



Presentation
OHA Investment Corporation Q4 2014 Earnings Results

March 12, 2015

O A K H I L L

Disclaimer

THIS PRESENTATION MAY CONTAIN FORWARD-LOOKING STATEMENTS. WE MAY USE WORDS SUCH AS "ANTICIPATES," "BELIEVES," "INTENDS," "PLANS," "EXPECTS," "PROJECTS," "ESTIMATES," "WILL," "SHOULD," "MAY" AND SIMILAR EXPRESSIONS TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES. CERTAIN FACTORS COULD CAUSE ACTUAL RESULTS AND CONDITIONS TO DIFFER MATERIALLY FROM THOSE PROJECTED, INCLUDING THE UNCERTAINTIES ASSOCIATED WITH THE TIMING OR LIKELIHOOD OF TRANSACTION CLOSINGS, CHANGES IN INTEREST RATES, AVAILABILITY OF TRANSACTIONS, THE FUTURE OPERATING RESULTS OF OUR PORTFOLIO COMPANIES, REGULATORY FACTORS, CHANGES IN REGIONAL, NATIONAL, OR INTERNATIONAL ECONOMIC CONDITIONS AND THEIR IMPACT ON THE INDUSTRIES IN WHICH WE INVEST, OTHER CHANGES IN THE CONDITIONS OF THE INDUSTRIES IN WHICH WE INVEST AND OTHER FACTORS ENUMERATED IN OUR FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. YOU SHOULD NOT PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THEY ARE MADE. WE UNDERTAKE NO OBLIGATION TO UPDATE OUR FORWARD-LOOKING STATEMENTS MADE HEREIN, UNLESS REQUIRED BY LAW.

Contents

Section 1	Overview
Section 2	Financial Results
Section 3	Portfolio Review
Section 4	Dividend & Stock Repurchase Program
Section 5	Investment Strategy & OHA Overview
Section 6	Q & A

Section 1

Overview

Overview

New Investment Advisor: Oak Hill Advisors (“OHA”)

- Extensive strategic review process concluded on September 30, 2014
- New investment advisory contract with OHA approved by stockholders
- New Board of Directors appointed, chaired by Glenn August, CEO & Founder of OHA
- Bob Long appointed as CEO, former CEO of Conversus Capital, a \$3 B AUM publicly traded fund of private equity funds
- Scott Biar continues as CFO & CCO on an interim basis
- OHA affiliate purchased \$1 MM of Company stock at NAV, a 38% premium to market price
- OHA affiliate purchased an additional \$4 MM of Company stock in the open market

Overview

Highlights

- First full quarter of management under OHA
- NAV of \$7.48, declined 8% in Q4 2014
- Decline in NAV driven by legacy concentration in energy assets
- Q4 2014 net investment income per share of \$0.13
- Q1 2015 dividend declared of \$0.12 per share, consistent with our strategy of earning a sustainable dividend
- \$2.4 MM stock repurchase program approved
- \$37 MM deployed in four new investments during Q4 2014
- We believe we have a meaningful pipeline of investment opportunities

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Section 2

Financial Results

Financial Results

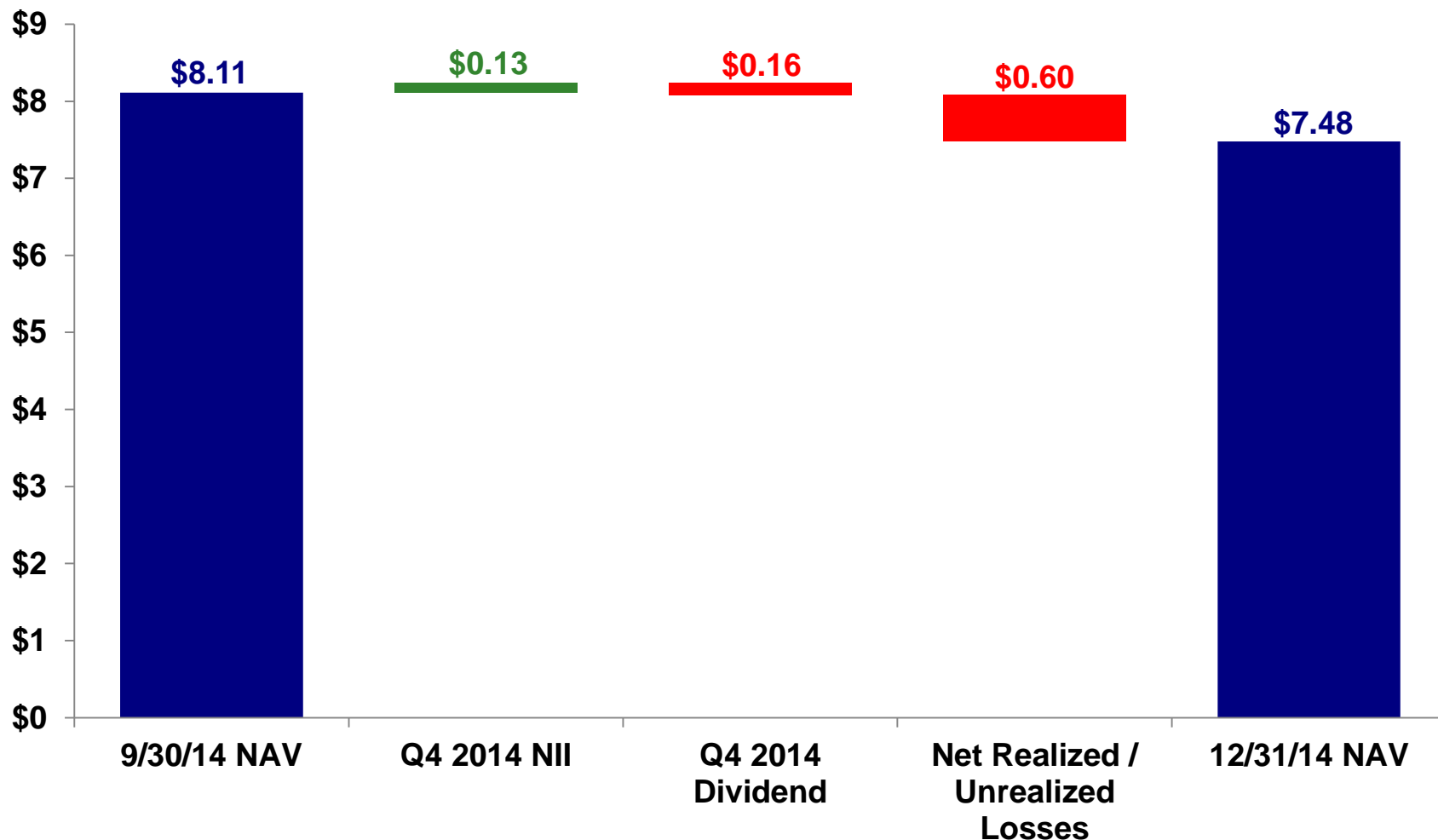
Q4 2014 Summary

- Investment income of \$5.2 MM, or \$0.25 per share
- Net investment income of \$2.6 MM, or \$0.13 per share
- Management fees of \$0.7 MM under OHA advisory agreement
- Net realized and unrealized losses of (\$12.3) MM, or (\$0.60) per share
- Net decrease in net assets of (\$9.7) MM, or (\$0.47) per share, to \$7.48 per share
- Weighted average yield of 10.4% on fair value and 9.2% on cost
- Positive assurance on 90% of Level 3 investments provided by leading independent valuation firm

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Q4 2014 Net Asset Value Per Share

NAV declined 8% in Q4 2014, primarily as a result of lower valuations of energy assets



The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Financial Results

Statement of Operations

(in \$000's)	Q4 2014	Q3 2014	Q4 2013
Investment income	\$5,175	\$5,573	\$6,530
Costs related to strategic alternatives review	23	5,352	644
Management fees	696	1,254	1,387
Other G&A	1,290	1,333	1,570
Interest expense	513	405	727
Income taxes	<u>53</u>	<u>17</u>	<u>42</u>
Net investment income (loss)	<u>\$2,600</u>	<u>(\$2,788)</u>	<u>\$2,160</u>
Net investment income (loss) per share	\$0.13	(\$0.14)	\$0.11
Per share impact of strategic review costs	(\$0.00)	(\$0.26)	(\$0.03)

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Financial Results

Realized & Unrealized Gains (Losses) (in \$000's)	Q4 2014	FY 2014
Realized capital gains (losses):		
Chroma E&P	(\$4,314)	(\$4,314)
GMX Resources	--	(9,382)
Other realized gains (losses), net	<u>--</u>	<u>1,266</u>
Total realized capital gains (losses), net	<u>(4,314)</u>	<u>(12,430)</u>
Unrealized gains (losses):		
Spirit Resources	(5,684)	(12,065)
Contour Highwall	(3,000)	(7,079)
Shoreline	(1,448)	(1,492)
Talos	(1,443)	(1,446)
ATP / Bennu	(1,130)	(3,329)
Castex	576	2,159
Reversals due to realizations	3,846	11,132
Other unrealized gains (losses), net	<u>256</u>	<u>(879)</u>
Total unrealized gains (losses), net	<u>(8,027)</u>	<u>(12,999)</u>
Total realized and unrealized gains (losses), net	<u>(\$12,341)</u>	<u>(\$25,429)</u>

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Financial Results

Net Asset Value Rollforward – Full Year 2014

	(in \$000's)	Per share
Net asset value at 12/31/13	\$188,552	\$9.20
Costs related to strategic alternatives review	(6,040)	(0.29)
Spirit Resources reduction in value	(12,065)	(0.59)
Contour Highwall reduction in value	(7,079)	(0.34)
ATP / Bennu reduction in value	(3,329)	(0.16)
Other net reductions in value of energy investments	(1,790)	(0.09)
Distributions in excess of net investment income	(3,919)	(0.19)
Other, net	(1,166)	(0.06)
Common stock issued to OHA affiliate	<u>1,000</u>	<u>--</u>
Net asset value at 12/31/14	<u>\$154,164</u>	<u>\$7.48</u>

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Section 3

Portfolio Review

Portfolio Review

Entire net Q4 2014 portfolio write-down is attributable to energy investments

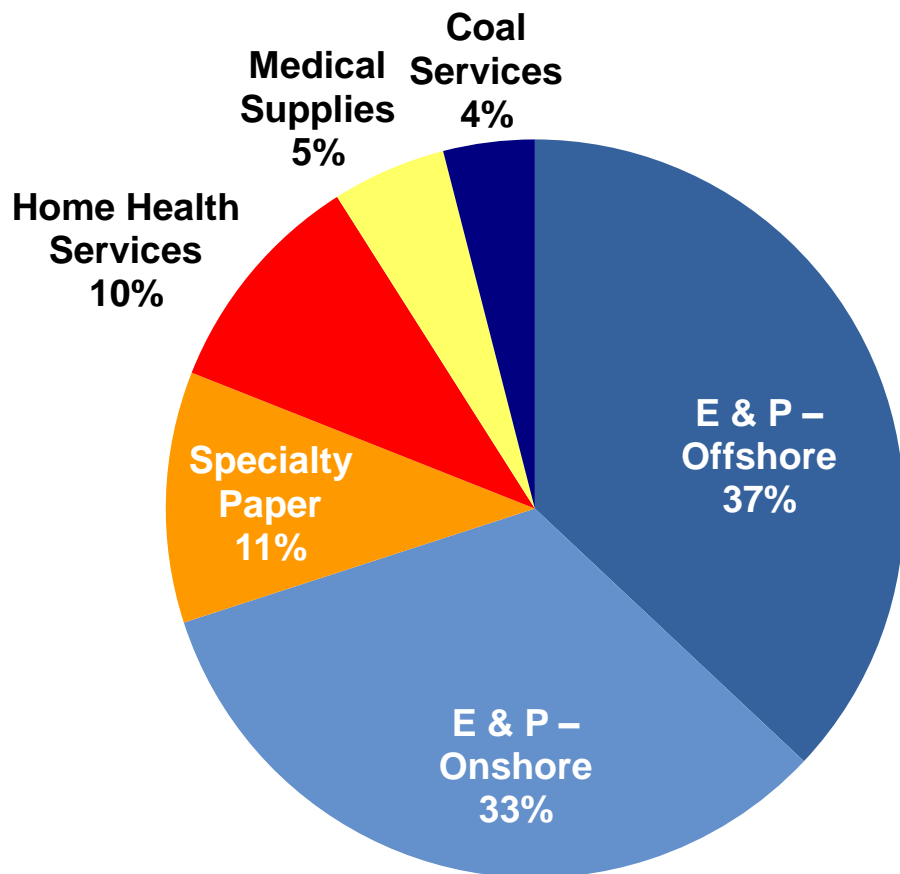
(in \$000's)	Cost at 12/31/14	Value at 9/30/14	Net New		Value at 12/31/14	% of Cost at 12/31/14	% of Portfolio Value
			Investments (Realizations)	Write-up / (Writedown)			
Energy:							
Castex redeemable preferred units	\$50,021	\$54,334	\$0	\$572	\$54,906	110%	31%
ATP/Bennu limited term royalty interest	26,767	25,641	(857)	(1,084)	23,700	89%	13%
Shoreline second lien term loan	13,071	13,611	(194)	(1,432)	11,985	92%	7%
Talos senior unsecured notes	11,951	12,360	--	(1,440)	10,920	91%	6%
Huff senior secured term loan	5,278	5,800	(480)	--	5,320	101%	3%
Huff warrants and royalty	84	88	--	4	92	110%	0%
Subtotal	107,172	111,834	(1,531)	(3,380)	106,923	100%	60%
Energy Non-accruals:							
Contour senior secured term loan	10,778	7,500	--	(3,000)	4,500	42%	3%
Spirit senior secured term loan and preferred equity	17,873	6,943	--	(5,493)	1,450	8%	1%
Spirit overriding royalty interest	10	510	--	(185)	325	N/M	0%
Subtotal	28,661	14,953	--	(8,678)	6,275	22%	4%
Energy total	135,833	126,787	(1,531)	(12,058)	113,198	83%	64%
Other Sectors:							
OCI subordinated note	15,486	15,580	120	-	15,700	101%	9%
OCI equity units	2,500	1,390	--	340	1,730	69%	1%
KOVA senior subordinated notes	8,867	9,000	--	--	9,000	101%	5%
Citadel second lien term loan	9,901	--	9,900	--	9,900	100%	6%
Appriss second lien term loan	9,852	--	9,850	--	9,850	100%	6%
EFS second lien term loan	9,826	--	9,825	(150)	9,675	98%	5%
Gramercy Park CLO residual interest	7,014	--	7,014	96	7,110	101%	4%
Other	468	--	--	--	--	0%	0%
Subtotal	63,914	25,970	36,709	286	62,965	99%	36%
Grand Total	\$199,747	\$152,757	\$35,178	(\$11,772)	\$176,163	88%	100%

The cost of investments represents the original cost adjusted for the amortization of discounts and premiums and upfront loan origination fees. The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

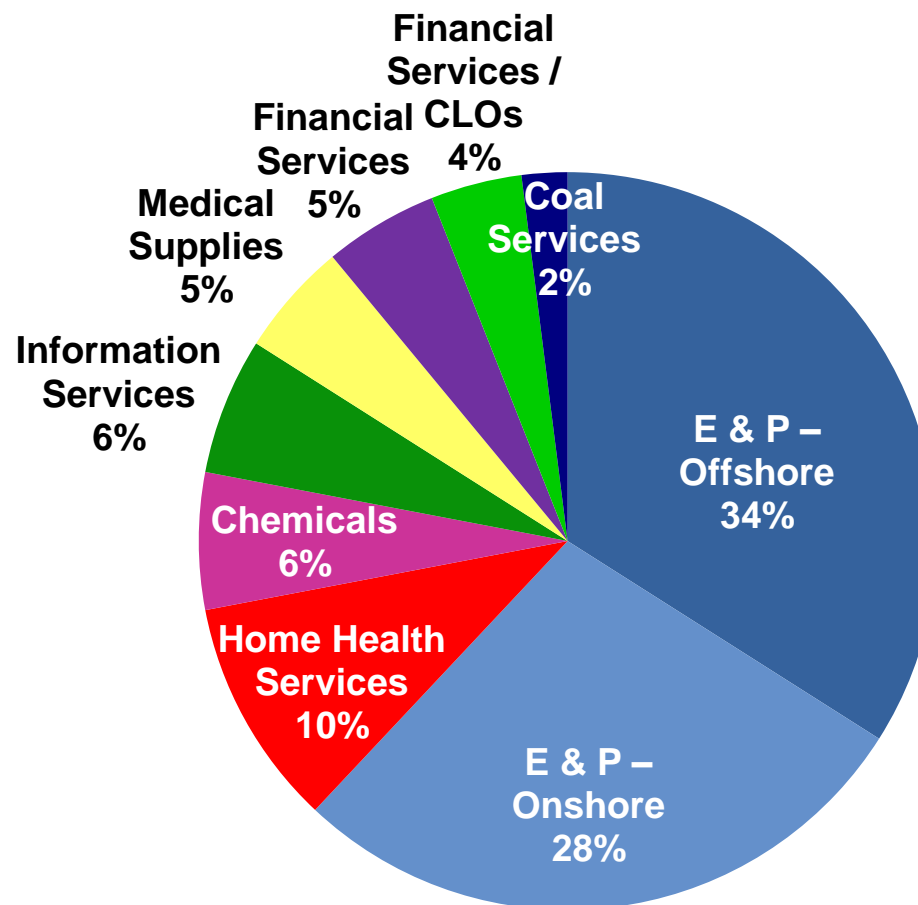
Portfolio Review

Energy exposure reduced from 74% at 9/30/14 to 64% as of 12/31/14⁽¹⁾

September 30, 2014



December 31, 2014



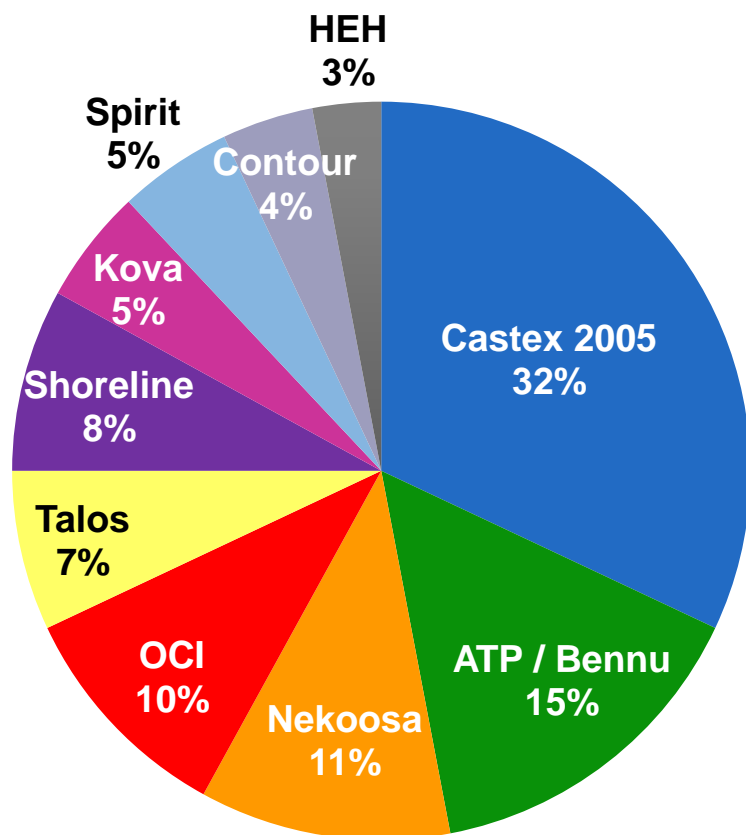
The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance..

(1) As a percentage of fair value.

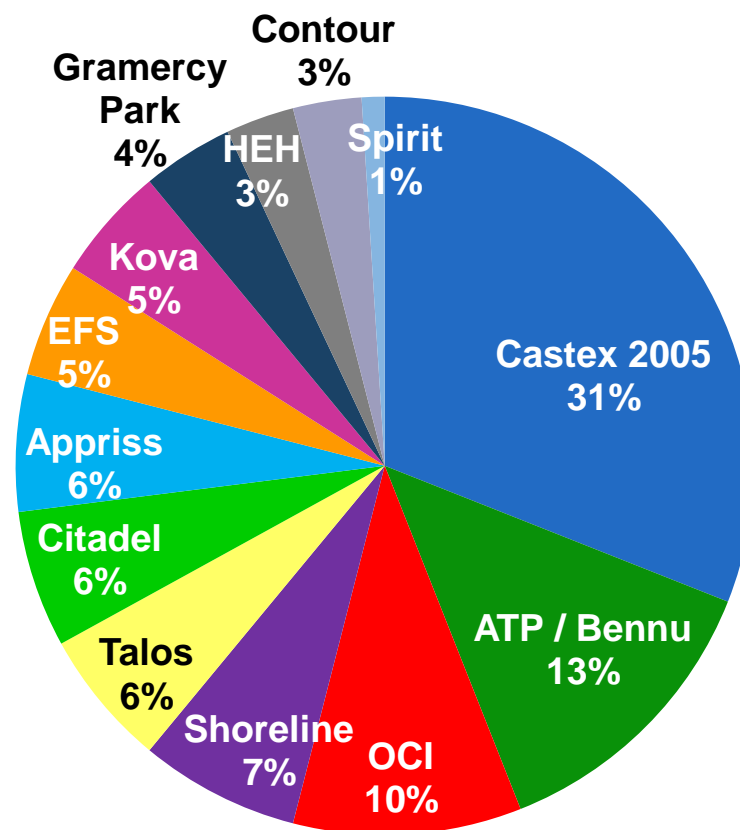
Portfolio Review

Portfolio value is derived from 13 active investments at 12/31/14 vs. 10 at 9/30/14⁽¹⁾

September 30, 2014



December 31, 2014

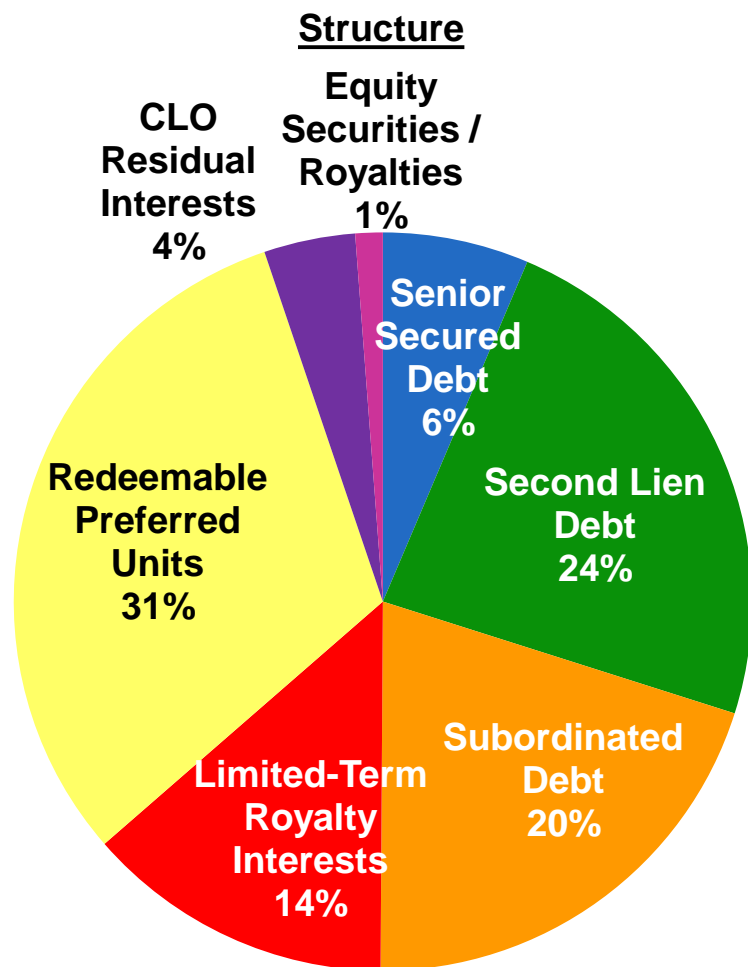


The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

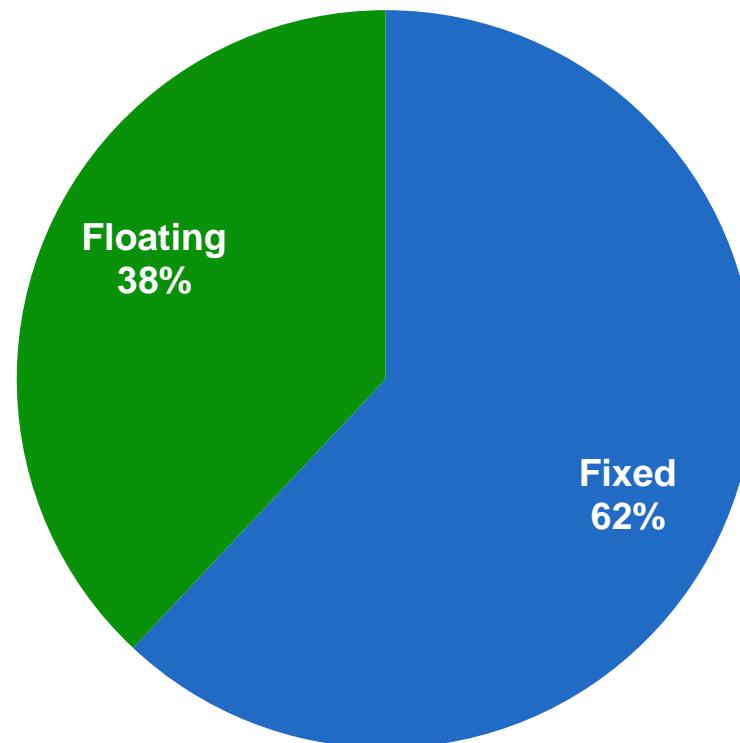
(1) As a percentage of fair value.

Portfolio Review

Portfolio Structures and Characteristics as of 12/31/14⁽¹⁾



Fixed vs. Floating⁽²⁾



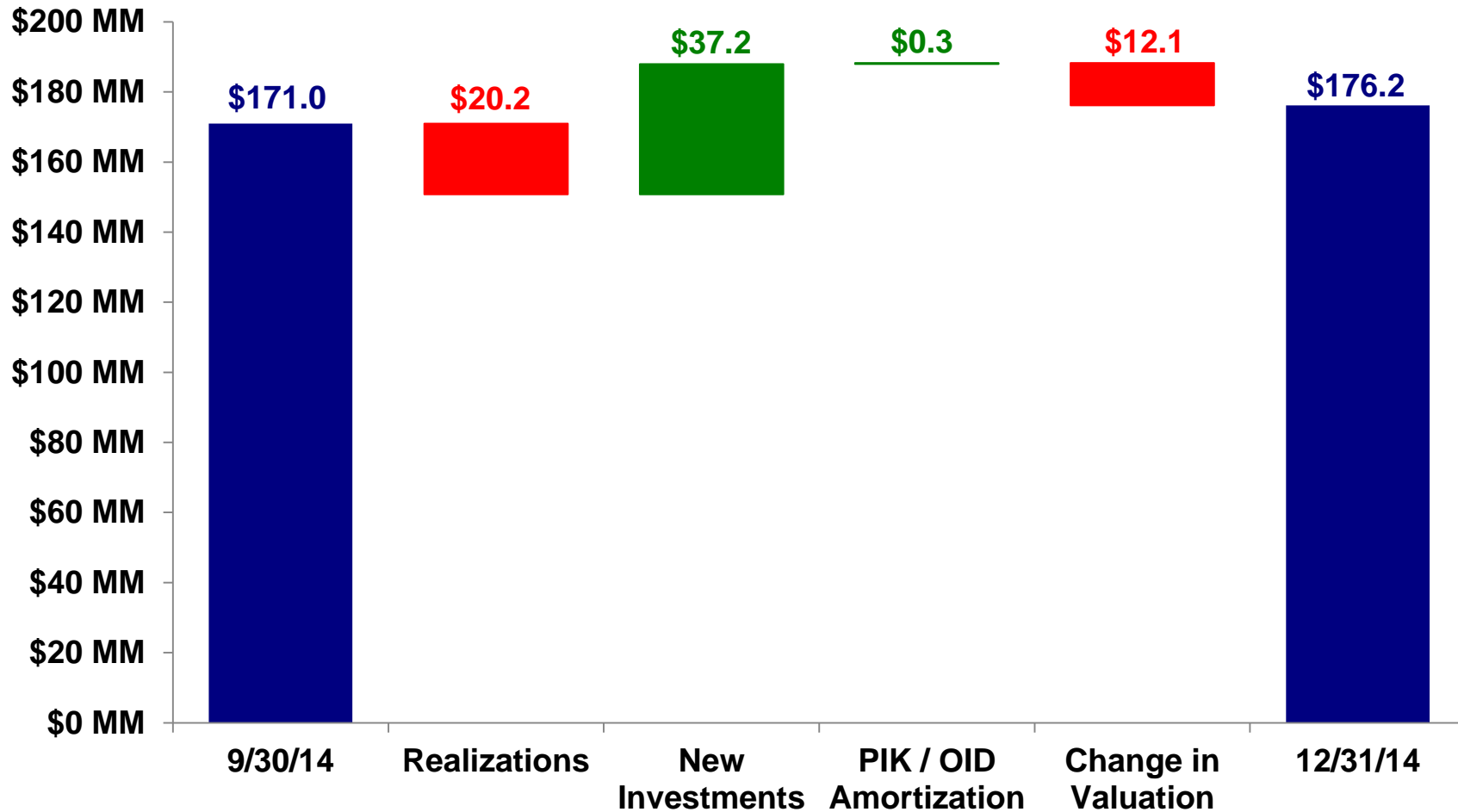
The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

(1) As a percentage of fair value.

(2) Excludes Overriding Royalty Interests, Warrants, CLO Residual Interests, and similar securities that do not provide a consistent current yield.

Q4 2014 Investment Portfolio Activity

Investment portfolio value increased \$5 MM during Q4 2014



The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Section 4

Dividend & Stock Repurchase Program

Dividend & Stock Repurchase Program

Dividend Commentary

- Over time, our dividend policy should reflect the Company's net investment income
 - Q4 2014 investment income of \$0.13 per share
 - Q3 2014 investment income, excluding strategic review costs, of \$0.12 per share
- Q1 2015 dividend of \$0.12 per share
- Current dividend rate reflects OHA's expectations for 2015 financial performance, based on current set of assumptions⁽¹⁾

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

(1) Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future of investment results of the investments described herein may vary from the results expressed in, or implied by, any forward-looking statements included in this herein, possibly to a material degree.

Dividend & Stock Repurchase Program

Stock Repurchase Program⁽¹⁾

- Board has authorized a \$2.4 MM stock repurchase program
- May take the form of open market purchases, block purchases, privately negotiated transactions or pursuant to a 10b5-1 trading plan
- \$2.4 MM represents the maximum amount currently approved by the Company's lenders
- If fully utilized, the share repurchase program would retire ~2.5% of the outstanding shares at current prices
- OHA believes repurchases will be accretive to NAV and net investment income per share

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

(1) Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future of investment results of the investments described herein may vary from the results expressed in, or implied by, any forward-looking statements included in this herein, possibly to a material degree.

Section 5

Investment Strategy & OHA Overview

Investment Strategy & OHA Overview

Experienced Credit Market Specialist Since 1991⁽¹⁾

MULTI-STRATEGY CREDIT

- Experience across below investment grade corporate credit market, performing and distressed
- Corporate structured products (CLOs, other) and mortgage strategies (RMBS, whole loans)
- North America and Europe; long and short

EXPERIENCED TEAM

- Senior management together for more than 20 years⁽²⁾
- 45 Partners / Managing Directors averaging 21 years of industry experience
- Deep commitment to firm culture

CONSISTENT INVESTMENT APPROACH

- 20+ year history assessing relative value across asset classes and capital structures
- Fundamental credit approach focused on downside protection, maximizing risk-adjusted returns
- Fully integrated, industry-focused investment team

SCALE MARKET PARTICIPANT

- \$25.2 billion of capital⁽³⁾
- Meaningful size managed in each target asset class
- Maintains ability to be nimble and capture opportunities

Continuity of team, philosophy and culture contributes to consistent performance

(1) "Oak Hill Advisors" or "OHA" includes Oak Hill Advisors, L.P., its affiliated investment advisors and predecessor firms.

(2) OHA was founded in 1991 by Glenn R. August. William H. Bohnsack, Jr. and Scott D. Kruse joined the firm in 1993 and now serve as Senior Partners with Mr. August. Robert Okun joined the firm in 2001, was named as an additional partner in 2003 and was promoted to Senior Partner in 2007.

(3) Estimated as of January 1, 2015, pro forma for capital flows during the month of January and an OHA-managed CLO warehouse funded from an existing OHA separate account. Includes net asset value, portfolio value and/or unfunded capital. All uninvested capital (including cash) is allocated pro rata among applicable asset classes based on recent [portfolio composition](#). Additional information on calculation methodology is available upon request.

Investment Strategy & OHA Overview

OHA Approach To Private Lending Transactions

- OHA has invested ~\$3.1 B in private lending investments since 2002⁽¹⁾
- Opportunistic credit-driven approach leveraging depth / breadth of credit research team
- Generally focus on borrowers with EBITDA of at least \$20 MM or enterprise value of at least \$100 MM
- Selective direct origination from key financial sponsors, corporate and other relationships
- Intensive focus on key intermediaries and buy-side firms
- Experienced investors
 - Rapid response to proposals and efficient due diligence
 - Continued support through participation in future financings
- Leverage the broader OHA platform for benefit of the Company

(1) Private Lending Investments include what OHA believes to be non-broadly syndicated debt investments in middle market companies that are sourced, originated, negotiated and / or structured by principals of OHA, including, but not limited, to first and second lien debt, mezzanine, distressed, DIPs and exit financings. Past performance is not indicative of future results.

Investment Strategy & OHA Overview

New Investments

- Q4 2014 investments
 - \$10 MM Appriss Second Lien Term Loan
 - \$10 MM Citadel Second Lien Term Loan
 - \$10 MM EFS Second Lien Term Loan
 - \$7 MM Gramercy Park CLO Subordinated Notes
- OHA believes its platform is well-positioned to identify attractive assets and increase the earnings power of the portfolio over time
 - Two additional investment commitments have been made so far in Q1 2015 and expected to close shortly⁽¹⁾
 - OHA has an active pipeline of what it believes are attractive opportunities

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

(1) There can be no assurance these transactions will close.

Section 6

Q & A