

Investing in Private Markets: GP Stakes



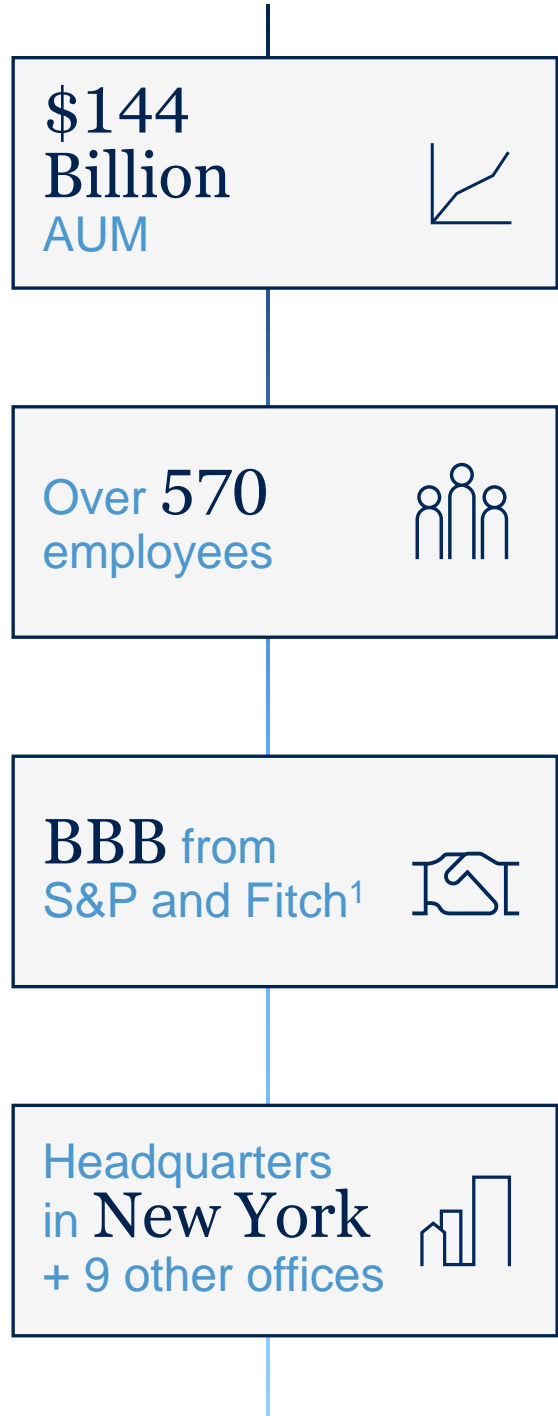
Access the private markets with an expert

Blue Owl (NYSE: OWL) is a global leader in providing access to private markets through differentiated alternative investments across **three complementary verticals**

Credit	
\$71.6B	Credit AUM
100+	Investment professionals
480+	Deals closed
665+	Sponsor Relationships

GP Strategic Capital	
\$49.2B	GP Strategic Capital AUM
75+	Professionals
10+	Years experience
55+	Partnerships since inception

Real Estate	
\$23.6B	Real Estate AUM
40+	Professionals
1665+	Assets owned
145+	Tenant relationships/ partnerships



As of March 31, 2023. **Past performance is not a guarantee of future results.**

¹A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. For complete ratings definitions please visit www.standardandpoors.com and www.fitchratings.com.



Our investment approach

Blue Owl's GP Strategic Capital platform, formerly known as Dyal Capital, is a leading capital solutions provider to large private markets managers

What is a GP stakes investment?

A GP stakes investment is a transaction where an investor acquires a minority interest in an alternative asset manager (the General Partner or "GP"). Minority investments are typically structured as an equity investment, a preferred or otherwise structured equity investment, or a revenue share.

Who typically sells a GP stake to Blue Owl?

Large, institutional private capital managers across the private capital universe buy-out, venture capital, growth equity, distressed debt, infrastructure, private credit, energy, real estate and other strategies

We partner with large alternative asset managers



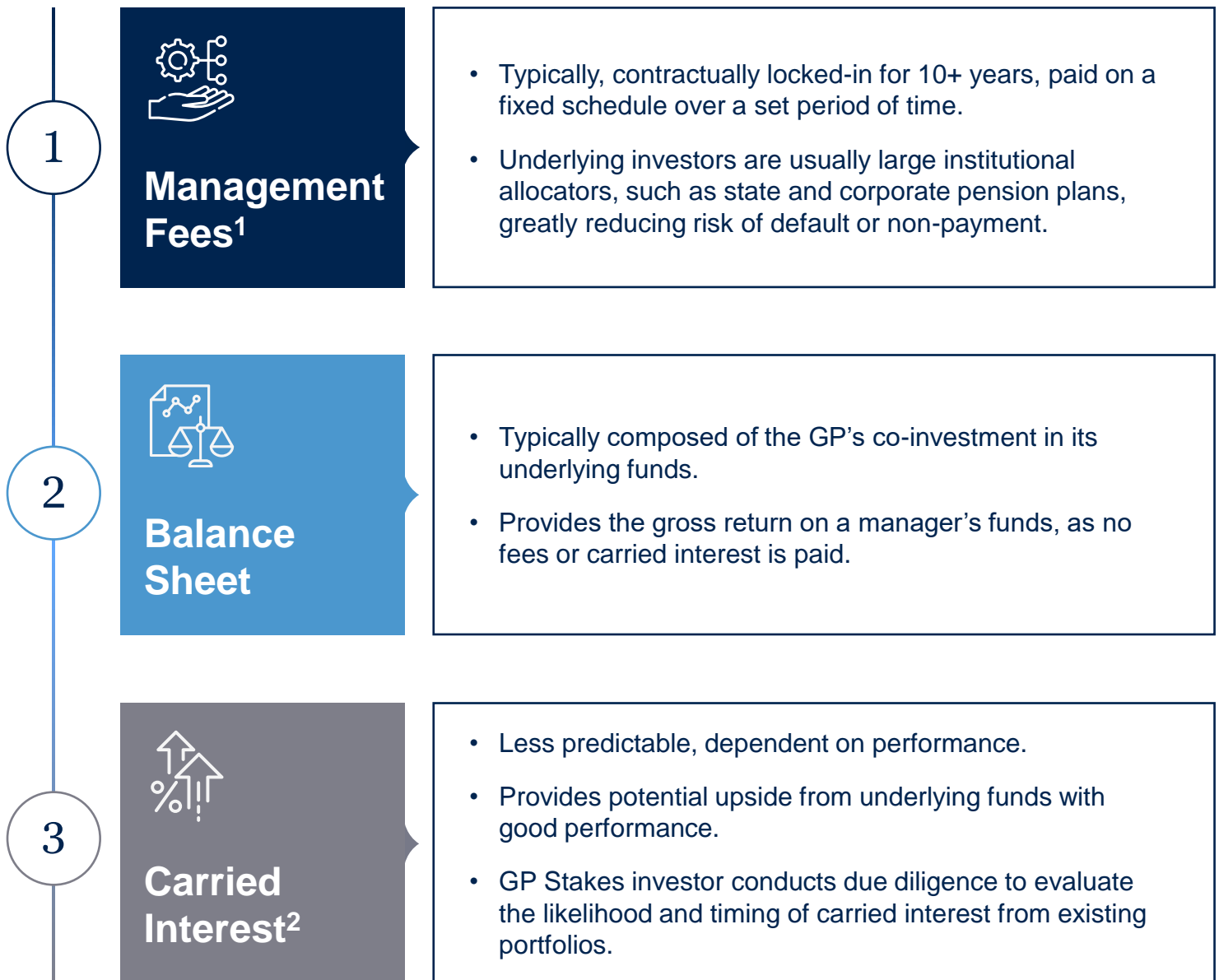
Representative of select Partner Managers.

What are the sources of returns for a GP investor?



A GP stakes investment typically invests in a holding company shoulder-to-shoulder with a firm's senior partners

A GP stakes investment in an underlying manager typically provides return from at least three distinct sources:



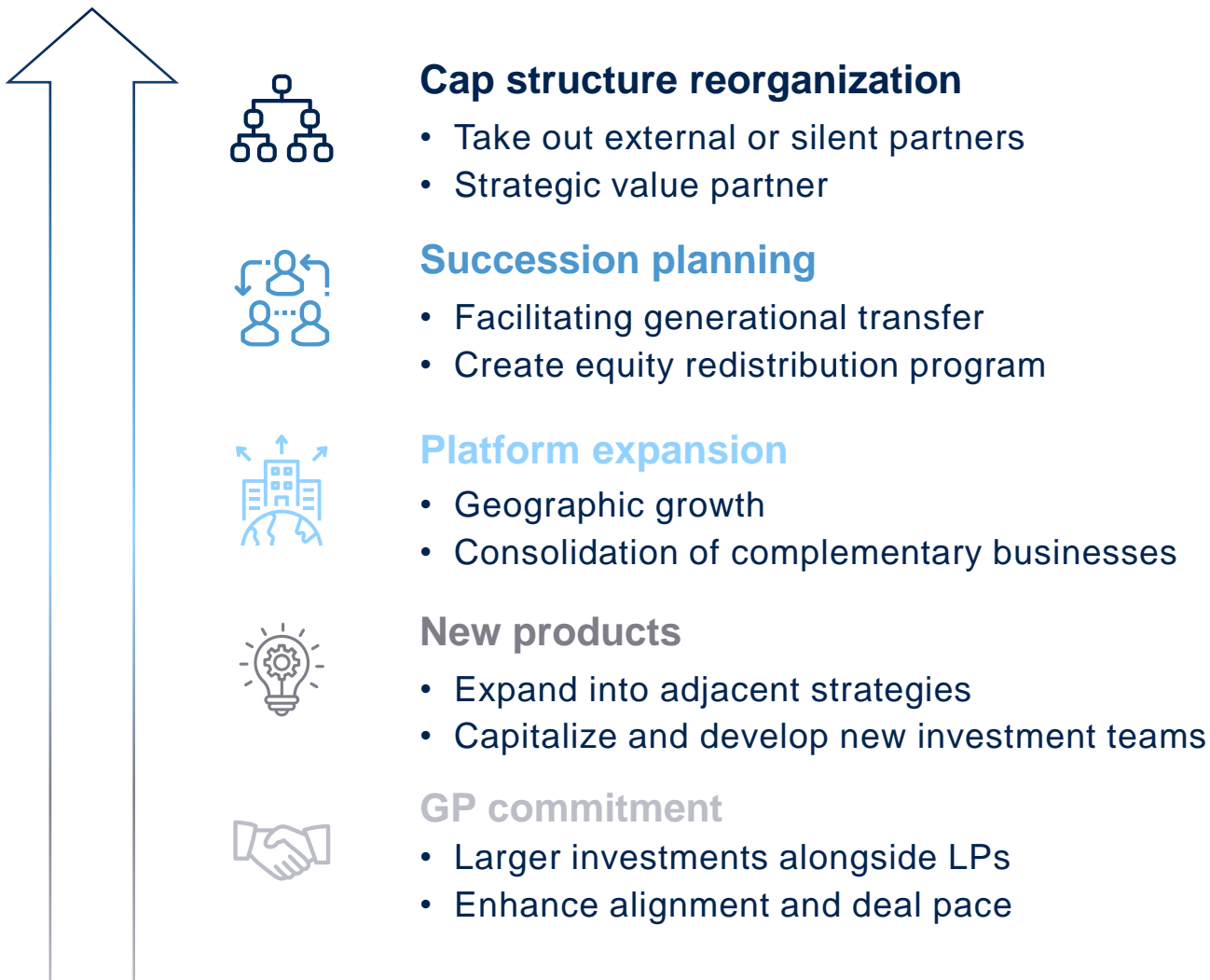
¹. Management fee income can vary based on the pace of capital deployment, and the pace of investment realization, by the Partner Managers' underlying funds and other factors. ². The actual distribution of carried interest is beyond Blue Owl's control. There is no guarantee that any carried interest will be paid to any underlying manager at a specific time.



Why would a successful GP want to sell a stake?

Potential financial motivations

A GP stake investment may be “primary” or “secondary” depending on how the sale is structured



How does a GP stakes investment work?

A GP stake investment may be “primary,” where the investor buys new interests in the firm, existing owners are diluted and the invested cash goes onto the firm’s balance sheet, or “secondary,” where existing equity holders sell their interests to the investor. Although terms vary, transactions typically involve the purchase price being paid over multiple years. A minority owner’s interest is usually permanent and entitles the holder to a share of the GP’s cashflow, which is generated by the fees and carried interest charged on the GP’s funds as well as returns made from investments on the GP’s balance sheet (i.e., the GP’s co-investments in its own funds).



Blue Owl is a market leader in providing capital solutions to leading private market managers

Potential financial motivations



The opportunity set for GP stakes

The opportunity set for Blue Owl’s GP stake business is expected to increase as private markets AUM likely grows. Our Investment Team believes that the pipeline for the strategy will be generated from three primary sources:



Past performance is not indicative of future results. There can be no guarantee that an investment strategy will achieve its objectives, that these specific opportunities will be acquired, nor that the opportunities that may eventually be sourced will have similar characteristics to the opportunities described herein. **1.** Represents Investments and Private Equity Partnerships across Blue Owl GP Stakes I-V as of December 31, 2022. **2.** Invested capital reflects amount deployed in Blue Owl GP Stakes III, Blue Owl GP Stakes IV and Blue Owl GP Stakes V, inclusive of co-investment capital as of September 30, 2022. **3.** Inclusive of the Investment Team, the Finance and Administrative team and the Business Services Platform as of January 1, 2023. **4.** Blue Owl GP Strategic Capital was founded in 2010.



Potential benefits to investors

An investment in GP Stakes offers limited partners several potential benefits

Low-correlation, significant cash yield

- Investors typically benefit from three cashflow streams, including contractually locked-in management fees
- Buying into mature businesses provides enhanced visibility on future quarterly cash flows

Diversification

- Owning at the GP level can provide meaningful potential vintage year, geographic, sector, asset class and enterprise value diversification

Downside protection

- A significant portion of the expected cash return comes from contractual management fees from existing funds¹
- Paid cross-cycle, potentially generating material cashflow during an economic downturn when other assets are not generating yield, are being written down, or both

Differentiated exposure to private markets as an asset class

- Tremendous growth in private markets AUM in recent years – growing from \$2.7 trillion in 2010 to ~\$8.9 trillion in 2021 and forecast to reach \$17.8 trillion by 2026²
- GP Stakes strategy expected to focus on larger managers, who have gained a disproportionate amount of these assets

The information provided herein is for illustrative purposes only. There is no guarantee that the potential benefits to investors will be achieved.

1. There is no guarantee that expected cash return will be achieved.

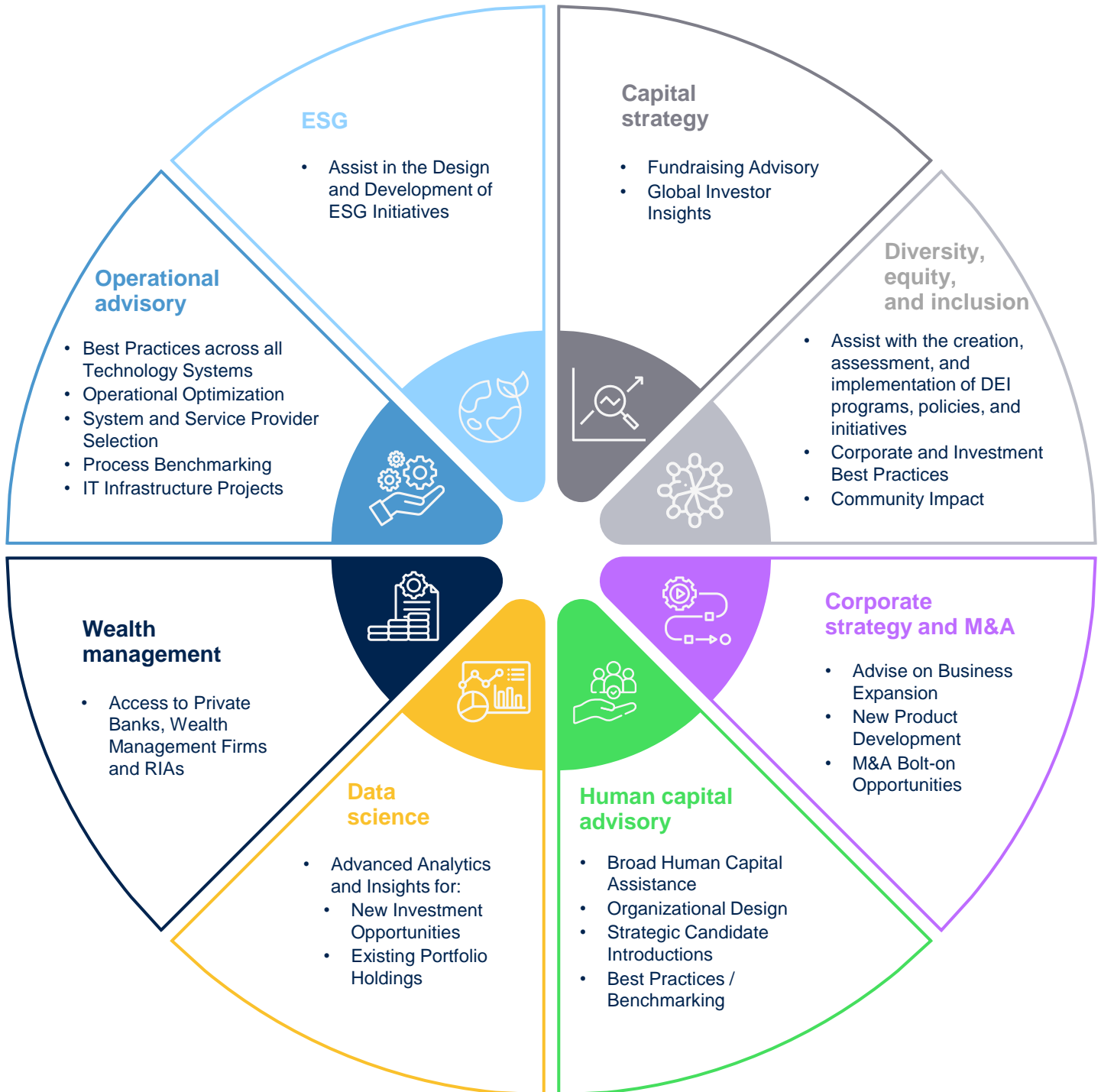
2. Source: 2022 Preqin Global Private Equity Report.



Strategic partnership

In addition to financial motivations, a GP may sell a stake to Blue Owl for strategic considerations. Our approximately 40-person Business Services Platform team collaborates with our Partner Managers to help achieve their unique business goals.

Business Services Platform



Note: As of March 31, 2023. For illustrative and discussion purposes only. There is no guarantee that the BSP will provide the services described in this presentation to any Partner Manager.

Important information



Unless otherwise indicated, the Report Date referenced herein is March 31, 2023.

Past performance is not a guide to future results and is not indicative of expected realized returns.

Assets Under Management (“AUM”) refers to the assets that we manage and are generally equal to the sum of (i) net asset value (“NAV”); (ii) drawn and undrawn debt; and (iii) uncalled capital commitments.

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