

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from _____ to _____

Commission File Number 001-35500

Brookfield Oaktree Holdings, LLC

(Exact name of registrant as specified in its charter)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period 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 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 14, 2024, there were 116,373,234 Class A units and 43,771,190 Class B units of the registrant outstanding.

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FORWARD-LOOKING STATEMENTS

This quarterly 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 previously disclosed in Brookfield Oaktree Holdings, LLC’s (“BOH”) reports filed with securities regulators in the United States and those identified elsewhere in this quarterly 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 quarterly 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 BOH’s most recent report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (“SEC”) (our “annual report”), and in this quarterly 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 quarterly 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.

In this quarterly 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 its equity method investments such as DoubleLine Capital LP and its affiliates (“DoubleLine”) and Duration Capital LP and its affiliates, in which Oaktree holds minority ownership interests, 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 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. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	As of	
	June 30, 2024	December 31, 2023
Assets		
Cash and cash-equivalents	\$ 14,911	\$ 28,507
U.S. Treasury and other securities	170,000	—
Corporate investments (includes \$375,305 and \$402,620 measured at fair value as of June 30, 2024 and December 31, 2023, respectively)	1,443,496	1,532,208
Due from affiliates	9,437	232,485
Other assets	68,341	66,650
<i>Assets of consolidated funds:</i>		
Cash and cash-equivalents	480,532	308,172
Investments, at fair value	6,472,887	5,143,677
Dividends and interest receivable	47,056	37,839
Receivable for securities sold	101,640	118,851
Derivative assets, at fair value	24,793	9,133
Other assets, net	85,818	78,411
Total assets	<u>\$ 8,918,911</u>	<u>\$ 7,555,933</u>
Liabilities and Unitholders' Capital		
Liabilities:		
Accrued compensation expense	\$ 46,796	\$ 138,841
Accounts payable, accrued expenses and other liabilities	3,494	3,837
Due to affiliates	50,014	62,759
Debt obligations (Note 8)	213,161	219,682
<i>Liabilities of consolidated funds:</i>		
Accounts payable, accrued expenses and other liabilities	31,502	14,701
Payables for securities purchased	359,000	124,789
Derivative liabilities, at fair value	18,210	22,230
Distributions payable	570	95,690
Debt obligations of the consolidated funds	1,481,994	951,950
Debt obligations of CLOs	769,314	—
Total liabilities	<u>2,974,055</u>	<u>1,634,479</u>
Commitments and contingencies (Note 13)		
Non-controlling redeemable interests in consolidated funds	<u>3,378,021</u>	<u>3,336,548</u>
Unitholders' capital:		
Series A preferred units, 7,200,000 units issued and outstanding as of June 30, 2024 and December 31, 2023	173,669	173,669
Series B preferred units, 9,400,000 units issued and outstanding as of June 30, 2024 and December 31, 2023	226,915	226,915
Class A units, no par value, unlimited units authorized, 116,373,234 and 109,198,991 units issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	—	—
Class B units, no par value, unlimited units authorized, 43,756,355 and 50,915,764 units issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	—	—
Paid-in capital	1,563,857	1,529,909
Retained earnings	325,039	334,314
Accumulated other comprehensive loss	(14,122)	(13,096)
Unitholders' capital attributable to Brookfield Oaktree Holdings, LLC	<u>2,275,358</u>	<u>2,251,711</u>
Non-controlling interests in consolidated subsidiaries	<u>291,477</u>	<u>333,195</u>
Total unitholders' capital	<u>2,566,835</u>	<u>2,584,906</u>
Total liabilities and unitholders' capital	<u>\$ 8,918,911</u>	<u>\$ 7,555,933</u>

Please see accompanying notes to condensed consolidated financial statements.

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenues:				
Incentive income	\$ 2,200	\$ 2,072	\$117,529	\$61,473
Expenses:				
Compensation and benefits	(272)	(85)	(471)	(176)
Incentive income compensation	4,152	1,494	(22,168)	(57,044)
Total compensation and benefits expense	3,880	1,409	(22,639)	(57,220)
General and administrative	1,075	(179)	(2,314)	(2,103)
Consolidated fund expenses	(24,086)	(13,188)	(44,661)	(27,324)
Total expenses	(19,131)	(11,958)	(69,614)	(86,647)
Other income (loss):				
Interest expense	(28,940)	(12,161)	(51,155)	(28,710)
Interest and dividend income	136,392	93,086	257,776	159,895
Net realized gain on consolidated funds' investments	54,857	30,701	3,081	62,381
Net change in unrealized appreciation (depreciation) on consolidated funds' investments	(22,295)	(12,789)	95,179	(37,971)
Investment income (loss)	16,514	(41,841)	34,754	9,881
Total other income	156,528	56,996	339,635	165,476
Net income	139,597	47,110	387,550	140,302
Less:				
Net income attributable to non- controlling interests in consolidated funds	(85,857)	(60,571)	(197,467)	(88,305)
Net (income) loss attributable to non-controlling interests in consolidated subsidiaries	(8,937)	13,955	(61,665)	(5,745)
Net income attributable to Brookfield Oaktree Holdings, LLC	44,803	494	128,418	46,252
Net income attributable to preferred unitholders	(6,829)	(6,829)	(13,658)	(13,658)
Net income (loss) attributable to Brookfield Oaktree Holdings, LLC Class A unitholders	<u>\$37,974</u>	<u>\$ (6,335)</u>	<u>\$114,760</u>	<u>\$32,594</u>
Distributions declared per Class A unit	<u>\$ 1.26</u>	<u>\$ 0.72</u>	<u>\$ 1.40</u>	<u>\$ 0.83</u>
Net income (loss) per Class A unit (basic and diluted):				
Net income (loss) per Class A unit	<u>\$ 0.33</u>	<u>\$ (0.06)</u>	<u>\$ 1.02</u>	<u>\$ 0.31</u>
Weighted average number of Class A units outstanding	<u>115,821</u>	<u>108,796</u>	<u>112,510</u>	<u>105,954</u>

Please see accompanying notes to condensed consolidated financial statements.

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 139,597	\$ 47,110	\$ 387,550	\$ 140,302
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(6)	(1,498)	(1,501)	(1,534)
Other comprehensive income (loss), net of tax	(6)	(1,498)	(1,501)	(1,534)
Total comprehensive income (loss)	139,591	45,612	386,049	138,768
Less:				
Comprehensive (income) loss attributable to non-controlling interests in consolidated funds	(85,857)	(60,571)	(197,467)	(88,305)
Comprehensive (income) loss attributable to non-controlling interests in consolidated subsidiaries	(8,937)	14,467	(61,190)	(5,219)
Comprehensive income (loss) attributable to BOH	44,797	(492)	127,392	45,244
Comprehensive income attributable to preferred unitholders	(6,829)	(6,829)	(13,658)	(13,658)
Comprehensive income (loss) attributable to BOH Class A unitholders	\$ 37,968	\$ (7,321)	\$ 113,734	\$ 31,586

Please see accompanying notes to condensed consolidated financial statements.

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

	Six months ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 387,550	\$ 140,302
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Investment income	(34,754)	(9,881)
Net realized and unrealized gain from consolidated funds' investments	(98,260)	(24,410)
Accretion of original issue and market discount of consolidated funds' investments, net	(37,679)	(17,870)
Distributions of investment income and settlements of derivative instruments	68,390	7,590
Other non-cash items	3,450	(74)
Cash flows due to changes in operating assets and liabilities:		
(Increase)/ Decrease in other assets	(1,693)	17,217
Decrease in net due from affiliates	234,117	214,036
Decrease in accrued compensation expense	(92,045)	(65,134)
Decrease in accounts payable, accrued expenses and other liabilities	(344)	(11,023)
<i>Cash flows due to changes in operating assets and liabilities of consolidated funds:</i>		
Increase in dividends and interest receivable	(11,523)	(835)
Decrease in due from brokers	—	31,965
Decrease (increase) in receivables for securities sold	17,211	(14,237)
Increase in other assets	(7,499)	(13,393)
Decrease in accounts payable, accrued expenses and other liabilities	(79,612)	(3,778)
Increase (decrease) in payables for securities purchased	208,724	(43,499)
Purchases of securities	(2,761,182)	(2,441,651)
Proceeds from maturities and sales of securities	1,433,916	1,864,825
Net cash used in operating activities	(771,233)	(369,850)
Cash flows from investing activities:		
Purchases of U.S. Treasury and other securities	(250,000)	—
Proceeds from maturities and sales of U.S. Treasury and other securities	80,000	—
Corporate investments in funds and companies	(34,945)	(409,539)
Distributions and proceeds from corporate investments in funds and companies	124,455	79,492
Net cash used in investing activities	(80,490)	(330,047)

(continued)

Please see accompanying notes to condensed consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Condensed Consolidated Statements of Cash Flows (Unaudited) — (Continued)
(in thousands)

	Six months ended June 30,	
	2024	2023
Cash flows from financing activities:		
Capital contributions	\$ —	\$ 569,500
Capital distributions	(271)	(1,086)
Distributions to Class A unitholders	(152,683)	(78,730)
Distributions to OCGH unitholders	(82,213)	(44,404)
Distributions to preferred unitholders	(13,658)	(13,658)
Payment of debt issuance costs	—	(128)
<i>Cash flows from financing activities of consolidated funds:</i>		
Contributions from non-controlling interests	149,417	1,107,488
Distributions to non-controlling interests	(138,508)	(63,085)
Payment of debt issuance costs	(3,378)	—
Borrowings on credit facilities	2,168,351	76,678
Repayments on credit facilities	(907,670)	(767,078)
Net cash provided by financing activities	1,019,387	785,497
Effect of exchange rate changes on cash	(8,130)	2,254
Net increase in cash and cash-equivalents	159,534	87,854
Initial consolidation (deconsolidation) of funds	(770)	—
Cash and cash-equivalents, beginning balance	336,679	176,130
Cash and cash-equivalents, ending balance	<u>\$ 495,443</u>	<u>\$ 263,984</u>
 <u>Reconciliation of cash and cash-equivalents</u>		
Cash and cash-equivalents – Oaktree	\$ 14,911	\$ 17,980
Cash and cash-equivalents – consolidated funds	480,532	246,004
Total cash and cash-equivalents	<u>\$ 495,443</u>	<u>\$ 263,984</u>

Please see accompanying notes to condensed consolidated financial statements.

Brookfield Oaktree Holdings, LLC
Condensed Consolidated Statements of Changes in Unitholders' Capital (Unaudited)
(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 March 31, 2024	109,199	50,931	173,669	226,915	\$1,527,933	\$ 402,582	\$ (14,116)	\$ 382,880	\$ 2,699,863
Activity for the three months ended:									
Unit exchange	7,174	(7,174)	—	—	—	—	—	—	\$ —
Equity reallocation between controlling and non-controlling interests	—	—	—	—	35,924	—	—	(35,924)	\$ —
Distributions declared	—	—	(2,981)	(3,848)	—	(115,517)	—	(64,416)	\$ (186,762)
Net income	—	—	2,981	3,848	—	37,974	—	8,937	\$ 53,740
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(6)	—	\$ (6)
Unitholders' capital as of June 30, 2024	116,373	43,757	173,669	226,915	\$1,563,857	\$ 325,039	\$ (14,122)	\$ 291,477	\$ 2,566,835
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, 2023	109,199	50,916	173,669	226,915	\$1,529,909	\$ 334,314	\$ (13,096)	\$ 333,195	\$ 2,584,906
Activity for the six months ended:									
Net issuance of units	—	15	—	—	—	—	—	—	\$ —
Unit exchange	7,174	(7,174)	—	—	—	—	—	—	\$ —
Equity reallocation between controlling and non-controlling interests	—	—	—	—	33,948	—	—	(34,219)	\$ (271)
Distributions declared	—	—	(5,962)	(7,696)	—	(124,035)	—	(68,689)	\$ (206,382)
Net income	—	—	5,962	7,696	—	114,760	—	61,665	\$ 190,083
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(1,026)	(475)	\$ (1,501)
Unitholders' capital as of June 30, 2024	116,373	43,757	173,669	226,915	\$1,563,857	\$ 325,039	\$ (14,122)	\$ 291,477	\$ 2,566,835

Please see accompanying notes to condensed consolidated financial statements.

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

	Brookfield Oaktree Holdings, LLC							Non-controlling Interests in Consolidated Subsidiaries	Total Unitholders' Capital
	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)		
Unitholders' capital as of March 31, 2023	103,081	57,035	173,669	226,915	\$ 1,055,871	\$ 283,706	\$ (9,123)	\$ 375,857	\$ 2,106,895
Activity for the three months ended:									
Unit exchange	6,118	(6,118)	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	419,500	—	—	—	419,500
Equity reallocation between controlling and non-controlling interests	—	—	—	—	37,353	—	—	(37,953)	(600)
Distributions declared	—	—	(2,981)	(3,848)	—	(77,154)	—	(38,130)	(122,113)
Net income	—	—	2,981	3,848	—	(6,335)	—	(13,955)	(13,461)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(986)	(512)	(1,498)
Unitholders' capital as of June 30, 2023	109,199	50,917	173,669	226,915	\$ 1,512,724	\$ 200,217	\$ (10,109)	\$ 285,307	\$ 2,388,723

	Brookfield Oaktree Holdings, LLC							Non-controlling Interests in Consolidated Subsidiaries	Total Unitholders' Capital
	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)		
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 six months ended:									
Net issuance of units	—	122	—	—	—	—	—	—	—
Unit exchange	6,118	(6,118)	—	—	—	—	—	—	—
Cancellation of units associated with forfeitures	—	(9)	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	569,500	—	—	—	569,500
Equity reallocation between controlling and non-controlling interests	—	—	—	—	35,082	—	—	(36,168)	(1,086)
Distributions declared	—	—	(5,962)	(7,696)	—	(78,730)	—	(44,404)	(136,792)
Net income	—	—	5,962	7,696	—	32,594	—	5,745	51,997
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(1,008)	(526)	(1,534)
Unitholders' capital as of June 30, 2023	109,199	50,917	173,669	226,915	\$ 1,512,724	\$ 200,217	\$ (10,109)	\$ 285,307	\$ 2,388,723

Please see accompanying notes to condensed consolidated financial statements.

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1. ORGANIZATION AND BASIS OF PRESENTATION

As used in these condensed 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 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 ownership and operational structure through June 30, 2024 were the result 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 (“Effective Date”) 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. Subsequently, on July 1, 2024, an internal Oaktree reorganization was effected to facilitate the change of the general partner of Oaktree Capital I, L.P. (“Oaktree Capital I”) from Brookfield OCM Holdings II, LLC to Oaktree Capital I GP, LLC, a newly formed subsidiary of Oaktree Capital Holdings, LLC (“OCH”) (the “2024 Restructuring”). See Item 8.01 of the Company’s Current Report on Form 8-K filed with the SEC on July 1, 2024 for more information about the 2024 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, 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

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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.

Since the 2022 Restructuring, the Company's operations have been conducted through an indirect economic interest in Oaktree Capital I.

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").

Subsequent to the 2022 Restructuring, the Company's revenue includes 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 unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. The condensed consolidated financial statements, including these notes, are unaudited and exclude some of the disclosures required in annual financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) such that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. The condensed 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.

These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K filed with the SEC on March 21, 2024.

Use of Estimates

The preparation of the condensed 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 condensed 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.

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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 condensed 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.

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.

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 condensed

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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 condensed 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.

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 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

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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.

Fair Value Option

The Company has elected the fair value option for the financial assets and financial liabilities of its consolidated CLOs. The assets and liabilities of CLOs are primarily reflected within the investments, at fair value and within the debt obligations of CLOs line items in the condensed consolidated statements of financial condition. The Company's accounting for CLO assets is similar to its accounting for its funds with respect to both carrying investments held by CLOs at fair value and the valuation methods used to determine the fair value of those investments. The fair value of CLO liabilities are measured as the fair value of CLO assets less the sum of (a) the fair value of any beneficial interests held by the Company and (b) the carrying value of any beneficial interests that represent compensation for services. Realized gains or losses and changes in the fair value of CLO assets, respectively, are included in net realized gain on consolidated funds' investments and net change in unrealized appreciation (depreciation) on consolidated funds' investments in the condensed consolidated statements of operations. Interest income of CLOs is included in interest and dividend income, and interest expense and other expenses, respectively, are included in interest expense and consolidated fund expenses in the condensed consolidated statements of operations. Changes in the fair value of a CLO's financial liabilities in accordance with the CLO measurement guidance are included in net change in unrealized appreciation (depreciation) on consolidated funds' investments in the condensed consolidated statements of operations. Please see notes 6 and 8 for more information.

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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 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 condensed 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 condensed 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.

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At June 30, 2024 and December 31, 2023, 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.

U.S. Treasury and Other Securities

U.S. Treasury and other securities include holdings of U.S. Treasury bills, time deposit securities, notes and bonds, commercial paper, and investment grade debt securities that are issued or guaranteed by U.S. government-sponsored entities, sovereign debt, domestic and international corporate fixed and floating rate debt, and structured credit with maturities greater than three months from the date of acquisition. These securities are classified as trading and are recorded at fair value with changes in fair value included in investment income. The interest income earned on the deposit is included in the interest and dividend income.

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.

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.

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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 condensed 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 condensed 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 condensed 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 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 condensed 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.

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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 condensed 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.

Foreign Currency

Investments denominated in non-U.S. currencies are recorded in the condensed 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 condensed 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 condensed consolidated statements of operations.

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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 condensed 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 condensed 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 restricted listed securities have been infrequent. The impact of such discounts is not material to the Company's condensed 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)

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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 condensed 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 condensed 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 condensed 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 obligations on short sales. These amounts are included in due from brokers in the condensed 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 condensed 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

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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.

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

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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.

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 June 30, 2024, 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

The Company earns incentive income generated by the funds, for which it serves as general partner. 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 incentive income and investors' ability to redeem. Revenues by fund structure are set forth below.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Incentive Income				
Closed-end	\$ —	\$ 1,864	\$ 112,497	\$ 60,963
Evergreen	2,200	208	5,032	510
Total	<u>\$ 2,200</u>	<u>\$ 2,072</u>	<u>\$ 117,529</u>	<u>\$ 61,473</u>

Contract Balances

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	
	June 30, 2024	December 31, 2023
Receivables	\$ 667	\$ 9,407
Contract assets ⁽¹⁾	—	192,645

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

4. VARIABLE INTEREST ENTITIES

The Company consolidates VIEs for which Oaktree 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.

Consolidated VIEs

As of June 30, 2024, the Company consolidated 9 VIEs that are funds managed by Oaktree, including 1 CLO equity fund, which has 100% ownership interest in 3 underlying CLOs, for which it was the primary beneficiary. As of December 31, 2023, the Company consolidated 9 VIEs that are funds managed by Oaktree for which it was the primary beneficiary.

As of June 30, 2024, the assets and liabilities of the 9 consolidated VIEs amounted to \$7.2 billion and \$2.7 billion, respectively. The assets of these consolidated VIEs primarily consisted of investments in debt and equity

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securities, while their liabilities primarily represented debt obligations issued by consolidated funds. 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 June 30, 2024, 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 Oaktree's 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.

	Carrying Value as of	
	June 30, 2024	December 31, 2023
Corporate investments	\$ 935,730	\$ 999,112
Due from affiliates	647	199,861
Maximum exposure to loss	<u>\$ 936,377</u>	<u>\$ 1,198,973</u>

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5. INVESTMENTS

Corporate Investments

Corporate investments consisted of the following:

<u>Corporate Investments</u>	<u>As of</u>	
	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Equity-method investments:		
Funds	\$ 1,361,118	\$ 1,434,988
Companies	7,809	11,901
Other investments, at fair value	74,569	85,319
Total corporate investments	<u>\$ 1,443,496</u>	<u>\$ 1,532,208</u>

The components of investment income (loss) are set forth below:

<u>Investment Income (Loss)</u>	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Equity-method investments:				
Funds	\$ 18,939	\$ (11,230)	\$ 23,551	\$ 14,892
Companies	(83)	—	(460)	(3)
Other investments, at fair value	(2,342)	(30,611)	11,663	(5,008)
Total investment income (loss)	<u>\$ 16,514</u>	<u>\$ (41,841)</u>	<u>\$ 34,754</u>	<u>\$ 9,881</u>

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 condensed 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 OCG NTR Holdings, LLC, a wholly owned subsidiary of the Company ("NTR"). Changes in the fair value and cash dividends received from the investment in NTR are included in investment income. During the six months ended June 30, 2024, the Company recognized an equity investment loss of \$16.6 million. Please refer to note 14 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 June 30, 2024, or for the six months ended June 30, 2024 and 2023, no individual equity-method investment met the significance criteria.

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

Statements of Operations	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenues / investment income	\$ 1,207,178	\$ 1,064,494	\$ 2,249,015	\$ 2,241,125
Interest expense	(167,201)	(136,034)	(308,422)	(284,000)
Other expenses	(312,871)	(231,153)	(582,901)	(470,951)
Net realized and unrealized gain (loss) on investments	721,523	(440,319)	1,867,565	(114,734)
Net income	<u>\$ 1,448,629</u>	<u>\$ 256,988</u>	<u>\$ 3,225,257</u>	<u>\$ 1,371,440</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:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Realized gain (loss)	\$ 1,969	\$ 1,082	\$ 9,504	\$
Net change in unrealized gain (loss)	(4,311)	(31,693)	2,159	
Total gain (loss)	<u>\$ (2,342)</u>	<u>\$ (30,611)</u>	<u>\$ 11,663</u>	<u>\$</u>

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Investments of Consolidated Funds

Investments, at Fair Value

Investments held and securities sold short by the consolidated funds are summarized below:

<u>Investments</u>	Fair Value as of		Fair Value as a Percentage of Investments of Consolidated Funds as of	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
United States:				
Debt securities:				
Communication services	\$ 251,123	\$ 69,509	3.9 %	1.4 %
Consumer discretionary	347,466	202,355	5.4	3.9
Consumer staples	72,039	28,149	1.1	0.5
Energy	132,889	110,990	2.1	2.2
Financials	372,517	223,794	5.8	4.4
Health care	361,358	226,554	5.6	4.4
Industrials	514,075	379,538	7.8	7.5
Information technology	198,560	87,355	3.1	1.7
Materials	304,794	333,459	4.7	6.5
Real estate	90,849	97,621	1.4	1.9
Utilities	88,837	19,954	1.4	0.4
Other	534,507	549,164	8.1	10.6
Total debt securities (cost: \$3,217,300 and \$2,341,421 as of June 30, 2024 and December 31, 2023, respectively)	3,269,014	2,328,442	50.4	45.4
Equity securities:				
Communication services	60,334	79,522	0.9	1.5
Consumer discretionary	41,030	68,056	0.6	1.3
Energy	479,895	427,034	7.5	8.3
Financials	265,568	171,924	4.1	3.3
Health care	108,339	32,418	1.7	0.6
Industrials	465,016	369,019	7.2	7.2
Information technology	43,687	44,350	0.7	0.9
Materials	5,421	—	0.1	0.0
Utilities	75,268	89,427	1.1	1.7
Total equity securities (cost: \$1,312,363 and \$1,095,721 as of June 30, 2024 and December 31, 2023, respectively)	1,544,558	1,281,750	23.9	24.8
Real estate:				
Real estate	67,268	13,780	1.0	0.3
Total real estate securities (cost: \$77,154 and \$22,716 as of June 30, 2024 and December 31, 2023, respectively)	67,268	13,780	1.0	0.3

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	Fair Value as of		Fair Value as a Percentage of Investments of Consolidated Funds as of	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Investments				
Europe:				
Debt securities:				
Communication services	\$ 108,630	\$ 111,898	1.7 %	2.1 %
Consumer discretionary	47,921	18,560	0.7	0.4
Consumer staples	10,148	3,107	0.2	0.1
Energy	5,412	1,185	0.1	0.0
Financials	29,869	18,381	0.5	0.4
Health care	10,450	12,136	0.2	0.2
Industrials	22,757	15,993	0.4	0.3
Information technology	5,054	5,402	0.1	0.1
Materials	16,228	13,487	0.3	0.3
Real estate	17,362	13,424	0.3	0.3
Utilities	2,709	5,417	0.0	0.1
Other	41,831	34,686	0.6	0.6
Total debt securities (cost: \$299,515 and \$231,315 as of June 30, 2024 and December 31, 2023, respectively)	318,371	253,676	5.1	4.9
Equity securities:				
Consumer discretionary	46,608	52,468	0.7	1.0
Materials	24,282	24,282	0.4	0.5
Financials	48,566	49,496	0.8	1.0
Health care	174	19	0.0	0.0
Industrials	101,752	93,662	1.6	1.7
Real estate	40,873	44,637	0.6	0.9
Total equity securities (cost: \$207,364 and \$208,130 as of June 30, 2024 and December 31, 2023, respectively)	262,255	264,564	4.1	5.1
Real estate:				
Consumer Discretionary	59,377	61,357	0.9	1.2
Real estate	120,217	100,216	1.9	1.9
Total real estate securities (cost: \$177,712 and \$159,423 as of June 30, 2024 and December 31, 2023, respectively)	179,594	161,573	2.8	3.1
Asia and other:				
Debt securities:				
Communication services	8,670	803	0.1	0.0
Consumer discretionary	25,361	17,195	0.4	0.3
Consumer staples	19,082	19,820	0.3	0.4
Energy	1,624	1,307	0.0	0.0
Financials	8,745	8,192	0.1	0.2
Health care	649	402	0.0	0.0
Industrials	4,069	4,181	0.1	0.1
Information technology	1,548	5	0.0	0.0
Materials	251,951	249,492	3.9	4.9
Real estate	391,010	435,799	6.0	8.5
Utilities	—	3,244	0.0	0.1
Total debt securities (cost: \$757,326 and \$761,394 as of June 30, 2024 and December 31, 2023, respectively)	712,709	740,440	10.9	14.5

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	Fair Value as of		Fair Value as a Percentage of Investments of Consolidated Funds as of	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
<u>Investments</u>				
Asia and other:				
Equity securities:				
Industrials	\$ 79,951	\$ 63,161	1.2 %	1.2 %
Real estate	32,916	32,916	0.5	0.6
Utilities	6,251	3,375	0.1	0.1
Total equity securities (cost: \$100,690 and \$90,638 as of June 30, 2024 and December 31, 2023, respectively)	119,118	99,452	1.8	1.9
Total debt securities	4,300,094	3,322,558	66.4	64.8
Total equity securities	1,925,931	1,645,766	29.8	31.8
Total real estate	246,862	175,353	3.8	3.4
Total investments, at fair value	<u>\$ 6,472,887</u>	<u>\$ 5,143,677</u>	<u>100.0 %</u>	<u>100.0 %</u>

As of June 30, 2024 and December 31, 2023, no single issuer or investment had a fair value that exceeded 5% of the Company's total consolidated net assets.

Brookfield Oaktree Holdings, LLC
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Net Gains (Losses) From Investment Activities of Consolidated Funds

Net gains (losses) from investment activities in the condensed 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:

	Three months ended June 30,			
	2024		2023	
	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	\$ 51,888	\$ (20,790)	\$ 27,208	\$ (5,980)
CLO liabilities ⁽¹⁾	150	235	—	—
Foreign-currency forward contracts ⁽²⁾	116	177	93	(6,596)
Total return, interest rate and credit default swaps ⁽²⁾	—	2,955	122	468
Options and futures ⁽²⁾	(32)	1,988	640	1,134
Commodity swaps ⁽²⁾	2,735	(6,860)	2,638	(1,815)
Total	<u>\$ 54,857</u>	<u>\$ (22,295)</u>	<u>\$ 30,701</u>	<u>\$ (12,789)</u>

	Six months ended June 30,			
	2024		2023	
	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	\$ (3,859)	\$ 90,923	\$ 57,467	\$ (41,938)
CLO liabilities ⁽¹⁾	185	1,597	—	—
Foreign-currency forward contracts ⁽²⁾	(235)	5,912	(1,521)	(10,580)
Total-return and interest-rate swaps ⁽²⁾	—	3,588	117	456
Options and futures ⁽²⁾	(238)	1,600	1,072	736
Commodity swaps ⁽²⁾	7,228	(8,441)	5,246	13,355
Total	<u>\$ 3,081</u>	<u>\$ 95,179</u>	<u>\$ 62,381</u>	<u>\$ (37,971)</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.

(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, U.S. Treasury and other securities, 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 and U.S. Treasury and other securities 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 8 and 14 for the fair value of the Company's outstanding debt obligations and amounts due from/to affiliates, respectively.

	As of June 30, 2024				As of December 31, 2023			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Assets								
Corporate investments	\$ 61,540	\$ 300,943	\$ 12,859	\$ 375,342	\$ 72,085	\$ 317,551	\$ 20,994	\$ 410,630
SPAC common stock and earn-out shares included in other assets	28,468	—	—	28,468	25,360	—	1,797	27,157
Foreign-currency forward contracts included in other assets	—	68	—	68	—	8,098	—	8,098
Total assets	<u>\$ 90,008</u>	<u>\$ 301,011</u>	<u>\$ 12,859</u>	<u>\$ 403,878</u>	<u>\$ 97,445</u>	<u>\$ 325,649</u>	<u>\$ 22,791</u>	<u>\$ 445,885</u>
Liabilities								
Foreign-currency forward contracts - included in corporate investments	\$ —	\$ (37)	\$ —	\$ (37)	\$ —	\$ (8,010)	\$ —	\$ (8,010)
Total liabilities	<u>\$ —</u>	<u>\$ (37)</u>	<u>\$ —</u>	<u>\$ (37)</u>	<u>\$ —</u>	<u>\$ (8,010)</u>	<u>\$ —</u>	<u>\$ (8,010)</u>

- (1) The Level III financial instrument represents a mezzanine loan purchased during the second quarter of 2023. The loan was valued using recent market information and the significant unobservable input was broker quotations. The primary change of Level III financial instrument during the period was for the conversion of earn-out shares to common shares, which are included in Level I.

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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-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 June 30, 2024				As of December 31, 2023			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Assets								
Investments:								
Corporate debt – bank debt \$	—	\$ 1,874,118	\$ 1,654,942	\$ 3,529,060	\$ —	\$ 641,615	\$ 1,721,888	\$ 2,363,503
Corporate debt – all other	—	573,006	198,028	771,034	—	698,763	260,292	959,055
Equities – common stock	167,294	39,572	1,049,656	1,256,522	165,649	31,779	846,773	1,044,201
Equities – preferred stock	2,255	—	667,154	669,409	1,929	—	599,636	601,565
Real estate	—	—	246,862	246,862	—	—	175,353	175,353
Total investments	169,549	2,486,696	3,816,642	6,472,887	167,578	1,372,157	3,603,942	5,143,677
Derivatives:								
Foreign-currency forward contracts	—	2,694	—	2,694	—	475	—	475
Swaps	224	3,588	18,254	22,066	8,658	—	—	8,658
Options and futures	33	—	—	33	—	—	—	—
Total derivatives ⁽¹⁾	257	6,282	18,254	24,793	8,658	475	—	9,133
Total assets	\$ 169,806	\$ 2,492,978	\$ 3,834,896	\$ 6,497,680	\$ 176,236	\$ 1,372,632	\$ 3,603,942	\$ 5,152,810
Liabilities								
CLO debt obligations:								
Senior secured notes	\$ —	\$ (769,314)	\$ —	\$ (769,314)	\$ —	\$ —	\$ —	\$ —
Total CLO debt obligations ⁽²⁾	—	(769,314)	—	(769,314)	—	—	—	—
Derivatives:								
Foreign-currency forward contracts	\$ —	\$ (17,144)	\$ —	\$ (17,144)	\$ —	\$ (21,659)	\$ —	\$ (21,659)
Swaps	—	(36)	—	(36)	—	—	—	—
Options and futures	(1,030)	—	—	(1,030)	(571)	—	—	(571)
Total derivatives ⁽³⁾	(1,030)	(17,180)	—	(18,210)	(571)	(21,659)	—	(22,230)
Total liabilities	\$ (1,030)	\$ (786,494)	\$ —	\$ (787,524)	\$ (571)	\$ (21,659)	\$ —	\$ (22,230)

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

(2) The fair value of CLO liabilities is classified based on the more observable fair value of CLO assets. Please see notes 2 and 8 for more information.

(3) Amounts are included in accounts payable, accrued expenses and other liabilities under “liabilities of consolidated funds” in the condensed 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	Swaps	Total
<u>Three months ended June 30, 2024</u>							
Beginning balance	\$ 1,759,502	\$ 176,263	\$ 946,821	\$ 605,871	\$ 186,681	\$ —	\$ 3,675,138
Transfers into Level III	31,299	—	—	—	—	—	31,299
Transfers out of Level III	(28,586)	—	—	—	—	—	(28,586)
Purchases	172,537	24,185	119,534	61,263	60,670	18,215	456,404
Sales	(271,647)	(996)	(48,926)	(32,934)	—	—	(354,503)
Realized gain (losses), net	4,331	(1,167)	36,715	6,690	—	39	46,608
Unrealized appreciation (depreciation), net	(12,494)	(257)	(4,488)	26,264	(489)	—	8,536
Ending balance	<u>\$ 1,654,942</u>	<u>\$ 198,028</u>	<u>\$ 1,049,656</u>	<u>\$ 667,154</u>	<u>\$ 246,862</u>	<u>\$ 18,254</u>	<u>\$ 3,834,896</u>
Net change in unrealized appreciation (depreciation) attributable to assets still held at end of period	<u>\$ 867</u>	<u>\$ (1,598)</u>	<u>\$ (8,685)</u>	<u>\$ 25,386</u>	<u>\$ (491)</u>	<u>\$ —</u>	<u>\$ 15,479</u>
<u>Three months ended June 30, 2023</u>							
Beginning balance	\$ 962,316	\$ 227,164	\$ 809,809	\$ 582,600	\$ 85,305	\$ —	\$ 2,667,194
Transfers into Level III	770	3,482	17,267	—	—	—	21,519
Transfers out of Level III	(168)	—	—	—	—	—	(168)
Purchases	342,977	1,066	5,966	36,228	6,435	—	392,672
Sales	(40,758)	(56,176)	(17,967)	(314)	—	—	(115,215)
Realized gain (losses), net	117	(199)	8,382	23	(1)	—	8,322
Unrealized appreciation (depreciation), net	(2,620)	1,986	(13,781)	147	(3,064)	—	(17,332)
Ending balance	<u>\$ 1,262,634</u>	<u>\$ 177,323</u>	<u>\$ 809,676</u>	<u>\$ 618,684</u>	<u>\$ 88,675</u>	<u>\$ —</u>	<u>\$ 2,956,992</u>
Net change in unrealized appreciation (depreciation) attributable to assets still held at end of period	<u>\$ (2,498)</u>	<u>\$ 1,964</u>	<u>\$ (13,729)</u>	<u>\$ 32</u>	<u>\$ (3,064)</u>	<u>\$ —</u>	<u>\$ (17,295)</u>

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	Corporate Debt – Bank Debt	Corporate Debt – All Other	Equities – Common Stock	Equities – Preferred Stock	Real Estate	Swaps	Total
Six months ended June 30, 2024							
Beginning balance	\$ 1,721,888	\$ 260,292	\$ 846,773	\$ 599,636	\$ 175,353	\$ —	\$ 3,603,942
Initial consolidation of funds	2,962	—	—	—	—	—	2,962
Transfers into Level III	222,032	15,359	54,678	—	6,135	—	298,204
Transfers out of Level III	(283,815)	(65,930)	(15,660)	—	—	—	(365,405)
Purchases	342,444	25,593	205,767	78,229	67,618	18,215	737,866
Sales	(357,138)	(38,140)	(91,284)	(32,980)	—	—	(519,542)
Realized gain, net	4,003	(252)	47,864	(87,967)	—	39	(36,313)
Unrealized appreciation (depreciation), net	2,566	1,106	1,518	110,236	(2,244)	—	113,182
Ending balance	<u>\$ 1,654,942</u>	<u>\$ 198,028</u>	<u>\$ 1,049,656</u>	<u>\$ 667,154</u>	<u>\$ 246,862</u>	<u>\$ 18,254</u>	<u>\$ 3,834,896</u>
Net change in unrealized appreciation attributable to assets still held at end of period	<u>\$ 12,355</u>	<u>\$ (1,635)</u>	<u>\$ (4,901)</u>	<u>\$ 109,358</u>	<u>\$ (2,244)</u>	<u>\$ —</u>	<u>\$ 112,933</u>
Six months ended June 30, 2023							
Beginning balance	\$ 702,497	\$ 219,503	\$ 777,198	\$ 616,604	\$ 74,471	\$ —	\$ 2,390,273
Transfers into Level III	929	8,903	17,267	—	—	—	27,099
Transfers out of Level III	(4,641)	(978)	—	—	—	—	(5,619)
Purchases	621,785	1,723	50,958	40,419	13,721	—	728,606
Sales	(43,621)	(56,176)	(43,168)	(35,537)	—	—	(178,502)
Realized losses, net	148	(427)	21,250	9,010	(3)	—	29,978
Unrealized appreciation (depreciation), net	(14,463)	4,775	(13,829)	(11,812)	486	—	(34,843)
Ending balance	<u>\$ 1,262,634</u>	<u>\$ 177,323</u>	<u>\$ 809,676</u>	<u>\$ 618,684</u>	<u>\$ 88,675</u>	<u>\$ —</u>	<u>\$ 2,956,992</u>
Net change in unrealized appreciation (depreciation) attributable to assets still held at end of period	<u>\$ (14,485)</u>	<u>\$ 4,753</u>	<u>\$ (13,778)</u>	<u>\$ (11,927)</u>	<u>\$ 488</u>	<u>\$ —</u>	<u>\$ (34,949)</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 condensed 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.

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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 June 30, 2024:

Investment Type	Fair Value	Valuation Technique	Significant Unobservable Inputs ⁽¹⁾⁽²⁾	Range	Weighted Average
Credit-oriented investments:					
Consumer discretionary:	\$ 50,859	Discounted cash flow ⁽⁴⁾	Discount rate	14% - 16%	16%
	69,224	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	21,142	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	1x - 1x	1x
Energy	2,451	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	71,036	Discounted cash flow ⁽⁴⁾	Discount rate	15% - 15%	15%
Financials	23,233	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.5x - 1x	0.9x
	30,468	Discounted cash flow ⁽⁶⁾	Discount rate	9% - 14%	13%
	35,208	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	19,912	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
Industrials	27	Expected Recovery ⁽¹¹⁾	Not applicable	Not applicable	Not applicable
	155,755	Discounted cash flow ⁽⁶⁾	Discount rate	10% - 16%	14%
	7,848	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	4,544	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
Materials	224,590	Discounted cash flow ⁽⁶⁾	Discount rate	13% - 15%	14%
	6,126	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
Real estate	91,394	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	20,020	Recent market information ⁽⁷⁾	Quoted prices	Not applicable	Not applicable
	32,671	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	193,920	Discounted cash flow ⁽⁶⁾	Discount rate	5% - 19%	15%
Utilities	176,379	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	1x - 1x	1x
		Recent market information ⁽⁷⁾	Quoted prices	Not applicable	Not applicable
	8,513	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	522,426	Discounted cash flow ⁽⁶⁾	Discount rate	9% - 39%	17%
Other	71,099	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	19,082	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	6x - 6x	6x
	13,297	Market approach (comparable companies) ⁽⁷⁾	Revenue multiple ⁽⁸⁾	1.5x - 1.5x	1.5x
Equity investments:					
	293,073	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	93,014	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	142,609	Discounted cash flow ⁽⁶⁾	Discount rate	12% - 18%	15%
			Discount rate	13% - 13%	13%
	23,424	Discounted cash flow ⁽⁶⁾ / market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	10.0x - 12.0x	11.0x
	392,286	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	5.0x - 14.0x	8.9x
	31,742	Market approach (comparable companies) ⁽⁷⁾	Revenue multiple ⁽⁸⁾	2.0x - 2.0x	2.0x
	783,222	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.5x - 1x	1.0x
	10,059	Expected Recovery ⁽¹¹⁾	Not applicable	Not applicable	Not applicable
	801	Black Scholes ⁽¹²⁾	Not applicable	Not applicable	Not applicable
Real estate-oriented investments:					
Consumer discretionary:	59,377	Discounted cash flow ⁽⁶⁾	Discount rate	20% - 20%	20%
Real estate:	134,065	Discounted cash flow ⁽⁶⁾	Discount rate	5% - 23%	14%
Total Level III investments	<u>\$ 3,834,896</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, 2023:

Investment Type	Fair Value	Valuation Technique	Significant Unobservable Inputs ⁽¹⁾⁽²⁾	Range	Weighted Average ⁽³⁾
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
Financials	26,689	Discounted cash flow ⁽⁶⁾	Discount rate	12% – 15%	15%
	26,102	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	3,646	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	20,520	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.5x - 1.0x	0.7x
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	9.8x
	452	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	51,788	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
Materials	306,319	Discounted cash flow ⁽⁶⁾	Discount rate	10% – 15%	12%
	193,614	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	—	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
Real estate	35,084	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	211,211	Discounted cash flow ⁽⁶⁾	Discount rate	13% – 15%	15%
	193,771	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	1.0x - 1.0x	1.0x
	37,419	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
Other	4,316	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
	1,612	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	19,820	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	6.0x - 6.0x	6.0x
	1,345	Market approach (comparable companies) ⁽⁷⁾	Revenue multiple ⁽⁸⁾	0.3x - 0.3x	0.3x
	551,047	Discounted cash flow ⁽⁶⁾	Discount rate	9% – 19%	18%
Equity investments:					
	179,009	Recent transaction price ⁽⁴⁾	Quoted prices	Not applicable	Not applicable
	670,215	Market approach (comparable companies) ⁽⁷⁾	Multiple of underlying assets ⁽⁹⁾	0.9x - 1.0x	1.0x
	396,688	Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	2.0x - 11.0x	8.5x
	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	1.5x
			Discount rate	12% – 12%	12%
	22,573	Discounted cash flow ⁽⁶⁾ / Market approach (comparable companies) ⁽⁷⁾	Earnings multiple ⁽¹⁰⁾	9.0x - 11.0x	10.0x
	14,102	Recent market information ⁽⁵⁾	Quoted prices	Not applicable	Not applicable
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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- (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.
- (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.
- (11) Certain investments are valued based on expected recovery, generally representing the estimated value that can be recovered in the event of liquidation or winding down.
- (12) The fair value of options/warrants is estimated using the Black-Scholes-Merton valuation model. The company uses the following methods to determine the underlying assumptions: expected volatilities are based on the historical and implied volatilities of comparable companies or the subject company if the subject company is publicly traded; expected term is based on the shorter of the expected hold period for the option or the contractual term; and the risk-free rate is based on the yields on U.S. Treasury bills or bonds issued with similar terms to the expected term of the option.

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 six months ended June 30, 2024, the valuation techniques for four credit-oriented investment were changed from market approach (comparable companies) to discounted cash flow, two credit-oriented investments were changed from discounted cash flow to market approach (comparable companies) and one equity investment was changed from market approach (comparable companies) to recent market information. During the six months ended June 30, 2023, the valuation technique for a credit-oriented investment was changed from discounted cash flow to market approach (value of underlying assets).

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7. DERIVATIVES AND HEDGING

The fair value of freestanding derivatives consisted of the following:

	Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value
As of June 30, 2024				
Foreign-currency forward contracts	\$ 238,854	\$ 104	\$ (199,019)	\$ (73)
As of December 31, 2023				
Foreign-currency forward contracts	\$ 221,910	\$ 8,608	\$ (234,353)	\$ (8,520)

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Investment income	\$ 2,567	\$ (34)	\$ 8,634	\$ (2,609)
General and administrative expense ⁽¹⁾	(2,431)	—	(8,188)	—
Total gain (loss)	<u>\$ 136</u>	<u>\$ (34)</u>	<u>\$ 446</u>	<u>\$ (2,609)</u>

- (1) To the extent that the Company's freestanding derivatives are utilized to hedge its foreign-currency exposure to investment income 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.

There were no derivatives outstanding that were designated as hedging instruments for accounting purposes as of June 30, 2024 and December 31, 2023.

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:

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	Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value
As of June 30, 2024				
Foreign-currency forward contracts	\$ 804,634	\$ 2,694	\$ (72,106)	\$ (17,144)
Total-return and interest-rate and credit default swaps	170,935	22,066	(1,284)	(36)
Options and futures	10,036	33	(118,628)	(1,030)
Total	<u>\$ 985,605</u>	<u>\$ 24,793</u>	<u>\$ (192,018)</u>	<u>\$ (18,210)</u>
As of December 31, 2023				
Foreign-currency forward contracts	\$ 508,174	\$ 475	\$ (118,263)	\$ (21,659)
Total-return and interest-rate and credit default 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>

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

	Three months ended June 30,			
	2024		2023	
	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	\$ 116	\$ 177	\$ 93	\$ (6,596)
Total-return and interest-rate and credit default swaps	—	2,955	122	468
Options and futures	(32)	1,988	640	1,134
Commodity swaps	2,735	(6,860)	2,638	(1,815)
Total	<u>\$ 2,819</u>	<u>\$ (1,740)</u>	<u>\$ 3,493</u>	<u>\$ (6,809)</u>

	Six months ended June 30,			
	2024		2023	
	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	\$ (235)	\$ 5,912	\$ (1,521)	\$ (10,580)
Total-return and interest-rate and credit default swaps	—	3,588	117	456
Options and futures	(238)	1,600	1,072	736
Commodity swaps	7,228	(8,441)	5,246	13,355
Total	<u>\$ 6,755</u>	<u>\$ 2,659</u>	<u>\$ 4,914</u>	<u>\$ 3,967</u>

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Balance Sheet Offsetting

The Company recognizes all derivatives as assets or liabilities at fair value in its condensed 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 condensed 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 condensed 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 June 30, 2024				
Derivative Assets:				
Foreign-currency forward contracts	\$ 104	\$ 36	\$ —	\$ 68
<i>Derivative assets of consolidated funds:</i>				
Foreign-currency forward contracts	2,694	—	—	2,694
Total-return and interest-rate and credit default swaps	22,066	—	—	22,066
Options and futures	33	—	—	33
Subtotal	24,793	—	—	24,793
Total	\$ 24,897	\$ 36	\$ —	\$ 24,861
Derivative Liabilities:				
Foreign-currency forward contracts	\$ (73)	\$ (36)	\$ —	\$ (37)
<i>Derivative liabilities of consolidated funds:</i>				
Foreign-currency forward contracts	(17,144)	—	—	(17,144)
Total-return and interest-rate and credit default swaps	(36)	—	—	(36)
Options and futures	(1,030)	—	—	(1,030)
Subtotal	(18,210)	—	—	(18,210)
Total	\$ (18,283)	\$ (36)	\$ —	\$ (18,247)

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<u>As of December 31, 2023</u>	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	\$ 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
Options and futures	—	—	—	—
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)
Total-return and interest-rate and credit default swaps	—	—	—	—
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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8. 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 and Oaktree AIF. The offering closed on June 8, 2022, and Oaktree Capital I received proceeds of €200 million on the closing date.

	As of	
	June 30, 2024	December 31, 2023
Senior unsecured notes		
€50,000, 2.20%, issued in June 2022, payable on June 8, 2032	\$ 53,587	\$ 55,100
€75,000, 2.40%, issued in June 2022, payable on June 8, 2034	80,382	82,100
€75,000, 2.58%, issued in June 2022, payable on June 8, 2037	80,382	82,100
Total remaining principal	214,351	220,000
Less: Debt issuance costs	(1,190)	(1,200)
Total debt obligations, net	<u>\$ 213,161</u>	<u>\$ 219,000</u>

Oaktree Capital I Guaranty Agreements

As of June 30, 2024, 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 condensed consolidated financial statements based upon the entity that actually made the borrowing and received the related proceeds.

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.

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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 June 30, 2024.

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 and Oaktree AIF, 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 bank 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 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 ones regarding a maximum leverage ratio and a minimum required level of assets under management (as defined in the credit agreement, as amended above). As of June 30, 2024, 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 \$168.7 million and \$175.9 million as of June 30, 2024 and December 31, 2023, respectively, utilizing average borrowing rates of 5.2% and 4.9%, respectively.

OCM and the Company were in compliance with all financial maintenance covenants associated with its senior notes and bank credit facility as of June 30, 2024 and December 31, 2023, respectively. As of June 30, 2024, 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 \$1.1 billion. The Company's maximum exposure to these debt obligations is set forth below:

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	As of	
	June 30, 2024	December 31, 2023
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:

	Outstanding Amount as of		Key terms as of June 30, 2024				
	June 30, 2024	December 31, 2023	Facility Capacity	Effective Interest Rate	Weighted Average Remaining Maturity (years)	Commitment Fee Rate	L/C Fee
<u>Credit Agreement</u>							
Revolving credit facilities ⁽¹⁾	\$ 1,481,994	\$ 951,950	\$ 2,033,890	7.57%	0.88	0.25%	2.20%
Less: Debt issuance costs	(7,046)	(6,155)					
Total debt obligations, net ⁽²⁾	<u>\$ 1,474,948</u>	<u>\$ 945,795</u>					

(1) The credit facility capacity is calculated on a pro rata basis using fund commitments as of June 30, 2024.

(2) Debt issuance costs are included in other assets as of June 30, 2024 and December 31, 2023.

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.

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Debt Obligations of CLOs

Debt obligations of CLOs represent amounts due to holders of debt securities issued by the CLOs, as well as term loans of CLOs that had not priced as of period end. Outstanding debt obligations of CLOs were as follows:

	As of June 30, 2024			As of December 31, 2023		
	Fair Value ⁽¹⁾	Weighted Average Interest Rate	Weighted Average Remaining Maturity (years)	Fair Value ⁽¹⁾	Weighted Average Interest Rate	Weighted Average Remaining Maturity (years)
Senior secured notes	\$ 769,314	7.29%	12.5	—	—%	—
Total CLO debt obligations	<u>\$ 769,314</u>			<u>\$ —</u>		

(1) The fair value of CLO liabilities was measured as the fair value of CLO assets less the sum of (a) the fair value of any beneficial interests held by the Company and (b) the carrying value of any beneficial interests that represent compensation for services. The fair value of the beneficial interests was calculated using a discounted cash flow model specific to each investment structure. Please see note 2 for more information.

The following table set forth the significant valuation inputs, including the input range and weighted average rate utilized in determining the fair value of the Company's CLO beneficial interests held at June 30, 2024:

Valuation Input	Low	High	Weighted Average Rate
Discount rates	9.0%	23.0%	12.7%
Constant default rates	2.0%	2.0%	2.0%
Recovery rates	60.0%	65.0%	60.9%

The debt obligations of CLOs are nonrecourse to the Company and are backed by the investments held by the respective CLO. Assets of one CLO may not be used to satisfy the liabilities of another. As of June 30, 2024 and December 31, 2023, the fair value of CLO assets was \$1.1 billion and zero, respectively, and consisted of cash, corporate loans, corporate bonds and other securities.

As of June 30, 2024, future scheduled principal or par value payments with respect to the debt obligations of CLOs were as follows:

Remainder of 2024	\$ —
2025	—
2026	31,091
2027	—
2028	—
Thereafter	738,000
Total	<u>\$ 769,091</u>

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9. 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.

	Six months ended June 30,	
	2024	2023
Beginning balance	\$ 3,336,548	\$ 2,182,414
Deconsolidation of funds	(165,897)	—
Contributions	149,417	1,107,488
Distributions	(138,508)	(62,768)
Net income	197,467	88,305
Change in distributions payable	—	(317)
Foreign currency translation and other, net	(1,006)	816
Ending balance	<u>\$ 3,378,021</u>	<u>\$ 3,315,938</u>

10. 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 June 30, 2024 and December 31, 2023, OCGH units represented 43,756,355 of the total 160,129,589 Oaktree Operating Group units and 50,915,764 of the total 160,114,755 Oaktree Operating Group units, respectively.

Based on total allocable capital of \$1,010,671 and \$1,058,126 as of June 30, 2024 and December 31, 2023, respectively, the OCGH non-controlling interest was \$291,477 and \$333,195. As of June 30, 2024 and December 31, 2023, there were no non-controlling interests attributable to third parties.

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

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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:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Weighted average Oaktree Operating Group units outstanding (in thousands):				
OCGH and other non-controlling interests	47,995	55,107	51,351	57,950
Class A unitholders	112,134	105,009	108,775	102,139
Total weighted average units outstanding	<u>160,129</u>	<u>160,116</u>	<u>160,126</u>	<u>160,089</u>
Oaktree Operating Group net income (loss):				
Net income attributable to preferred unitholders ⁽¹⁾	\$ 6,829	\$ 6,829	\$ 13,658	\$ 13,658
Net income (loss) attributable to OCGH and other non-controlling interests	8,937	(13,955)	61,665	5,745
Net income (loss) attributable to BOH Class A unitholders	<u>16,482</u>	<u>(22,874)</u>	<u>85,642</u>	<u>8,515</u>
Oaktree Capital I net income (loss)	<u>\$ 32,248</u>	<u>\$ (30,000)</u>	<u>\$ 160,965</u>	<u>\$ 27,918</u>
Net income (loss) attributable to BOH Class A unitholders:				
Oaktree Capital I net income (loss) attributable to BOH Class A unitholders	\$ 16,482	\$ (22,874)	\$ 85,642	\$ 8,515
Non-Operating Group income (expense)	<u>21,492</u>	<u>16,539</u>	<u>29,118</u>	<u>24,079</u>
Net income (loss) attributable to BOH Class A unitholders	<u>\$ 37,974</u>	<u>\$ (6,335)</u>	<u>\$ 114,760</u>	<u>\$ 32,594</u>

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

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income attributable to BOH Class A unitholders	\$ 37,974	\$ (6,335)	\$ 114,760	\$ 32,594
Equity reallocation between controlling and non-controlling interests	35,924	37,353	33,948	35,082
Change from net income attributable to BOH Class A unitholders and transfers from non-controlling interests	<u>\$ 73,898</u>	<u>\$ 31,018</u>	<u>\$ 148,708</u>	<u>\$ 67,676</u>

Please see notes 9, 10 and 11 for additional information regarding transactions that impacted unitholders' capital.

11. EARNINGS PER UNIT

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
(in thousands, except per unit amounts)				
Net income per Class A unit (basic and diluted):				
Net income attributable to BOH Class A unitholders	<u>\$ 37,974</u>	<u>\$ (6,335)</u>	<u>\$ 114,760</u>	<u>\$ 32,594</u>
Weighted average number of Class A units outstanding (basic and diluted)	<u>115,821</u>	<u>108,796</u>	<u>112,510</u>	<u>105,954</u>
Basic and diluted net income (net of tax) per Class A unit	<u>\$ 0.33</u>	<u>\$ (0.06)</u>	<u>\$ 1.02</u>	<u>\$ 0.31</u>

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 three and six months ended June 30, 2024 and 2023.

12. INCOME TAXES AND RELATED PAYMENTS

The Company is a publicly traded partnership and holds interest in Oaktree Capital I (a non-corporate entity that is not subject to U.S. federal corporate income tax).

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 condensed consolidated financial statements; however, there can be no assurances as to the ultimate outcomes.

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13. 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 condensed 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 June 30, 2024 and December 31, 2023, respectively, the aggregate of such amounts recorded at the fund level in excess of incentive income recognized by the Company was \$2.2 billion and \$1.8 billion, for which related direct incentive income compensation expense was estimated to be \$937.3 million and \$739.1 million, respectively.

Commitments to Funds

As of June 30, 2024 and December 31, 2023, the Company, generally in its capacity as general partner, had undrawn capital commitments of \$397.3 million and \$349.9 million, respectively, including commitments to both unconsolidated and consolidated funds. Additionally, as of June 30, 2024, 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 14).

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 condensed 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 June 30, 2024 and December 31, 2023, the consolidated funds had no potential aggregate commitments.

A consolidated fund may agree to guarantee the repayment obligations of certain investee companies. As of June 30, 2024 and December 31, 2023, 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 six months ended June 30, 2024 and 2023, the consolidated funds did not provide any financial support to portfolio companies.

14. 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-

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flow analysis. The carrying value of amounts due from and to 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	
	June 30, 2024	December 31, 2023
Due from affiliates:		
Loans to affiliates	\$ 826	\$ 25,996
Incentive income due from unconsolidated funds and affiliates	667	202,052
Payments made on behalf of unconsolidated entities	7,944	4,437
Total due from affiliates	<u>\$ 9,437</u>	<u>\$ 232,485</u>
Due to affiliates:		
Loans from affiliates	\$ 27,489	\$ 47,909
Amounts due to unconsolidated entities	22,525	14,850
Total due to affiliates	<u>\$ 50,014</u>	<u>\$ 62,759</u>

Loans To/ From Affiliates

Loans primarily consist of interest-bearing loans made to affiliates.

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 allowed for outstanding principal amounts not to exceed \$250.0 million and matured on May 7, 2024. On February 17, 2023, the revolving line of credit notes were replaced with an intercompany loan agreement with a maturity of February 17, 2026.

As of June 30, 2024, there were no loans to affiliates and \$245.3 thousand and \$829.6 thousand of interest income, which were included in due from affiliates, was generated for the three and six months ended June 30, 2024, respectively. As of June 30, 2024, the Company through Oaktree Capital I has borrowed \$27.0 million from OCM, and incurred \$420.8 thousand and \$580.1 thousand of interest expense, which were included in due to affiliates, for the three and six months ended June 30, 2024, respectively.

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 \$201.2 thousand of interest income for the three and six months ended June 30, 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 \$136.7 thousand and \$305.7 thousand of interest expense for the three and six months ended June 30, 2023, respectively.

Due From Oaktree Funds and Affiliates

In the normal course of business, the Company advances certain expenses on behalf of Oaktree funds. Amounts advanced on behalf of consolidated funds are eliminated in consolidation. Certain expenses paid by the Company, which typically are employee travel and other costs associated with particular portfolio company holdings, are reimbursed to the Company by the portfolio companies. In addition, the Company recognizes distributions and proceeds from corporate investments in Oaktree funds for which it serves as general partner, and other third-party managed funds and companies as receivables when certain criteria is met.

Revenues Earned From Oaktree Funds

Incentive income earned from unconsolidated Oaktree funds totaled \$2.2 million and \$117.5 million for the three and six months ended June 30, 2024, respectively, and \$2.1 million and \$61.5 million for the three and six months ended June 30, 2023, respectively.

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

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certain threshold pursuant to an Oaktree policy. Oaktree also provides certain 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 Oaktree 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 the Company, 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 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 the three and six months ended June 30, 2024 and 2023, the Company incurred administrative services expense of \$0.2 million and \$0.4 million, respectively.

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 8. 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 8, 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

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terminate the subordinated credit facility. No amounts were outstanding on the subordinated credit facility as of June 30, 2024.

Investment in Oaktree Opportunities Fund XI

The Company has subscribed for a limited partner interest in, and made a capital commitment of, \$750.0 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 dividends or redemption of the preferred units. During the six months ended June 30, 2024, the Company did not fund any of its capital commitment. As of June 30, 2024, the Company has funded in the aggregate \$637.5 million of the \$750.0 million 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 June 30, 2024, 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 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 June 30, 2024, the Company had \$170.0 million on deposit with BAM ULC which was included in the U.S. Treasury and other securities. During the three and six months ended June 30, 2024, respectively, the Company generated \$3.0 million and \$3.1 million interest income on an average deposit balance of \$212.7 million and \$110.5 million, respectively, which was included in interest and dividend income.

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

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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 in Note 5) 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 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 June 30, 2024, the carrying value of NTR included in corporate investments was \$300.7 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.

SPV Credit Facility

In March 2024, BOH transferred a portion of its indirect interest in Opps XI to newly formed special purpose subsidiary (“SPV I”) and pledged its ownership interest in SPV I as collateral for a non-recourse credit facility of an affiliate. In June 2024, BOH transferred an additional portion of its indirect interest in Opps XI to a newly formed special purpose subsidiary (“SPV II”) and pledged its ownership interest in SPV II as collateral for a second non-recourse credit facility of the affiliate. While the outstanding borrowings on the facilities are the obligations of the affiliate, the co-borrowers, including SPV I and SPV II, have joint and several liability under the credit facilities in the event of default and are required to comply with certain covenants. As of June 30, 2024, BOH’s potential exposure under these arrangements is limited to the carrying value of its pledged interests in SPV I and SPV II of \$159.4 million and \$269.5 million, respectively.

15. SEGMENT REPORTING

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.

16. SUBSEQUENT EVENTS

Class A Unit Distribution

A distribution of \$0.65 per Class A unit was paid on August 9, 2024 to holders of record at the close of business on August 5, 2024.

Preferred Unit Distributions

A distribution of \$0.414063 per Series A preferred unit will be paid on September 16, 2024 to Series A preferred unitholders of record at the close of business on September 1, 2024.

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A distribution of \$0.409375 per Series B preferred unit will be paid on September 16, 2024 to Series B preferred unitholders of record at the close of business on September 1, 2024.

2024 Restructuring

On July 1, 2024, an internal reorganization (the "2024 Restructuring") was effected whereby, among other things, the general partner of Oaktree Capital I, L.P. ("Oaktree Capital I") was changed from Brookfield OCM Holdings II, LLC to Oaktree Capital I GP, LLC, a newly formed subsidiary of Oaktree Capital Holdings, LLC, pursuant to the entry by Oaktree Capital I and the other parties thereto into the Sixth Amended and Restated Limited Partnership Agreement of Oaktree Capital I (the "New Cap I LPA"). In connection with the execution of the New Cap I LPA, the Company confirmed its approval of and consent to the replacement of the general partner of Oaktree Capital I in accordance with Section 8.07(a) of the Fifth Amended and Restated Limited Partnership Agreement of Oaktree Capital I. See Item 8.01 of the Company's Current Report on Form 8-K filed with the SEC on July 1, 2024 for more information about the 2024 Restructuring.

Also in connection with the 2024 Restructuring, (i) Brookfield OCM Holdings II, LLC remained a limited partner of Oaktree Capital I and retained its economic interest therein, (ii) OCGH continued to hold all of the Class B common units of the Company and retained its right to designate members of the board of directors of the Company and (iii) Brookfield Corporation continued to indirectly hold all of the Class A common units of the Company and retained its right to designate members of the board of directors of the Company. The 2024 Restructuring did not have an economic impact on the Company. In connection with the replacement of the general partner of Oaktree Capital I, the Company determined that it no longer controlled Oaktree Capital I and deconsolidated the entity, which will be accounted for as an equity method investment beginning in the third quarter of 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements of Brookfield Oaktree Holdings, LLC and the related notes included within this quarterly report. 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 quarterly report and under "Risk Factors" in our 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 ownership and operational structure through June 30, 2024 were the result of the Mergers, 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. Effective July 1, 2024, the Company subsequently implemented the 2024 Restructuring. See Item 8.01 of the Company's Current Report on Form 8-K filed with the SEC on July 1, 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 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 condensed

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 condensed consolidated financial statements included elsewhere in this quarterly 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 condensed 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 CLOs whose direct ownership interests are held by OCM Cayman. The significant components of our results of operations, as discussed below, do not reflect any changes resulting from the 2024 Restructuring, which was effective July 1, 2024

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.

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 condensed consolidated statements of operations. Subsequent fair value changes in our investments held in the entity will be recorded in investment income in our condensed 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 condensed consolidated statements of operations. Please see “Business—Structure and

Operation of Our Business—Structure of Funds” in our 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

Subsequent to the 2022 Restructuring, general and administrative expenses 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. 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 condensed 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 CLOs whose 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 condensed 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 condensed 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. 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 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 10 to our condensed consolidated financial statements included elsewhere in this quarterly 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 10 to our condensed 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 and accrued incentives. 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 and Incentives Created

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 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, 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.

The same performance and market risks inherent in incentives created affect the ability to ultimately realize accrued incentives. One consequence of the accounting method we follow for incentives created is that accrued incentives 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 because it provides an indication of potential future value, though the timing and ultimate realization of that value are uncertain.

Incentives created, incentive income and accrued incentives 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 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 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 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 unaudited condensed consolidated statements of operations:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands, except per unit data)			
Revenues:				
Incentive income	\$ 2,200	\$ 2,072	\$ 117,529	\$ 61,473
Expenses:				
Compensation and benefits	(272)	(85)	(471)	(176)
Incentive income compensation	4,152	1,494	(22,168)	(57,044)
Total compensation and benefits expense	3,880	1,409	(22,639)	(57,220)
General and administrative	1,075	(179)	(2,314)	(2,103)
Consolidated fund expenses	(24,086)	(13,188)	(44,661)	(27,324)
Total expenses	(19,131)	(11,958)	(69,614)	(86,647)
Other income (loss):				
Interest expense	(28,940)	(12,161)	(51,155)	(28,710)
Interest and dividend income	136,392	93,086	257,776	159,895
Net realized gain on consolidated funds' investments	54,857	30,701	3,081	62,381
Net change in unrealized appreciation (depreciation) on consolidated funds' investments	(22,295)	(12,789)	95,179	(37,971)
Investment income (loss)	16,514	(41,841)	34,754	9,881
Total other income	156,528	56,996	339,635	165,476
Income before income taxes	139,597	47,110	387,550	140,302
Income taxes	—	—	—	—
Net income	139,597	47,110	387,550	140,302
Less:				
Net income attributable to non-controlling interests in consolidated funds	(85,857)	(60,571)	(197,467)	(88,305)
Net (income) loss attributable to non-controlling interests in consolidated subsidiaries	(8,937)	13,955	(61,665)	(5,745)
Net income attributable to Brookfield Oaktree Holdings, LLC	44,803	494	128,418	46,252
Net income attributable to preferred unitholders	(6,829)	(6,829)	(13,658)	(13,658)
Net income (loss) attributable to Brookfield Oaktree Holdings, LLC Class A unitholders	\$ 37,974	\$ (6,335)	\$ 114,760	\$ 32,594
Distributions declared per Class A unit	\$ 1.26	\$ 0.72	\$ 1.40	\$ 0.83
Net income (loss) per Class A unit (basic and diluted):				
Net income (loss) per Class A unit	\$ 0.33	\$ (0.06)	\$ 1.02	\$ 0.31
Weighted average number of Class A units outstanding	115,821	108,796	112,510	105,954

Second Quarter Ended June 30, 2024 Compared to the Second Quarter Ended June 30, 2023**Revenues***Incentive Income*

Incentive income increased \$0.1 million to \$2.2 million for the second quarter of 2024, from \$2.1 million for the second quarter of 2023. The increase in incentive income was primarily due to incentive income from Credit evergreen funds.

Expenses*Incentive Income Compensation*

Incentive income compensation expense decreased \$2.7 million, resulting in a reversal of \$4.2 million for the second quarter of 2024, compared to a reversal of \$1.5 million for the second quarter of 2023, primarily related to the write off of incentive compensation liability related to liquidated funds for which the Company is no longer liable.

General and Administrative

General and administrative expense decreased \$1.3 million, or 650.0%, resulting in a reversal of \$1.1 million for the second quarter of 2024, compared to an expense of \$0.2 million for the second quarter of 2023, primarily due to \$1.1 million increase in foreign exchange gain.

Consolidated Fund Expenses

Consolidated fund expenses increased \$10.9 million, or 82.6%, to \$24.1 million for the second quarter of 2024, from \$13.2 million for the second quarter of 2023. The increase is primarily due to the general costs incurred by Opps XII, which was consolidated beginning the fourth quarter of 2023.

Other Income (Loss)*Interest Expense*

Interest expense increased \$16.7 million, or 136.9%, to \$28.9 million for the second quarter of 2024, from \$12.2 million for the second quarter of 2023. The increase is primarily due to interest on debt outstanding at Opps XII, and the CLO equity fund, neither of which were consolidated in the second quarter of 2023.

Interest and Dividend Income

Interest and dividend income increased \$43.3 million, or 46.5%, to \$136.4 million for the second quarter of 2024, from \$93.1 million for the second quarter of 2023. The increase was primarily attributable to increases in income from our investments in Opps XI and Opps XII, as well as the new CLO equity fund.

Net Realized Gain (Loss) on Consolidated Funds' Investments

Net realized gain (loss) on consolidated funds' investments increased \$24.2 million, from a gain of \$30.7 million for the second quarter of 2023 to a gain of \$54.9 million for the second quarter of 2024. The net realized gain during the first quarter of 2024 reflects our consolidated funds' performance on investments sold and the increase is primarily due to Opps XI.

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

Net change in unrealized appreciation (depreciation) on consolidated funds' investments decreased \$9.5 million, to a loss of \$22.3 million for the second quarter of 2024, from a loss of \$12.8 million for the second quarter of 2023. 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 \$14.7 million, to a net gain of \$32.6 million for the second quarter of 2024, from a net gain of \$17.9 million for the second quarter of 2023, primarily resulting from our investment in Opps XI.

Investment Income

Investment income increased \$58.3 million, or 139.5%, to a gain of \$16.5 million for the second quarter of 2024, from a loss of \$41.8 million for the second quarter of 2023. The increase was primarily due to increases in the values of our Credit investments and improved performance of our SPAC shares.

Net Income Attributable to Non-controlling Interests in Consolidated Funds

Net income attributable to non-controlling interests in consolidated funds increased \$25.3 million, to \$85.9 million for the second quarter of 2024, from \$60.6 million for the second quarter of 2023. 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 \$44.3 million, or 703.2%, to net income of \$38.0 million for the second quarter of 2024, from net loss of \$6.3 million for the second quarter of 2023, primarily reflecting higher investment income and other income. These effects are described in more detail under "—Incentive Income" and "—Other Income (Loss)" above.

Six Months Ended June 30, 2024 Compared to the Six Months Ended June 30, 2023**Revenues***Incentive Income*

Incentive income increased \$56.0 million to \$117.5 million for the first six months of 2024, from \$61.5 million for the first six months of 2023. The increase in incentive income was primarily due to larger tax-related distributions in the first quarter of 2024 from Credit and Private Equity closed-end funds.

Expenses*Incentive Income Compensation*

Incentive income compensation expense decreased \$34.8 million to \$22.2 million for the first six months of 2024, from \$57.0 million for the first six months of 2023. The decrease was primarily due to SPAC incentive compensation fully amortized in 2023 and the write off of incentive compensation liability related to liquidated funds for which the Company is no longer liable.

General and Administrative

General and administrative expense increased \$0.2 million, or 9.5%, to \$2.3 million for the first six months of 2024, from \$2.1 million for the first six months of 2023, primarily due to increases in legal expenses.

Consolidated Fund Expenses

Consolidated fund expenses increased \$17.4 million, or 63.7%, to \$44.7 million for the first six months of 2024, from \$27.3 million for the first six months of 2023. The increase is primarily due to the general costs incurred by Opps XII, which was consolidated beginning the fourth quarter of 2023.

Other Income (Loss)*Interest Expense*

Interest expense increased \$22.5 million, or 78.4%, to \$51.2 million for the first six months of 2024, from \$28.7 million for the first six months of 2023. The increase is primarily due to interest on debt outstanding at Opps XII, and the CLO equity fund, neither of which were consolidated in the first six months of 2023, partially offset by a decrease in interest incurred by Opps XI due to lower debt balance.

Interest and Dividend Income

Interest and dividend income increased \$97.9 million, or 61.2%, to \$257.8 million for the first six months of 2024, from \$159.9 million for the first six months of 2023. The increase was primarily attributable to increases in income from our investments in Opps XI and Opps XII, as well as the new CLO equity fund.

Net Realized Gain (Loss) on Consolidated Funds' Investments

Net realized gain (loss) on consolidated funds' investments decreased by \$59.3 million, from a gain of \$62.4 million for the first six months of 2023 to a gain of \$3.1 million for the first six months of 2024. The net realized gain during the first six months of 2024 reflects our consolidated funds' performance on investments sold and the decline is primarily due to Opps XI.

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

Net change in unrealized appreciation on consolidated funds' investments increased \$133.2 million, to an appreciation of \$95.2 million for the first six months of 2024, from a depreciation of \$38.0 million for the first six months of 2023. 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 \$73.9 million, to a net gain of \$98.3 million for the first six months of 2024, from a net gain of \$24.4 million for the first six months of 2023, primarily resulting from our investment in Opps XI.

Investment Income

Investment Income increased \$24.9 million, or 251.5%, to \$34.8 million for the first six months of 2024, from \$9.9 million for the first six months of 2023, primarily due to increases in the values of our Credit investments.

Net Income Attributable to Non-controlling Interests in Consolidated Funds

Net income attributable to non-controlling interests in consolidated funds increased \$109.2 million, to \$197.5 million for the first six months of 2024, from \$88.3 million for the first six months of 2023. 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 (loss) attributable to Brookfield Oaktree Holdings, LLC Class A unitholders increased \$82.2 million, or 252.1%, to net income of \$114.8 million for the first six months of 2024, from net income of \$32.6 million for the first six months of 2023, primarily reflecting higher incentive income and other income. These effects are described in more detail under "—Incentive Income" and "—Other Income (Loss)" above.

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, and accrued incentives.

Incentive-creating AUM

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

	As of		
	June 30, 2024	March 31, 2024	December 31, 2023
	(in millions)		
Incentive-creating AUM:			
Closed-end funds	\$ 51,776	\$ 51,976	\$ 51,491
Evergreen funds	3,099	3,425	3,348
Total	\$ 54,875	\$ 55,401	\$ 54,839

Second Quarter Ended June 30, 2024

Incentive-creating AUM decreased \$0.5 billion, or 0.9%, to \$54.9 billion as of June 30, 2024, from \$55.4 billion as of March 31, 2024. This decrease reflected \$1.8 billion of net distributions, partially offset by \$1.3 billion of market appreciation, inclusive of the impact of foreign currency fluctuations, in the second quarter of 2024.

Six Months Ended June 30, 2024

Incentive-creating AUM increased \$0.1 billion, or 0.2%, to \$54.9 billion as of June 30, 2024, from \$54.8 billion as of December 31, 2023. This increase reflected \$2.6 billion of market appreciation, inclusive of the impact of foreign currency fluctuations, partially offset by \$2.5 billion of net distributions during the six months ended June 30, 2024.

Accrued Incentives and Incentives Created

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

	As of or for the Three Months Ended June 30,		As of or for the Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Accrued Incentives:				
Beginning balance ⁽¹⁾	\$ 1,911,518	\$ 1,824,320	\$ 1,839,552	\$ 1,709,497
Incentives created:				
Closed-end funds	184,851	(102,889)	373,005	67,862
Evergreen funds	1,530	6,013	5,701	9,486
Total incentives created	186,381	(96,876)	378,706	77,348
Less: incentive income recognized by us	(733)	(2,073)	(121,092)	(61,474)
Ending balance	\$ 2,097,166	\$ 1,725,371	\$ 2,097,166	\$ 1,725,371
Accrued incentives, net of associated incentive income compensation expense	\$ 1,024,122	\$ 1,053,203	\$ 1,024,122	\$ 1,053,203

(1) 2023 beginning balance and activity for the period 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 June 30, 2024 and 2023, the portion of net accrued incentives represented by funds that were currently paying incentives was \$4.3 million (or 0.4%) and \$21.0 million (or 2.0%), 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 June 30, 2024, \$873.5 million, or 66.6%, of the net accrued incentives were in evergreen or closed-end funds that were incentive paying or in their liquidation period. Please see “—Critical Accounting Policies—Fair Value of Financial Instruments” for a discussion of the fair-value hierarchy level established by GAAP.

Second Quarter Ended June 30, 2024

Incentives created was \$186.4 million for the second quarter of 2024, primarily reflecting \$307.1 million from Credit funds, offset by \$(117.3) million from Private Equity funds.

Six Months Ended June 30, 2024

Incentives created (fund level) was \$378.7 million for the first six months of 2024, primarily reflecting \$536.7 million from Credit funds, offset by \$(156.7) million from Private Equity funds.

GAAP Statement of Financial Condition (Unaudited)

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, 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 whose direct ownership interests are held by OCM Cayman. Assets and liabilities related to OCM Cayman and those CLOs are not reflected on our consolidated statement of financial condition as of June 30, 2024.

The following table presents our unaudited condensed consolidating statement of financial condition:

As of June 30, 2024				
	Oaktree and Operating Subsidiaries	Consolidated Funds	Eliminations	Consolidated
	(in thousands)			
Assets:				
Cash and cash-equivalents	\$ 14,911	\$ —	\$ —	\$ 14,911
U.S. Treasury and other securities	170,000	—	—	170,000
Corporate investments	2,603,454	—	(1,159,958)	1,443,496
Receivables and other assets	102,778	—	(25,000)	77,778
Assets of consolidated funds	—	7,212,726	—	7,212,726
Total assets	<u>\$ 2,891,143</u>	<u>\$ 7,212,726</u>	<u>\$ (1,184,958)</u>	<u>\$ 8,918,911</u>
Liabilities and Capital:				
Liabilities:				
Accounts payable and accrued expenses	\$ 50,290	\$ —	\$ —	\$ 50,290
Due to affiliates	50,014	—	—	50,014
Debt obligations	213,161	—	—	213,161
Liabilities of consolidated funds	—	2,685,590	(25,000)	2,660,590
Total liabilities	<u>313,465</u>	<u>2,685,590</u>	<u>(25,000)</u>	<u>2,974,055</u>
Non-controlling redeemable interests in consolidated funds	—	—	3,378,021	3,378,021
Capital:				
Capital attributable to BOH preferred unitholders	400,584	—	—	400,584
Capital attributable to BOH Class A unitholders	1,882,655	835,062	(842,943)	1,874,774
Non-controlling interest in consolidated subsidiaries	294,439	314,053	(317,015)	291,477
Non-controlling interest in consolidated funds	—	3,378,021	(3,378,021)	—
Total capital	<u>2,577,678</u>	<u>4,527,136</u>	<u>(4,537,979)</u>	<u>2,566,835</u>
Total liabilities and capital	<u>\$ 2,891,143</u>	<u>\$ 7,212,726</u>	<u>\$ (1,184,958)</u>	<u>\$ 8,918,911</u>

Corporate Investments

	As of		
	June 30, 2024	March 31, 2024	June 30, 2023
	(in thousands)		
Oaktree funds:			
Credit	\$ 1,925,544	\$ 1,909,367	\$ 1,943,429
Private Equity	235,577	220,798	229,903
Real Assets	384,192	382,973	388,184
Listed Equities	30,416	47,807	43,007
Non-Oaktree	27,725	31,639	30,008
Total corporate investments – Oaktree and operating subsidiaries	2,603,454	2,592,584	2,634,531
Eliminations	(1,159,958)	(1,153,593)	(1,124,113)
Total corporate investments – Consolidated	\$ 1,443,496	\$ 1,438,991	\$ 1,510,418

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 June 30, 2024, the Company on an unconsolidated basis had \$184.9 million of cash and U.S. Treasury and other securities and \$213.2 million of outstanding debt.

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 June 30, 2024, \$637.5 million of the \$750 million capital commitment was funded. Additionally, \$428.9 million of the investment interest was pledged as collateral for two non-recourse credit facilities of an affiliate. The potential exposure is limited to the pledged interests.

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 June 30, 2024, 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 June 30, 2024, the carrying value of NTR included in corporate investments was \$300.7 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 condensed 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 condensed 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 CLOs whose direct ownership interests are held by OCM Cayman.

Significant amounts from our condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2023 are discussed below.

Operating Activities

Operating activities used \$771.2 million and \$369.9 million of cash for the first six months of 2024 and 2023, respectively. These amounts principally reflected net income (loss), purchases of securities, net of non-cash adjustments, and net realized and unrealized (gain) loss from consolidated fund investments in each of the respective periods as well as net purchases of securities of the consolidated funds.

Investing Activities

Investing activities used \$80.5 million and \$330.0 million of cash for the first six months of 2024 and 2023, respectively. During the first six months of 2024, the Company placed \$170.0 million on deposit with BAM ULC which was included in the U.S. Treasury and other securities. Corporate investments in funds and companies of \$34.9 million and \$409.5 million for the first six months of 2024 and 2023, respectively, consisted of the following:

	Six months ended June 30,	
	2024	2023
	(in thousands)	
Funds	\$ 78,281	\$ 692,050
Eliminated in consolidation	(43,336)	(270,028)
Total investments	<u>\$ 34,945</u>	<u>\$ 422,022</u>

Distributions and proceeds from corporate investments in funds and companies of \$124.5 million and \$79.5 million for the first six months of 2024 and 2023, respectively, consisted of the following:

	Six months ended June 30,	
	2024	2023
	(in thousands)	
Funds	\$ 199,719	\$ 90,313
Eliminated in consolidation	(75,264)	(10,821)
Total proceeds	<u>\$ 124,455</u>	<u>\$ 79,492</u>

Financing Activities

Financing activities provided \$1.0 billion and \$0.8 billion of cash for the first six months of 2024 and 2023, respectively, and included: (a) net contributions from non-controlling interests of \$10.9 million and \$1.0 billion; (b) distributions to unitholders of \$248.6 million and \$136.8 million; (c) net capital distributions of \$0.3 million and net capital contributions of \$568.4 million; and (d) payments of debt issuance costs of \$3.4 million and \$0.1 million. Additionally, the first six months of 2024 and 2023 included borrowings of \$2.2 billion and \$76.7 million, respectively, and \$907.7 million and \$767.1 million of repayments, respectively, related to consolidated funds.

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 condensed 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 8 to our condensed consolidated financial statements included elsewhere in this quarterly 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 8, 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 June 30, 2024.

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 8 to our condensed consolidated financial statements included elsewhere in this quarterly 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 June 30, 2024, 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 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 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 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.

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 June 30, 2024:

	Remainder of 2024	2025-2026	2027-2028	Thereafter	Total
	(in thousands)				
Oaktree and Operating Subsidiaries:					
Senior note principal repayment ⁽¹⁾	\$ —	\$ —	\$ —	\$ 214,351	\$ 214,351
Interest obligations on debt ⁽²⁾	2,591	10,364	10,364	34,322	57,641
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⁾	397,292	—	—	—	397,292
Subtotal	\$ 1,262,383	\$ 10,364	\$ 10,364	\$ 248,673	\$ 1,531,784
Consolidated Funds:					
Debt obligations payable ⁽²⁾	\$ 222,338	\$ 1,259,656	\$ —	\$ —	\$ 1,481,994
Interest obligations on debt ⁽⁴⁾	52,001	44,760	—	—	96,761
Debt obligations of CLOs ⁽²⁾	—	31,091	—	738,000	769,091
Interest on debt obligations of CLOs ⁽⁴⁾	28,035	110,436	107,952	458,722	705,145
Total	\$ 1,564,757	\$ 1,456,307	\$ 118,316	\$ 1,445,395	\$ 4,584,775

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

(2) Interest obligations include interest on outstanding indebtedness. All figures are based on the conversion of amounts from EUR to USD using the foreign exchange spot rate of 1.07 as of June 30, 2024.

(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 generally 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 condensed consolidated financial statements as of June 30, 2024.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements. Please see note 13 to our condensed consolidated financial statements included elsewhere in this quarterly report for information on our commitments and contingencies and notes 8 and 14 for information on our joint and several liability as co-obligors on certain debt obligations with affiliates of the Company.

Critical Accounting Estimates

We prepare our condensed 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 condensed 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 condensed consolidated financial statements included elsewhere in this quarterly report. For a summary of our critical accounting policies, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in our annual report.

Recent Accounting Developments

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

Item 3. 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 June 30, 2024, we had investments, at fair value of \$6.5 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 \$647.3 million. Of this decline, approximately \$83.5 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 June 30, 2024, a 10% decline in fair values of the investments held in our funds and other holdings would result in a \$260.3 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 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 June 30, 2024, the Company and its operating subsidiary had \$214.4 million of debt obligations outstanding that bear interest at a fixed rate. As of June 30, 2024, 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 June 30, 2024, the consolidated funds had \$2.3 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 \$22.5 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 4. 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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of legal proceedings, please see the section entitled “Legal Actions” in note 15 to our condensed consolidated financial statements included elsewhere in this quarterly report, which section is incorporated herein by reference. Also, please see “Item 1A. Risk Factors—Risks Related to Our Business—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” in our annual report.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, please see the information under “Risk Factors” in our annual report. There have been no material changes to the risk factors disclosed in those reports.

The risks described in our annual report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. 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.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 14, 2024

Brookfield Oaktree Holdings, LLC

By: /s/ Daniel D. Levin

Name: Daniel D. Levin

Title: Chief Financial Officer and Authorized Signatory

EXHIBITS INDEX

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
<u>3.1</u>	<u>Amended and Restated Certificate of Formation of the Registrant effective as of March 15, 2024. (incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 21, 2024).</u>
<u>3.2</u>	<u>Seventh Amended and Restated Operating Agreement of the Registrant dated as of March 15, 2024 (including 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) (incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 21, 2024).</u>
<u>10.1</u>	<u>Sixth Amended and Restated Limited Partnership Agreement of Oaktree Capital I, L.P. dated as of July 1, 2024 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated July 1, 2024, filed with the SEC on July 1, 2024).</u>
<u>31.1</u>	<u>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.</u> †
<u>31.2</u>	<u>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.</u> †
<u>32.1</u>	<u>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.</u> ††
<u>32.2</u>	<u>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.</u> ††
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.

† Filed herewith

†† Furnished herewith