTIONS

The Company considers its executive officers, employees, if any, and unconsolidated Oaktree funds to be affiliates (as defined in the FASB ASC Master Glossary). Amounts due from and to affiliates are set forth below. The fair value of amounts due from and to affiliates is a Level III valuation and was valued based on a discounted cash-flow analysis. The carrying value of amounts due from affiliates approximated fair value due to their short-term nature or because their weighted average interest rate approximated the Company's cost of debt.

	As of December 31,	
	2023	2022
Due from affiliates:		
Management fees and incentive income due from unconsolidated funds and affiliates	202,052	203,178
Payments made on behalf of unconsolidated entities	30,433	4,696
Total due from affiliates	<u>\$ 232,485</u>	<u>\$ 207,874</u>
Due to affiliates:		
Amounts due to unconsolidated entities	\$ 62,759	\$ 36,164
Total due to affiliates	<u>\$ 62,759</u>	<u>\$ 36,164</u>

Loans To Affiliates and Employees

Loans primarily consist of interest-bearing loans made to affiliates and interest-bearing loans made to certain Oaktree employees to meet tax obligations related to the purchase or vesting of equity awards.

On May 7, 2021 the Company, through its consolidated subsidiary Oaktree Capital I, entered into two revolving line of credit notes with OCM, one as a borrower and the other as a lender. Both revolving line of credit notes allow for outstanding principal amounts not to exceed \$250.0 million and mature on May 7, 2024. On February 17, 2023, the revolving line of credit notes were replaced with an intercompany loan agreement with a

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maturity of February 17, 2026. Loans outstanding on February 17, 2023 from Oaktree Capital I to OCM under the revolving line of credit notes were reclassified as loans under the intercompany loan agreement.

As of December 31, 2023, OCM had borrowed \$26.0 million from the Company through Oaktree Capital I, which was included in due from affiliates, and generated \$810 of interest income for the year ended December 31, 2023. As of December 31, 2023, the Company through Oaktree Capital I has borrowed \$48.0 million from OCM, which was included in due to affiliates, and incurred \$1,370 of interest expense for the year ended December 31, 2023.

There were no loans to affiliates as of December 31, 2022 and \$10 of interest income was generated for the year ended December 31, 2022. As of December 31, 2022, the Company through Oaktree Capital I had borrowed \$36.0 million from OCM and incurred \$255 of interest expense for the year ended December 31, 2022.

Revenues Earned From Oaktree Funds

In aggregate, management fees and incentive income earned from unconsolidated Oaktree funds totaled \$267.3 million, \$280.7 million and \$1.2 billion for the years ended December 31, 2023, 2022 and 2021, respectively.

Subsequent to the 2022 Restructuring, the Company no longer earns management fees as a result of the deconsolidation of OCM Cayman.

Aircraft Services

OCM owns an aircraft for business purposes. Howard Marks, the Company's Co-Chairman, may use this aircraft for personal travel and will reimburse OCM to the extent his use of the aircraft for personal travel exceeds a certain threshold pursuant to an Oaktree policy. Oaktree also provides certain of its senior executives a personal travel allowance for private aircraft usage up to a certain threshold pursuant to the same Oaktree policy. Additionally, Oaktree occasionally makes use of an aircraft owned by one of its senior executives for business purposes at a price to Oaktree that is based on market rates.

Special Allocations

Certain executive officers of the Company receive special allocations based on a percentage of profits of the Oaktree Operating Group. These special allocations, which are recorded as compensation expense, are made on a current basis for so long as the executive officers remain senior executives of Oaktree, with limited exceptions.

Administrative Services

The Company is party to the Services Agreement with OCM. Pursuant to the Services Agreement, OCM provides administrative services to the Company necessary for the operations of the Company, which include providing office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as OCM, subject to review by the Company's Board of Directors, shall from time to time deem to be necessary or useful to perform its obligations under the Services Agreement. OCM may, on behalf of the Company, conduct relations and negotiate agreements with custodians, trustees, depositories, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

OCM is responsible for the financial and other records that the Company is required to maintain and prepares, prints and disseminates reports to the Company's unitholders and all other materials filed with the SEC. In addition, OCM assists the Company in overseeing the preparation and filing of the Company's tax returns, and generally overseeing the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others.

On an annual basis the Company will reimburse OCM \$750,000 of the costs incurred for providing these administrative services. This reimbursement is payable quarterly, in equal installments, and relates to the Company's allocable portion of overhead and other expenses (facilities and personnel) incurred by OCM in performing its obligations under the Services Agreement. This amount includes the Company's allocable portion of (i) the rent of the Company's principal executive offices (which are located in a building owned by a Brookfield affiliate) at market rates and (ii) the costs of compensation and related expenses of various personnel at Oaktree

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that perform duties for the Company. The Services Agreement may be terminated by either party without penalty upon 90 days' written notice to the other.

For each of the years ended December 31, 2023 and 2022, the Company incurred administrative services expense of \$0.8 million.

Subordinated Credit Facility

Oaktree Capital I, along with certain other Oaktree Operating Group members as co-borrowers, are parties to a credit agreement with a subsidiary of Brookfield that provides for a subordinated credit facility. The subordinated credit facility has a revolving loan commitment of \$250 million and borrowings generally bear interest at a spread to either LIBOR or an alternative base rate. Borrowings on the subordinated credit facility are subordinate to the outstanding debt obligations and borrowings on the primary credit facility of Oaktree Capital I and its co-borrowers as detailed in note 9. Oaktree Capital I is jointly and severally liable, along with its co-obligors for outstanding borrowings on the subordinated credit facility. As set forth in note 9, the Company's financial statements generally will not reflect debt obligations, interest expense or related liabilities associated with its operating subsidiaries until such time as Oaktree Capital I directly borrows from the subordinated credit facility. In March 2022, this credit facility was amended to extend the revolving credit maturity date from May 19, 2023 to September 14, 2026. On October 6, 2023, an amendment was signed to further extend the maturity date to October 6, 2028, and change the interest rate to SOFR plus 1.6% or an alternative base rate plus 0.5%. The amendment also provided that the maturity date will automatically extend annually in one-year increments until the lenders notify the borrowers of their intention to terminate the subordinated credit facility. No amounts were outstanding on the subordinated credit facility as of December 31, 2023.

Investment in Oaktree Opportunities Fund XI

The Company has subscribed for a limited partner interest in, and made a capital commitment of, \$750 million to Oaktree Opportunities Fund XI, L.P., a parallel investment vehicle thereof or a feeder fund in respect of one of the foregoing (such limited partner interest, the "Opps XI Investment" and such fund entities collectively, "Opps XI"). In order to make the Opps XI Investment, the Company's sole Class A unitholder, or one of its affiliates, will contribute cash as a capital contribution (the "Opps XI Investment Cash") as and to the extent required to satisfy the Company's obligations to Opps XI. The Company will use the Opps XI Investment Cash solely to fund the Opps XI Investment and satisfy its obligations in respect of Opps XI and distributions from the Opps XI Investment are intended solely for the benefit of the Class A unitholder, subject to applicable law. The Company's preferred unitholders should not rely on distributions received by the Company in respect of the Company's Opps XI Investment for payment of distributions on or redemption of the preferred units. For the year ended December 31, 2023, the Company funded \$262.5 million of its capital commitment. As of December 31, 2023, the Company has funded in the aggregate \$637.5 million of the \$750 million of its capital commitment.

Investment in Oaktree Opportunities Fund XII

On May 22, 2023, the Company subscribed for a limited partner interest in, and made a capital commitment of, \$750 million to Oaktree Opportunities Fund XII, L.P., a parallel investment vehicle thereof or a feeder fund in respect of one of the foregoing (such limited partner interest, the "Opps XII Investment" and such fund entities collectively, "Opps XII"). In order to make the Opps XII Investment, the Company's sole Class A unitholder, or one of its affiliates, will contribute cash as a capital contribution (the "Opps XII Investment Cash") as and to the extent required to satisfy the Company's obligations to Opps XII. The Company will use the Opps XII Investment Cash solely to fund the Opps XII Investment and satisfy its obligations in respect of Opps XII and distributions from the Opps XII Investment are intended solely for the benefit of the Class A unitholder, subject to applicable law. The Company's preferred unitholders should not rely on distributions received by the Company in respect of the Company's Opps XII Investment for payment of distributions on or redemption of the preferred units. As of December 31, 2023, the Company has not funded any of its capital commitment.

Deposit Agreement with Brookfield

On May 1, 2023, Brookfield and OCM, Oaktree Capital I, Oaktree Capital II, OCM Cayman, Oaktree AIF and Oaktree Investment Holdings, L.P. (collectively, the "Oaktree Depositors") entered into a deposit agreement under which each of the Oaktree Depositors has the ability to place up to \$750 million in the aggregate (subject in

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the case of Oaktree Capital I to a sub-limit of \$200 million) at any time on deposit with Brookfield. This deposit arrangement is set up to facilitate a more efficient use of cash across the Brookfield family of companies and provides Oaktree with the option to deposit excess operational cash.

Oaktree can deposit cash from time to time, subject to the aggregate limits, and can withdraw deposited funds on two business days' notice. Each deposit will earn interest on the outstanding principal amount at an agreed rate. There is no set maturity on any deposit balance.

As of December 31, 2023, the Company has not deposited any amount under the agreement.

Non-Traded REIT

On June 27, 2023, the Company entered into a contribution agreement (the "Treasury Contribution Agreement") with Brookfield Corporate Treasury Ltd. ("Treasury"). Treasury holds all of the outstanding Class A units of the Company. Pursuant to the Treasury Contribution Agreement, Treasury agreed to contribute to the Company an amount (the "Contributed Amount") equal to the value of BUSI II GP-C LLC, BUSI II-C L.P., BUSI II SLP-GP LLC and Brookfield REIT OP Special Limited Partner L.P. (collectively, and together with any additional entities that may become direct or indirect subsidiaries of NTR (as defined below) and that beneficially own shares of Brookfield REIT (as defined below), the "REIT Entities"), including their indirect ownership in Brookfield Real Estate Income Trust Inc., a Maryland corporation ("Brookfield REIT"), as of June 30, 2023, and the Company agreed to contribute the Contributed Amount to OCG NTR Holdings, LLC, a wholly owned subsidiary of the Company ("NTR"), in connection with the Company's indirect acquisition (the "Acquisition") of 100% of the interests in the REIT Entities. An amount of \$307.0 million in respect of the Contributed Amount was contributed to the Company on June 27, 2023 (the "Purchase Price") and a true-up contribution of \$13.9 million was made on July 31, 2023 (the "True-Up Payment"). Also on June 27, 2023, the Company entered into a contribution agreement (the "NTR Contribution Agreement") with NTR whereby the Company contributed the Purchase Price to NTR and agreed to make a contribution in an amount equal to the True-Up Payment to NTR, and NTR agreed to use the Contributed Amount in connection with the Acquisition. On June 29, 2023, NTR entered into an agreement of purchase and sale (the "Agreement of Purchase and Sale") to effect the Acquisition, whereby NTR acquired 100% of the interests in the REIT Entities from BUSI II NTR Sub LLC in exchange for cash. The Acquisition was completed on June 30, 2023.

As of December 31, 2023, the carrying value of NTR included in corporate investments was \$317.3 million.

In connection with the Acquisition, on June 29, 2023, the Company entered into a letter agreement (the "Restructuring Letter Agreement") with Treasury whereby, among other things, the Company agreed that, notwithstanding any provision of the operating agreement of the Company to the contrary, Treasury will have the right, in its sole and absolute discretion, to make up to \$200.0 million of additional capital contributions to the Company to be utilized in connection with the Company's indirect ownership of Brookfield REIT or any other matters with respect to the operations of NTR and the REIT Entities, and no vote, approval or other authorization will be required in connection with such additional capital contributions. Also on June 29, 2023, the Company entered into a letter agreement (the "Indemnification Letter Agreement") with BP US REIT LLC ("BP US") whereby, among other things, BP US agrees to defend, indemnify and hold harmless the Company, its members and the Company's and such members' respective officers, directors, employees, agents, successors, and assigns from any third-party claims brought against any of them related to the ownership, management or ongoing operating of the REIT Entities, and any subsidiaries thereof.

16. SEGMENT REPORTING

As a global investment manager, Oaktree provides investment management services through funds, separate accounts and subsidiary services agreements. Prior to the 2022 Restructuring, the Company earned revenues from the management fees and incentive income generated by the funds that it manages or serves as the general partner. Additionally, prior to the 2022 Restructuring, the Company earned sub-advisory fees for acting as a sub-investment manager, or sub-advisor, to certain Oaktree funds. Under such subsidiary services agreements, the Company provided certain investment and marketing related services to Oaktree affiliated entities. Subsequent to the 2022 Restructuring, however, the Company no longer earns management fees and sub-advisory fees as a result of the deconsolidation of OCM Cayman.

Management uses a consolidated approach to assess performance and allocate resources. As such, the Company's business is comprised of one segment, the investment management business.

Brookfield Oaktree Holdings, LLC
Notes to Consolidated Financial Statements — (Continued)
December 31, 2023
(\$ in thousands, except where noted)

17. SUBSEQUENT EVENTS

Class A Unit Distribution

A distribution of \$0.14 per Class A unit was paid on February 23, 2024 to holders of record at the close of business on February 15, 2024.

Preferred Unit Distributions

A distribution of \$0.414063 per Series A preferred unit was paid on March 15, 2024 to Series A preferred unitholders of record at the close of business on March 1, 2024.

A distribution of \$0.409375 per Series B preferred unit was paid on March 15, 2024 to Series B preferred unitholders of record at the close of business on March 1, 2024.

Letter Agreement with OCH

On March 20, 2024, the Company entered into a letter agreement (the "Letter Agreement") with OCH whereby OCH agreed that, so long as any (i) of the preferred units or (ii) the Series A Preferred Mirror Units or the Series B Preferred Mirror Units of Oaktree Capital I (collectively, the "Preferred Mirror Units") are outstanding, for any then-current quarterly distribution period, unless distributions have been declared and paid or declared and set apart for payment on the preferred units or the Preferred Mirror Units, then, in each case for such then-current quarterly distribution period only, OCH (a) shall not cause or permit any of its operating subsidiaries to repurchase such operating subsidiary's common units or other junior units and (b) shall not cause or permit any of its operating subsidiaries to declare or pay or set apart payment for distributions on any of such operating subsidiary's common units or other junior units, other than, in the case of each of clauses (a) and (b), certain permitted distributions, or repurchases or distributions the proceeds of which are used, directly or indirectly, to effect any permitted distribution. OCH indirectly controls the entities in the Oaktree Operating Group that are not controlled by the Company.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during our most recent quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed under the supervision of management, including our Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on criteria established in Internal Control—Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that our internal control over financial reporting as of December 31, 2023 was effective.

Item 9B. Other Information

On March 20, 2023, the operating agreement of BOH was amended and restated to reflect among other things technical changes related to the 2022 Restructuring, and it was amended and restated again on March 14, 2024 to reflect BOH's new name and other technical changes related to the 2024 Restructuring. The Seventh Amended and Restated Operating Agreement is filed as an exhibit to this annual report.

On March 15, 2024, the Restated Certificate of Formation of BOH was amended and restated to reflect the Name Change. The Amended and Restated Certificate of Formation of BOH is filed as an exhibit to this annual report.

On March 20, 2024, BOH entered into a letter agreement (the "Letter Agreement") with OCH whereby OCH agreed that, so long as any (i) of the preferred units or (ii) the Series A Preferred Mirror Units or the Series B Preferred Mirror Units of Oaktree Capital I (collectively, the "Preferred Mirror Units") are outstanding, for any then-current quarterly distribution period, unless distributions have been declared and paid or declared and set apart for payment on the preferred units or the Preferred Mirror Units, then, in each case for such then-current quarterly distribution period only, OCH (a) shall not cause or permit any of its operating subsidiaries to repurchase such operating subsidiary's common units or other junior units and (b) shall not cause or permit any of its operating subsidiaries to declare or pay or set apart payment for distributions on any of such operating subsidiary's common units or other junior units, other than, in the case of each of clauses (a) and (b), certain permitted distributions, or repurchases or distributions the proceeds of which are used, directly or indirectly, to effect any permitted distribution. The Letter Agreement is filed as an exhibit to this annual report.

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarter ended December 31, 2023.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections. Not applicable.

PART III.

Item 10. Directors, Executive Officers and Corporate Governance

Executive Officers and Directors

The following table sets forth information about our executive officers and directors as of March 21, 2024:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Howard S. Marks	77	Director and Co-Chairman
Bruce A. Karsh	68	Director and Co-Chairman
John B. Frank	67	Director and Vice Chairman
Nicholas H. Goodman	42	Chief Executive Officer
Daniel D. Levin	45	Chief Financial Officer and Secretary
Sheldon M. Stone	71	Director
Justin B. Beber	54	Director
Bruce Flatt	58	Director
Steven J. Gilbert	76	Director
Depelsha T. McGruder	51	Director
Mansco Perry	70	Director
Marna C. Whittington	76	Director

Howard S. Marks is our Co-Chairman and one of the firm's co-founders and has been a director since May 2007. Since the formation of Oaktree in 1995, Mr. Marks has been responsible for ensuring the firm's adherence to its core investment philosophy; communicating closely with clients concerning products and strategies; and contributing his experience to big-picture decisions relating to investments and corporate direction. From 1985 until 1995, Mr. Marks led the groups at The TCW Group, Inc. that were responsible for investments in distressed debt, high yield bonds, and convertible securities. He was also Chief Investment Officer for Domestic Fixed Income at TCW. Previously, Mr. Marks was with Citicorp Investment Management for 16 years, where from 1978 to 1985 he was Vice President and senior portfolio manager in charge of convertible and high yield securities. Between 1969 and 1978, he was an equity research analyst and, subsequently, Citicorp's Director of Research. Mr. Marks holds a B.S.Ec. degree *cum laude* from the Wharton School of the University of Pennsylvania with a major in finance and an M.B.A. in accounting and marketing from the Booth School of Business of the University of Chicago, where he received the George Hay Brown Prize. He is a CFA® charterholder. Mr. Marks is a Emeritus Trustee and Chairman of the Investment Committee at the Metropolitan Museum of Art. He is a member of the Investment Committee of the Royal Drawing School and is Professor of Practice at King's Business School (both in London). He serves on the Shanghai International Financial Advisory Council and the Advisory Board of Duke Kunshan University. He is an Emeritus Trustee of the University of Pennsylvania, where from 2000 to 2010 he chaired the Investment Board. With over 40 years of investment experience, Mr. Marks's extensive expertise in our industry, his perceptive market insights and his importance to our client development add value to our board of directors.

Bruce A. Karsh is our Co-Chairman and one of the firm's co-founders and has been a director since May 2007. He also serves as Chief Investment Officer of OCM and portfolio manager for Oaktree's Global Opportunities, Value Opportunities and Global Credit strategies. Prior to co-founding Oaktree, Mr. Karsh was a managing director of TCW Asset Management Company, and the portfolio manager of the Special Credits Funds from 1988 until 1995. Prior to joining TCW, Mr. Karsh worked as Assistant to the Chairman of SunAmerica, Inc. Prior to that, he was an attorney with the law firm of O'Melveny & Myers. Before working at O'Melveny & Myers, Mr. Karsh clerked for the Honorable Anthony M. Kennedy, then of the U.S. Court of Appeals for the Ninth Circuit and later an Associate Justice of the U.S. Supreme Court. Mr. Karsh holds an A.B. degree in economics *summa cum laude* from Duke University, where he was elected to Phi Beta Kappa. He went on to earn a J.D. from the University of Virginia School of Law, where he served as Notes Editor of the *Virginia Law Review* and was a member of the Order of the Coif. Mr. Karsh serves on the boards of a number of privately held companies. He is a member of the investment committee of the Broad Foundations. Mr. Karsh is Trustee Emeritus of Duke University, having served as Trustee from 2003 to 2015, and as Chairman of the Board of DUMAC, LLC, the entity that managed Duke's endowment, from 2005 to 2014. Additionally, Mr. Karsh's extensive leadership and management skills, his expertise in our industry and his current and past service on boards of other public companies add value to our board of directors.

John B. Frank is our Vice Chairman and has been a director of the Company since May 2007. Mr. Frank joined in 2001 as General Counsel and was named Oaktree's Managing Principal in early 2006, a position which he held for about nine years. As Managing Principal, Mr. Frank was the firm's principal executive officer and responsible for all aspects of the firm's management. Prior to joining us, Mr. Frank was a partner of the Los Angeles law firm of Munger, Tolles & Olson LLP, where he managed a number of notable merger and acquisition transactions. While at that firm, he served as primary outside counsel to public- and privately-held corporations, and as special counsel to various boards of directors and special board committees. Prior to joining Munger Tolles in 1984, Mr. Frank served as a law clerk to the Honorable Frank M. Coffin of the United States Court of Appeals for the First Circuit. Prior to attending law school, Mr. Frank served as a Legislative Assistant to the Honorable Robert F. Drinan, Member of Congress. Mr. Frank holds a B.A. degree with honors in history from Wesleyan University and a J.D. *magna cum laude* from the University of Michigan Law School, where he was Managing Editor of the Michigan Law Review and a member of the Order of the Coif. He is a member of the State Bar of California and, while in private practice, was listed in Woodward & White's Best Lawyers in America. Mr. Frank is the Chair of Oaktree Specialty Lending and a member of various of its Board Committees. Mr. Frank is a member of the Audit Committee of the Chevron Corporation board of directors, a member of the Audit and Compensation Committee of the Daily Journal Corporation board of directors and a Trustee of Wesleyan University, The James Irvine Foundation and the XPRIZE Foundation. Mr. Frank's legal background and knowledge of our company add value to our board of directors.

Nicholas H. Goodman is our Chief Executive Officer and has been in such role since March 2024. Mr. Goodman is also President and Chief Financial Officer of Brookfield. In Mr. Goodman's current role at Brookfield, he is responsible for allocating Brookfield's capital across its various businesses and new business initiatives. He also has overall responsibility for global finance, tax, treasury and capital markets. Prior to becoming President in 2022 and Chief Financial Officer in 2020, Mr. Goodman served as Managing Partner and Treasurer of Brookfield. Mr.

Goodman joined Brookfield in 2010 and since then has held several roles, including Chief Financial Officer of Brookfield Asset Management and Chief Financial Officer of Brookfield Renewable Partners. Prior to Brookfield, Mr. Goodman worked for large financial institutions in London and New York. Mr. Goodman holds a Bachelor of Arts (Hons) from the University of Strathclyde in Glasgow, Scotland, and is a member of the Institute of Chartered Accountants of Scotland.

Daniel D. Levin is our Chief Financial Officer and Secretary. He was previously Oaktree's Head of Corporate Finance and Chief Product Officer and a senior member of the corporate development group. Prior to joining Oaktree in 2011, Mr. Levin was a vice president in the Investment Banking division at Goldman, Sachs & Co., focusing on asset management firms and other financial institutions. His previous experience includes capital raising and mergers and acquisitions roles at Technoserve and Robertson Stephens, Inc. Mr. Levin received an M.B.A. with honors in finance from the Wharton School of the University of Pennsylvania and a B.A. degree with honors in economics and mathematics from Columbia University.

Sheldon M. Stone is a co-founder of Oaktree and has been a director of the Company since May 2007. Mr. Stone is the head of Oaktree's high yield bond area. In this capacity, he serves as co-portfolio manager of Oaktree's U.S. High Yield Bond and Global High Yield Bond strategies. Mr. Stone, a co-founding member of Oaktree in 1995, established TCW's High Yield Bond department with Mr. Marks in 1985 and ran the department for ten years. Prior to joining TCW, Mr. Stone worked with Mr. Marks at Citibank for two years where he performed credit analysis and managed high yield bond portfolios. From 1978 to 1983, Mr. Stone worked at The Prudential Insurance Company where he was a director of corporate finance, managing a fixed income portfolio exceeding \$1 billion. Mr. Stone holds a B.A. degree from Bowdoin College and an M.B.A. in accounting and finance from Columbia University, where he serves on the Board of Overseers. In addition, he is a Trustee of the Colonial Williamsburg Foundation, an Adjunct Professor at the University of Southern California and a member of the investment committee for Bowdoin College. With over 35 years of experience in the fixed income markets, Mr. Stone brings a wealth of knowledge to the board of directors. As one of our co-founders, he is also closely familiar with our business. His investment background and insights into the fixed income markets add value to our board of directors.

Justin B. Beber is Chief Operating Officer of Brookfield Asset Management. In this role, he has primary oversight of Brookfield Asset Management's corporate operations, including human resources, legal, compliance, risk management and internal audit activities. Mr. Beber is also responsible for the advancement and execution of strategic initiatives across Brookfield Asset Management. Prior to joining Brookfield in 2007, Mr. Beber was a partner with a leading Toronto-based law firm, where his practice focused on corporate finance, mergers and acquisitions and private equity. Mr. Beber earned his combined MBA/LLB from the Schulich School of Business and Osgoode Hall Law School at York University in Canada and holds a Bachelor of Economics from McGill University. Mr. Beber has been an Oaktree director since 2019. Mr. Beber's legal background and expertise in our industry add value to our board of directors.

Bruce Flatt is Chief Executive Officer of Brookfield and Brookfield Asset Management, a leading global alternative asset manager, and has been a director since October 2019. Mr. Flatt joined Brookfield in 1990 and became CEO in 2002. Under his leadership, Brookfield has developed a global operating presence in more than 30 countries. Mr. Flatt ran Brookfield's real estate and investment operations and has served on numerous public company boards over the past three decades. Mr. Flatt's extensive leadership and management skills, his expertise in our industry and his current and past service on boards of other public companies add value to our board of directors.

Steven J. Gilbert has been a director since October 2016. He is the founder and Chairman of the Board of Gilbert Global Equity Partners, L.P., an institutional investment firm established in 1997. In addition, Mr. Gilbert also founded Soros Capital, Commonwealth Capital Partners, and Chemical Venture Partners. He currently serves as Vice Chairman of the Executive Board of MidOcean Equity Partners, LP, Chairman of TRI Pointe Homes, Inc. and independent director on the Board of Directors of Empire State Realty Trust, Inc., MBIA Inc. and Fairholme Funds, Inc. Mr. Gilbert had recently served as a director of SDCL Edge Acquisition Corp. and Birch Grove Capital and has served on the boards of more than 25 other companies over the span of his career. Mr. Gilbert received a J.D. degree from Harvard Law School, an M.B.A. from Harvard Business School, and a B.S. in economics from the Wharton School of the University of Pennsylvania. Mr. Gilbert's investment and finance expertise add value to our board of directors.

Depelsha T. McGruder is the chief operating officer and treasurer for the Ford Foundation and has been a director since February 2021. Prior to joining the foundation in 2020, she served as COO of New York Public Radio (NYPR), overseeing internal operations and strategic planning for WNYC, WQXR, Gothamist.com, The Greene Space, and New Jersey Public Radio since 2018. Before her tenure at NYPR, Ms. McGruder spent 17 years at Viacom in senior leadership positions at both MTV and BET Networks. She started her career as a broadcast journalist, working as an on-air reporter, anchor, and producer for two commercial television stations in Georgia and subsequently spent time as a strategy consultant at Accenture in the media, telecommunications and high technology practice. Ms. McGruder is the founder and president of Moms of Black Boys United and M.O.B.B. United for Social Change, sister organizations dedicated to positively influencing how black boys and men are perceived and treated by law enforcement and in society. She holds a B.A. from Howard University and an M.B.A. from Harvard Business School. Ms. McGruder's finance expertise adds value to our board of directors.

Mansco Perry has been a director since February 2023. Mr. Perry was the Executive Director and Chief Investment Officer of the Minnesota State Board of Investment from October 2013 until his retirement in October 2022. He previously served as the Chief Investment Officer of Macalester College from 2010 to 2013; Chief Investment Officer of the Maryland State Retirement and Pension System from 2008 to 2010; and Assistant Executive Director and Deputy Chief Investment Officer of the Minnesota State Board of Investment from 1998 to 2008. He serves on the Investment Committee of Lawrence University. He has also served as a member of various investment committees, including the Investment Advisory Council of the New York State Teachers Retirement System. Additionally, throughout his career, he has served on the board of directors or the board of trustees of a number of private colleges, councils and foundations, including the Council of Institutional Investors where he was Treasurer from 2021 to 2022. In 2017, Mr. Perry received the Richard L. Stoddard Award in Recognition of His Outstanding Contributions to the Investment of Public Funds by the National Association of State Investment Officers. Mr. Perry holds a B.A. from Carleton College, an M.B.A. from the University of Chicago, and a J.D. from the William Mitchell School of Law. He was awarded the Chartered Financial Analyst, the Chartered Alternative Investment Analyst, and the Certificate in Investment Performance Measurement designations. Mr. Perry's investment and finance expertise add value to our board of directors.

Marna C. Whittington, Ph.D., has been a director since June 2012. Ms. Whittington was the Chief Executive Officer of Allianz Global Investors Capital from 2001 until her retirement in January 2012. From 2002 to 2011, she was Chief Operating Officer of Allianz Global Investors, the parent company of Allianz Global Investors Capital. Prior to that, she was Managing Director and Chief Operating Officer of Morgan Stanley Investment Management. Ms. Whittington started in the investment management industry in 1992, joining Philadelphia-based Miller Anderson & Sherrerd. Previously, she was Executive Vice President and CFO of the University of Pennsylvania, and earlier, Secretary of Finance for the State of Delaware. Ms. Whittington currently serves as a director of Ocugen and Phillips 66. She holds an M.S. degree and a Ph.D. from the University of Pittsburgh, both in quantitative methods, and a B.A. degree in mathematics from the University of Delaware. Ms. Whittington's investment and finance expertise and her familiarity with our company add value to our board of directors.

There are no family relationships among any of our executive officers and directors.

Board Structure and Governance

Composition of Our Board of Directors

Our operating agreement establishes a board of directors responsible for the oversight of our business and operations. Our operating agreement provides that until the earliest to occur of (a) Messrs. Howard Marks and Bruce Karsh, collectively, ceasing to beneficially own at least 42% of the equity in the Oaktree Operating Group they owned as of September 30, 2019, (b) Messrs. Howard Marks and Bruce Karsh both ceasing to be actively and substantially involved in the oversight of the affairs of the Oaktree Operating Group business, (c) the incapacitation of both Messrs. Howard Marks and Bruce Karsh, (d) either Messrs. Howard Marks or Bruce Karsh becoming incapacitated, and the other ceasing to be actively and substantially involved in the oversight of the affairs of the Oaktree Operating Group business for a period of at least 90 consecutive days or an aggregate of 180 calendar days in any 360-day period, except as a result of incapacitation, or (e) September 30, 2026, the board of directors will be comprised of no less than five individuals and, without Brookfield's consent, no more than 10 individuals, with two selected by OCGH and two selected by Brookfield. The remaining directors will be nominated by OCGH and be subject to joint written appointment by each of OCGH and Brookfield. In February 2021, the size of the board of directors was expanded to 11 directors with the consent of Brookfield. As of March 21, 2024, there are 10 directors on the board of directors. Upon the occurrence of any events described in clauses (a) through (e) above, for so long as the holders of OCGH units as of September 30, 2019 and certain related parties and certain permitted transferees (the "Permitted OCGH Holders") continue to beneficially own at least 15% of the equity in the Oaktree Operating Group beneficially owned by them immediately after the closing of the mergers on September 30, 2019, OCGH will be entitled to appoint a number of directors equal to the greater of (i) a number of directors proportionate to such equity ownership and (ii) two directors. Otherwise, for so long as the Permitted OCGH Holders continue to beneficially own at least 5% (but less than 15%) of the equity of the Oaktree Operating Group beneficially owned by them immediately after the closing of the mergers on September 30, 2019, OCGH will be entitled to appoint one director. Brookfield will appoint the remaining directors to the board of directors. Our board of directors consists of Messrs. Marks, Karsh, Frank, Stone, Beber, Flatt, Gilbert, Perry and Mss. McGruder and Whittington (for a total of 10 directors). Subject to our operating agreement, actions by our board of directors must be taken with the approval of at least a majority of its members.

Audit Committee

Because our preferred equity, but not our common equity, is listed on the NYSE, the corporate governance standards of the NYSE do not generally apply to us, other than the requirement to maintain an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act, and related certification requirements.

The purpose of the audit committee is to assist our board of directors in overseeing and monitoring the quality and integrity of our financial statements, our compliance with legal and regulatory requirements, the performance of our internal audit function and our independent registered public accounting firm's qualifications, independence and performance. Our audit committee is comprised of Messrs. Gilbert and Perry and Mss. McGruder and Whittington. Our board of directors has determined that Messrs. Gilbert and Perry and Mss. McGruder and Whittington meet the independence standards and financial literacy requirements for service on an audit committee of a board of directors under Rule 10A-3 promulgated under the Exchange Act and the NYSE rules. In addition, our board of directors has determined that each of Messrs. Gilbert and Perry and Mss. McGruder and Whittington is an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K and has "accounting or related financial management expertise" under applicable NYSE rules. The audit committee has a charter that is available on Oaktree's website at www.oaktreecapital.com under the "Unitholders – Investor Relations" section.

Code of Ethics

We have a Code of Ethics, which applies to our principal executive officer, principal financial officer and principal accounting officer and is available on our website at www.oaktreecapital.com under the "Unitholders – Investor Relations" section. We intend to disclose any amendment to or waiver of the Code of Ethics on behalf of a principal executive officer, principal financial officer or principal accounting officer, either on our website or in a Current Report on Form 8-K filing.

Communications to the Board of Directors

The non-management members of our board of directors meet quarterly. The non-management directors have selected Mr. Gilbert, one of our non-management directors, to lead these meetings for 2024. All interested parties, including any employee or unitholder, may send communications to the non-management members of our board of directors by writing to: Brookfield Oaktree Holdings, LLC, Attn: Chief Financial Officer and Secretary, 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who beneficially own more than ten percent of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership with the SEC and furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports furnished to us or written representations from such persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that, with respect to the year ended December 31, 2023, such persons complied with all such filing requirements.

Item 11. Executive Compensation

Compensation Discussion and Analysis

Overview of Compensation Philosophy and Program

Except with respect to carried interest and profit sharing arrangements that certain of our Named Executive Officers (“NEOs”) receive from Oaktree Capital I and its consolidated subsidiaries, or, prior to November 30, 2022, received from Oaktree Capital I, OCM Cayman and their respective consolidated subsidiaries, our NEOs do not receive compensation from us for their services. Rather, we pay a service fee to OCM pursuant to the Services Agreement, as described under “Certain Relationships and Related Transactions, and Director Independence—BOH Services Agreement with OCM,” and OCM compensates its officers and other employees that perform duties for us. Their compensation is set by OCM.

Our fundamental philosophy in compensating our key personnel under our carried interest and profit sharing arrangements has always been to align their interests with the interests of our clients and unitholders and to motivate and reward long-term performance. The alignment of interests is a defining characteristic of our business and one that we believe best optimizes long-term sustainable value.

The following individuals were our NEOs for fiscal year 2023: (a) Bruce A. Karsh, our Co-Chairman; (b) Jay S. Wintrob, our former Chief Executive Officer; (c) Daniel D. Levin, our Chief Financial Officer; and (d) John B. Frank, our Vice Chairman. We only have four NEOs for fiscal year 2023 because none of our other executive officers receive compensation from us or our subsidiaries.

Profit Sharing Arrangements

We paid Mr. Wintrob and Mr. Frank a certain percentage of our profits comprised of fee-related earnings, net investment income and net incentive income, with certain adjustments, attributable to Oaktree Capital I and its consolidated subsidiaries or, prior to November 30, 2022, to Oaktree Capital I, OCM Cayman and their respective consolidated subsidiaries. More details regarding these arrangements, are described below.

Carried Interest or Incentive Income

Mr. Karsh and Mr. Frank have a right to receive a portion of the incentive income generated by certain of our funds through their participation interests in the carry pools generated by the general partners of these funds. The carry pools (and our NEOs’ participation therein) are referred to as our “Carry Plans.” Under the terms of the closed-end funds, we (and officers and employees who share in carried interest) are generally not entitled to carried interest distributions (other than tax distributions) until the investors in the funds have received a return of all contributed capital plus a preferred return, which is typically 8%. Because the aggregate amount of carried interest payable through the Carry Plans is directly tied to the realized performance of the funds, we believe this fosters a strong alignment of interests among the investors in those funds and these NEOs, and therefore benefits both those investors and our unitholders.

For purposes of our financial statements, we treat the income allocated to all of our personnel who have participation interests in the incentive income generated by our funds as compensation, and the allocations of incentive income earned by our NEOs in respect of 2023 are accordingly set forth under “All Other Compensation” in the Summary Compensation Table below, even though they may not have received such amounts in cash.

The Carry Plans largely consist of the participation interests in certain of our investment funds paid to the general partners of those funds, which in turn have granted a portion of such interests to Oaktree’s investment professionals. Certain investment funds and separate accounts that we manage pay incentive fees directly to certain members of the Oaktree Operating Group. Our NEOs with profit sharing arrangements will also receive a portion of incentive fees through those profit sharing arrangements.

Compensation of the Individual NEOs

A. Bruce A. Karsh

All of the compensation earned by Mr. Karsh from us in fiscal year 2023 consisted of carried interest we received from certain of our Opportunistic Credit funds, our largest closed-end strategy. Mr. Karsh received such carried interest as the portfolio manager of these funds.

B. *Jay S. Wintrob*

Pursuant to his employment agreement, Mr. Wintrob is entitled to profit sharing payments equal to a fixed percentage of Oaktree's operating profit and income during the employment term. The fixed percentage is 1.5% in each of 2015-2024, up to the level of profit and income in 2014 and 1.75% of profit and income that exceeds the 2014 level, if any. Beginning in 2017, Mr. Wintrob's profit sharing payments are calculated by including a portion of the net incentive income on pre-employment funds. For 2020 and later, the payments are calculated taking into account 50% of the net incentive income earned by Oaktree that is derived from such funds. In all cases, Mr. Wintrob's profit sharing payments will have a floor of \$5,000,000 per year, pro-rated for partial years. Payments will be made, in arrears, in a combination of cash and awards under a long-term incentive plan administered by OCM, but at least the first \$3,000,000 in each year will be paid in cash. The portion of Mr. Wintrob's annual profit sharing attributable to 2023 that is intended to be paid in the form of an award under a long-term incentive plan (but which may be paid in cash instead) is not reflected in the Summary Compensation table below because that award (or cash payment, as applicable) is a liability of OCM.

When setting the level of Mr. Wintrob's profit participation, including the annual floor, Howard Marks, our Co-Chairman, and Mr. Karsh took into account the anticipated performance of the Company, Mr. Wintrob's role and responsibilities, the level of compensation of certain other NEOs and their subjective understanding of the market for chief executive officer compensation.

C. *Daniel D. Levin*

Mr. Levin does not receive compensation from us for his services. Rather, we pay a service fee to OCM pursuant to the Services Agreement, as described under "Certain Relationships and Related Transactions, and Director Independence—BOH Services Agreement with OCM," and OCM compensates Mr. Levin, including for the duties that he performs for us. Mr. Levin's compensation is set by OCM.

D. *John B. Frank*

Mr. Frank received a share of the carried interest from our largest closed-end strategy, Opportunistic Credit, both in recognition of his historical contributions to the management of some of the strategy's investments and in lieu of other compensation, such as a greater profit sharing percentage or additional OCGH units.

For 2023 Mr. Frank also received (a) 1.3% of the net incentive income of the Oaktree Operating Group from certain funds that existed as of December 31, 2014 (b) 1.0% of the net incentive income of Oaktree Operating Group from certain funds that started during 2015 or had substantial or final closings during 2015, and (c) 0.5% of the net incentive income of the Oaktree Operating Group from certain funds that started after December 31, 2015 or whose final or more substantial closing occurred after December 31, 2015.

Additionally, for 2023 Mr. Frank was entitled to receive profit sharing payments that reflect 0.5% of the net investment income and fee-related earnings of the Oaktree Operating Group subject to certain adjustments. Mr. Frank's profit sharing of net incentive income, net investment income and fee-related earnings was subject to a cap of \$2,000,000 in 2023.

Mr. Frank's remuneration for 2023 was determined based on his responsibilities as Vice Chairman.

No Perquisites

We do not provide our executive officers with perquisites.

Summary Compensation Table for 2023

The following table provides summary information concerning the compensation of Jay S. Wintrob, our principal executive officer, Daniel D. Levin, our chief financial officer, and our two other most highly compensated executive officers as of December 31, 2023, for services rendered to us during 2023. As explained above, we only have four NEOs for fiscal year 2023 because none of our other executive officers receive compensation from us or our subsidiaries.

The figures in this table reflect carried interest and profit sharing arrangements that certain of our NEOs received from Oaktree Capital I and its consolidated subsidiaries, or, prior to November 30, 2022, received from Oaktree Capital I, OCM Cayman and their respective consolidated subsidiaries. Except with respect to carried interest and profit sharing arrangements that certain of our NEOs received from Oaktree Capital I and its consolidated subsidiaries, or, prior to November 30, 2022, received from Oaktree Capital I, OCM Cayman and their respective consolidated subsidiaries, our executive officers do not receive compensation or perquisites from us for their services. Rather, we pay a service fee to OCM pursuant to the Services Agreement, as described under “Certain Relationships and Related Transactions, and Director Independence— BOH Services Agreement with OCM,” and OCM compensates its officers and other employees that perform duties for us. Their compensation is set by OCM.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Bruce A. Karsh, Co-Chairman	2023	\$ —	\$ —	\$ —	\$ 15,257	\$ 15,257
	2022	\$ —	\$ —	\$ —	\$ 173,423	\$ 173,423
	2021	\$ —	\$ —	\$ —	\$ 2,119,747	\$ 2,119,747
Jay S. Wintrob, Chief Executive Officer	2023	\$ —	\$ —	\$ —	\$ 1,381,451	\$ 1,381,451
	2022	\$ —	\$ —	\$ —	\$ 2,158,711	\$ 2,158,711
	2021	\$ —	\$ —	\$ —	\$ 10,347,945	\$ 10,347,945
Daniel D. Levin, Chief Financial Officer	2023	\$ —	\$ —	\$ —	\$ —	\$ —
	2022	\$ —	\$ —	\$ —	\$ —	\$ —
	2021	\$ —	\$ —	\$ —	\$ —	\$ —
John B. Frank, Vice Chairman	2023	\$ —	\$ —	\$ —	\$ 401,476	\$ 401,476
	2022	\$ —	\$ —	\$ —	\$ 671,560	\$ 671,560
	2021	\$ —	\$ —	\$ —	\$ 2,401,490	\$ 2,401,490

(1) Please see the “All Other Compensation Supplemental Table” below.

All Other Compensation Supplemental Table

The following table provides additional information regarding each component of the All Other Compensation column in the Summary Compensation Table:

Name	Year	Payments in Respect of Carried Interest ⁽¹⁾	Profits Participation ⁽²⁾	Total
Bruce A. Karsh	2023	\$ 15,257	\$ —	\$ 15,257
	2022	\$ 173,423	\$ —	\$ 173,423
	2021	\$ 2,119,747	\$ —	\$ 2,119,747
Jay S. Wintrob	2023	\$ —	\$ 1,381,451	\$ 1,381,451
	2022	\$ —	\$ 2,158,711	\$ 2,158,711
	2021	\$ —	\$ 10,347,945	\$ 10,347,945
Daniel D. Levin	2023	\$ —	\$ —	\$ —
	2022	\$ —	\$ —	\$ —
	2021	\$ —	\$ —	\$ —
John B. Frank	2023	\$ 3,704	\$ 397,772	\$ 401,476
	2022	\$ 47,314	\$ 624,246	\$ 671,560
	2021	\$ 827,477	\$ 1,574,013	\$ 2,401,490

(1) Amounts included for 2023 represent amounts earned on an accrual basis in respect of participation interests in incentive income generated by our funds with respect to the year ended December 31, 2023. To the extent that timing differences may exist between when amounts are earned on an accrual basis and paid in cash, these amounts do not reflect actual cash carried interest distributions to the NEOs during such periods. Timing differences typically arise when cash is distributed in the quarter immediately following the one in which the related income was earned.

(2) Amounts included for 2023 represent the amounts earned on an accrual basis in a given year in respect of the NEO's annual profits participation interest.

Non-competition, Non-solicitation and Confidentiality Restrictions

Pursuant to the terms of OCGH's partnership agreement or applicable equity grant agreements, our executive officers (including our NEOs) are subject to customary provisions regarding non-solicitation of our clients and employees, confidentiality, assignment of intellectual property and non-disparagement obligations. In addition, during their term of employment with Oaktree and for a period up to one year immediately following the resignation or termination of employment (other than a termination by us without cause), unless they, their family members and related entities have not held any OCGH units or OEP units in the twelve-month period immediately preceding the last day of their employment, our executive officers other than our current Chief Executive Officer (who is subject to separate obligations to Brookfield) may not, directly or indirectly:

- engage in any business activity in which we operate, including any Competitive Business (as defined below);
- render any services to any Competitive Business; or
- acquire a financial interest in or become actively involved with any Competitive Business (other than as a passive investor holding a minimal percentage of the stock of a public company).

Under the terms of OCGH's partnership agreement or applicable equity grant agreements, and during the term of employment and for the two-year period immediately following the earlier of (a) resignation or termination of employment for any reason or (b) the executive officer, their family members and related entities ceasing to hold any OCGH units or OEP units, our executive officers may not solicit our customers or clients for a Competitive Business or induce any employee to leave our employ. Mr. Wintrob is also subject to restrictions on solicitation of customers, clients and employees under his employment agreement.

"Competitive Business" means any business which is competitive with the business of any member of the Oaktree Operating Group or any of its affiliates (including raising, organizing, managing or advising any fund having an investment strategy in any way competitive with any of the funds managed by any member of the Oaktree Operating Group or any of its affiliates) anywhere in the United States or any other country where a member of the

Oaktree Operating Group or any of its affiliates conducts business.

Incentive Income

Participation in incentive income generated by our funds through the Carry Plans is typically subject to a five-year vesting schedule, under which a participating NEO's interest will vest in increments of 22% on each of the first through fourth anniversaries of the closing date of the applicable fund, with the remaining 12% of the interest vesting on or after the fifth anniversary of such closing date, subject to certain limitations as set forth in the applicable governing documents. Under the terms of the applicable governing documents, NEOs are subject to various covenants addressing confidentiality, intellectual property, non-solicitation and non-disparagement. Pursuant to the terms of the Carry Plans, a participating NEO's incentive income interest is subject to clawback in the event that the general partner of the applicable fund is required to return any distributions (other than tax distributions) received in respect of such NEO's interest in the applicable fund.

Grants of Plan-Based Awards in 2023

No grants of equity-based awards were made to our NEOs during the 2023 fiscal year. No grants of long-term incentive awards were made by us to our NEOs during the 2023 fiscal year.

Potential Payments upon Termination of Employment or Change in Control at 2024 Year End

We do not have any formal cash-based severance or change of control plans or agreements in place for any of our NEOs.

In all cases, neither Mr. Karsh nor Mr. Frank is entitled to any additional vesting of their participation rights in the incentive income generated by our funds as a result of a change in control of us or any of our affiliates. The impact of a termination of employment on the incentive income participation rights held by each of Messrs. Karsh and Frank is described below.

Incentive Income (Messrs. Karsh and Frank)

Generally, upon the earliest to occur of a participating NEO's death, "disability" (as defined in the applicable governing documents), termination without "cause" (as defined in the applicable governing documents) or resignation (each, a "termination event"), such NEO's incentive income interest will be converted into the right to receive a residual percentage (which cannot exceed the NEO's interest prior to such termination event) of the distributions the NEO otherwise would have received absent such termination event, as described below.

In the case of a termination event other than resignation, the residual percentage will be the participating NEO's interest prior to such event.

If a participating NEO resigns, the residual percentage generally will equal the product of:

- the participating NEO's interest prior to such resignation; and
- the participating NEO's vested percentage as of the resignation date (as discussed above under "—Carried Interest or Incentive Income").

If a participating NEO resigns and engages in competitive activity within two years following his resignation, the NEO's residual percentage will be reduced further (by as much as 50%).

In the event that a participating NEO is terminated for cause, he immediately forfeits all rights to further distributions of incentive income.

The following table sets forth the estimated value of the incentive income distributions that would be made in respect of the participating NEO's unvested incentive income interests under the Carry Plans attributable to BOH, assuming those interests became fully vested on December 31, 2023 upon a termination of employment without cause or termination due to death, disability or resignation. No amount is payable or accelerated in respect of an interest in the incentive income upon an individual's termination, regardless of the reason for the termination. Rather, an individual who is terminated will receive amounts payable as and when we receive the associated incentive income (which is expected to occur over a number of years) in accordance with the same payment schedule as would have been in effect in the absence of termination.

The values disclosed below in respect of the rights of participating NEOs to continue to participate in distributions of incentive income, whether at the same level as before termination or at a reduced level as described above under "—Potential Payments Upon Termination of Employment or Change in Control at 2024 Year End," have been determined assuming that each of the funds in respect of which the participating NEOs would have a

right to incentive income had been liquidated on December 31, 2023 and all of the funds' assets distributed in accordance with their respective distribution provisions at a value equal to their book value as of December 31, 2023. We have calculated the amounts set forth below using these assumptions because distributions made on a liquidation basis would yield the maximum amounts potentially payable to each of the participating NEOs, had a termination of employment actually occurred on December 31, 2023. We note, however, that the values set forth below were computed based on assumptions that may not be accurate or applicable to a given circumstance of termination. The actual amounts to be paid upon a particular termination of employment cannot be directly determined since such payments would be based on several factors, including when termination of employment occurs, the circumstances of termination, the time period for fund liquidation, the investment performance of the fund and the value at which such liquidations actually occur, when Oaktree determines to make distributions from such funds, when income is realized from such funds and the actual amounts so realized.

Estimated Distributions in Respect of Acceleration of Unvested Incentive Income Interests

<u>Name</u>	<u>Liquidation Value of Interests Subject to Vesting Acceleration</u>
Bruce A. Karsh	\$ 11,706,931
John B. Frank	\$ 4,643,337

Impact of the Expiration of Mr. Wintrob's Employment Agreement on March 31, 2024 on His Profit Sharing Payments

In accordance with the terms of his employment agreement, because Mr. Wintrob's employment is expected to continue through March 31, 2024, Mr. Wintrob will be entitled as of such date pursuant to his employment agreement to: (i) the profit sharing payments, through the end of the first fiscal quarter of 2024, a portion of which are attributable to equity interests in Oaktree Capital I, OCM Cayman or their respective consolidated subsidiaries, and (ii) immediate vesting of all unvested Converted OCGH Units delivered in respect of prior profit sharing payments.

CEO Median Employee Pay Ratio

In August 2015, the SEC issued final rules implementing the provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act that require U.S. publicly-traded companies to disclose the ratio of their Chief Executive Officer's compensation to that of their median employee. Disclosure pursuant to such rules is not included herein because we do not have any employees.

Director Compensation Table for 2023

The following table sets forth the cash and long-term incentive compensation paid to our outside directors listed below for the year ended December 31, 2023:

<u>Name</u>	<u>Fees Earned or Paid in Cash ⁽¹⁾</u>	<u>Other Compensation</u>	<u>Total</u>
Steven J. Gilbert	\$ 225,000	\$ 100,000	\$ 325,000
Depelsha T. McGruder	\$ 125,000	\$ 100,000	\$ 225,000
Mansco Perry	\$ 125,000	\$ 100,000	\$ 225,000
Marna C. Whittington	\$ 140,000	\$ 100,000	\$ 240,000

- (1) Annual cash retainer and fees for serving on our board of directors and for serving on the Audit Committee of our Board. Mr. Gilbert also receives an annual cash retainer of \$100,000 for serving as our lead outside director. The members of our board of directors also serve on the board of Oaktree Capital Holdings, LLC (formerly known as Atlas OCM Holdings, LLC) for no additional compensation.
- (2) Initial value of long-term incentive awards granted in 2023 under the Brookfield Oaktree Holdings, LLC Amended and Restated Long-Term Incentive Plan, subject to four-year vesting.

During 2023, we compensated our outside directors named above through an annual cash retainer of \$100,000 and the grant of long-term incentive awards. Directors who were also employees of Oaktree during any portion of 2023, specifically Messrs. Marks, Karsh, Stone, Wintrob and Frank, and directors who were also employees of Brookfield during any portion of 2023, specifically Messrs. Flatt and Beber, do not receive any additional compensation for serving on our board of directors. Members of our audit committee received an

additional annual retainer of \$25,000, and the chair of the audit committee received an additional annual retainer of \$15,000. The lead outside director received an additional annual retainer of \$100,000. All members of the board of directors are reimbursed for their reasonable out-of-pocket expenses incurred in attending board meetings.

The long-term incentive awards granted in 2023 for Messrs. Gilbert and Perry, and Mss. McGruder and Whittington under the Brookfield Oaktree Holdings, LLC Amended and Restated Long-Term Incentive Plan had an initial value equal to \$100,000.

Compensation Committee Interlocks and Insider Participation

As described under “Directors, Executive Officers and Corporate Governance—Board Structure and Governance—Controlled Company Exemption,” we are a “controlled company” within the meaning of the NYSE corporate governance standards and do not have a compensation committee. For a description of certain transactions involving us and our directors and executive officers, please see “Certain Relationships and Related Transactions, and Director Independence.”

Compensation Committee Report

As described above, our board of directors does not have a compensation committee. The directors listed below have reviewed and discussed with management the foregoing Compensation Discussion and Analysis and, based on such review and discussion have determined that the Compensation Discussion and Analysis should be included in this annual report.

Howard S. Marks
Bruce A. Karsh
John B. Frank
Sheldon M. Stone
Bruce Flatt
Justin B. Beber
Steven J. Gilbert
Marna C. Whittington
Depelsha T. McGruder
Mansco Perry

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information regarding the current beneficial ownership of our Class A units, Class B units, Series A preferred units, Series B preferred units and of OCGH units and OEP units by:

- each person known to us to beneficially own more than 5% of any class of the outstanding voting securities of Brookfield Oaktree Holdings, LLC;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

In the following table, the applicable percentage ownership with respect to the Class A units and the Class B units beneficially owned represents the applicable unitholder's holdings of Class A units and Class B units, respectively, as a percentage of 109,198,991 Class A units outstanding and 50,930,598 Class B units outstanding, respectively, as of March 19, 2024. The applicable percentage ownership with respect to the OCGH or OEP units beneficially owned represents the applicable unitholder's holdings of OCGH or OEP units as a percentage of the 160,129,589 Oaktree Operating Group units outstanding as of March 19, 2024. The applicable unitholder's aggregate holdings of Class A units, OCGH units and OEP units represents such unitholder's aggregate economic interest in the Oaktree Operating Group.

Beneficial ownership is determined in accordance with the rules of the SEC. Under these rules, more than one person may be deemed a beneficial owner of the same securities, and a person may be deemed a beneficial owner of securities as to which he has no economic interest. To our knowledge, except as otherwise set forth in the notes to the following table, each person named in the table has sole voting and investment power with respect to all of the interests shown as beneficially owned by such person, subject to applicable community property laws. Unless otherwise specified, the address of each person named in the table is c/o Brookfield Oaktree Holdings, LLC, 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071.

Named Executive Officers and Directors	Class A Units Beneficially Owned		Class B Units Beneficially Owned		OCGH/ OEP Units Beneficially Owned ⁽¹⁾		Series A Preferred Units Beneficially Owned		Series B Preferred Units Beneficially Owned	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Howard S. Marks	—	—	— (2)	—	11,249,454	7.0 %	—	—	—	—
Bruce A. Karsh	—	—	— (2)	—	9,605,178	6.0	—	—	—	—
Jay S. Wintrob	—	—	—	—	165,869	*	—	—	—	—
John B. Frank	—	—	—	—	1,360,549	*	—	—	—	—
Daniel D. Levin	—	—	—	—	179,202	*	—	—	—	—
Sheldon M. Stone	—	—	—	—	6,493,406	4.1	—	—	—	—
Justin B. Beber	—	—	—	—	—	—	—	—	—	—
Bruce Flatt	—	—	—	—	—	—	—	—	—	—
Steven J. Gilbert	—	—	—	—	—	*	19,211	*	30,000	*
Depelsha T. McGruder	—	—	—	—	—	—	—	—	—	—
Mansco Perry	—	—	—	—	—	—	1,000	*	—	*
Marna C. Whittington	—	—	—	—	1,770	*	—	—	—	—
All executive officers and directors as a group (12 persons)	—	—	—	—	29,055,428	18.1	20,211	*	30,000	*
5% Unitholders										
Oaktree Capital Group Holdings, L.P.	—	—	50,930,598	100 %	—	—	—	—	—	—
Brookfield Corporate Treasury Ltd.	109,198,991	100 %	—	—	—	—	—	—	—	—

* Represents less than 1%.

- (1) Subject to certain restrictions, each OCGH unitholder and OEP unitholder has the right to exchange his or her vested units for cash and/or Brookfield Class A shares. Exchange consideration for OCGH units may also include notes issued by a Brookfield subsidiary and/or equity interests in a subsidiary of OCGH that will entitle such unitholder to the proceeds from a note. The form of the consideration in an exchange is generally in the discretion of Brookfield, subject to certain limitations.
- (2) Excludes 50,930,598 Class B units held by OCGH. The general partner of OCGH is Oaktree Capital Group Holdings GP, LLC. In their capacities as members of the executive committee of Oaktree Capital Group Holdings GP, LLC holding more than 50% of the aggregate number of OCGH units held by all of the members of the executive committee as a group, Mr. Marks and Mr. Karsh may be deemed to be beneficial owners of the securities held by OCGH. Each of Mr. Marks and Mr. Karsh disclaims beneficial ownership of such securities.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Exchange Agreement

The Fourth Amended and Restated Exchange Agreement allows, among other things, limited partners of OCGH to exchange their OCGH units that have vested for cash, Brookfield Class A Shares, notes issued by a Brookfield subsidiary or equity interests in a subsidiary of OCGH that will entitle such limited partners to the proceeds from a note. Either of such notes will have a three-year maturity and will accrue interest at the then-current 5-year treasury note rate plus 3%. Only Converted OCGH Units (each "Converted OCGH Unit" being an OCGH Unit that was converted from one unvested Class A Unit held by a current, or in certain cases former, employee, officer or director of Oaktree or its subsidiaries at the closing of the Mergers), OCGH Units issued and outstanding at the time of the closing of the Mergers, OCGH Units issued after the closing of the Mergers pursuant to agreements in effect on March 13, 2019, OCGH Units issuable upon vesting of certain phantom equity awards ("Phantom Units") and other OCGH Units consented to by Brookfield will, when vested, be eligible to participate in an exchange. The form of the consideration in an exchange is generally in the discretion of Brookfield, subject to certain limitations.

In general, OCGH limited partners are entitled to provide an election notice to participate in an exchange with respect to eligible vested OCGH Units during the first 60 calendar days of each year. Each exchange will be consummated within the first 155 days of such calendar year, subject to extension in certain circumstances.

2022 Restructuring

On November 30, 2022, in connection with an internal Oaktree reorganization to facilitate the separation of Brookfield's capital business and asset management business, we and certain other entities entered into a restructuring agreement related to the 2022 Restructuring. As a result of the 2022 Restructuring, we (i) distributed all of our interests in the economic shares of Oaktree Holdings, Ltd., the parent entity of OCM Cayman, to our sole Class A unitholder and (ii) transferred all of our interests in the voting shares of Oaktree Holdings, Ltd. to Oaktree Capital Holdings, LLC (formerly known as Atlas OCM Holdings, LLC), which is a non-subsidiary affiliate of ours. Accordingly, subsequent to the 2022 Restructuring, the Company's operations are now conducted through an indirect economic interest in only one of the Oaktree Operating Group entities, specifically Oaktree Capital I, and because we no longer hold an economic interest in OCM Cayman or a voting interest in its general partner, OCM Cayman was deconsolidated as of the effective date of the 2022 Restructuring. Further, we concluded that we are no longer the primary beneficiary for CLOs as their direct ownership interests are held by OCM Cayman. Additionally, subsequent to the 2022 Restructuring, we no longer earn management fees or subadvisory fees from our funds or our affiliates, and we are generally only entitled to earn one-third of the incentive income attributable to Oaktree Capital I in respect of our closed-end funds established in 2022 or later and in respect of incentive income from our evergreen funds earned subsequent to January 1, 2023.

2024 Restructuring

During the second quarter of 2024, subject to obtaining certain regulatory approvals, another internal Oaktree reorganization is expected to be effected whereby, among other things, the General Partner of Oaktree Capital I will be changed from Brookfield OCM Holdings II, LLC (formerly known as OCM Holdings I, LLC) to Oaktree Capital I GP, LLC, a newly formed subsidiary of Oaktree Capital Holdings, LLC (formerly known as Atlas OCM Holdings, LLC), but Brookfield OCM Holdings II, LLC will remain a limited partner of Oaktree Capital I and retain its economic interest therein (the "2024 Restructuring"). See Item 8.01 of the Company's Current Report on Form 8-K filed with the SEC on March 5, 2024 for more information about the 2024 Restructuring.

Letter Agreement with OCH

On March 20, 2024, the Company entered into a letter agreement (the "Letter Agreement") with OCH whereby OCH agreed that, so long as any (i) of the preferred units or (ii) the Series A Preferred Mirror Units or the Series B Preferred Mirror Units of Oaktree Capital I (collectively, the "Preferred Mirror Units") are outstanding, for any then-current quarterly distribution period, unless distributions have been declared and paid or declared and set apart for payment on the preferred units or the Preferred Mirror Units, then, in each case for such then-current quarterly distribution period only, OCH (a) shall not cause or permit any of its operating subsidiaries to repurchase such operating subsidiary's common units or other junior units and (b) shall not cause or permit any of its operating subsidiaries to declare or pay or set apart payment for distributions on any of such operating subsidiary's common units or other junior units, other than, in the case of each of clauses (a) and (b), certain permitted distributions, or repurchases or distributions the proceeds of which are used, directly or indirectly, to effect any permitted distribution.

BOH Services Agreement with OCM

BOH entered into a Services Agreement with OCM effective October 1, 2019 (the "Services Agreement"). OCM was an operating subsidiary of BOH prior to the 2019 Restructuring and provides certain services relating to the management and operation of our business.

Under the Services Agreement, we are required to pay a fee of \$750,000 to OCM annually for the services provided, payable in quarterly installments.

The Services Agreement has an indefinite term but may be terminated by us or OCM upon at least 90 days' written notice to the other party. We incurred service fees of \$750,000 for fiscal year 2023 under the Services Agreement.

Oaktree Operating Group Partnership Agreements

The Oaktree business is conducted through the Oaktree Operating Group and its subsidiaries. Pursuant to the partnership agreement of Oaktree Capital I, which is the only Oaktree Operating Group entity controlled by us after the 2022 Restructuring, our indirect subsidiary that serves as the general partner of Oaktree Capital I has the right to determine when distributions will be made to the holders of interests in Oaktree Capital I units and the amounts of any such distributions.

Each of the Oaktree Operating Group partnerships has an identical number of common units outstanding, and we use the term "Oaktree Operating Group unit" to refer, collectively, to a common unit in each of the Oaktree Operating Group partnerships. As of March 19, 2024, there were 160,129,589 Oaktree Operating Group units outstanding. The holders of Oaktree Operating Group units, including units in Oaktree Capital I and the holding companies through which we indirectly own units in Oaktree Capital I, will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of the Oaktree Operating Group. Net profits and net losses of Oaktree Operating Group units generally are allocated to the holders of such units (including the intermediate holding companies) pro rata in accordance with the percentages of their respective interests. The partnership agreement of each Oaktree Operating Group partnership provides for cash distributions, which we refer to as "tax distributions," to the partners of such partnership if we determine that the allocation of the partnership's income will give rise to taxable income for its partners. Generally, these tax distributions are computed based on our estimate of the net taxable income of the relevant entity allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in Los Angeles, California or New York, New York (taking into account the nondeductibility of certain expenses and the character of our income). Tax distributions are made only to the extent that all distributions from the Oaktree Operating Group for the relevant year were insufficient to cover such tax liabilities.

The partnership agreements of the Oaktree Operating Group partnerships also provide that substantially all of our expenses will be borne by the Oaktree Operating Group.

In connection with the Mergers and the 2019 Restructuring, the partnership agreements of the Oaktree Operating Group entities were amended in order to (i) align the governance provisions with the provisions of our operating agreement and the operating agreement of Oaktree Capital Holdings, LLC, (ii) provide for cash distributions to be made in a manner consistent with the payment of obligations under any notes that may be issued pursuant to the exchange mechanism in the Exchange Agreement, (iii) provide for non-pro rata distributions to discharge expenses relating to indemnification of directors, officers and other indemnitees under our operating agreement and the operating agreement of Oaktree Capital Holdings, LLC, and (iv) provide for the payment of certain expenses of the Oaktree Operating Group. The amendments also aligned the partnership agreements of the Oaktree Operating Group entities with the cash distribution policy adopted at the closing of the Mergers, which generally provides for the distribution by entities within the Oaktree Operating Group to their equity holders of at least 85% of the cash available for distribution (taking into account the special distributions described in this paragraph).

In connection with the issuance by the Company of each series of preferred units, Oaktree Capital I issued preferred units that have economic terms designed to mirror those of the Company's preferred units and that are held directly or indirectly by the Company.

Aircraft Use

OCM leases from Mr. Karsh on a non-exclusive basis an aircraft owned personally by him, pursuant to which he may use the plane for both Oaktree-related travel and personal travel. All payments related to the plane are made by OCM and not by us.

Investments in Funds

Our directors and executive officers are permitted to invest their own capital (or the capital of family trusts or other estate planning vehicles they control) in Oaktree funds. These investment opportunities are available to all Oaktree professionals who Oaktree has determined have a status that reasonably permits Oaktree to offer them these types of investments in compliance with applicable laws and regulations. These investment opportunities are available on the same terms and conditions as those applicable to third-party investors in Oaktree funds and bear their share of management fees, except that they are not subject to incentive fees. As of December 31, 2023, Oaktree manages approximately \$0.9 billion of AUM invested by our directors and executive officers and certain current and former Oaktree employees in Oaktree funds. During the year ended December 31, 2023, the following directors and executive officers made the following contributions of their own capital (and/or the capital of family trusts or other estate planning vehicles they control) to Oaktree funds and are expected to continue to contribute capital in Oaktree funds from time to time: Mr. Marks contributed an aggregate of \$13,935,000; Mr. Karsh and entities affiliated with Mr. Karsh contributed an aggregate of \$42,410,724; Mr. Frank contributed an aggregate of \$2,833,715; Mr. Stone contributed an aggregate of \$4,475,701; Mr. Wintrob and entities affiliated with Mr. Wintrob contributed an aggregate of \$3,837,568; and Mr. Levin contributed an aggregate of \$841,488, respectively. During the year ended December 31, 2023, the following directors and executive officers (and/or family trusts or other estate planning vehicles they control) received the following net distributions from Oaktree funds as a result of their invested capital: Mr. Stone received \$6,226,918; Mr. Wintrob and entities affiliated with Mr. Wintrob received \$2,032,930; Mr. Frank received \$1,289,279; Mr. Karsh and entities affiliated with Mr. Karsh received an aggregate of \$69,501,397; Mr. Marks received \$2,689,718; and Mr. Levin received \$268,742, respectively.

Limitations on Liability; Indemnification of Directors, Officers and Manager

Our operating agreement provides that our directors and officers will be liable to us or our unitholders for an act or omission only if such act or omission constitutes a breach of the duties owed to us or our unitholders, as applicable, by any such director or officer and such breach is the result of (a) willful malfeasance, gross negligence, the commission of a felony or a material violation of law, in each case, that has or could reasonably be expected to have a material adverse effect on us or (b) fraud.

Moreover, in our operating agreement we have agreed to indemnify our directors and officers, to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with our approval and counsel fees and disbursements) arising from the performance of any of their obligations or duties in connection with their service to us, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may be made a party by reason of being or having been one of our directors or officers or our manager, except for any expenses or liabilities that have been finally judicially determined to have arisen primarily from acts or omissions that violated the standard set forth in the preceding paragraph.

The indemnification rights that we provide to our directors and officers are more expansive than those provided to the directors and officers of a Delaware corporation.

Intercompany Loans

We have from time to time put in place and expect in the future to continue putting in place one or more intercompany loans between OCM, OCM Cayman, Oaktree Capital II, Oaktree Investment Holdings or Oaktree AIF, on the one hand, and our operating company subsidiary Oaktree Capital I, on the other hand, to facilitate short-term cash management.

Statement of Policy Regarding Transactions with Related Persons

Our board of directors has adopted a written statement of policy for our company regarding transactions with related persons. Our related person policy covers any “related person transaction” including, but not limited to, any transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or series of similar transactions, arrangements or relationships that is reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds \$120,000 and in which any “related person” (as defined in Item 404(a) of Regulation S-K) had or will have a direct or indirect material interest. With certain limited exceptions, our related person policy requires that each related person transaction, and any material amendment or modification to a related person transaction, be reviewed and approved or ratified by a committee or subcommittee of our board of directors composed solely of disinterested directors, by a majority of the disinterested members of our board of directors, by a majority of disinterested members of the executive committee of our board of directors or as otherwise approved in accordance with our operating agreement. In light of the governance and related consent rights contained in our operating agreement, our related person policy does not separately apply to transactions between us and OCGH or Brookfield.

Director Independence

Because our preferred equity, but not our common equity, is listed on the NYSE, the corporate governance standards of the NYSE do not generally apply to us, other than the requirement to maintain an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act, and related certification requirements. Presently, in applying such requirements, the board of directors has determined that the members of its audit committee, Messrs. Gilbert and Perry and Mss. McGruder and Whittington, satisfy the requirements of such rule.

Item 14. Principal Accounting Fees and Services

The following table sets forth the aggregate fees for professional services provided by our independent registered public accounting firm, Ernst & Young LLP, for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31,			
	2023		2022	
	Brookfield Oaktree Holdings, LLC	Oaktree Consolidated Funds and Affiliates	Brookfield Oaktree Holdings, LLC	Oaktree Consolidated Funds and Affiliates
	(\$ in thousands)			
Audit fees ⁽¹⁾	\$ 930	\$ 400	\$ 3,619	\$ 645
Audit-related fees ⁽²⁾	—	—	754	212
Tax fees ⁽³⁾	409	220	6,789	1,420

- (1) Audit fees consist of fees for services related to the annual audit of our consolidated financial statements, reviews of our interim consolidated financial statements on Form 10-Q, statutory audits, and services that only the independent auditors can reasonably provide such as services associated with SEC registration statements or other documents issued in connection with securities offerings (including consents and comfort letters), accounting consultations related to transactions or events affecting the current period audit and services that are normally provided in connection with statutory and regulatory filings and engagements.
- (2) Audit-related fees include fees associated with examinations of operating controls at our investment adviser, accounting consultations related to the potential impact of future transactions or events, including the adoption of new accounting standards, due diligence services related to acquisitions and attestation services not required by statute or regulation.
- (3) Tax fees consist of fees related to tax compliance and tax advisory services. Tax fees in 2023 include \$559 for tax compliance services and \$70 for tax advisory services. Tax fees in 2022 include \$4,408 for tax compliance services and \$3,801 for tax advisory services.

In accordance with our audit committee charter, the audit committee is required to approve, in advance, all audit and non-audit services to be provided by our independent registered public accounting firm. All services reported in the Audit, Audit-related and Tax categories above were approved by the audit committee. Our audit committee charter is available on our website at www.oaktreecapital.com under the “Investors” section.

PART IV.**Item 15. Exhibits, Financial Statement Schedules**

- (a) The following documents are filed as part of this report:
- (1) Financial statements: Please see Item 8 above.
 - (2) Financial statement schedules: Schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are not applicable and therefore have been omitted.
 - (3) Exhibits: For a list of exhibits filed with this report, refer to the Exhibits Index on the page immediately preceding the exhibits, which Exhibit Index is incorporated herein by reference.

Item 16. Form 10-K Summary

None.

EXHIBITS INDEX

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
3.1	Amended and Restated Certificate of Formation of the Registrant effective as of March 15, 2024. †
3.2	Seventh Amended and Restated Operating Agreement of the Registrant dated as of March 15, 2024 (including Unit Designation, dated as of November 16, 2015, Unit Designation with respect to the Series A Preferred Units, dated May 17, 2018, and Unit Designation with respect to the Series B Preferred Units, dated August 9, 2018). †
4.1	Form of 6.625% Series A Preferred Unit Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 17, 2018).
4.2	Form of 6.550% Series B Preferred Unit Certificate (incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K, filed with the SEC on August 9, 2018).
4.3	Note and Guaranty Agreement, dated as of July 11, 2014, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the purchasers party thereto (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 15, 2014).
4.3.1	Amendment to the 2014 Note and Guaranty Agreement, dated as of October 18, 2017, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the holders party thereto (incorporated by reference to Exhibit 4.4 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 26, 2021).
4.3.2	Second Amendment to the 2014 Note and Guaranty Agreement, dated as of April 24, 2020, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the holders party thereto (incorporated by reference to Exhibit 4.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 26, 2021).
4.4	Third Amendment and Joinder to the 2014 Note and Guaranty Agreement, dated as of April 7, 2023, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and Oaktree Capital Management (Cayman), L.P. and each of the holders party thereto (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 15, 2023).
4.5	Form of 3.91% Senior Notes, Series A, due September 3, 2024 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 15, 2014).
4.6	Form of 4.01% Senior Notes, Series B, due September 3, 2026 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 15, 2014).
4.7	Form of 4.21% Senior Notes, Series C, due September 3, 2029 (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 15, 2014).
4.8	Note and Guaranty Agreement, dated as of July 12, 2016, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the purchasers party thereto (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 12, 2016).
4.8.1	Amendment to the 2016 Note and Guaranty Agreement, dated as of April 24, 2020, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the holders party thereto (incorporated by reference to Exhibit 4.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 26, 2021).
4.8.2	Second Amendment and Joinder to the 2016 Note and Guaranty Agreement, dated as of April 7, 2023, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and Oaktree Capital Management (Cayman), L.P. and each of the holders party thereto (incorporated by reference to Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 15, 2023).

- [4.9](#) [Form of 3.69% Senior Notes due July 12, 2031 \(incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 12, 2016\).](#)
- [4.10](#) [Note and Guaranty Agreement, dated as of November 16, 2017, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the purchasers party thereto \(incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on November 17, 2017\).](#)
- [4.10.1](#) [Amendment to the 2017 Note and Guaranty Agreement, dated as of April 24, 2020, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P. and Oaktree AIF Investments, L.P. and each of the holders party thereto \(incorporated by reference to Exhibit 4.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 26, 2021\).](#)
- [4.10.2](#) [Second Amendment and Joinder to the 2017 Note and Guaranty Agreement, dated as of April 7, 2023, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and Oaktree Capital Management \(Cayman\), L.P. and each of the holders party thereto \(incorporated by reference to Exhibit 4.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 15, 2023\).](#)
- [4.11](#) [Form of 3.78% Senior Notes due December 18, 2032 \(incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on November 17, 2017\).](#)
- [4.12](#) [Note and Guaranty Agreement, dated as of May 20, 2020, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and each of the purchasers party thereto \(incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 26, 2020\).](#)
- [4.12.1](#) [Amendment and Joinder to the 2020 Note and Guaranty Agreement, dated as of April 7, 2023, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and Oaktree Capital Management \(Cayman\), L.P. and each of the holders party thereto \(incorporated by reference to Exhibit 4.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 15, 2023\).](#)
- [4.13](#) [Form of 3.64% Senior Notes, Series A, due July 22, 2030 \(incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 26, 2020\).](#)
- [4.14](#) [Form of 3.84% Senior Notes, Series B, due July 22, 2035 \(incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 26, 2020\).](#)
- [4.15](#) [Description of securities registered under Section 12 of the Securities Exchange Act of 1934 \(incorporated by reference to Exhibit 4.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on March 2, 2020\).](#)
- [4.16](#) [Note and Guaranty Agreement, dated as of November 4, 2021, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and each of the purchasers party thereto \(incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on November 8, 2021\).](#)
- [4.16.1](#) [Amendment and Joinder to the 2021 Note and Guaranty Agreement, dated as of April 7, 2023, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and Oaktree Capital Management \(Cayman\), L.P. and each of the holders party thereto \(incorporated by reference to Exhibit 4.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 15, 2023\).](#)
- [4.17](#) [Form of 3.06% Senior Notes due January 12, 2037 \(incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on November 8, 2021\).](#)
- [4.18](#) [Note and Guaranty Agreement, dated as of March 30, 2022, by and among Oaktree Capital I, L.P., Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and each of the purchasers party thereto \(incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 5, 2022\).](#)

- [4.18.1](#) [Amendment and Joinder to the 2022 Note and Guaranty Agreement, dated as of April 7, 2023, by and among Oaktree Capital Management, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P. and Oaktree Capital Management \(Cayman\), L.P. and each of the holders party thereto \(incorporated by reference to Exhibit 4.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 15, 2023\).](#)
- [4.19](#) [Form of 2.20% Senior Notes, Series A, due June 8, 2032 \(incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 5, 2022\).](#)
- [4.20](#) [Form of 2.40% Senior Notes, Series B, due June 8, 2034 \(incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 5, 2022\).](#)
- [4.21](#) [Form of 2.58% Senior Notes, Series C, due June 8, 2037 \(incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 5, 2022\).](#)
- [10.1](#) [Fifth Amended and Restated Limited Partnership Agreement of Oaktree Capital I, L.P., dated as of March 20, 2023 \(including Unit Designation with respect to the Series A Preferred Mirror Units of Oaktree Capital I, L.P., dated May 17, 2018, and Unit Designation with respect to the Series B Preferred Mirror Units of Oaktree Capital I, L.P., dated August 9, 2018\). \(incorporated by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 21, 2023, as amended on April 13, 2023\).](#)
- [10.2](#) [Restructuring Agreement, dated as of September 30, 2019, by and among Brookfield Asset Management Inc., Oaktree Capital Group, LLC, Berlin Merger Sub, LLC, Oslo Holdings LLC, Oslo Holdings Merger Sub LLC, Brookfield Holdings Canada Inc., Brookfield US Holdings, Inc., Brookfield US Inc., Atlas Holdings, LLC, Atlas OCM Holdings, LLC, Oaktree Capital Group Holdings, L.P. and the other parties thereto \(incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, filed with the SEC on November 7, 2019\).](#)
- [10.3](#) [Third Amended and Restated Tax Receivable Agreement, dated as of September 30, 2019, by and among Brookfield Asset Management Inc., Oaktree Holdings, Inc., Oaktree AIF Holdings, Inc., Oaktree Capital II, L.P., Oaktree Capital Management, L.P., Oaktree Investment Holdings, L.P., Oaktree AIF Investments, L.P., Oaktree Capital Group Holdings, L.P. and the other parties thereto \(incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, filed with the SEC on November 7, 2019\).](#)
- [10.3.1](#) [Amendment to the Third Amended and Restated Tax Receivable Agreement, dated April 13, 2023, by and among Brookfield Corporation \(formerly known as Brookfield Asset Management Inc.\), Oaktree New Holdings LLC, Oaktree AIF Holdings II, LLC, Oaktree Capital II, L.P., Oaktree Capital Management, L.P., Oaktree Investment Holdings, L.P., Oaktree AIF Investments, L.P., Oaktree Capital Group Holdings, L.P. and the other parties thereto \(incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 13, 2023\).](#)
- [10.4](#) [Fourth Amended and Restated Exchange Agreement, dated as of February 22, 2023, by and among Atlas Top LLC, Atlas OCM Holdings, LLC, Oaktree Capital Group, LLC, OCM Holdings I, LLC, Oaktree New Holdings, LLC, Oaktree AIF Holdings II, LLC, Oaktree Holdings, Ltd., Oaktree Capital Group Holdings, L.P., Oaktree Capital I, L.P., Oaktree Capital II, L.P., Oaktree Capital Management, L.P., Oaktree Capital Management \(Cayman\), L.P., Oaktree AIF Investments, L.P., Oaktree Investment Holdings, L.P., OCGH ExchangeCo, L.P. and the other parties thereto. \(incorporated by reference to Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 21, 2023, as amended on April 13, 2023\).](#)
- [10.5](#) [Services Agreement, dated as of February 24, 2020, between Oaktree Capital Management, L.P. and Oaktree Capital Group, LLC \(incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on March 2, 2020\).](#)
- [10.6](#) [Credit Agreement, dated as of March 31, 2014, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, L/C Issuer and Swing Line Lender, and Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Lead Bookrunner \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 4, 2014\).](#)

- [10.6.1](#) [First Amendment, dated as of November 3, 2014, to the March 31, 2014 Credit Agreement by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, L/C Issuer and Swing Line Lender, and Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Lead Bookrunner \(incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, filed with the SEC on November 7, 2014\).](#)
- [10.6.2](#) [Second Amendment, dated as of March 31, 2016, to the March 31, 2014 Credit Agreement, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 6, 2016\).](#)
- [10.6.3](#) [Third Amendment, dated as of November 14, 2017, to the March 31, 2014 Credit Agreement, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders \(incorporated by reference to Exhibit 10.9.3 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018\).](#)
- [10.6.4](#) [Fourth Amendment, dated as of March 29, 2018, to the March 31, 2014 Credit Agreement, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 4, 2018\).](#)
- [10.6.5](#) [Fifth Amendment, dated as of December 13, 2019, to the March 31, 2014 Credit Agreement, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on December 18, 2019\).](#)
- [10.6.6](#) [Sixth Amendment to Credit Agreement, dated as of September 14, 2021, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent for the Lenders \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 20, 2021\).](#)
- [10.6.7](#) [Seventh Amendment to Credit Agreement, dated as of December 15, 2022, by and among Oaktree Capital Management, L.P., Oaktree Capital II, L.P., Oaktree AIF Investments, L.P., Oaktree Capital I, L.P., the Lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent for the Lenders \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on December 20, 2022\).](#)
- [10.6.8](#) [Borrower Joinder Agreement, dated as of December 15, 2022, by and between Oaktree Capital Management \(Cayman\), L.P. and Wells Fargo Bank, National Association, as administrative agent \(incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on December 20, 2022\).](#)
- [10.7*](#) [Seventh Amended and Restated Limited Partnership Agreement of Oaktree Fund GP I, L.P., dated as of June 30, 2021 \(incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 14, 2022\).](#)
- [10.8*](#) [Amended and Restated Brookfield Oaktree Holdings, LLC 2011 Equity Incentive Plan. †](#)
- [10.9*](#) [Form of Grant Agreement under the Oaktree Capital Group, LLC 2011 Equity Incentive Plan \(incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 27, 2015\).](#)
- [10.10*](#) [Fourth Amended and Restated Employment Agreement by and among the Registrant, Oaktree Capital Management, L.P. and Jay S. Wintrob dated March 10, 2022 \(incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 14, 2022\).](#)
- [10.11*](#) [Third Amended and Restated Grant Agreement under the Oaktree Capital Group, LLC 2011 Equity Incentive Plan by and among Oaktree Capital Group Holdings, L.P., Oaktree Capital Group Holdings GP, LLC and Jay S. Wintrob dated February 20, 2018 \(incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018\).](#)

- [10.11.1*](#) [Amendment Letter dated as of February 25, 2020 to Third Amended and Restated Grant Agreement under the Oaktree Capital Group, LLC 2011 Equity Incentive Plan by and among Oaktree Capital Group Holdings, L.P., Oaktree Capital Group Holdings GP, LLC and Jay S. Wintrob dated February 20, 2018 \(incorporated by reference to Exhibit 10.16.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on March 2, 2020\).](#)
- [10.12*](#) [Form of Oaktree Capital Group, LLC 2018 Class A Restricted Unit Award Agreement \(incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 22, 2019\).](#)
- [10.13*](#) [Form of Oaktree Capital Group Holdings, L.P. Restricted Unit Award Agreement \(incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed with the SEC on May 9, 2016\).](#)
- [10.14*](#) [Form of Oaktree Capital Group, LLC Class A Restricted Unit Award Agreement for Outside Directors \(incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 22, 2019\).](#)
- [10.15](#) [Letter Agreement, dated as of June 29, 2023, by and between Brookfield Corporate Treasury Ltd. and Oaktree Capital Group, LLC \(incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed with the SEC on August 12, 2023\).](#)
- [10.16](#) [Letter Agreement, dated as of June 29, 2023, by and between BP US REIT LLC and Oaktree Capital Group, LLC \(incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed with the SEC on August 12, 2023\).](#)
- [10.17](#) [Letter Agreement, dated as of March 20, 2024, by and between Brookfield Oaktree Holdings, LLC and Oaktree Capital Holdings, LLC. †](#)
- [10.18](#) [Dealer Manager Agreement, dated November 2, 2021, by and between Brookfield Real Estate Income Trust Inc. and Brookfield Oaktree Wealth Solutions LLC \(incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.19](#) [Amended and Restated Advisory Agreement, dated March 21, 2022, by and among Brookfield Real Estate Income Trust Inc., Brookfield REIT Operating Partnership L.P. and Brookfield REIT Adviser LLC \(incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.20](#) [Amendment No. 1 to the Amended and Restated Advisory Agreement, dated August 9, 2022, by and among Brookfield Real Estate Income Trust Inc., Brookfield REIT Operating Partnership L.P. and Brookfield REIT Adviser LLC \(incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.21](#) [Option Investments Sub-Advisory Agreement, dated November 2, 2021, by and among Brookfield Real Estate Income Trust Inc., Brookfield REIT Operating Partnership L.P., Brookfield REIT Adviser LLC and Oaktree Fund Advisors, LLC \(incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.22](#) [Amendment No. 1 to Option Investments Sub-Advisory Agreement, dated March 21, 2022, by and among Brookfield Real Estate Income Trust Inc., Brookfield REIT Operating Partnership L.P., Brookfield REIT Adviser LLC and Oaktree Fund Advisors, LLC \(incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.23](#) [Option Investments Purchase Agreement, dated November 2, 2021, by and among Brookfield Real Estate Income Trust Inc., Brookfield REIT Operating Partnership L.P., Brookfield REIT Adviser LLC, and Oaktree Fund Advisors, LLC incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.24](#) [Uncommitted Unsecured Line of Credit, dated November 2, 2021, by and between Brookfield US Holdings Inc. and Brookfield REIT Operating Partnership L.P. \(incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)

- [10.25](#) [First Amendment to Uncommitted Unsecured Line of Credit, dated November 10, 2022, but effective as of November 2, 2022, by and among Brookfield Corporate Treasury Limited, Brookfield REIT Operating Partnership L.P., and Brookfield US Holdings Inc \(incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K, filed with the SEC on June 29, 2023\).](#)
- [10.26*](#) [Brookfield Oaktree Holdings, LLC Amended and Restated Long-Term Incentive Plan. †](#)
- [10.27*](#) [Form of Award Agreement under the Oaktree Capital Group, LLC Long-Term Incentive Plan \(incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 26, 2021\).](#)
- [10.28*](#) [Summaries of compensation for Daniel D. Levin and John B. Frank \(incorporated by reference to sections C and D, respectively, under "Executive Compensation-Compensation Discussion and Analysis-Compensation of the Individual NEOs" on pages 128-134 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 21, 2024\).](#)
- [21.1](#) [Subsidiaries of the Registrant.](#)
- [31.1](#) [Certification of the Principal Executive Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) of the Exchange Act, as adopted, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- [31.2](#) [Certification of the Principal Financial Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) of the Exchange Act, as adopted, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- [32.1](#) [Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 \(furnished herewith\).](#)
- [32.2](#) [Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 \(furnished herewith\).](#)
- [97](#) [Recovery of Incentive-Based Compensation from Executive Officers in Event of Accounting Restatement. †](#)
- 101.INS XBRL Instance Document.
- 101.SCH XBRL Taxonomy Extension Schema Document.
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.

* Management contract or compensatory plan or arrangement.

† Filed herewith.