

# Owl Rock Core Income Corp.

Fund Overview | 1Q 2022



## Overview

- Owl Rock Core Income Corp. (ORCIC) seeks to generate current income, and to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns
  - ORCIC is building a portfolio of directly originated, senior secured loans or unsecured loans, subordinated loans or mezzanine loans to U.S.-based, middle market companies
  - ORCIC co-invests alongside Owl Rock's existing managed funds
  - Targets borrowers with \$50 million–\$2.5 billion revenue; \$10 million–\$250 million EBITDA
  - Strategy focuses on downside protection with LTV of 50% or less
  - Emphasizes diversification, targeting 1-3% position sizes
- ORCIC is structured as a perpetually non-traded, multi-share class business development company

Targeting upper middle market borrowers and **<50% LTV**

## Market Opportunity

- Private equity has grown tremendously in recent years with dry powder exceeding \$2.3 trillion<sup>1</sup>, which will further the growing demand for private credit
- Since 2013, direct lenders, many of which are sub-scale, have raised just 9% of the capital raised in private equity<sup>1</sup>
- We have found that banks are less willing to make new commitments and many direct lending platforms remain capital-constrained
  - Banks have decreased their participation in the loan market by over 80% since 1994<sup>2</sup>
- Private equity firms and borrowers are increasingly adopting direct lending solutions in our view

More than **\$2.3 trillion<sup>1</sup>** of private equity dry powder

## Owl Rock Advantage

- Owl Rock is a market leader in direct lending with considerable scale and a proven track record
  - Over \$44 billion of assets under management
  - Ability to lead or anchor debt financings of \$200 million – \$1 billion across the platform
  - More than 6,400 investment opportunities sourced from 620 private equity firms since inception
- Owl Rock has a large and experienced investment team that has invested across multiple cycles
  - 80+ dedicated investment professionals with deep credit experience
  - Sole focus on direct lending
- Owl Rock has originated approximately \$56 billion in investment opportunities and strives to be a financing partner of choice for many private equity sponsors

**\$44.8 billion**  
Assets under management

**\$56B**  
Originated investments since inception

**Past performance is not a guarantee of future results.** The views expressed are Blue Owl's views as of the date of this presentation and may change without notice as market and other conditions evolve. Investing in privately held middle market companies presents certain challenges and risks, including the lack of available information and the fact that these companies are often rated below investment grade by rating agencies or would be rated below investment grade if they were rated.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. Only a prospectus for Owl Rock Core Income Corp. can make such an offer. This material is authorized only when it is accompanied or preceded by the Owl Rock Core Income Corp. prospectus. Neither the SEC, the Attorney General of the State of New York nor any state securities commission has approved or disapproved of these securities or determined if the prospectus is truthful or complete. Any representation to the contrary is a criminal offense. Securities are offered through Blue Owl Securities LLC, member of FINRA/SIPC, as Dealer Manager.

## Owl Rock Core Income Corp. Summary Terms

<b>Investment Objective</b>	To generate current income and, to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns. Our investment strategy focuses primarily on originating and making loans to, and making debt and equity investments in, U.S. middle market companies.
<b>Structure</b>	Perpetually non-traded business development company
<b>Term</b>	Perpetual life; ORCIC does not intend to seek an IPO or other liquidity event
<b>Leverage</b>	Target 0.9x – 1.25x debt-to-equity; 2.0x regulatory cap
<b>Closings</b>	Monthly closes; 100% of capital invested upon subscription
<b>Liquidity<sup>3,4</sup></b>	Up to 5%/quarter; 20%/year (share repurchase plan); No early withdrawal charge
<b>Intended Distribution Frequency<sup>5</sup></b>	Monthly (distributions are not guaranteed, may represent a return of capital and may be paid from sources other than cash flow from operations)
<b>Management Fee and Incentive Fee<sup>6,7,8</sup></b>	<ul style="list-style-type: none"> <li>• <b>Management fee:</b> 1.25% of net assets (no management fee on leverage)</li> <li>• <b>Incentive fee:</b> 12.5% of net investment income subject to 5% hurdle 12.5% of realized capital gains</li> </ul>
<b>Tax Reporting and ERISA Capacity</b>	1099; unlimited ERISA Capacity (including IRAs)

Share Classes	Class S
<b>Minimum Initial Investment</b>	\$10,000
<b>Max Upfront Sales Load</b>	Up to 3.50% of the offering price
<b>Ongoing Service Fee<sup>9</sup></b>	0.85% of net asset value (annualized)

This information is summary in nature and is no way complete, and these terms have been simplified. This information omits certain important details about the stated terms and does not address certain other key Fund terms or risks or represent a complete list of Fund terms. If you express an interest in investing the fund, you will be provided with a prospectus, subscription agreement, and other documents ("Fund Documents"), which shall govern in the event of any conflict with the general terms listed herein. You must rely only on the information contained in the Fund Documents in making any decision to invest. Please see the prospectus for corresponding terms.

## Footnotes

1. Preqin as of Report Date.
2. S&P LCD as of Report Date.
3. We do not intend to list our shares on a securities exchange, and we do not expect there to be a public market for our shares. As a result, if you purchase shares of our common stock, your ability to sell your shares will be limited. Our board of directors reserves the right, in its sole discretion, to limit the number of shares to be repurchased for each class by applying the limitations on the number of shares to be repurchased on a per class basis. All shares purchased by us pursuant to the terms of each offer to repurchase will be retired and thereafter will be authorized and unissued shares. We intend to limit the number of shares to be repurchased in each quarter to no more than 5.00% of our outstanding shares of common stock.
4. Any periodic repurchase offers are subject in part to our available cash and compliance with the BDC and RIC qualification and diversification rules promulgated under the 1940 Act and the Code, respectively. While we intend to continue to conduct quarterly repurchase offers as described above, we are not required to do so and may suspend or terminate the share repurchase program at any time.
5. **Distribution payments are not guaranteed. Owl Rock Core Income Corp. may pay distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and advances or the deferral of fees and expense reimbursements.**
6. An incentive fee on net investment income, which we refer to as the incentive fee on income, will be calculated and payable quarterly in arrears and will be based upon our pre-incentive fee net investment income for that immediately preceding calendar quarter. The quarterly incentive fee on net investment income is (a) 100% of the pre-incentive fee net investment income between 1.25%, which we refer to as the quarterly preferred return, and 1.43%, which we refer to as the upper-level breakpoint, of ORCIC's net asset value for that immediately preceding calendar quarter plus (b) 12.50% of all remaining pre-incentive fee net investment income in excess of the upper lever breakpoint for that calendar quarter. Pre-incentive fee net investment income is defined as investment income and any other income, accrued during the previous calendar quarter, minus operating expenses for the quarter, including the base management fee, expenses payable under the Investment Advisory Agreement and the Administration Agreement, any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee. Pre-incentive fee net investment income does not include any expense support payments or any reimbursement by ORCIC of expense support payments, or any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. The quarterly preferred return of 1.25% and upper-level breakpoint of 1.43% are also adjusted for the actual number of days in each calendar quarter.
7. An incentive fee on capital gains will be determined and payable in arrears as of the end of each calendar year. It will be equal to (i) 12.50% of our realized capital gains on a cumulative basis from inception through the end of such calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less (ii) the aggregate amount of any previously paid incentive fees on capital gains as calculated in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). To be paid by the investor.
8. On February 23, 2021, the Adviser agreed to waive 100% of the base management fee for the quarter ended March 31, 2021. Any portion of the base management fee waived will not be subject to recoupment.
9. Ongoing Service Fee, together with the Maximum Upfront Sales Load, to be capped at 10% of gross proceeds or such other lower amount as Owl Rock may negotiate with its distribution partners.

## Summary of Risk Factors

An investment in Owl Rock Core Income Corp. ("ORCIC") is speculative and involves a high degree of risk, including the risk of a substantial loss of investment, as well as substantial fees and costs, all of which can impact an investor's return. The following are some of the risks involved in an investment in ORCIC's common shares; however, an investor should carefully consider the fees and expenses and information found in the "Risk Factors" section of the ORCIC prospectus before deciding to invest:

- You should not expect to be able to sell your shares regardless of how ORCIC performs and you should consider that you may not have access to the money you invest for an indefinite period of time. An investment in shares of ORCIC's common stock is not suitable for you if you need access to the money you invest.
- ORCIC does not intend to list its shares on any securities exchange and does not expect a secondary market in its shares to develop. As a result, you may be unable to reduce your exposure in any market downturn. If you are able to sell your shares before a liquidity event is completed, you will likely receive less than your purchase price.
- Beginning no later than the first full calendar quarter after the date that ORCIC sells shares to a person or entity other than Owl Rock Capital Advisors LLC, its investment adviser (the "Adviser"), or ORCIC's directors, officers and/or other affiliated persons and entities, ORCIC intends to implement a share repurchase program pursuant to which it intends to conduct quarterly repurchases of a limited number of outstanding shares of its common stock. ORCIC's board of directors has complete discretion to determine whether ORCIC will engage in any share repurchase, and if so, the terms of such repurchase. ORCIC's share repurchase program will include numerous restrictions that limit your ability to sell your shares. As a result, share repurchases may not be available each month. While ORCIC intends to continue to conduct quarterly tender offers as described above, it is not required to do so and may suspend or terminate the share repurchase program at any time.
- Distributions on ORCIC's common stock may exceed ORCIC's taxable earnings and profits, particularly during the period before it has substantially invested the net proceeds from its public offering. Therefore, portions of the distributions that ORCIC pays may represent a return of capital to you for U.S. federal tax purposes. A return of capital is a return of a portion of your original investment in shares of ORCIC common stock. As a result, a return of capital will (i) lower your tax basis in your shares and thereby increase the amount of capital gain (or decrease the amount of capital loss) realized upon a subsequent sale or redemption of such shares, and (ii) reduce the amount of funds ORCIC has for investment in portfolio companies. ORCIC has not established any limit on the extent to which it may use offering proceeds to fund distributions.
- Distributions may also be funded in significant part, directly or indirectly, from (i) the waiver of certain investment advisory fees, that will not be subject to repayment to the Adviser and/or (ii) the deferral of certain investment advisory fees that may be subject to repayment to the Adviser and/or (iii) the reimbursement of certain operating expenses, that will be subject to repayment to the Adviser and its affiliates. Significant portions of distributions may not be based on investment performance. In the event distributions are funded from waivers and/or deferrals of fees and reimbursements by ORCIC's affiliates, such funding may not continue in the future. If ORCIC's affiliates do not agree to reimburse certain of its operating expenses or waive certain of their advisory fees, then significant portions of ORCIC's distributions may come from offering proceeds or borrowings. The repayment of any amounts owed to ORCIC's affiliates will reduce future distributions to which you would otherwise be entitled.
- The payment of fees and expenses will reduce the funds available for investment, the net income generated, the funds available for distribution and the book value of the common shares. In addition, the fees and expenses paid will require investors to achieve a higher total net return in order to recover their initial investment. Please see ORCIC's prospectus for details regarding its fees and expenses.

## Summary of Risk Factors (continued)

- ORCIC intends to invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “junk,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. They may also be illiquid and difficult to value.
- The Adviser and its affiliates face a number of conflicts with respect to ORCIC. Currently, the Adviser and its affiliates manage other investment entities, including Owl Rock Capital Corporation and Owl Rock Capital Corporation II, and are not prohibited from raising money for and managing future investment entities that make the same types of investments as those ORCIC targets. As a result, the time and resources that the Adviser devotes to ORCIC may be diverted. In addition, ORCIC may compete with any such investment entity also managed by the Adviser for the same investors and investment opportunities. Furthermore, the Adviser may face conflicts of interest with respect to services it may perform for companies in which ORCIC invests as it may receive fees in connection with such services that may not be shared with ORCIC.
- The incentive fee payable by ORCIC to the Adviser may create an incentive for the Adviser to make investments on ORCIC’s behalf that are risky or more speculative than would be the case in the absence of such compensation arrangements. ORCIC may be obligated to pay the Adviser incentive fees even if ORCIC incurs a net loss due to a decline in the value of its portfolio and even if its earned interest income is not payable in cash.
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## Important Information

Unless otherwise indicated, the Report Date referenced herein is 3/31/2022.

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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