OAKTREE CAPITAL GROUP, LLC

First Quarter 2018

Forward-Looking Statements & Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, each as amended, which reflect the current views of Oaktree Capital Group, LLC (the “Company” or “OCG”), with respect to, among other things, its 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 the Company’s beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Such forward-looking statements are subject to risks and uncertainties and assumptions relating to the Company’s operations, financial results, financial condition, business prospects, growth strategy and liquidity, including, but not limited to, changes in the Company’s anticipated revenue and income, which are inherently volatile; changes in the value of the Company’s investments; the pace of raising new funds; changes in assets under management; the timing and receipt of, and impact of taxes on, carried interest; distributions from and liquidation of the Company’s existing funds; the amount and timing of distributions on the Company’s Class A units; changes in the Company’s operating or other expenses; the degree to which the Company encounters competition; and general political, economic and market conditions. The factors listed in the item captioned “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018, which is accessible on the SEC’s website at www.sec.gov, provide examples of risks, uncertainties and events that may cause the Company’s actual results to differ materially from the expectations described in its forward-looking statements. Forward-looking statements speak only as of the date the statements are made. Except as required by law, the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Certain information contained herein concerning economic trends and performance is based on or derived from information provided by independent third-party sources. Oaktree believes that such information is accurate and that the sources from which it has been obtained are reliable; however, Oaktree cannot guarantee the accuracy of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based. Moreover, independent third-party sources cited herein are not making any representations or warranties regarding any information attributed to them and shall have no liability in connection with the use of such information herein.

This presentation along with any other information provided with or in connection with this presentation are provided for informational purposes only and do not constitute, and should not be construed as (a) a recommendation to buy, (b) an offer to buy or a solicitation of an offer to buy, (c) an offer to sell or (d) advice in relation to, any securities of the Company or securities of any Oaktree investment fund.

The Company discloses certain non-GAAP financial measures in this presentation, including adjusted net income (“ANI”), distributable earnings (“DE”), fee-related earnings (“FRE”) and economic net income (“ENI”). Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the Unites States of America (“GAAP”) are presented in the Appendix. Capitalized terms in the Appendix, including in the footnotes, that are not otherwise defined shall have the meanings ascribed to them in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018, and accessible on the SEC’s website at www.sec.gov.

Unless otherwise indicated, all data in this presentation is on a non-GAAP basis for Oaktree Capital Group, LLC and is as of March 31, 2018.

Oaktree: A Leading Global Alternative Asset Manager

OVERVIEW

- A leader and pioneer in alternative asset management with $121 billion of AUM
- Diversified mix of pro- and counter-cyclical strategies
- Strong, risk-adjusted investment performance
- A loyal, blue-chip institutional client base
- Attractive growth prospects for new and established strategies

GLOBAL FOOTPRINT[1]

Over 900 professionals in 18 cities and 13 countries

INVESTMENT AREAS[2]

Assets ($ in millions)

Credit	**$70,075**
Distressed Debt	$23,368
High Yield Bonds	19,558
Senior Loans	11,005
Private/Alternative Credit	7,348
Convertible Securities	4,669
Multi-Strategy Credit	3,127
Emerging Markets Debt	1,000

Real Assets	**$11,501**
Real Estate	9,234
Infrastructure	2,267

Listed Equities	**$4,741**
Emerging Markets Equities	4,207
Value/Other Equities	534

Private Equity	**$11,295**
Corporate Private Equity	$7,836
Special Situations	3,459

Total Client Assets	**$97,612**
DoubleLine Capital	**$23,782**
Total Assets	**$121,394**

As of March 31, 2018

[1] Includes offices of affiliates of Oaktree-managed funds. Oaktree is headquartered in Los Angeles.

[2] Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein. See the Legal Disclosures section for important information regarding Oaktree's calculation methodology for assets under management.

Foundation of Oaktree

INVESTMENT PHILOSOPHY

- Primacy of risk control
- Emphasis on consistency
- Importance of market inefficiency
- Benefits of specialization
- Macro-forecasting not critical to investing
- Disavowal of market timing

BUSINESS PRINCIPLES

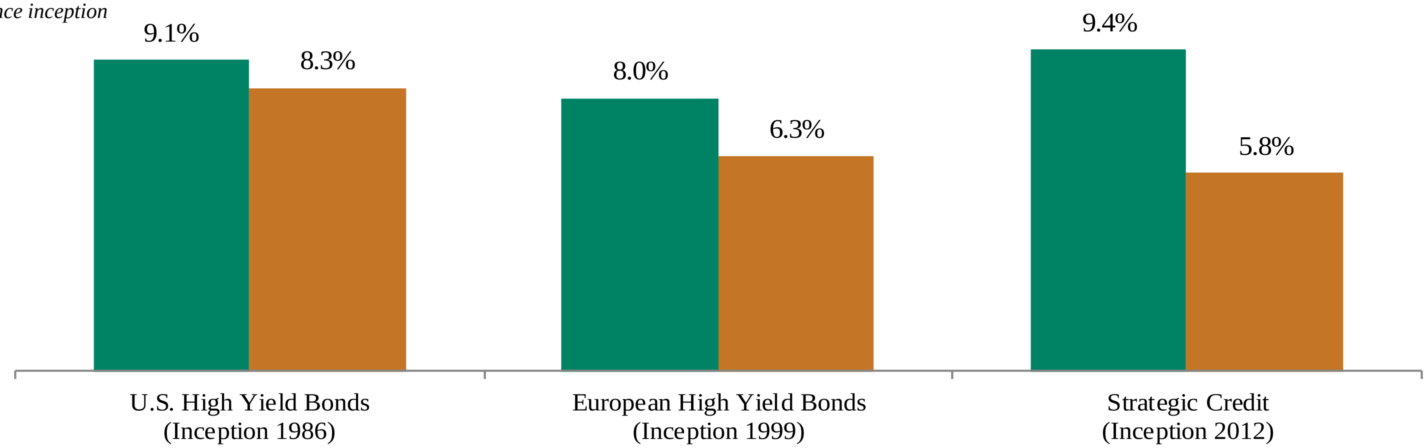
- Excellence in investing
- Proprietary, in-depth research
- Commonality of interests with clients
- Transparent client communications
- Fair, explicit management fee arrangements
- Harmonious, cooperative workplace
- New products are usually “step-outs”
- Profit should stem from performance

Oaktree’s mission is to deliver superior investment results with risk under control and to conduct our business with the highest integrity

History of Exceptional Investment Performance

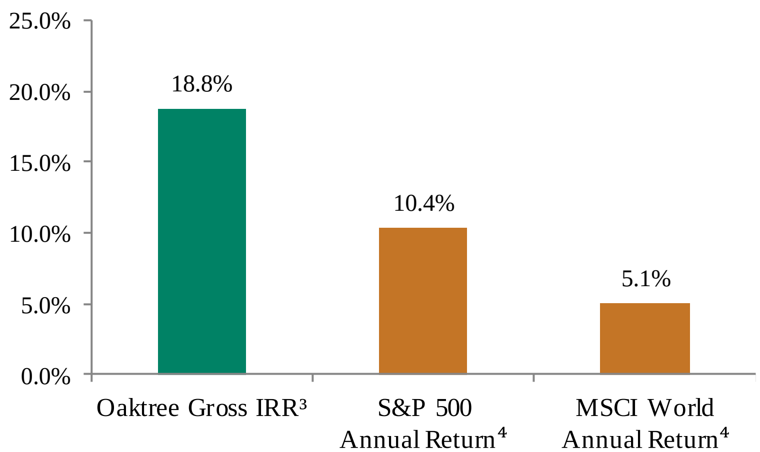
SUPERIOR RETURNS, BOTH GROSS AND RISK-ADJUSTED, IN OUR OPEN-END AND EVERGREEN FUNDS

Annualized gross return since inception



	Oaktree	Benchmark	Oaktree	Benchmark	Oaktree	Benchmark
Sharpe Ratio since inception[2]	0.79	0.57	0.72	0.46	1.85	1.07

OUTSTANDING TRACK RECORD IN OUR CLOSED-END FUNDS



Aggregate closed-end gross IRR since inception	18.8% [3]
LTM aggregate gross closed-end return	12.4% [5]
Drawn capital since inception	$80 billion [3]
% of funds more than 18 months old with positive gross and net IRRs since inception	98%

[1] *Detail on benchmarks is presented in the Appendix.*

[2] *The Sharpe Ratio is a metric used to calculate risk-adjusted return. It is the ratio of excess return to volatility, with excess return defined as the return above that of a riskless asset (three-month T-bill) divided by the standard deviation of such returns. The higher the Sharpe Ratio, the greater the return for a given level of risk compared to the risk-free rate.*

[3] *Since oldest strategy inception in October 1988. Excludes closed-end Senior Loan funds, CLOs, Oaktree Asia Special Situations Fund, Asia Principal Opportunities Fund, certain separate accounts and co-investments.*

[4] *Represents annualized time-weighted return since October 1988.*

[5] *Represents time-weighted rate of return for the twelve months ended March 31, 2018. Excludes closed-end Senior Loan funds, CLOs, Oaktree Asia Special Situations Fund, Asia Principal Opportunities Fund, certain separate accounts and co-investments.*

A Diverse and Growing Base of Loyal Clients …

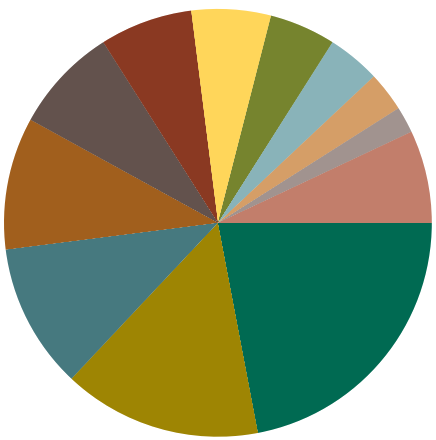
SIGNIFICANT BASE OF BLUE-CHIP CLIENTELE[1]

100 largest U.S. pension funds	75
States	38
Corporations	407
Colleges, Universities, Endowments & Foundations	352
Sovereign wealth funds	16

SUCCESS IN CROSS SELLING[1]

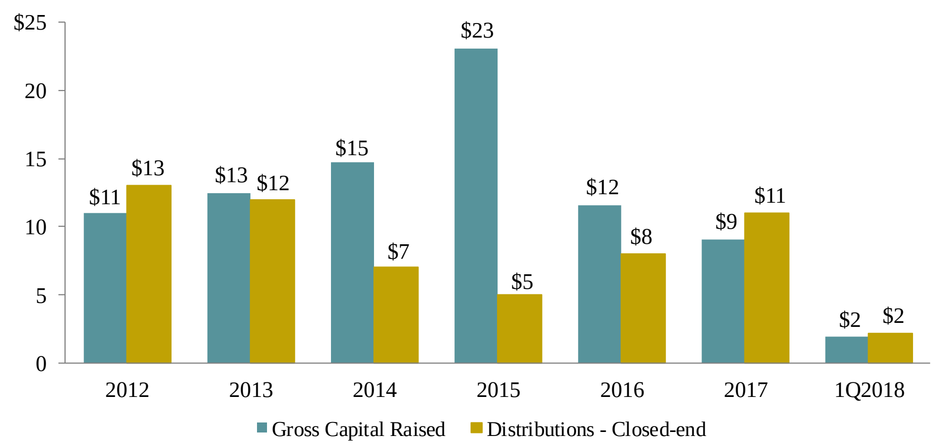
	% AUM
Clients in 4 or more strategies	35%
Clients in 2–3 strategies	38%
Total in multiple strategies	73%

DIVERSE CLIENTELE BY AUM[1]



GROSS CAPITAL RAISED AND DISTRIBUTED[1,2]

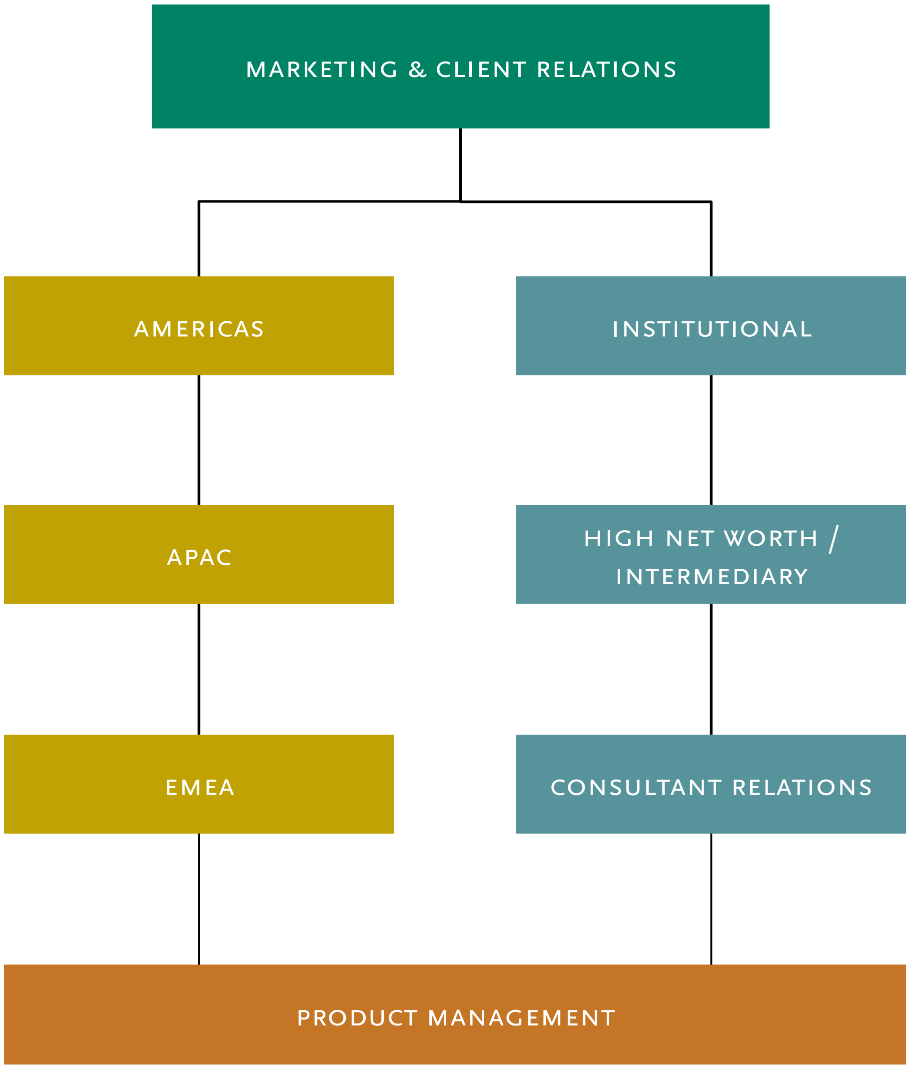
For the year ended December 31, unless otherwise noted ($ in billions)



[1] *Excludes Oaktree's AUM related to DoubleLine.*
[2] *Gross capital raised is across all of Oaktree's funds. Distributions are across all of Oaktree's closed-end funds only. Data is shown from the year of Oaktree's IPO (2012) to present .*

… Supported by Our Distribution Capabilities

MARKETING ORGANIZATION

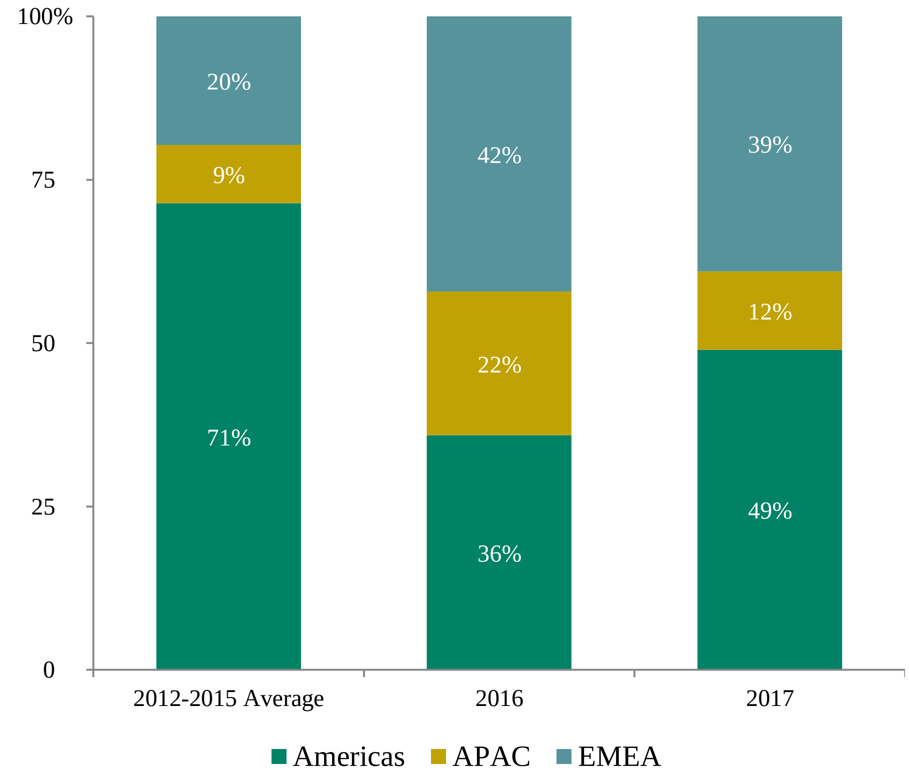


GROWTH IN MARKETS OUTSIDE OF THE AMERICAS

% of gross capital raised

EX-AMERICAS FUNDRAISING CONTRIBUTION

- 2012-2015 AVERAGE: 29%
- 2016: 64%
- 2017: 51%



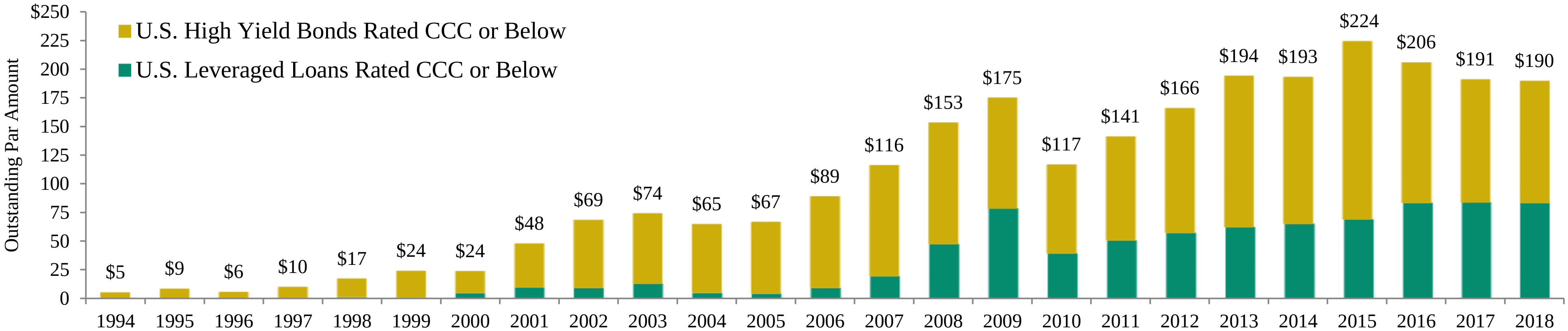
Where Are We Today?

TAILWINDS	HEADWINDS	WILDCARDS
• Synchronized global growth • Strong corporate earnings • Stimulus from tax cuts • Near record level of "dry powder" • CAPEX growth to accelerate • Loosening of regulations • Pro-business administration and Congress • "Animal spirits have been released"	• High asset prices • Low prospective returns • Increasing rates in the U.S. • Tightening global monetary policy • Debt levels very high • Debt service costs rising (floating rate debt) and debt service coverage ratios falling • Debt quality low (covenant lite) • Complacency (EM debt surge, higher volatility, flattening yield curve)	• Higher inflation • Risk of new tariffs and trade war • Consumer spending growth • Tech regulation or user blowback • Underfunded pensions • Dramatic growth in passive investing • High amount of risk taking • Geopolitical risks • Mid-term elections • Non-traditional U.S. President • "Has the easy money been made?"

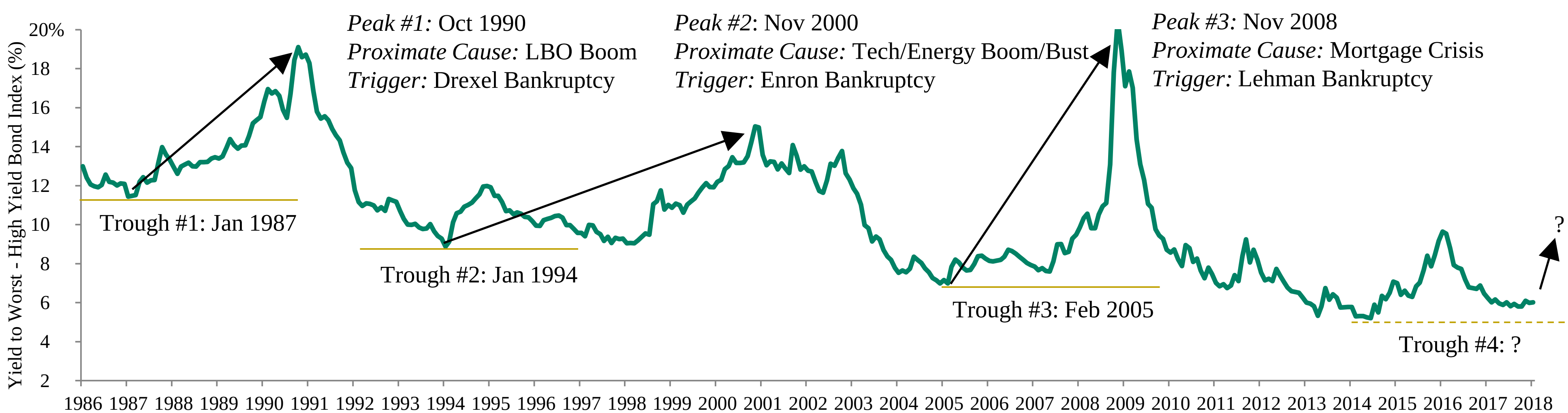
It Feels Late in the Cycle ...

INVENTORY OF LOW-QUALITY DEBT IS NEAR ALL-TIME HIGHS[1]

($ in billions)



YIELDS ARE BELOW THE TROUGHS PRECEDING PREVIOUS EXPANDED OPPORTUNITIES[2]

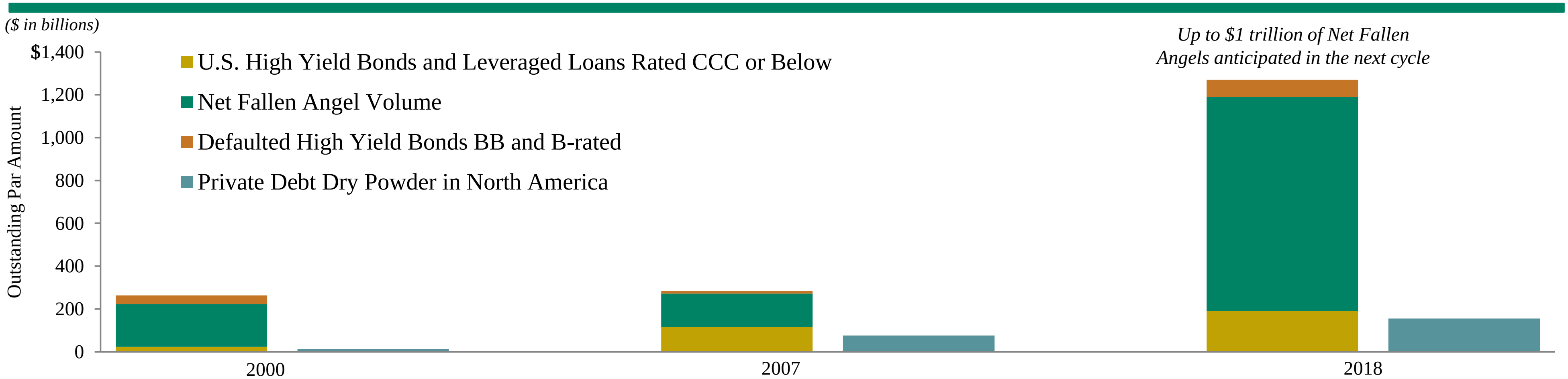


[1] *As of January 31, 2018. Based on the constituents of the Credit Suisse High Yield and Leveraged Loan Indices, and excludes defaults. Source: Credit Suisse*

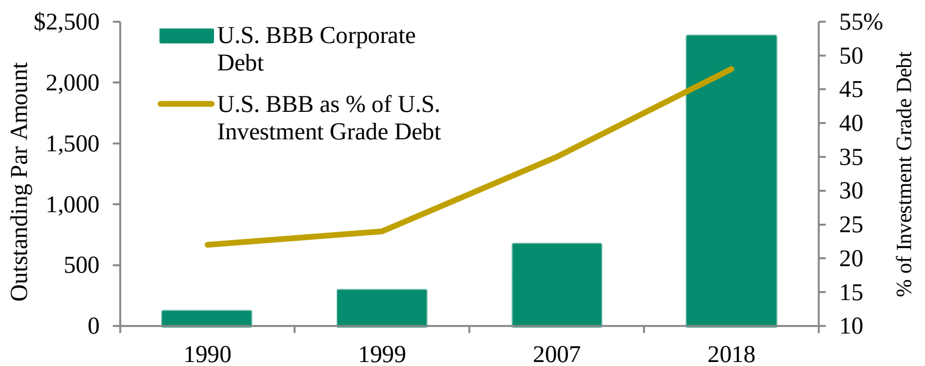
[2] *As of January 31, 2018. Source: Credit Suisse*

… And the Opportunity Set Could Be Significant

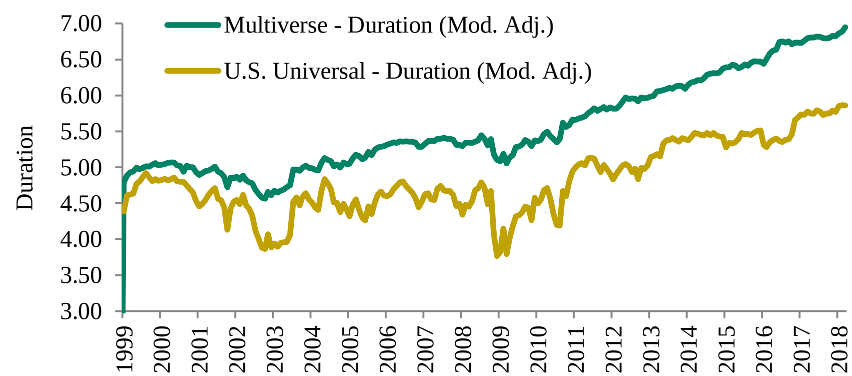
INVENTORY OF LOW-QUALITY DEBT IS SIGNIFICANTLY HIGHER THAN PRIOR EXPANDED OPPORTUNITIES AND THE AMOUNT OF POTENTIAL SUPPLY FAR EXCEEDS THE AMOUNT OF DRY POWDER OUTSTANDING[1]



FALLEN ANGEL CANDIDATES (I.E., BBB DEBT) HAVE GROWN[2]



RISING DURATION WILL LEAD TO LARGER PRICE DROPS IN NEXT CYCLE[3]



Source: Preqin, Morgan Stanley, J.P. Morgan, Credit Suisse, Barclays and Bloomberg

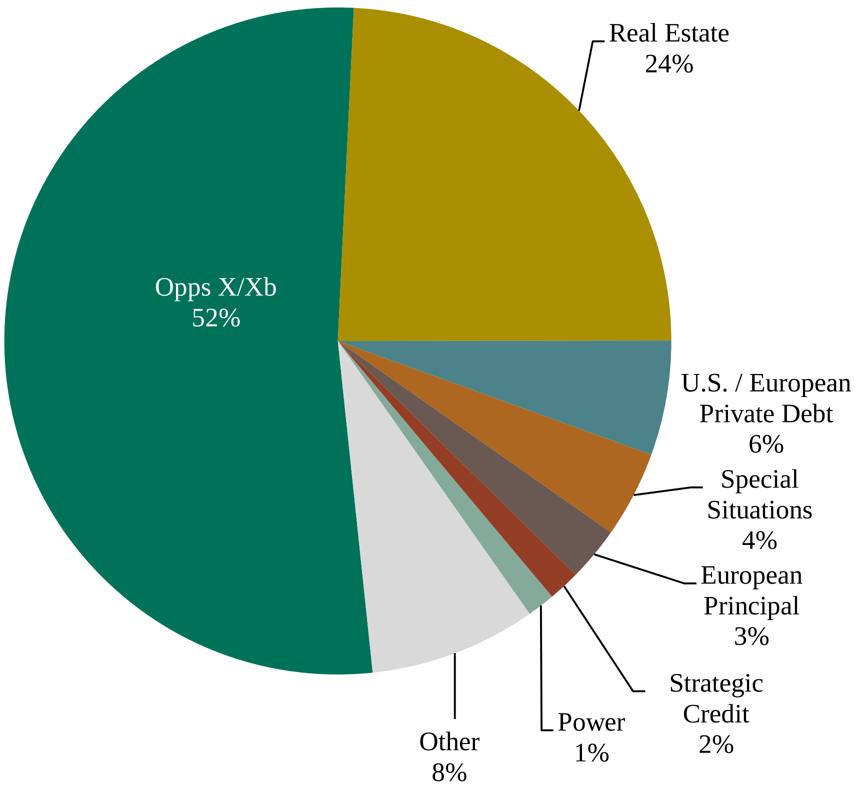
[1] U.S. High Yield Bonds and Leverage Loans rated CCC and below are based on the constituents of the Credit Suisse High Yield and Leveraged Loan Indices and excludes defaults. Net Fallen Angel volume is based on Morgan Stanley's statistics for Fallen Angels during previous credit cycles as of July 28, 2017. While the CCC and below data represents the outstanding par amount as of December 31, 2000, December 31, 2007 and March 31, 2018, the Fallen Angel volume represents the par amount for a range of time: 1Q 2000 – 3Q 2003, 3Q 2007 – 4Q 2009 and an estimate for the next cycle's "Implied" Fallen Angel volume, calculated by multiplying the proportion of fallen angels seen in the previous two cycles as a percentage of the BBB index, times the current BBB index par. Defaulted High Yield Bonds BB and B-rated data is based on J.P. Morgan's statistics for outstanding par amounts as of December 31, 2000, December 31, 2007 and December 31, 2017, multiplied by default rates by rating as seen in 2001, 2008 and 2001, respectively.

[2] Bloomberg Barclays Index. As of March 31, 2018.

[3] Bloomberg Barclays Multiverse Index and U.S. Universal Index. As of March 31, 2018.

Well-Positioned for Future Investment Opportunities

NEAR-RECORD DRY POWDER OF $20 BILLION



CONTINUED STRENGTH IN FUNDRAISING

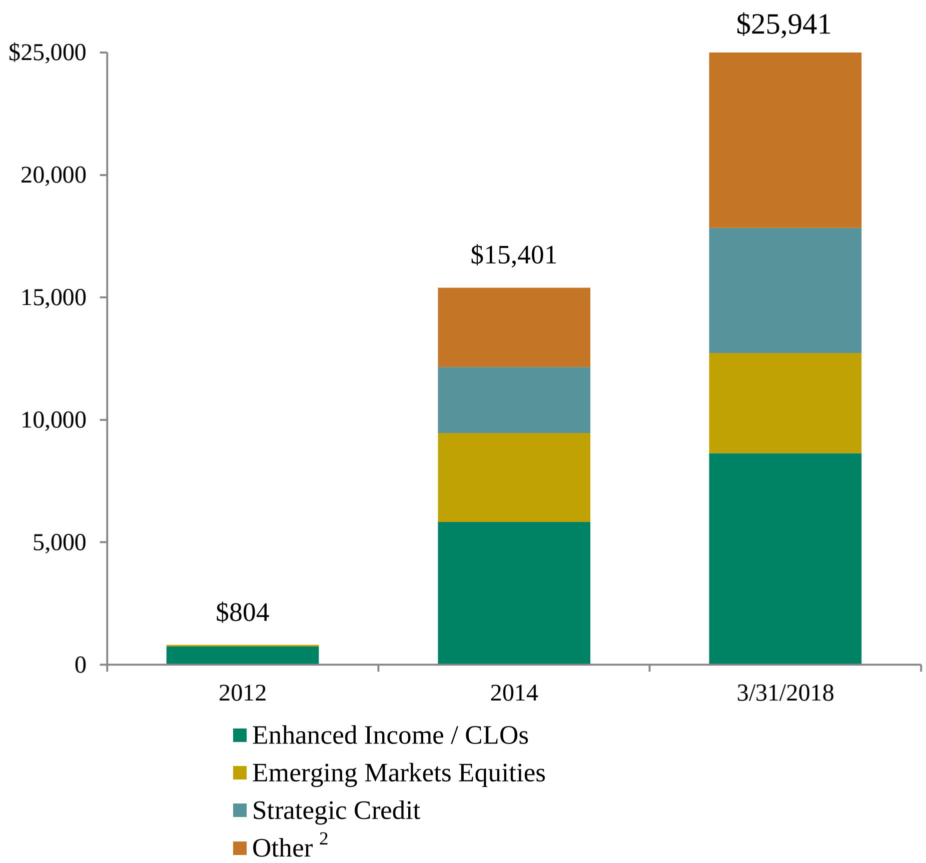
- Continued fundraising in established strategies, including Special Situations II, Power V, Emerging Market Opportunities Fund II and Real Estate Debt Fund II
- New product development has included:
  - **Real Estate Income** – primarily focused on core-plus with some income-oriented and value-add opportunities
  - **Middle-Market Direct Lending** – step-out product from our U.S. Private Debt team
  - **Global Credit Fund** – multi-strategy product combining the full breadth of Oaktree's more liquid credit strategies
  - **Infrastructure –** launched fundraising for two separate fund vehicles focused on transportation and energy
- $12 billion of shadow AUM with a blended fee rate of 1.40% positions us well for future FRE growth

While maintaining our focus on risk control and discipline in deploying dry powder

Step-Out Strategies, A Natural Evolution

$26 billion of AUM in adjacent products[1]

As of December 31, unless otherwise noted ($ in millions)



Organic growth a result of "step-out" strategies

Distressed Debt
- Emerging Markets Opportunities
- Emerging Markets Debt Total Return
- Strategic Credit
- Value Equities

Senior Loans
- Enhanced Income
- CLOs

Real Estate
- Real Estate Debt
- Real Estate Income

Emerging Markets Absolute Return
- Emerging Markets Equities

European Principal
- European Private Debt

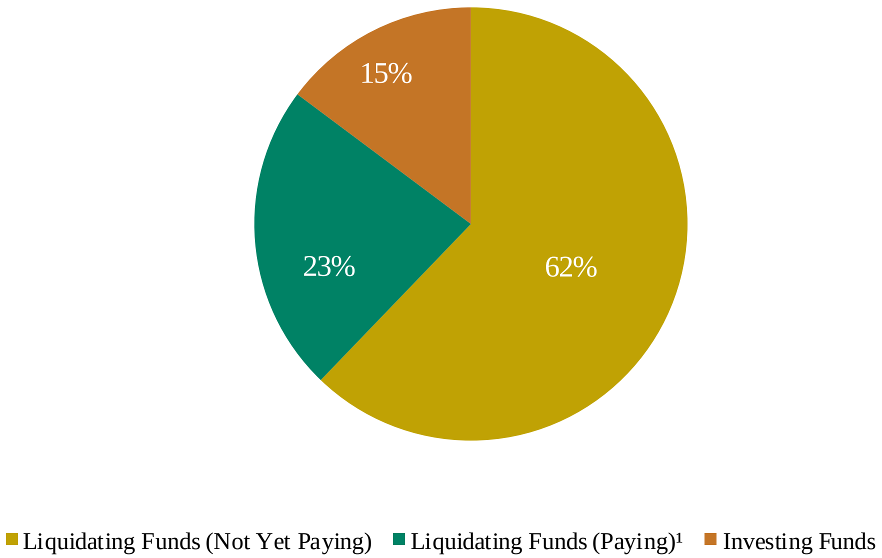
Mezzanine
- Middle Market Direct Lending

[1] *Includes strategies launched since January 2011.*

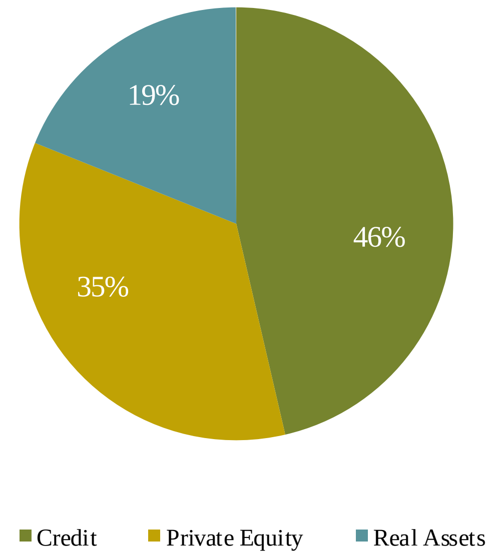
[2] *"Other" includes Real Estate Debt, Emerging Markets Opportunities, Emerging Markets Debt Total Return, European High Yield Bonds and Senior Loans, Value Equities, Infrastructure, European Private Debt, Real Estate Income, and Global Credit Fund.*

Diverse Incentive Income Pipeline

TOTAL NET ACCRUED INCENTIVES $868 MILLION



NET ACCRUED INCENTIVES ARE DIVERSIFIED AMONG OUR ASSET CLASSES



Net accrued incentives balance is a healthy $868 million ($5.52 per unit[2]), driven by our funds' robust investment performance

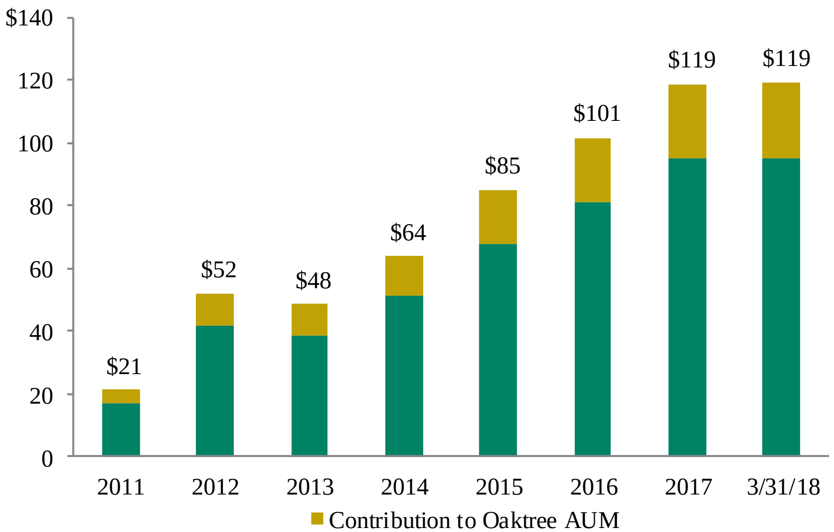
[1] *Funds paying include all incentive-creating evergreen funds and closed-end funds that have reached the stage of their distribution waterfall where the drawn capital and preferred return have been distribute to investors and, therefore, incremental distributions thereafter generate incentive income for the Company. Funds paying does not reflect funds that may pay incentive income related to tax distributions only.*

[2] *Per Operating Group unit (not per Class A unit). Net accrued incentives (fund level) is presented before income taxes.*

Continued Growth for DoubleLine

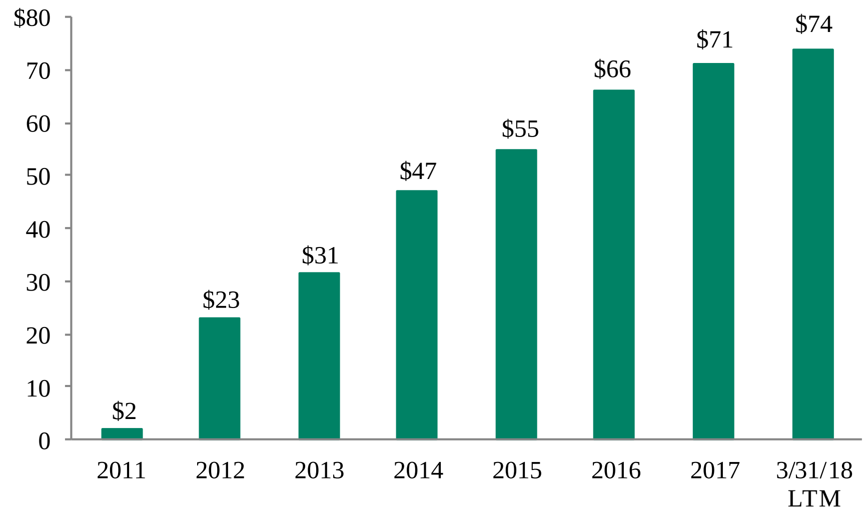
ASSETS UNDER MANAGEMENT

As of December 31, unless otherwise indicated ($ in billions)



CONTRIBUTION TO OAKTREE'S REVENUE

($ in millions)



AUM and Flows:

- DoubleLine Core Fixed Income Fund managed $10.4 billion as of 3/31/18, up 28% year-over-year
- DoubleLine Shiller Enhanced CAPE fund managed $5.1 billion as of 3/31/18, up 59% year-over-year
- DoubleLine Flexible Income Fund managed $1.2 billion as of 3/31/18, up 63% year-over-year

Returns:

- Total Return Bond Fund ($51.5bn) – Top 1% in the Morningstar Intermediate Term Bond Category Since Inception (4/6/10-3/31/18)
- Core Fixed Income Fund ($10.4bn) – Top 1% in the Morningstar Intermediate Term Bond Category Since Inception (6/1/10-3/31/18)
- Shiller Enhanced CAPE ($5.1bn) – Top 1% in the Morningstar Large Value Category Since Inception (10/31/13-3/31/18)
- As of March 2018, DoubleLine Funds had nine mutual funds in the top quartile since inception in the Funds' respective Morningstar Categories

Distributable Earnings: Strength through Diversification

FEE-RELATED EARNINGS	A significant contributor to distributable earnings over the LTM and the last 3 years (38% and 50% respectively, of total distributable earnings)
+	
INVESTMENT INCOME PROCEEDS FROM FUNDS	A steady source, with unrealized investment income proceeds on corporate investments of $370 million, of which $157 million was in closed-end funds in their liquidation period
+	
INCENTIVE INCOME	57 straight quarters of incentive income

Our strong financial profile enables us to maintain a high payout ratio, while investing in growth and product development

Drivers of Value

FRANCHISE VALUE

FEE-RELATED EARNINGS	+	POTENTIAL FOR FUTURE INCENTIVES
$1.60[1] LTM		$33 BILLION INCENTIVE-CREATING AUM AND $20 BILLION DRY POWDER
• Fee-related earnings represents the baseline earnings of Oaktree's business		• Future incentives created from strategies with an incentive fee component

\+

ASSET VALUE

BOOK VALUE	+	NET ACCRUED INCENTIVES (FUND LEVEL)
$13.02[2]		$5.52[2]
Includes: • $1.5 billion Investments • $0.1 billion Net Cash		~85% in liquidating or evergreen funds
$18.54[2]		

The key tenets of our capital management strategy have been and remain:

1) Grow a strong, highly rated balance sheet with ample liquidity that allows us to fund growth for our current investment strategies along with strategic or opportunistic corporate development initiatives
2) Distribute to unitholders any cash that isn't needed to achieve #1, subject to our cash distribution policy
3) Consider opportunistic, not formulaic, purchases of our units, in the context of a long-term goal of enhancing the public float of our units

[1] Per Class A unit, which is presented after income taxes.
[2] Per Operating Group unit, which is presented before income taxes.

Appendix

OAKTREE

Strategy Initiation

1986 – 1987	U.S Convertibles	U.S High Yield Bonds
1988 – 1989	High Income Convertibles	Distressed Opportunities
1994 – 1995	**Oaktree Formation**	Non U.S Convertibles; Special Situations [1]; Real Estate Opportunities
1998 – 1999	Power Opportunities; European High yield Bonds	Emerging Markets Absolute Return
2001 – 2006	European Principal; Asia Principal; European Senior Loans	Mezzanine Finance
2007 – 2010	Global High Yield Bonds; Real Estate Debt	U.S Senior Loans; Value Opportunities
2011 – 2012	Strategic Credit; Emerging Markets Opportunities	Emerging Markets Equities
2013 – 2014	Value Equities; Infrastructure Investing	European Private Debt
2015 – 2016	European High Yield Bonds and Senior Loans; Real Estate Income [2]	Emerging Markets Debt Total Return
2017 – 2018		Global Credit Fund; Middle Market Direct Lending

[1] *Effective November 2016, the Global Principal Strategy was renamed Special Situations.*
[2] *Effective August 2017, the Real Estate Value-Add strategy was renamed Real Estate Income.*

Preponderance of Capital in Long-Term Closed-End Funds

	% of AUM	% Management Fees[1]	Lockup	Incentive Income
CLOSED-END • Distressed Debt • Private Equity • Real Assets • Private/Alternative Credit	46%	63%	10-11 year fund term	20% of LP profits after return of capital, subject to preferred return hurdle
OPEN-END • High Yield Bonds • Convertible Securities • Senior Loans • Emerging Markets Equities • Multi-Strategy Credit	28%	20%	mostly 30 days	
EVERGREEN • Value Opportunities • Emerging Markets Debt • Strategic Credit • Value Equities	7%	9%	90 days to 3 years	Up to 20% of annual LP profits, subject to high-water mark or preferred return hurdle
DOUBLELINE	19%	8%		

Note: The above represents the general characteristics of the fund structures, but specific terms may vary depending on the strategy. % of AUM and Management fees exclude Oaktree's stake in DoubleLine.

[1] *For the twelve months ended 3/31/18.*

Primary Earnings Measure: Adjusted Net Income

Fee-related Earnings
- Equity-based Compensation
- Interest Expense, net
+ Other Income (Expense)
Fee-related Earnings & Other

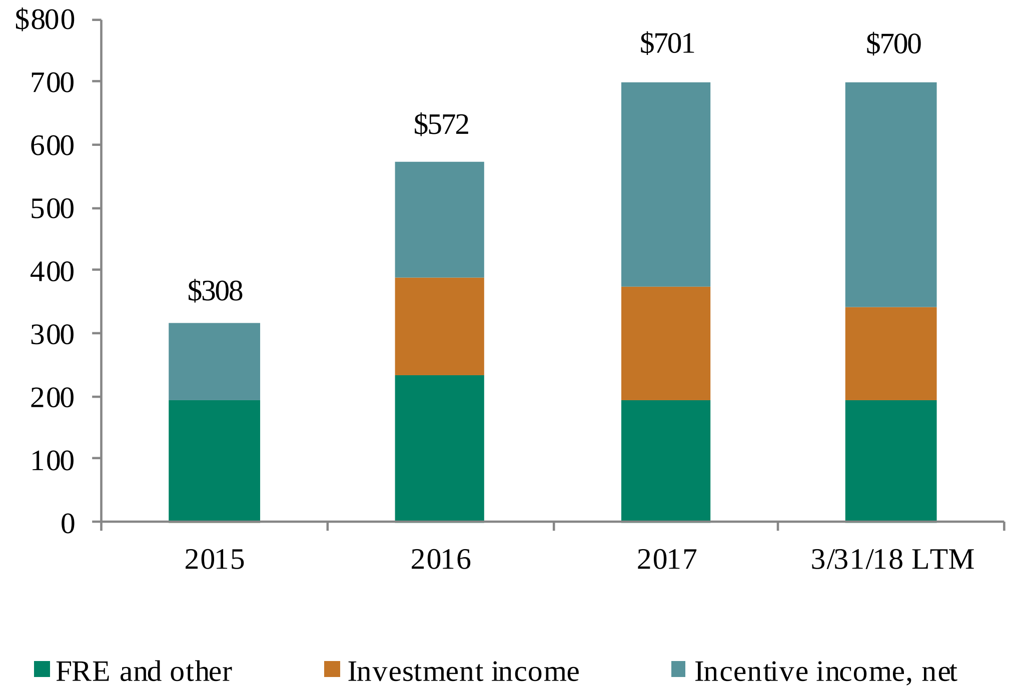
+ Investment Income from Funds
+ Other
Investment Income

+ Incentive Income
- Incentive Income Comp
Incentive Income, net

ADJUSTED NET INCOME (ANI)

COMPONENTS OF ADJUSTED NET INCOME[1]

For the year ended December 31, unless otherwise noted ($ in millions)



[1] *Beginning with the first quarter of 2018, management fees and incentive income reflect the portion of the earnings from management fees and performance fees, respectively, attributable to our 20% ownership interest in DoubleLine. Such earnings were previously reported as investment income.*

Please see page 24 for a description of non-GAAP financial metrics.

Economic Net Income

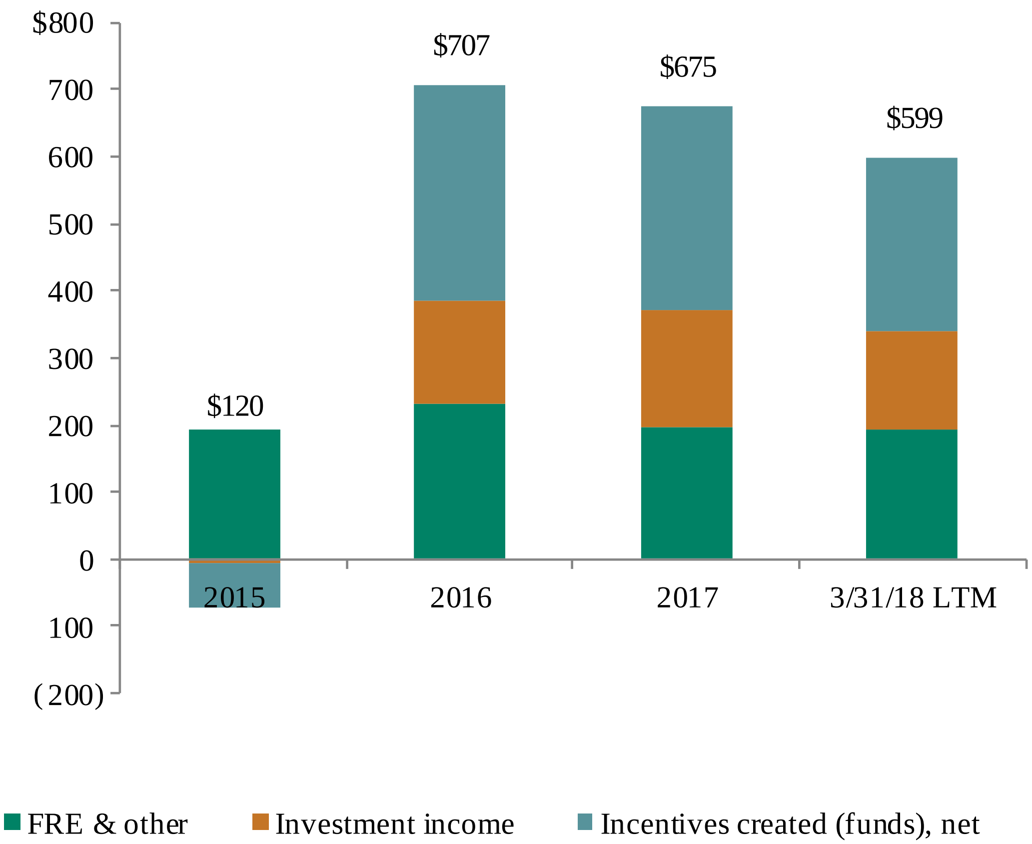
ADJUSTED NET INCOME

\+ Accrued Incentives (Fund), net[2] (EOP)
\- Accrued Incentives (Fund), net[2] (BOP)
Δ in Accrued Incentives (Fund), net

ECONOMIC NET INCOME (ENI)

COMPONENTS OF ECONOMIC NET INCOME[1]

For the year ended December 31, unless otherwise noted ($ in millions)



[1] *Beginning with the first quarter of 2018, management fees and incentive income reflect the portion of the earnings from management fees and performance fees, respectively, attributable to our 20% ownership interest in DoubleLine. Such earnings were previously reported as investment income.*
[2] *Net of associated incentive income compensation expense.*

Please see page 24 for a description of non-GAAP financial metrics.

Distributable Earnings

ADJUSTED NET INCOME

- Investment Income (MTM basis)

\+ Receipts Of Investment Income

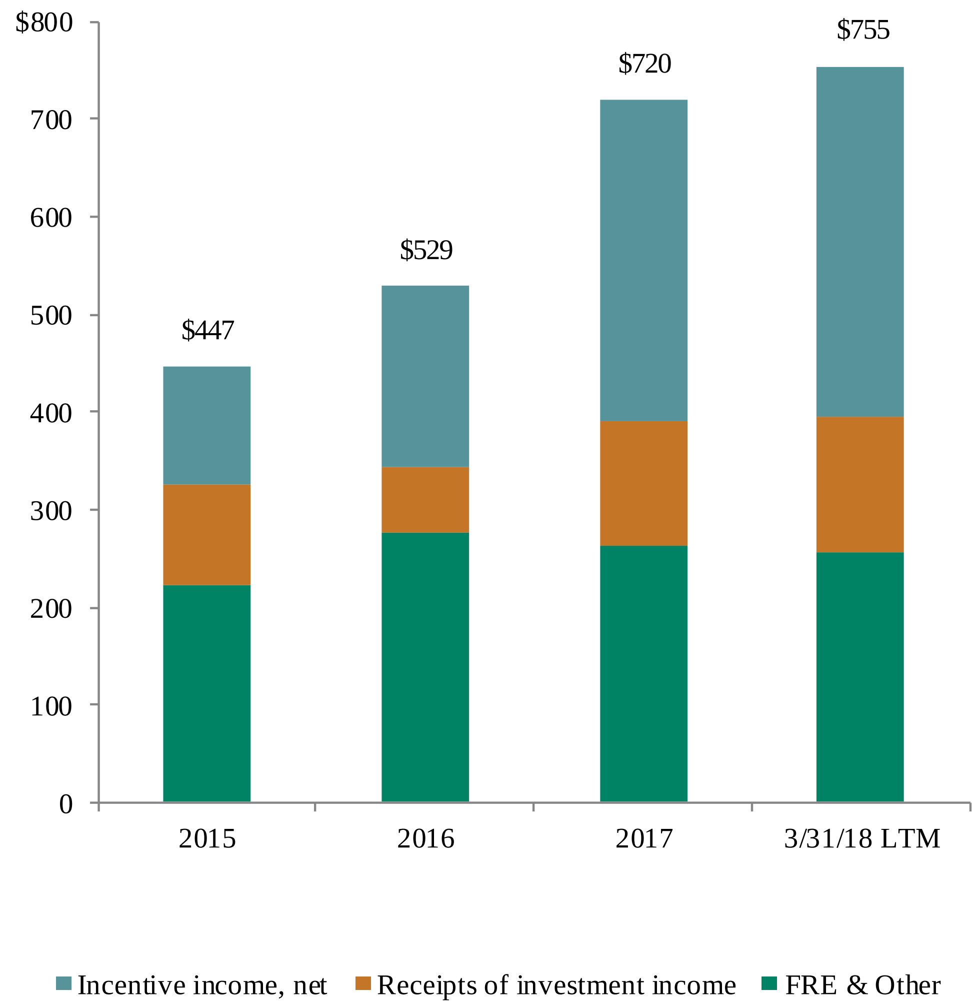
\+ Equity-based Compensation

- Operating Group Income Taxes

DISTRIBUTABLE EARNINGS (DE)

COMPONENTS OF DISTRIBUTABLE EARNINGS[1]

For the year ended December 31, unless otherwise noted ($ in millions)



[1] *Beginning with the first quarter of 2018, management fees and incentive income reflect the portion of the earnings from management fees and performance fees, respectively, attributable to our 20% ownership interest in DoubleLine. Such earnings were previously reported as investment income.*

Please see page 24 for a description of non-GAAP financial metrics.

OAKTREE

Disclosures: Fund Table Provides Meaningful Insights

Shows when management fee basis changes from committed capital to the lower of contributed capital or cost

Incentive income recognized in ANI to date

Incentive income that would be recognized if fund was liquidated at its current NAV

Reflects the amount of distributions required for fund to start recognizing incentive income[1]

As of March 31, 2018

	Investment Period		Total Committed Capital	% Invested	% Drawn	Fund Net Income Since Inception	Distributions Since Inception	Net Asset Value	Management Fee-Generating AUM	Incentive Income Recognized (Non-GAAP)	Accrued Incentives (Fund Level)	Unreturned Drawn Capital Plus Accrued Preferred Return	IRR Since Inception		Multiple of Drawn Capital
	Start Date	End Date						(in millions)					Gross	Net	
Credit															
Distressed Debt															
Oaktree Opportunities Fund Xb	TBD	—	$ 8,872	—%	—%	$ —	$ —	$ —	$ —	$ —	$ —	$ —	n/a	n/a	n/a
Oaktree Opportunities Fund X	Jan. 2016	Jan. 2019	3,603	81 %	63 %	756	81	2,933	3,474	—	146	2,399	35.6 %	21.6 %	1.4
Oaktree Opportunities Fund IX	Jan. 2014	Jan. 2017	5,066	nm	100 %	528	1,671	3,923	3,853	—	—	5,092	5.3 %	2.7 %	1.2
Oaktree Opportunities Fund VIIIb	Aug. 2011	Aug. 2014	2,692	nm	100 %	835	2,020	1,507	1,568	52	—	1,868	8.7 %	5.8 %	1.4
Special Account B	Nov. 2009	Nov. 2012	1,031	nm	100 %	607	1,511	204	198	16	—	101	13.6 %	11.3 %	1.6
Oaktree Opportunities Fund VIII	Oct. 2009	Oct. 2012	4,507	nm	100 %	2,527	6,102	932	1,036	208	284	313	13.0 %	9.1 %	1.6
Special Account A	Nov. 2008	Oct. 2012	253	nm	100 %	314	542	25	39	57	5	—	28.0 %	22.8 %	2.3
OCM Opportunities Fund VIIb	May 2008	May 2011	10,940	nm	90 %	8,995	17,844	995	824	1,554	194	—	21.9 %	16.6 %	2.0
OCM Opportunities Fund VII	Mar. 2007	Mar. 2010	3,598	nm	100 %	1,479	4,742	335	—	87	—	501	10.2 %	7.5 %	1.5
Legacy funds	Various	Various	12,495	nm	100 %	10,458	22,925	28	—	1,557	6	—	23.6 %	18.5 %	1.9
													22.0 %	16.1 %	

% invested reflects how invested the fund is and, therefore, provides an indication of when we might raise a successor fund

Indicator for generating incentives (must cross net return threshold, generally 8%, before generating incentives)

Note: There are some exceptions to the statements above (e.g. some closed-end funds charge fees on contributed capital or NAV during the investment period).

[1] *Additionally, tax distributions impact the timing of incentive income recognition.*

Description of Non-GAAP Metrics

Adjusted net income (“ANI”) is a measure of profitability for our investment management business. The components of revenues (“adjusted revenues”) and expenses (“adjusted expenses”) used in the determination of ANI do not give effect to the consolidation of the funds that we manage. Adjusted revenues include investment income (loss) that is classified in other income (loss) in the GAAP statements of operations, and management fees and incentive income include the portion of the earnings from management fees and performance fees, respectively, attributable to our 20% ownership interest in DoubleLine, which are reflected as investment income in our GAAP statements of operations. In addition, ANI excludes the effect of (a) non-cash equity-based compensation expense related to unit grants made before our initial public offering, (b) acquisition-related items, including amortization of intangibles and changes in the contingent consideration liability, (c) income taxes, (d) other income or expenses applicable to OCG or its Intermediate Holding Companies, and (e) the adjustment for non-controlling interests. Moreover, gains and losses resulting from foreign-currency transactions and hedging activities under GAAP are recognized as general and administrative expense whether realized or unrealized in the current period. For ANI, unrealized gains and losses from foreign-currency hedging activities are deferred until realized, at which time they are included in the same revenue or expense line item as the underlying exposure that was hedged, and foreign-currency transaction gains and losses are included in other income (expense), net. Incentive income and incentive income compensation expense are included in ANI when the underlying fund distributions are known or knowable as of the respective quarter end, which may be later than the time at which the same revenue or expense is included in the GAAP statements of operations, for which the revenue standard is probable that significant reversal will not occur and the expense standard is probable and reasonably estimable. CLO investments are carried at fair value for GAAP reporting, whereas for ANI, they are carried at amortized cost, subject to any impairment charges. Investment income on CLO investments is recognized in ANI when cash distributions are received. Cash distributions are allocated between income and return of capital based on the effective yield method. In periods prior to 2018, adjusted revenues and adjusted expenses reflected Oaktree’s proportionate economic interest in Highstar, whereby amounts received for contractually reimbursable costs from a legacy Highstar fund were classified as expenses for ANI and as other income under GAAP. The legacy Highstar fund stopped paying management fees in 2017. As a result, we will no longer be receiving such income. ANI is calculated at the Operating Group level.

Economic net income (“ENI”) is a non-GAAP performance measure that we use to evaluate the financial performance of our business by applying the mark-to-market approach to incentive income. The mark-to-market approach followed by ENI recognizes incentive income as if the funds were liquidated at their reported values as of the date of the financial statements, as compared to the GAAP criteria that it is probable that a significant reversal will not occur and the ANI criteria that the underlying fund distributions are known or knowable. ENI is computed by adjusting ANI for the change in accrued incentives (fund level), net of associated incentive income compensation expense, during the period.

Distributable earnings is a non-GAAP performance measure derived from our non-GAAP results that we use to measure our earnings at the Operating Group level without the effects of the consolidated funds for the purpose of, among other things, assisting in the determination of equity distributions from the Operating Group. However, the declaration, payment and determination of the amount of equity distributions, if any, is at the sole discretion of our board of directors, which may change our distribution policy at any time. Distributable earnings and distributable earnings revenues differ from ANI in that they exclude investment income or loss and include the receipt of investment income or loss from distributions by our investments in funds. Additionally, any impairment charges on our CLO investments included in ANI are, for distributable earnings purposes, amortized over the remaining investment period of the respective CLO, in order to align with the timing of expected cash flows. In addition, distributable earnings differs from ANI in that make-whole premium charges related to the repayment of debt are included in ANI, but for distributable earnings purposes are amortized through the original maturity date of the repaid debt. Finally, distributable earnings differs from ANI in that it is net of Operating Group income taxes and excludes non-cash equity-based compensation expense.

Fee-related earnings (“FRE”) is a non-GAAP performance measure that we use to monitor the baseline earnings of our business. FRE is derived from our non-GAAP results and is comprised of management fees (“fee-related earnings revenues”) less operating expenses other than incentive income compensation expense and non-cash equity-based compensation expense. FRE is considered baseline because it excludes all non-management fee revenue sources and applies all cash compensation and benefits other than incentive income compensation expense, as well as all general and administrative expenses, to management fees, even though those expenses also support the generation of incentive and investment income. FRE is presented before income taxes.

OAKTREE

Legal Disclosures

Calculation of Assets Under Management

References to total "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount of the AUM reported by DoubleLine Capital LP ("Doubleline Capital"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value (NAV) of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("CLOs"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies, gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine Capital. This calculation of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts managed and is not calculated pursuant to regulatory definitions.

OAKTREE

Reconciliations of Non-GAAP Metrics

($ in thousands)	2015	2016	2017	1Q2018 LTM
Reconciliation of Net Income (Loss) Attributable to Oaktree Capital Group, LLC to ANI to DE:				
Net income (loss) attributable to Oaktree Capital Group, LLC……...	$ 71,349	$ 194,705	$ 231,494	$ 229,311
Incentive income[1]…………………………………………………	(19,002)	1,407	(13,653)	31,392
Incentive income compensation[1]……………………………………	19,009	(1,407)	13,653	6,562
Investment income[2]……………………………………………………	-	(21,814)	(30,613)	(36,728)
Equity-based compensation[3]…………………………………………	16,475	13,626	5,698	4,894
Foreign-currency hedging[4]……………………………………………	2,619	1,496	1,453	1,327
Acquisition-related items[5]……………………………………………	5,251	(924)	1,838	1,810
Income taxes[6]…………………………………………………………	17,549	42,519	215,442	209,537
Non-Operating Group (income) expense[7]…………………………	2,097	1,176	(144,143)	(144,395)
Non-controlling interests[7]……………………………………………	192,968	341,590	419,931	396,589
Adjusted Net Income…………………………………………………….	308,315	572,374	701,100	700,299
Investment (income) loss……………………………………………….	6,748	(155,246)	(177,732)	(147,846)
Receipts of investment income[8]………………………………………	97,668	66,390	128,468	138,133
Equity-based compensation[9]………………………………………….	37,906	50,098	53,639	54,111
Other (income) expense, net[10]………………………………………	-	-	21,962	19,217
Operating Group income taxes…………………………………………	(3,374)	(4,635)	(7,632)	(9,357)
Distributable Earnings……………………………………………………	$ 447,263	$ 528,981	$ 719,805	$ 754,557

1 This adjustment adds back the effect of timing differences associated with the recognition of incentive income and incentive income compensation expense between adjusted net income and net income attributable to OCG.

2 This adjustment adds back the effect of differences in the recognition of investment income related to corporate investments in CLOs which under GAAP are marked-to-market but for ANI are accounted for at amortized cost, subject to impairment.

3 This adjustment adds back the effect of equity-based compensation expense related to unit grants made before our initial public offering, which is excluded from adjusted net income because it is a non-cash charge that does not affect our financial position.

4 This adjustment adds back the effect of timing differences associated with the recognition of unrealized gains and losses related to foreign-currency hedging between adjusted net income and net income attributable to OCG.

5 This adjustment adds back the effect of acquisition-related items associated with the amortization of intangibles and changes in the contingent consideration liability, which are excluded from adjusted net income.

6 Because adjusted net income and fee-related earnings are pre-tax measures, this adjustment adds back the effect of income tax expense.

7 Because adjusted net income and fee-related earnings are calculated at the Operating Group level, this adjustment adds back the effect of items applicable to OCG, its Intermediate Holding Companies or non-controlling interests.

8 This adjustment reflects the portion of distributions received from funds characterized as receipts of investment income or loss. In general, the income or loss component of a distribution from a fund is calculated by multiplying the amount of the distribution by the ratio of our investment's undistributed income or loss to our remaining investment balance. In addition, if the distribution is made during the investment period, it is generally not reflected in distributable earnings until after the investment period ends.

9 This adjustment adds back the effect of equity-based compensation expense related to unit grants made after our initial public offering, which is excluded from distributable earnings because it is non-cash in nature and does not impact our ability to fund our operations.

10 For distributable earnings purposes, the $22 million make-whole premium charge that was included in ANI in the fourth quarter of 2017 in connection with the early repayment of our 2019 notes is amortized through the original maturity date of December 2019.

OAKTREE

Reconciliations of Non-GAAP Metrics

($ in thousands)

	2015	2016	2017	1Q2018 LTM
Reconciliation of Fee-Related Earnings (FRE) to ANI to ENI:				
FRE[1]	$ 265,628	$ 317,268	$ 291,171	$ 285,879
Incentive income……………………………………………………….	268,122	359,878	735,403	823,518
Incentive income compensation …………………………………….	(141,822)	(169,683)	(402,828)	(460,126)
Investment income (loss)……………………………………………..	(6,748)	155,246	177,732	147,846
Equity-based compensation[2]……………………...……....………..	(37,906)	(50,098)	(53,639)	(54,111)
Interest expense, net of interest income…………………………..	(35,032)	(31,845)	(26,375)	(22,814)
Other income (expense), net………………………………………..	(3,927)	(8,392)	(20,364)	(19,893)
ANI……………………………………...…………………………………...	308,315	572,374	701,100	700,299
Change in accrued incentives (fund level), net of associated incentive income compensation[3]…………………..	(188,383)	135,002	(25,690)	(100,994)
ENI………………………………………………………………………..	$ 119,932	$ 707,376	$ 675,410	$ 599,305
Reconciliation of Consolidated Management fees to Non-GAAP Management fees:				
Management fees - Consolidated……………………………………...	$ 195,308	$ 774,587	$ 726,414	$ 730,901
Adjustments[4]……………………...……....………….………………..	609,182	72,491	88,161	85,414
Management fees - Non-GAAP……………………………………...…..	$ 804,490	$ 847,078	$ 814,575	$ 816,315

1 *Fee-related earnings is a component of adjusted net income and is comprised of management fees less operating expenses other than incentive income compensation expense and non-cash equity-based compensation expense related to unit grants made after our initial public offering.*

2 *This adjustment adds back the effect of equity-based compensation expense related to unit grants made after our initial public offering, which is excluded from fee-related earnings because it is non-cash in nature and does not impact our ability to fund our operations.*

3 *The change in accrued incentives (fund level), net of associated incentive income compensation expense, represents the difference between (a) our recognition of net incentive income and (b) the incentive income generated by the funds during the period that would be due to us if the funds were liquidated at their reported values as of that date, net of associated incentive income compensation expense.*

4 *The adjustment (a) adds back amounts earned from the consolidated funds, (b) reclassifies DoubleLine investment income to management fees, (c) reclassifies gains or losses related to foreign-currency hedging activites from general and administrative expense to management fees and (d) reclassifies expense reimbursements grossed-up for GAAP reporting but netted with expenses for non-GAAP reporting.*

OAKTREE

Benchmark Disclosures

BENCHMARK DETAIL

U.S. High Yield Bonds:
Citigroup U.S. High Yield Cash-Pay Capped Index

European High Yield Bonds:
ICE BofAML Global Non-Financial High Yield European Issuers excluding Russia 3% Constrained Index (USD Hedged)

Strategic Credit:
Citigroup High Yield Market Capped Index