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VP, Research



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**BLUE**  
**VAULT**™

Performance Series

# A Deeper Look at Owl Rock

# Blue Vault

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Our goal is to provide the most in-depth and thorough research available on alternative investments, including nontraded REITs, BDCs, and Closed-End Funds, Interval Funds and Private Offerings to help educate financial advisors and help protect investors.

To learn more, please visit the Blue Vault website:

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# Polling Question #1

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Which alternative investment offerings do you use in your practice?  
(Please select all that apply)

- a) REITs
- b) BDCs
- c) Interval Funds
- d) Private Offering

# Polling Question #2

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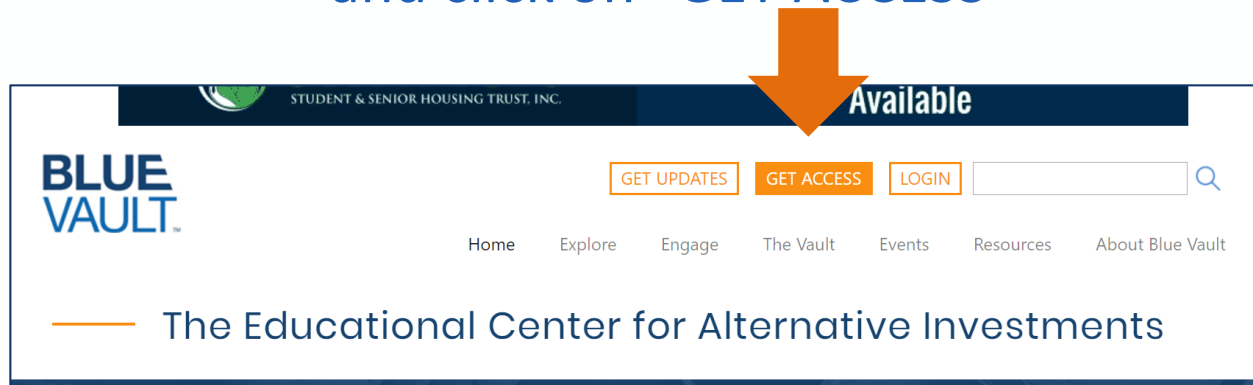
Overall, what percentage of your AUM is invested in alts?

- a) 0-5%
- b) 5-15%
- c) 15-30%
- d) 30-50%
- e) I don't know

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# Introducing the Interactive Dashboards

Blue Vault has launched a new interactive dashboard, which allows our clients to query, search, compare, and contrast data related to asset managers and their securities offerings. New data sets are being released regularly. The most recent data set release covers private offerings. Subscribe to Blue Vault's research today to look for private offerings available for your use and track closed offerings as well.



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# Polling Question #3

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Which best describes why you use alternatives?

- a) Income
- b) Diversification
- c) Total Return
- d) Market non-correlation

# OWL ROCK

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C A P I T A L P A R T N E R S

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# Owl Rock Capital Partners

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- Founded in 2016
- Alternative asset manager
  - Offers direct lending solutions to U.S. middle market companies
  - Provides income-seeking investors access to private credit strategies
- \$14.6 billion in assets under management as of 9/30/19
- \$17.2 billion in originated transactions since inception as of 9/30/19
- Initial product became effective in mid-2016, second in early-2017
  - Owl Rock Capital Corporation
  - Owl Rock Capital Corporation II
- Launched its third product in July 2018
  - Owl Rock Technology Finance Corp.

# Owl Rock Products

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- Owl Rock Capital Corporation
  - Publicly Traded BDC
- Owl Rock Capital Corporation II
  - Public Nontraded BDC
- Owl Rock Technology Finance Corp.
  - Private Nontraded BDC

# Owl Rock Capital Corporation

A publicly traded BDC focused on providing direct lending solutions to middle market companies

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# Owl Rock Capital Corporation History

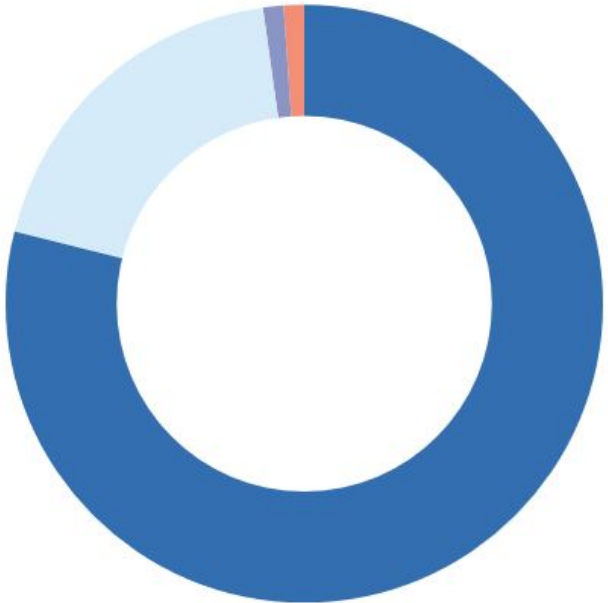
- Formed on October 15, 2015
  - Specialty finance company focused on providing direct lending solutions to middle market companies
- Nontraded BDC raising capital through private offerings
  - Investors make capital commitments to purchase shares of common stock on an as-needed basis
  - The Company raised \$5.5 billion in total capital commitments from its investors
- The Company completed its IPO on July 22, 2019
  - Issued 10 million shares of its common stock at \$15.30 per share for net cash proceeds of \$141.3 million
- The Company's common stock began trading on the NYSE under the symbol "ORCC" on July 18, 2019
  - 2<sup>nd</sup> largest publicly traded BDC

# Owl Rock Capital Corporation

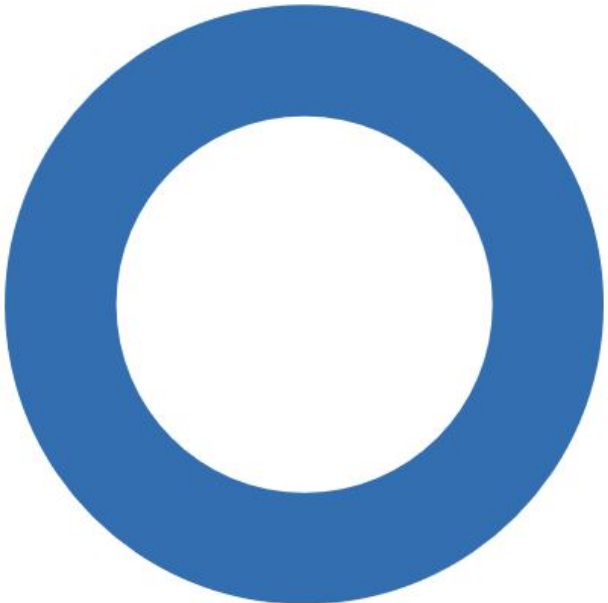
## Key Stats as of 9/30/19

- Total Assets: \$8.6 billion
- Total Investments: \$8.3 billion
  - 96 Portfolio Companies
  - 27 Portfolio Industries
  - 99% Senior Secured
  - 79% First Lien
  - 100% Floating Rate
- Borrower Weighted Average Revenue: \$419 million
- Borrower Weighted Average EBITDA: \$77 million
- Total Debt: \$2.5 billion
- Annualized Dividend Yield: 8.7%

# Owl Rock Capital Corporation Loan Portfolio

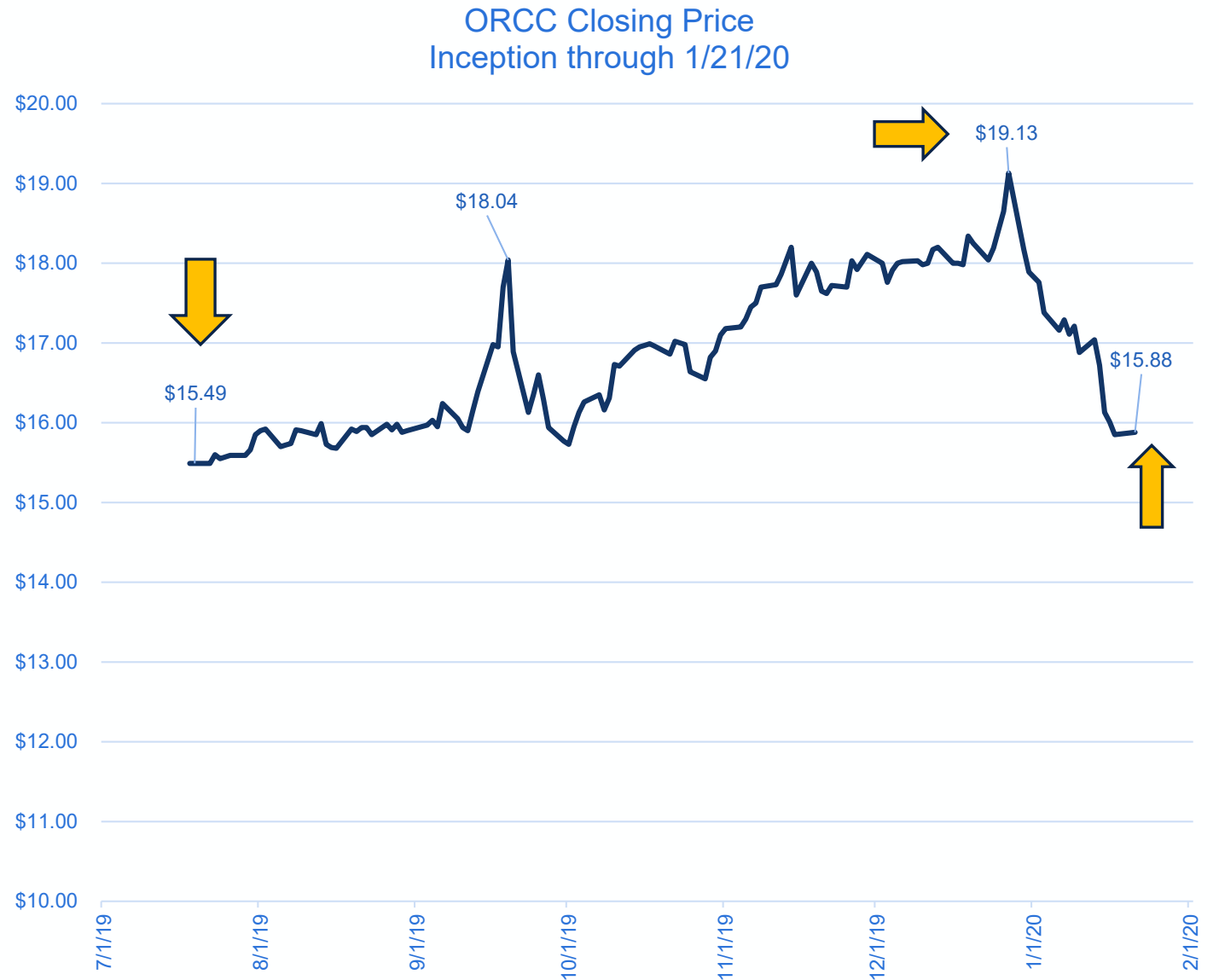


● First Lien Senior Secured	79%
● Second Lien Senior Secured	19%
● Investment Funds and Vehicles	1%
● Equity Investments	<1%



● Floating Rate	100%
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# Owl Rock Capital Corporation Closing Price

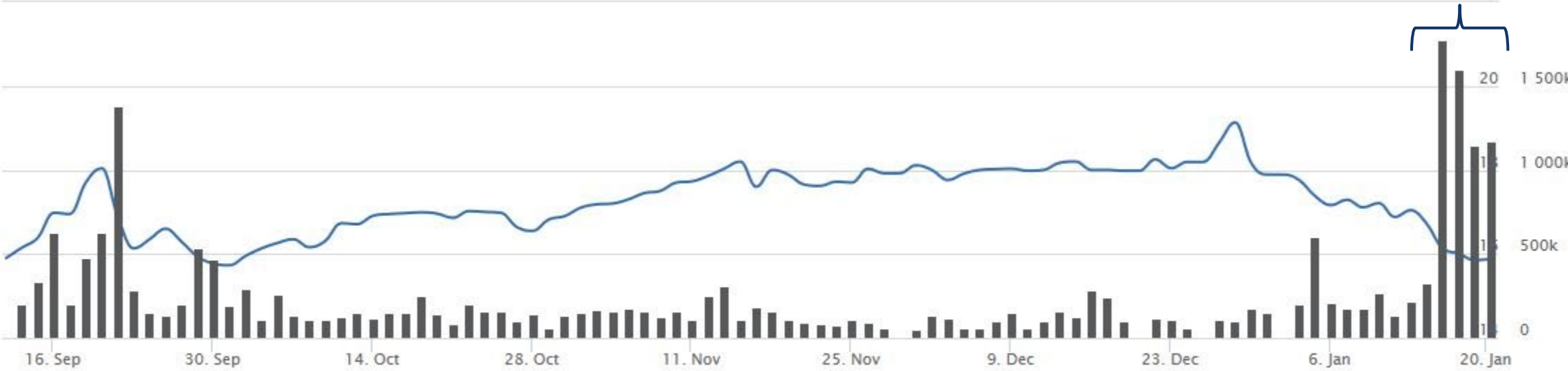


# STOCK CHART

— NYSE:ORCC   ■ News Releases

Zoom 1m 3m 6m YTD 1y All

From Sep 11, 2019 To Jan 21, 2020





# Owl Rock Capital Corporation and Listed BDC Peers

Listed BDC	Ticker	Beta	Forward		ROA	ROE	Forward Div Yield	Total Assets		Price 1/22/20
			P/E	Price/BV				9/30/19 (000s)	BV/Share	
Ares Capital	ARCC	0.61	10.47	1.11	5.21%	10.10%	8.40%	14,458,000	\$ 17.27	\$ 19.15
Owl Rock Capital Corp.	ORCC	N/A	10.12	1.05	5.26%	9.03%	7.75%	8,568,667	\$ 15.22	\$ 16.00
FS KKR Capital Corp.	FSK	1.17	7.89	0.80	5.64%	28.63%	12.06%	7,774,000	\$ 7.86	\$ 6.31
Prospect Capital	PSEC	0.73	9.41	0.74	4.85%	2.35%	10.91%	5,585,098	\$ 8.87	\$ 6.59
New Mountain Finance	NMFC	0.56	10.18	1.06	4.29%	8.15%	9.56%	3,020,356	\$ 13.35	\$ 14.13
Apollo Investment Corp	AINV	1.14	9.57	0.94	4.74%	4.69%	10.29%	2,892,962	\$ 18.69	\$ 17.52
Main Street Capital Corp.	MAIN	0.77	17.8	1.83	5.03%	8.10%	5.55%	2,665,378	\$ 24.20	\$ 44.31
Medians		0.75	10.12	1.05	5.03%	8.15%	9.56%			

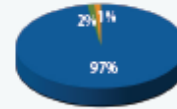
# Owl Rock Capital Corporation II

A public nontraded BDC offering the potential to generate income by originating loans to, and making debt investments in, U.S. middle market companies

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### Owl Rock Capital Corporation II

Total Assets	\$1,318.3 Million
Investments	\$1,283.6 Million
Cash & Cash Equivalents	\$18.1 Million
Other	\$16.5 Million



Public Offering Price	\$9.49
Current Distribution Yield	7.05%
Reinvestment Price Per Share	Net POP
Effective Date	February 3, 2017
Anticipated Close Date	February 2, 2020
Number of Months Effective	33

Cash & Cash Equivalents to Total Assets Ratio	1.4%
Asset Type	Diversified Private Debt
Number of Companies in Portfolio	86
Sponsor/Advisor	Owl Rock Capital Advisors
Sub-Advisor	Not Applicable
Use of Total Return Swap (TRS)	No
Assets of TRS	Not Applicable

#### Historical NAVs



#### Investment Strategy

**Strategy:**  
Owl Rock Capital Corporation II focuses primarily on originating and making loans to, and making debt and equity investments in, U.S. middle market companies.

**Company Size:**  
EBITDA between \$10 million to \$250 million and annual revenue ranging from \$50 million to \$2.5 billion.

**Average Portfolio Company Size:**  
\$95 million in EBITDA

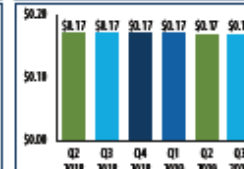
#### Management

Owl Rock Capital – Owl Rock is a leading alternative asset manager with deep expertise in the credit markets. Their strength lies in the experience of their investment team and their ability to view the credit markets through multiple lenses. The firm manages approximately \$14.6 billion in assets under management.

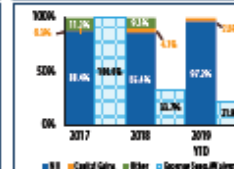
#### Gross Offering Proceeds



#### Historical Distribution Per Share



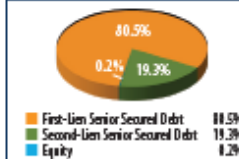
#### Sources of Distributions



#### Portfolio Yields



#### Portfolio by Asset Type



#### Portfolio Concentration – Top Industries

Industry	Q3 2019	2018
Professional Services	8.9%	12.7%
Healthcare Providers and Services	8.4%	5.5%
Internet Software and Services	7.9%	8.7%
Aerospace and Defense	7.4%	6.7%
Business Services	6.5%	5.8%

#### Performance Returns

	2019 YTD	2018	2017
Owl Rock Capital Corporation II	4.90%	6.70%	5.90%
S&P/LSTA Leveraged Loan Index	8.21%	-0.62%	3.31%
BoFA Merrill Lynch High Yield Master II	11.50%	-2.27%	7.48%

#### Floating vs. Fixed Rate Debt Investments



#### Key Statistics

Fund Operating Expense Ratio (Gross)	5.86%
Fund Operating Expense Ratio (Net)	4.26%
Interest Coverage Ratio	3.0x
Weighted Average Interest Rate	4.70%
Leverage Ratio	38.9%
Taxable Income Payout Ratio	99%
GAAP Earnings Payout Ratio	95%
Waivers as % of Distributions	21.9%

#### Contact Information

[www.owlrock.com/overview-orcci](http://www.owlrock.com/overview-orcci)  
Owl Rock  
399 Park Avenue, 38th Floor  
New York, NY 10022  
888-215-1944

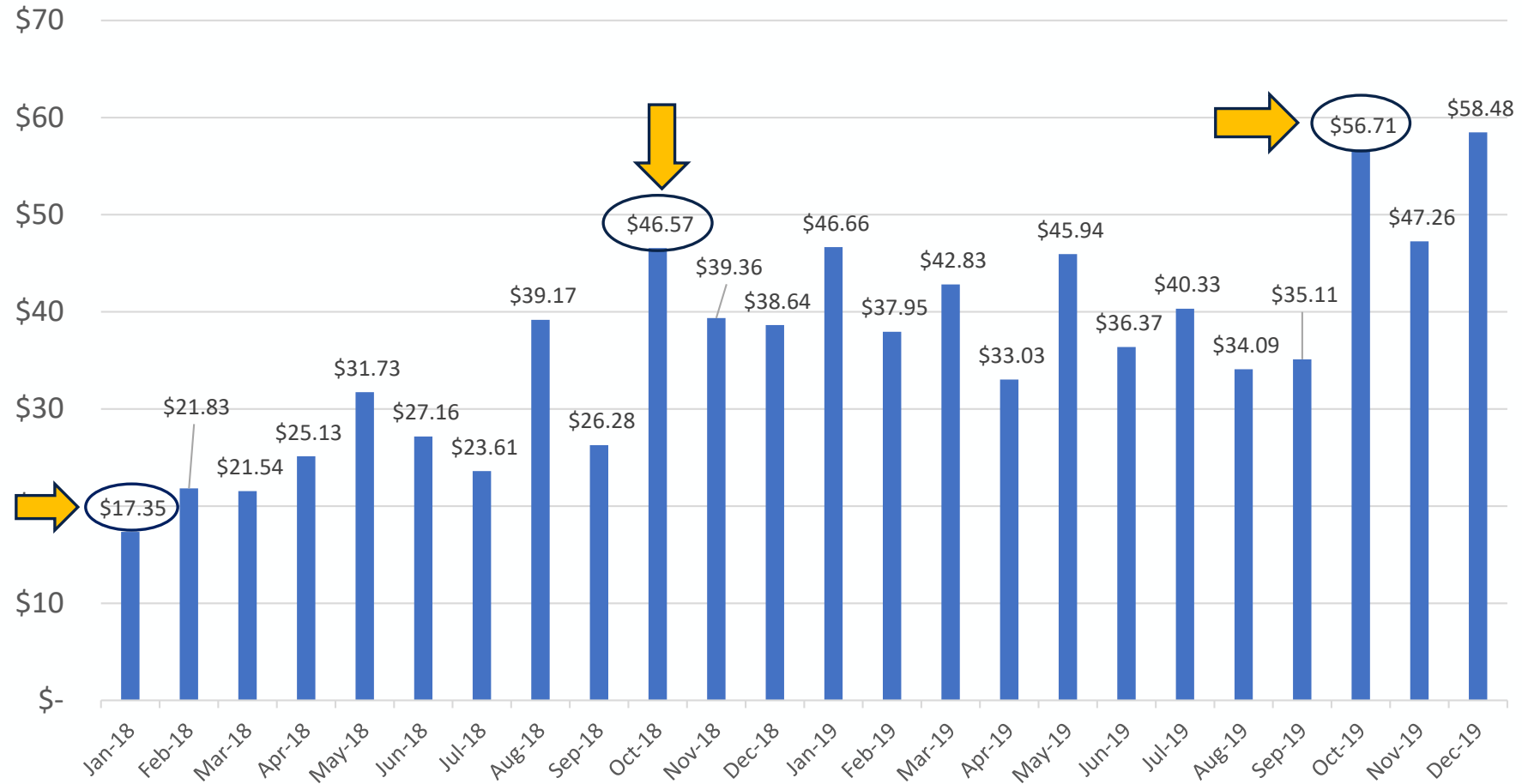
# Owl Rock Capital Corporation II

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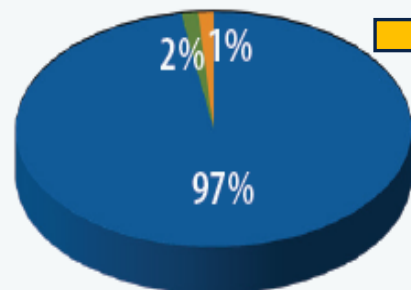
- Effective Date: 2/3/17
- Net asset value as of 1/15/20: \$9.03
- Public Offering Price as of 1/15/20: \$9.51
  - Maximum Sales Load: \$0.48
  - Net Proceeds per Share: \$9.03
- Annualized distribution rate (based on POP): 7.05%
- Total annualized return since inception: 8.1%
- Cumulative total return since inception: 20.3%
- Cumulative capital raised through 1/15/20: \$1.01 billion

## Owl Rock Capital Corporation II Capital Raise (\$ Millions)



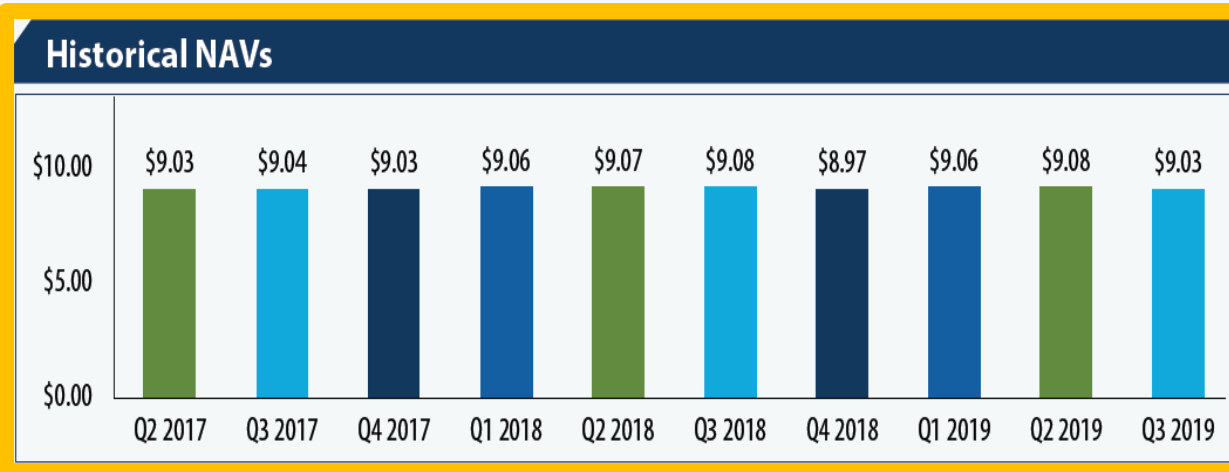
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## Historical NAVs



## Investment Strategy

### Strategy:

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### Company Size:

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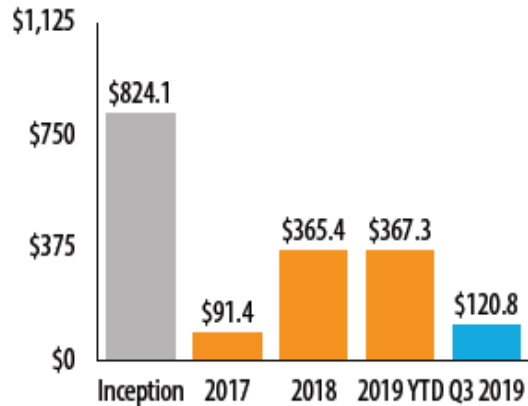
### Average Portfolio Company Size:

\$95 million in EBITDA

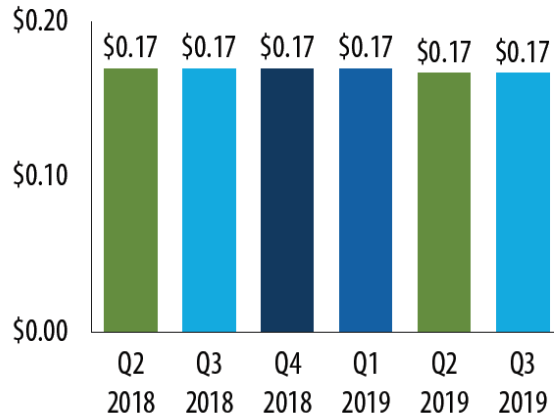
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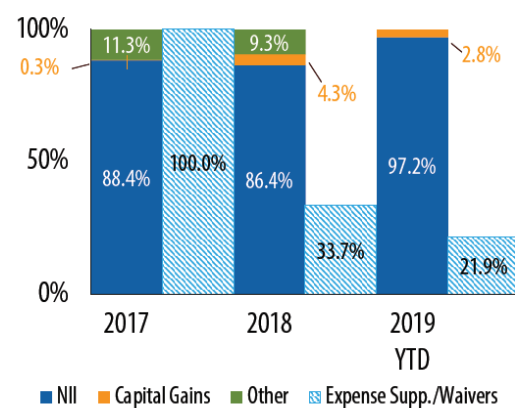
## Gross Offering Proceeds



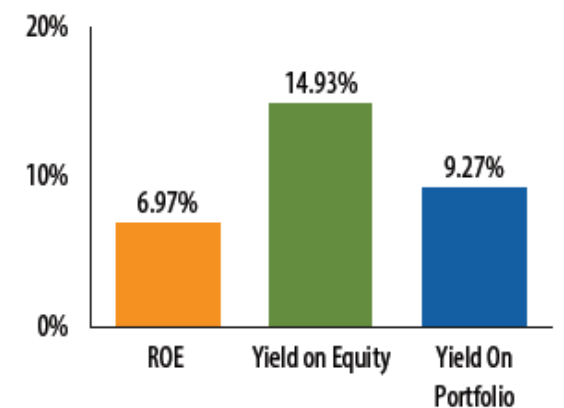
## Historical Distribution Per Share



## Sources of Distributions

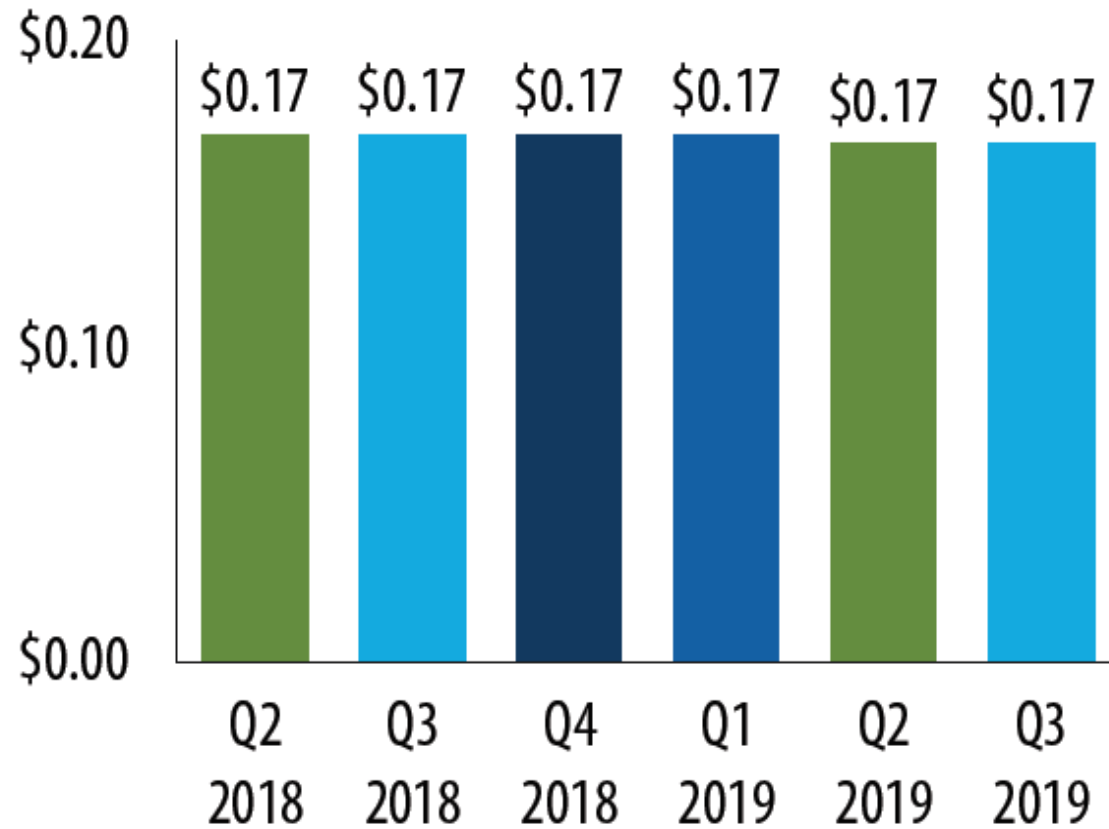


## Portfolio Yields

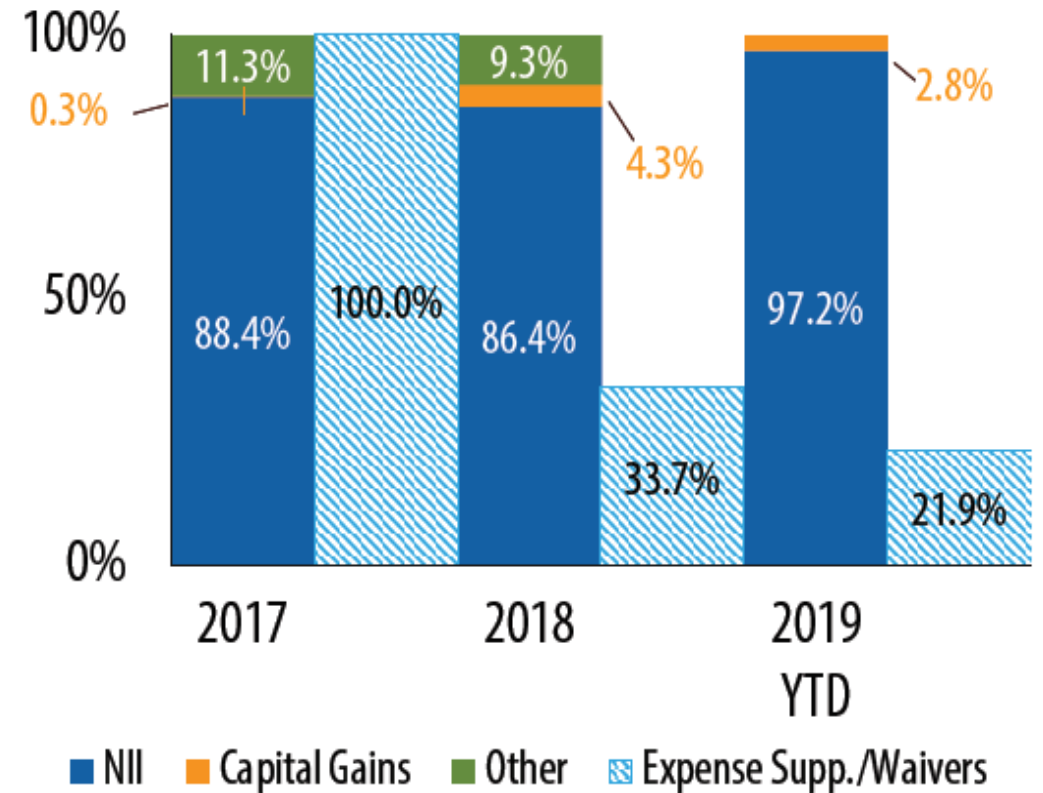




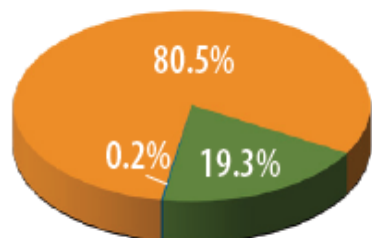
## Historical Distribution Per Share



## Sources of Distributions



### Portfolio by Asset Type



First-Lien Senior Secured Debt	80.5%
Second-Lien Senior Secured Debt	19.3%
Equity	0.2%

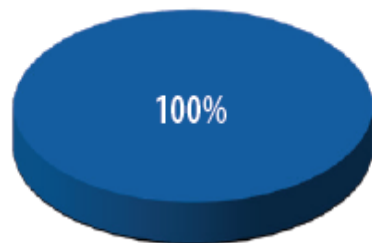
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### Performance Returns

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S&P/LSTA Leveraged Loan Index	8.21%	-0.62%	3.31%
BofA Merrill Lynch High Yield Master II	11.50%	-2.27%	7.48%

### Floating vs. Fixed Rate Debt Investments



Floating	100.0%
Fixed	0.0%

### Key Statistics

Fund Operating Expense Ratio (Gross)	5.86%
Fund Operating Expense Ratio (Net)	4.26%
Interest Coverage Ratio	3.0x
Weighted Average Interest Rate	4.70%
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[www.owlock.com/overview-orccii](http://www.owlock.com/overview-orccii)

Owl Rock  
399 Park Avenue, 38th Floor  
New York, NY 10022

888-215-1944

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Waivers as % of Distributions	21.9%

# 2019 Capital Raise, by Nontraded BDC

2019 Capital Raise, by Nontraded BDC (in \$Millions)  
(as of September 30, 2019)



# Owl Rock Technology Finance Corp.

A private nontraded BDC formed to originate and make debt and equity investments in a broad range of established and high growth technology and life sciences related companies based primarily in the United States.

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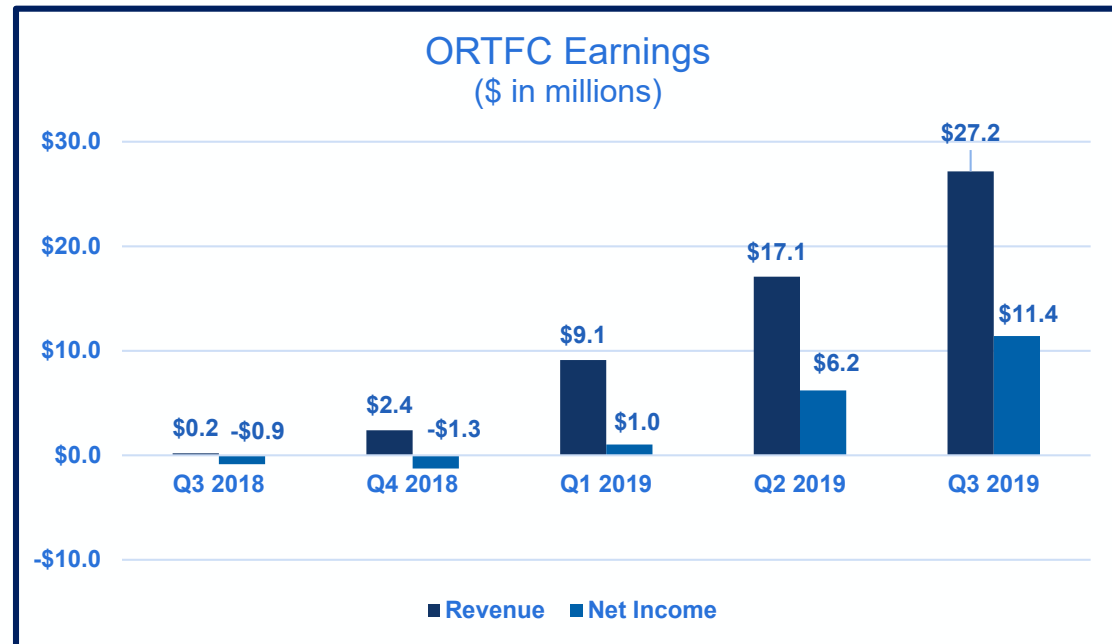
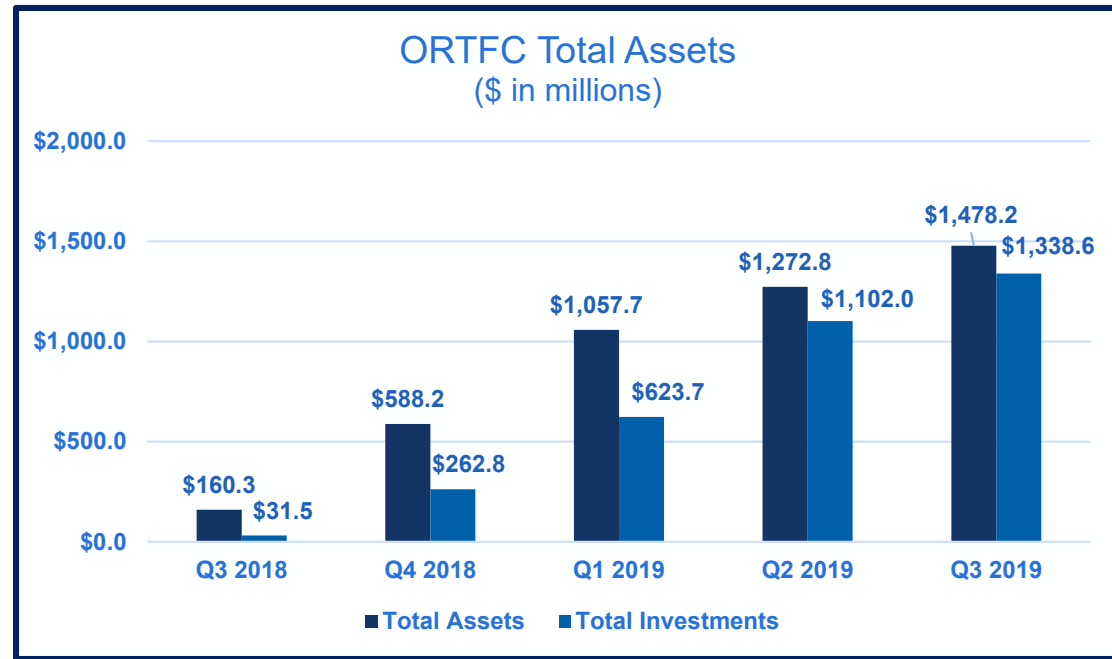
# Owl Rock Technology Finance Corp. History

- Formed on July 12, 2018
  - Specialty finance company focused on making debt and equity investments in technology-related companies
  - Primarily invests in senior secured or unsecured loans, subordinated loans, and equity-related securities
- Nontraded BDC raising capital through private offerings
  - Investors make capital commitments to purchase shares of common stock on an as-needed basis pursuant to a subscription agreement
  - \$2.2 billion in capital commitments with \$1.6 billion undrawn as of September 30, 2019
- Commenced loan origination and investment activities on August 10, 2018
  - Made its first portfolio company investment in September 2018

# Owl Rock Technology Finance Corp. Key Stats as of 9/30/19

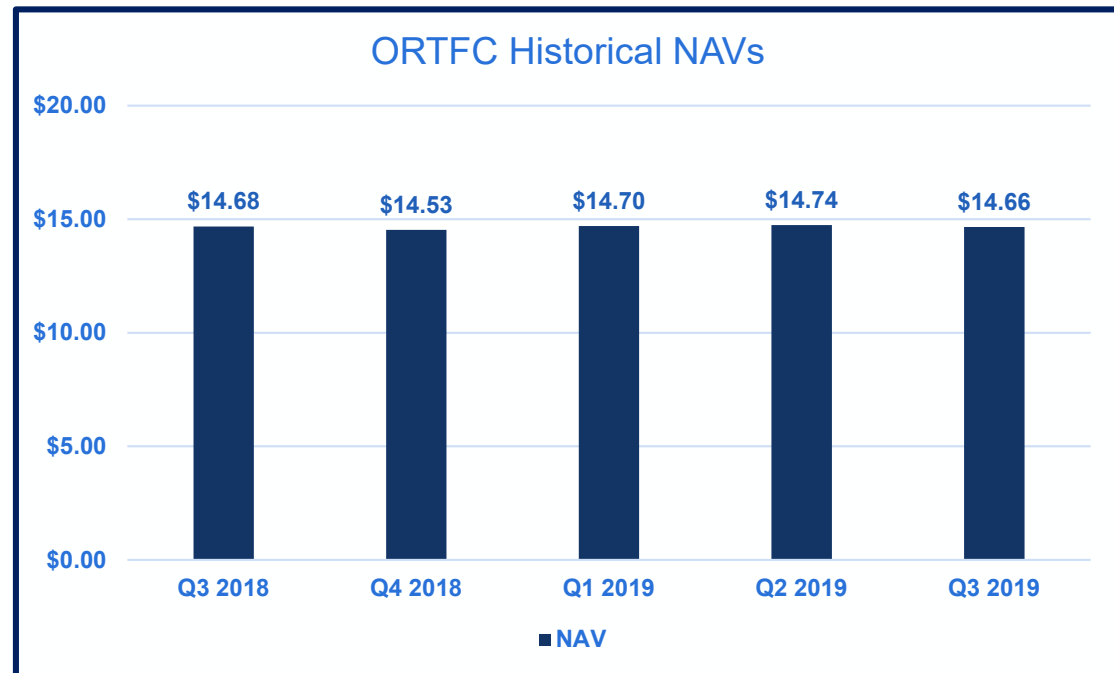
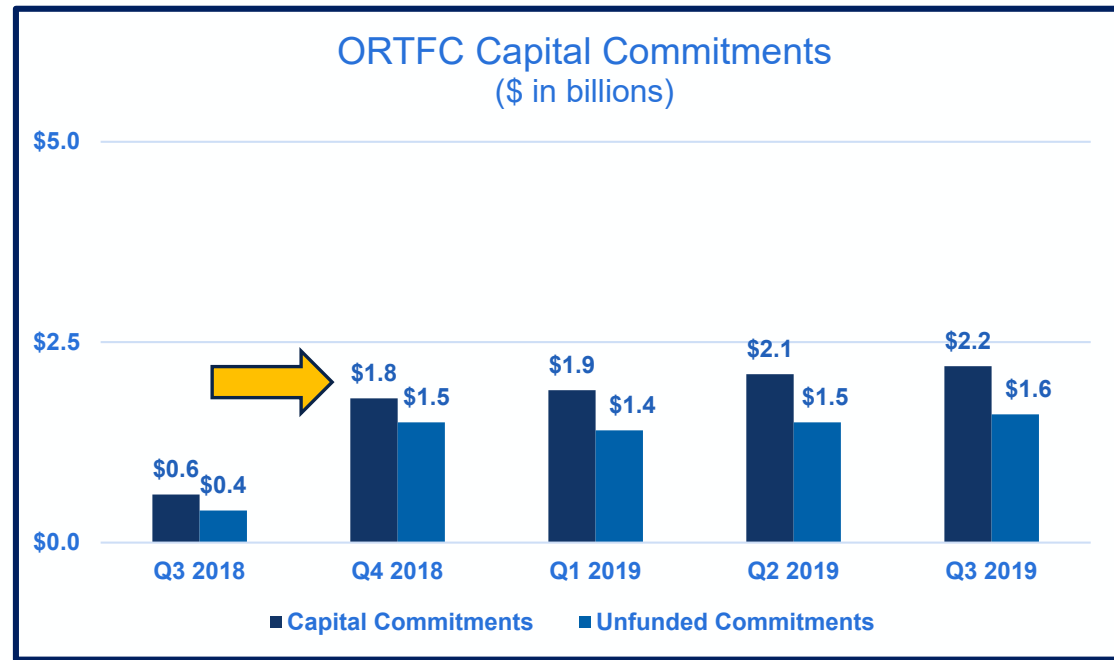
- Total Assets: \$1.5 billion
- Total Investments: \$1.3 billion
  - 29 Portfolio Companies
  - 14 Portfolio Industries
  - 96% Senior Secured
  - 93% First Lien
  - 100% Floating Rate
- Average Investment Size: \$46.2 million
- Borrower Weighted Average Revenue
  - Traditional Financing: \$304 million
  - Growth Capital: \$257 million
- Total Debt: \$768 million

# Owl Rock Technology Finance Corp.





# Owl Rock Technology Finance Corp.



# Polling Question #4

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Have you used the Owl Rock BDC offerings in your practice?

- a) Yes
- b) No



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Q1 2019 NTR/BDC Quarterly Review Summary

📅 June 18 @ 2:00 pm - 2:30 pm  
**Stacy Chitty** | *Moderator*  
**Luke Schmidt** | *Speaker*  
**James Sprow** | *Speaker*



EDUCATIONAL SERIES

**WEBINAR**

Finding Value and Opportunities in the Commercial Real Estate Market

📅 June 27 @ 2:00 pm - 3:00 pm  
**Stacy Chitty** | *Moderator*  
**James Barry** | *Panelist*



PERFORMANCE SERIES

**WEBINAR**

A Deeper Look at Blackstone, Bluerock, and CION

📅 July 11 @ 12:00 am



EDUCATIONAL SERIES

**WEBINAR**

Are Interval Funds Performing?

📅 July 16 @ 2:00 pm - 2:30 pm  
**Stacy Chitty** | *Moderator*  
**James Sprow** | *Presenter*  
**Luke Schmidt** | *Presenter*

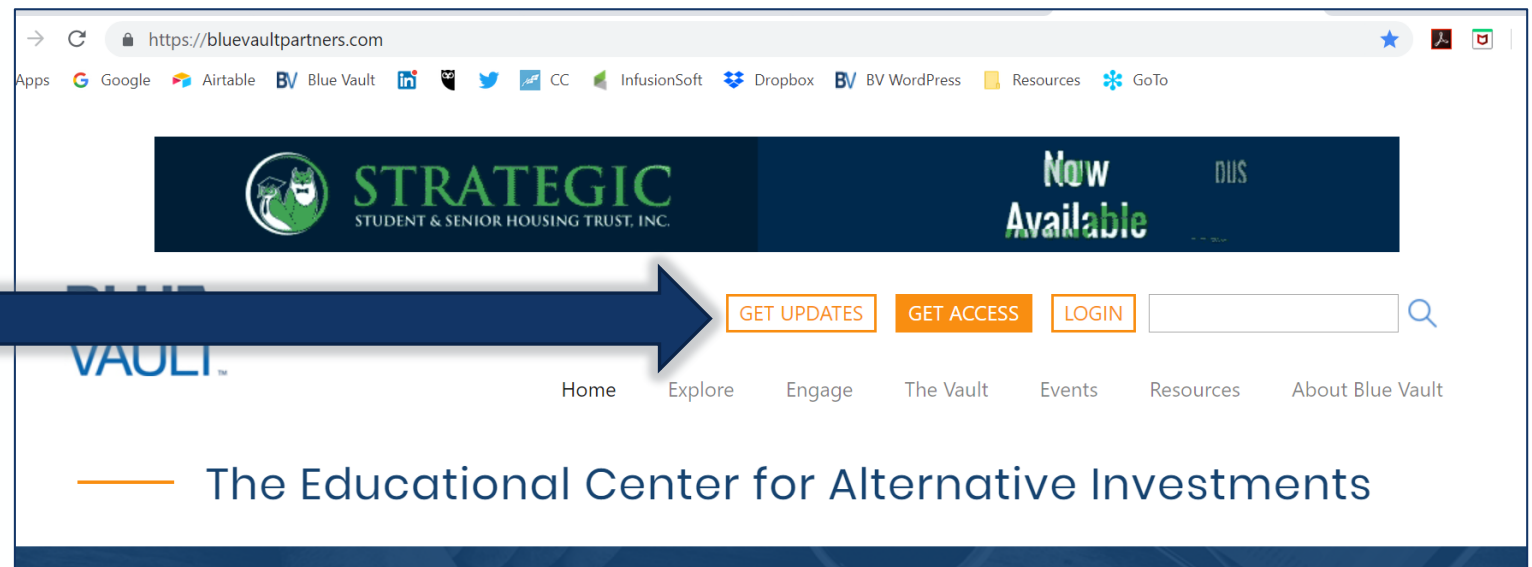
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# Upcoming Webinars:

Performance Series Webinar:  
**A Deeper Look at  
CNL**

Feb. 11<sup>th</sup> at 2:00 pm EDT

Coaching Series Webinar:  
**Coaching II**

Feb. 27<sup>th</sup> at 2:00 pm EDT

For information and registration links, go to  
[www.bluevaultpartners.com/event-calendar](http://www.bluevaultpartners.com/event-calendar)



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**Thank You!**