

## Strategy Overview

Owl Rock Capital Corporation II (ORCC II) is a business development company (BDC)<sup>1</sup> that offers the potential to generate income by originating loans to, and making debt investments in, U.S. middle market companies. ORCC II is advised by Owl Rock Capital Advisors, a leading alternative asset manager with deep expertise in the credit markets.

Owl Rock seeks to:

- Offer direct lending solutions to U.S. middle market companies seeking capital
- Provide income-seeking investors access to private credit strategies that offer the potential to generate income and attractive risk-adjusted returns through investment in middle market loans



## Why Owl Rock?

- 1 Alternative Source of Income Potential**

Our goal is to provide institutional and individual investors with an alternative source of income and attractive risk-adjusted returns.
- 2 Investment in Senior-Secured, Floating Rate Loans**

The senior secured loans we make are collateralized by a borrower's assets and have the highest payment priority in a borrower's capital structure.<sup>2</sup> When interest rates rise, the interest rate on a floating rate loan also rises, which may provide investors with the potential for a higher income stream.<sup>3</sup>
- 3 Competitive Edge Rooted in the Experience of Our Founders and a World Class, Credit-Focused Investment Team**

Owl Rock's founders Doug Ostrover, Marc Lipschultz and Craig Packer have each spent over 25 years building and managing successful credit and alternative investment businesses at GSO/ Blackstone, KKR and Goldman Sachs.

*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 Capital Corporation II can make such an offer. This material is authorized only when it is accompanied or preceded by the Owl Rock Capital Corporation II 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 Owl Rock Capital Securities LLC, member of FINRA/SIPC, as Dealer Manager.

## INVESTMENT OBJECTIVES

Generate current income, and to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns.

## TARGET INVESTMENTS

Target credit investments will typically have maturities between three and ten years and generally range in size between \$10 million and \$250 million. The investment size will vary with the size of ORCC II's capital base.

## KEY FACTS

**Effective Date:** February 3, 2017

**Maximum Offering Amount:** \$2.5 billion

**Minimum Investment:** \$5,000

**Distribution Frequency:** Monthly<sup>4</sup>

## ELIGIBLE INVESTORS

\$250,000 net worth or \$70,000 net worth and \$70,000 gross annual income<sup>5</sup>

## OWL ROCK'S COMMITMENT

\$123 million across all BDCs<sup>6</sup>

## OWL ROCK ASSETS UNDER MANAGEMENT

\$3.1 billion across all BDCs<sup>7</sup>

## OWL ROCK FOUNDERS

### Douglas I. Ostrover

Co-Founder, GSO Capital Partners, Blackstone's credit division and one of the world's largest credit-oriented alternative asset managers

### Marc Lipschultz

Former Member of the Management Committee at KKR; extensive investing experience across a wide range of alternatives including private equity, infrastructure and real assets

### Craig W. Packer

Former Partner and Co-head of the Leveraged Finance Group in the Americas and Member of the Firmwide Capital Committee at Goldman Sachs

*There is no guarantee that these investment objectives will be achieved.*

*All data as of 3/31/2017 unless otherwise noted*

**For more information, please contact your Financial Advisor.**

## FOOTNOTES

1. Business development companies (BDCs) were established by Congress in 1980 to encourage the flow of capital to small- and medium-size American companies to help them grow. They provide investors with exposure to investments in predominantly private companies, which are typically difficult to access.
2. Collateral securing any loan may lose some or all of its value over time, which could have adverse consequences on ORCC II, including loss of principal.
3. Floating rate loans are subject to risk factors, including credit risk, liquidity risk and interest rate risk and floating rate loans can lose significant value.
4. The payment of future distributions is subject to the discretion of ORCC II's board of directors and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future distributions.
5. Suitability requirements may differ in certain states including but not limited to AL, CA, IA, ID, KS, KY, MA, MS, NE, NM, NJ, OR, TN and VT. Please reference the prospectus and contact your financial advisor for more information. This does not include any additional standards imposed by participating selling firms.
6. Includes (i) capital commitments of \$113.3 million to Owl Rock Capital Corporation and (ii) \$10 million of investments in Owl Rock Capital Corporation II, in each case by certain executives and employees of Owl Rock Capital Advisors LLC, our investment adviser, and Owl Rock Capital Securities LLC, our dealer manager as of 5/19/17.
7. Assets under management (AUM) as of March 31, 2017 equaled approximately \$3.1 billion, which is the sum of (i) Owl Rock Capital Corporation total assets of approximately \$1.3 billion plus (ii) approximately \$1.8 billion of uncalled capital commitments that Owl Rock Capital Corporation is entitled to call from its investors.

## RISK FACTORS AND OTHER IMPORTANT INFORMATION

An investment in Owl Rock Capital Corporation II ("ORCC II" or "our", "we" or "us") is speculative and involves a high degree of risk, including the risk of a substantial loss of investment. The following are some of the risks involved in an investment in our common shares; however, an investor should carefully consider the information found in the "Risk Factors" section of our prospectus before deciding to invest:

- You should not expect to be able to sell your shares regardless of how we perform.
- We may offer to repurchase a limited number of shares, but if we do, it is likely you will receive less than your initial purchase price. While ORCC II intends to implement a share repurchase program and conduct quarterly tender offers, any such share repurchase program may be amended, suspended or terminated at any time in the discretion of our board of directors. Any repurchases will be limited to the lesser of (a) 2.5% of the weighted average number of shares of our common stock outstanding in the prior 12-month period and (b) the number of shares we can repurchase with the proceeds we receive from the sale of shares of our common stock under our distribution reinvestment plan.
- We do not intend to list our shares on any securities exchange for what may be a significant time and we do not expect a secondary market in the shares to develop.
- You should consider that you may not have access to the money you invest for an indefinite period of time.
- Because you will be unable to sell your shares, you will be unable to reduce your exposure in any market downturn.
- An investment in our shares is not suitable for you if you need access to the money you invest.
- 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. Please see ORCC II's prospectus for details on its fees and expenses.
- We may fund distributions from sources other than earnings, including unlimited amounts of offering proceeds and borrowings, which may affect future distributions, constitute a return of capital and reduce the amount of capital available to us for investment. Any capital returned to stockholders through distributions will be distributed after payment of fees and expenses.
- Our distributions to stockholders may be funded in significant part from the reimbursement of certain expenses, including through the waiver of certain investment advisory fees, that will be subject to repayment to Owl Rock Capital Advisors LLC (the "Adviser"). Significant portions of these distributions may not be based on our investment performance and such waivers and reimbursements may not continue in the future. The repayment of any amounts owed will reduce the future distributions to which you would otherwise be entitled.
- The Adviser and its affiliates face a number of conflicts with respect to us. Currently, the Adviser and its affiliates manage other investment entities, including Owl Rock Capital Corporation, and are not prohibited from raising money for and managing future investment entities that make the same types of investments as those we target. As a result, the time and resources that the Adviser devotes to us may be diverted. In addition, we 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 we invest as it may receive fees in connection with such services that may not be shared with us.
- The incentive fee payable by us to the Adviser may create an incentive for the Adviser to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangements. We may be obligated to pay the Adviser incentive fees even if we incur a net loss due to a decline in the value of our portfolio and even if our earned interest income is not payable in cash.
- ORCC II 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.
- Investing in privately held middle market companies presents certain challenges, including the lack of available information about these companies.