

# OXLC

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Oxford Lane Capital Corp.  
Investor Presentation  
Quarter Ended March 31, 2017

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# Financial Highlights

| <i>(FYE March 31, \$ per share)</i>         | <u>Q4-17</u> | <u>Q3-17</u> | <u>Q2-17</u> | <u>Q1-17</u> | <u>Q4-16</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| GAAP net investment income                  | \$ 0.45      | \$ 0.38      | \$ 0.37      | \$ 0.30      | \$ 0.36      |
| GAAP realized (losses) gains                | (0.11)       | (0.04)       | 0.05         | (0.18)       | (1.13)       |
| GAAP unrealized (depreciation) appreciation | (0.31)       | 1.04         | 1.30         | 2.22         | 0.25         |

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Core net investment income <sup>1,2</sup> | \$ 0.43 | \$ 0.58 | \$ 0.71 | \$ 1.04 | \$ 0.71 |
| Distributions paid                        | 0.60    | 0.60    | 0.60    | 0.60    | 0.60    |

|                 |          |          |         |         |         |
|-----------------|----------|----------|---------|---------|---------|
| Net asset value | \$ 10.20 | \$ 10.74 | \$ 9.94 | \$ 8.78 | \$ 7.04 |
|-----------------|----------|----------|---------|---------|---------|

| <i>(FYE March 31, \$ in millions)</i>        | <u>Q4-17</u> | <u>Q3-17</u> | <u>Q2-17</u> | <u>Q1-17</u> | <u>Q4-16</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| Total fair value of investments              | \$ 356.8     | \$ 340.8     | \$ 297.4     | \$ 263.6     | \$ 239.6     |
| Number of portfolio investments <sup>3</sup> | 54           | 47           | 44           | 41           | 38           |

1. Refer to Appendix for reconciliation of GAAP net investment income to core net investment income.

2. The Fund may also choose to distribute, annually, net realized capital gains that are generated on a tax basis.

3. Includes CLO debt, CLO equity, Warehouse Equity, Class M Notes, Subordinated Fee Notes and other CLO equity related investments.

# Summary Portfolio Highlights

## Portfolio Activity

| <i>(FYE March 31, \$ in millions)</i> | <u>Q4-17</u> | <u>Q3-17</u> | <u>Q2-17</u> | <u>Q4-16</u> | <u>Q3-16</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| New investments                       | \$ 96.0      | \$ 96.3      | \$ 52.7      | \$ 0.5       | \$ 49.8      |
| Exits (sales / repayments)            | 72.9         | 69.0         | 38.0         | 34.9         | 51.0         |
| Net investment activity               | \$ 23.1      | \$ 27.2      | \$ 14.7      | \$ (34.4)    | \$ (1.2)     |

## Investment Portfolio by Asset Type<sup>1</sup>

|                         | <u>Q4-17</u> | <u>Q3-17</u> | <u>Q2-17</u> | <u>Q4-16</u> | <u>Q3-16</u> |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| CLO equity <sup>2</sup> | 96%          | 97%          | 97%          | 97%          | 97%          |
| CLO debt                | 4%           | 3%           | 3%           | 3%           | 3%           |

Note: Certain figures may not tie out to financials due to rounding

1. At fair value as of quarter end.
2. Includes Class M Notes, Warehouse Equity, Subordinated Fee Notes and other CLO equity related investments.

# CLO Equity & Warehouse Investment Highlights

(\$ in millions)

|   | <u>Q4-17</u>    | <u>Q3-17</u>    | <u>Q2-17</u>    | <u>Q1-17</u>    | <u>Q4-16</u>    |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>CLO Equity</b>   |                 |                 |                 |                 |                 |
| Cash income producing CLO equity at original cost <sup>1</sup>                  | \$ 317.4        | \$ 338.7        | \$ 327.5        | \$ 315.4        | \$ 311.8        |
| Non-cash income producing CLO equity at original cost <sup>1,2</sup>            | 86.7            | 40.1            | 35.4            | 38.8            | 48.8            |
| Total CLO Equity <sup>1</sup>   | <u>\$ 404.1</u> | <u>\$ 378.8</u> | <u>\$ 362.9</u> | <u>\$ 354.2</u> | <u>\$ 360.6</u> |
| <b>Warehouse</b>  |                 |                 |                 |                 |                 |
| Non-cash income producing warehouse investments at original cost <sup>1,2</sup> | \$ 7.0          | \$ 16.0         | \$ 2.0          | \$ -            | \$ -            |
| Total warehouse investments <sup>1</sup>  | <u>\$ 7.0</u>   | <u>\$ 16.0</u>  | <u>\$ 2.0</u>   | <u>\$ -</u>     | <u>\$ -</u>     |

(\$ in millions)

## **CLO Equity**

### **Breakdown of Non-cash Income Producing CLO Equity as of March 31, 2017<sup>1,2</sup>**

|   |                |
|---|----------------|
| Initial Cost of Investments expected to make initial distribution by 6-30-17  | \$ 53.1        |
| Initial Cost of Investments expected to make initial distribution by 9-30-17  | 33.6           |
| Initial Cost of Investments expected to make initial distribution by 12-31-17 | -              |
| Total non-cash income producing CLO equity at original cost                   | <u>\$ 86.7</u> |

Note: Certain figures may not tie out to financials due to rounding

1. This number represents total dollar value (at original cost) of those assets held at quarter end.
2. Represents the amount of CLO equity investments (purchased in either the primary or secondary market) and warehouse financing which did not make a distribution payment to OXLC during the quarter. For primary market purchases, it can generally take up to three quarters from initial issuance to receive the inaugural distribution payment from a CLO equity investment.

# CLO Portfolio Summary

As of March 31, 2017

| CLO Equity Positions         | CLO Vintage Year <sup>1</sup>    | Tranche Type | Non-Call Period End* | Reinvestment Period End*  | AAA Spread (L+)*         | Junior Tranche Overcollateralization Cushion* | Reinvestment Overcollateralization Cushion* | Weighted Average Portfolio Spread <sup>2*</sup> | Weighted Average Rating Factor* | Diversity Score*      | Weighted Average Portfolio Life (Years)* |
|------------------------------|----------------------------------|--------------|----------------------|---------------------------|--------------------------|---|---|---|---------------------------------|-----------------------|--|
| CLO Equity Position #1       | 2012                             | CLO Equity   | Callable             | August-16                 | 1.25%                    | 3.82%   | NM  | 3.24%   | 2595                            | 70                    | 4.04                                     |
| CLO Equity Position #2       | 2012                             | CLO Equity   | Callable             | October-16                | 1.21%                    | 4.68%   | NM  | 3.68%   | 3033                            | 64                    | 3.90                                     |
| CLO Equity Position #3       | 2013                             | CLO Equity   | Callable             | January-17                | 1.22%                    | 3.02%   | NM  | 3.50%   | 2918                            | 71                    | 4.35                                     |
| CLO Equity Position #4       | 2013                             | CLO Equity   | Callable             | January-17                | 1.42%                    | 3.41%   | NM  | 4.40%   | 3172                            | 63                    | 4.02                                     |
| CLO Equity Position #5       | 2012                             | CLO Equity   | Callable             | January-17                | 1.42%                    | 3.17%   | NM  | 3.44%   | 3158                            | 47                    | 3.44                                     |
| CLO Equity Position #6       | 2013                             | CLO Equity   | Callable             | April-17                  | 1.10%                    | 2.42%   | 1.42%                                       | 3.53%   | 2985                            | 79                    | 4.52                                     |
| CLO Equity Position #7       | 2013                             | CLO Equity   | Callable             | April-17                  | 1.10%                    | 3.51%   | 2.48%                                       | 3.57%   | 2909                            | 76                    | 4.14                                     |
| CLO Equity Position #8       | 2013                             | CLO Equity   | Callable             | April-17                  | 1.15%                    | 4.94%   | 3.95%                                       | 3.62%   | 2930                            | 69                    | 4.13                                     |
| CLO Equity Position #9       | 2013                             | CLO Equity   | Callable             | May-17                    | 1.15%                    | 4.07%   | 2.96%                                       | 3.55%   | 3027                            | 79                    | 3.52                                     |
| CLO Equity Position #10      | 2013                             | CLO Equity   | Callable             | July-17                   | 1.30%                    | 3.16%   | 2.16%                                       | 4.41%   | 3132                            | 64                    | 4.22                                     |
| CLO Equity Position #11      | 2013                             | CLO Equity   | Callable             | July-17                   | 1.15%                    | 2.73%   | 2.26%                                       | 3.53%   | 2852                            | 84                    | 4.86                                     |
| CLO Equity Position #12      | 2013                             | CLO Equity   | Callable             | July-17                   | 1.16%                    | 0.66%   | -0.34%                                      | 3.67%   | 2901                            | 61                    | 4.62                                     |
| CLO Equity Position #13      | 2013                             | CLO Equity   | Callable             | October-17                | 1.65%                    | 4.64%   | 3.14%                                       | 5.17%   | 3565                            | 60                    | 3.90                                     |
| CLO Equity Position #14      | 2013                             | CLO Equity   | Callable             | January-18                | 1.45%                    | 2.33%   | 1.33%                                       | 3.74%   | 2755                            | 78                    | 4.80                                     |
| CLO Equity Position #15      | 2013                             | CLO Equity   | Callable             | January-18                | 1.18%                    | 1.35%   | 0.35%                                       | 3.41%   | 2847                            | 83                    | 4.99                                     |
| CLO Equity Position #16      | 2014                             | CLO Equity   | Callable             | April-18                  | 1.51%                    | 2.60%   | 1.64%                                       | 3.71%   | 2671                            | 87                    | 5.14                                     |
| CLO Equity Position #17      | 2014                             | CLO Equity   | Callable             | April-18                  | 1.40%                    | 3.57%   | 2.57%                                       | 3.56%   | 2850                            | 65                    | 5.10                                     |
| CLO Equity Position #18      | 2014                             | CLO Equity   | Callable             | April-18                  | 1.19%                    | 2.39%   | 1.90%                                       | 3.67%   | 2907                            | 83                    | 5.02                                     |
| CLO Equity Position #19      | 2014                             | CLO Equity   | Callable             | July-18                   | 1.47%                    | 1.30%   | 0.78%                                       | 3.79%   | 3101                            | 76                    | 4.77                                     |
| CLO Equity Position #20      | 2014                             | CLO Equity   | Callable             | July-18                   | 1.48%                    | 4.19%   | 2.69%                                       | 3.93%   | 2905                            | 102                   | 4.64                                     |
| CLO Equity Position #21      | 2014                             | CLO Equity   | Callable             | July-18                   | 1.49%                    | 3.92%   | 3.42%                                       | 3.74%   | 2864                            | 82                    | 4.76                                     |
| CLO Equity Position #22      | 2014                             | CLO Equity   | Callable             | October-18                | 1.20%                    | 5.06%   | 4.00%                                       | 3.71%   | 2988                            | 79                    | 5.02                                     |
| CLO Equity Position #23      | 2014                             | CLO Equity   | Callable             | October-18                | 1.60%                    | 1.55%   | 0.55%                                       | 3.81%   | 2987                            | 63                    | 4.89                                     |
| CLO Equity Position #24      | 2014                             | CLO Equity   | Callable             | October-18                | 1.50%                    | 2.57%   | 1.57%                                       | 3.82%   | 2875                            | 69                    | 4.82                                     |
| CLO Equity Position #25      | 2014                             | CLO Equity   | Callable             | October-18                | 1.34%                    | 4.74%   | 3.41%                                       | 4.17%   | 2843                            | 74                    | 4.87                                     |
| CLO Equity Position #26      | 2014                             | CLO Equity   | Callable             | October-18                | 1.20%                    | 4.05%   | 3.05%                                       | 3.77%   | 2960                            | 73                    | 4.97                                     |
| CLO Equity Position #27      | 2014                             | CLO Equity   | Callable             | January-19                | 1.22%                    | 4.44%   | 3.44%                                       | 3.87%   | 2773                            | 81                    | 5.00                                     |
| CLO Equity Position #28      | 2015                             | CLO Equity   | Callable             | January-19                | 1.62%                    | 5.40%   | 4.43%                                       | 3.99%   | 2800                            | 66                    | 4.95                                     |
| CLO Equity Position #29      | 2015                             | CLO Equity   | Callable             | April-19                  | 1.37%                    | 4.38%   | 3.38%                                       | 3.71%   | 2812                            | 79                    | 4.99                                     |
| CLO Equity Position #30      | 2015                             | CLO Equity   | April-17             | April-19                  | 1.51%                    | 2.84%   | 2.31%                                       | 3.68%   | 2917                            | 70                    | 5.12                                     |
| CLO Equity Position #31      | 2015                             | CLO Equity   | December-17          | April-19                  | 1.39%                    | 4.18%   | 3.68%                                       | 3.81%   | 2885                            | 82                    | 4.91                                     |
| CLO Equity Position #32      | 2015                             | CLO Equity   | October-17           | October-19                | 1.55%                    | 5.49%   | 4.49%                                       | 4.17%   | 2647                            | 77                    | 5.10                                     |
| CLO Equity Position #33      | 2015                             | CLO Equity   | October-17           | October-19                | 1.45%                    | 3.46%   | 2.46%                                       | 3.79%   | 2681                            | 67                    | 5.38                                     |
| CLO Equity Position #34      | 2015                             | CLO Equity   | October-17           | April-20                  | 1.46%                    | 5.13%   | 4.09%                                       | 3.95%   | 2848                            | 72                    | 4.91                                     |
| CLO Equity Position #35      | 2016                             | CLO Equity   | October-18           | October-20                | 1.65%                    | 4.45%   | 3.95%                                       | 4.11%   | 2719                            | 66                    | 5.58                                     |
| CLO Equity Position #36      | 2016                             | CLO Equity   | July-18              | January-21                | 1.56%                    | 5.12%   | 3.62%                                       | 3.61%   | 2718                            | 85                    | 5.28                                     |
| CLO Equity Position #37      | 2015                             | CLO Equity   | January-18           | January-21                | 1.55%                    | 5.61%   | 4.11%                                       | 3.81%   | 2614                            | 78                    | 5.27                                     |
| CLO Equity Position #38      | 2016                             | CLO Equity   | April-19             | March-21                  | 1.49%                    | 3.92%   | 2.92%                                       | 4.11%   | 2662                            | 85                    | 5.51                                     |
| CLO Equity Position #39      | 2017                             | CLO Equity   | April-19             | April-21                  | 1.34%                    | 5.00%   | 4.00%                                       | NA  | NA                              | NA                    | NA                                       |
| CLO Equity Position #40      | 2016                             | CLO Equity   | January-19           | April-21                  | 1.58%                    | 4.81%   | 3.81%                                       | 4.27%   | 2710                            | 48                    | 5.64                                     |
| CLO Equity Position #41      | 2017                             | CLO Equity   | April-19             | October-21                | 1.33%                    | 5.00%   | 4.00%                                       | NA  | NA                              | NA                    | NA                                       |
| <b>Subtotal (Fair Value)</b> | <b>\$334,357,723</b>             |              |                      | <b>Mar-19<sup>3</sup></b> | <b>1.40%<sup>3</sup></b> | <b>4.13%<sup>3</sup></b>                      | <b>2.78%<sup>3</sup></b>                    | <b>3.77%<sup>3</sup></b>                        | <b>2786<sup>3,4</sup></b>       | <b>70<sup>3</sup></b> | <b>4.68<sup>3</sup></b>                  |
| <b>CLO Debt Positions</b>    |                                  |              |                      |                           |                          |   |   |   |                                 |                       |  |
| CLO Debt Position #1         | 2013                             | Original B   | Callable             | January-17                | 1.42%                    | 3.41%   | NM  | 4.40%   | 3172                            | 63                    | 4.02                                     |
| CLO Debt Position #2         | 2013                             | Original BB  | Callable             | July-17                   | 1.16%                    | 0.66%   | -0.34%                                      | 3.67%   | 2901                            | 61                    | 4.62                                     |
| CLO Debt Position #3         | 2014                             | Original B   | Callable             | October-18                | 1.34%                    | 4.74%   | 3.41%                                       | 4.17%   | 2843                            | 74                    | 4.87                                     |
| <b>Subtotal (Fair Value)</b> | <b>\$12,656,428</b>              |              |                      | <b>Dec-17<sup>3</sup></b> | <b>1.29%<sup>3</sup></b> | <b>2.86%<sup>3</sup></b>                      | <b>1.55%<sup>3</sup></b>                    | <b>4.02%<sup>3</sup></b>                        | <b>2936<sup>3,4</sup></b>       | <b>67<sup>3</sup></b> | <b>4.59<sup>3</sup></b>                  |
| <b>Total (Fair Value)</b>    | <b>\$347,014,151<sup>5</sup></b> |              |                      | <b>Mar-19<sup>3</sup></b> |                          |   |   |   |                                 |                       |  |

- Year in which the deal was issued.
- Includes effective benefit of LIBOR floors against current LIBOR rate as calculated by the trustee and reported by Intex.
- Shown on a weighted average basis (based on Fair Value).
- Weighted Average Rating Factor (WARF) Score of 2786 and 2936, for OXLC's CLO Equity and Debt tranche positions respectively, is equivalent to a Moody's corporate debt rating of between B2 and B3 (B2 = 2720, B3 = 3490).
- Excludes Class M Notes, Warehouse Equity, Subordinated Fee Notes and other CLO equity related investments. <sup>6</sup>

\*Source: As reported by Bloomberg or Intex.



# CLO Collateral Characteristics\*

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*As of March 31, 2017*

|  |        |
|--|--------|
| Number of unique Collateral Obligations <sup>1</sup>                         | 1,803  |
| Number of unique Obligor <sup>2</sup>  | 1,301  |
| Top 10 Collateral Obligation Positions as % of Total Collateral <sup>3</sup> | 3.76%  |
| Collateral Weighted Average Price <sup>3</sup>                               | 98.53% |
| Largest Individual Obligor Exposure <sup>3</sup>                             | 0.76%  |
| Average Individual Obligor Exposure <sup>3</sup>                             | 0.08%  |
| Weighted Average Collateral LIBOR Floor <sup>3</sup>                         | 0.95%  |

Note: Excludes Class M Notes, Warehouse Equity, Subordinated Fee Notes and other CLO equity related investments.

- 1) Represents the total number of Collateral Obligations among all of OXLC's CLO investments.
- 2) Represents the total number of unique Obligor among all of OXLC's CLO investments.
- 3) These figures are calculated based on OXLC's percentage interest in each CLO vehicle on a weighted average par basis.

\* Source: As reported by Intex.

# CLO Portfolio Metrics

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|  | <u>3/31/2017</u> | <u>12/31/2016</u> |
|--|------------------|-------------------|
| Weighted average yield of CLO debt investments at current cost <sup>1</sup>  | 9.6%             | 9.1%              |
| Weighted average effective yield of CLO equity investments at current cost   | 19.4%            | 17.6%             |
| <b>Weighted average effective yield of total investments at current cost</b>   | <b>19.1%</b>     | <b>17.4%</b>      |
| Weighted average cash distribution yield of cash income producing CLO debt investments at current cost <sup>2</sup>    | 7.7%             | 7.8%              |
| Weighted average cash distribution yield of cash income producing CLO equity investments at current cost <sup>2</sup>  | 22.4%            | 23.8%             |
| <b>Weighted average cash distribution yield of total cash income producing investments at current cost<sup>2</sup></b> | <b>21.6%</b>     | <b>23.2%</b>      |

1. Includes non-cash amortization of OID.

2. Cash income producing investments represent those CLO debt and equity investments (excluding warehouses) which made a distribution payment to OXLC for the quarters ending 3/31/17 and 12/31/16, respectively. At current cost, OXLC had ~\$87.6 million and ~\$40.1 million of CLO equity investments which were non-cash income producing for the quarters ending 3/31/17 and 12/31/16, respectively, but are all projected to be cash income producing and make their inaugural distribution payment no later than the quarter ending 9/30/17. The yield is calculated by taking the quarterly distributions received, annualizing such amount and dividing by the current cost basis of the cash income producing investments for the quarters ending 3/31/17 and 12/31/16, respectively.



# CLO Equity Cash Distributions

|   | 3/31/2017  | 12/31/2016  |
|---|--|---|
| CLO Equity investments which had a full distribution payment (as a % of CLO Equity FV)    | 97.5%  | 100.0%  |
| CLO Equity investments which had a partial distribution payment (as a % of CLO Equity FV) | 2.5%   | 0.0%  |
| CLO Equity investments which had full diversion (as a % of CLO Equity FV)                 | 0.0%   | 0.0%  |
| CLO Equity Investments as of 3/31/17 <sup>1</sup>   | Payments for quarter ending 3/31/17 as a % of par <sup>2</sup> | Fair Value Change from 12/31/16 Fair Value or Purchase Price as a % of par <sup>3</sup> |
| AMMC CLO XII, Ltd.  | 3.6%   | -3.0%   |
| Ares XXV CLO Ltd.   | 3.1%   | -1.0%   |
| Ares XXVI CLO Ltd.  | 3.6%   | -5.1%   |
| Ares XXIX CLO Ltd.  | 2.9%   | -5.6%   |
| Atrium XII, Ltd.  | 4.0%   | -6.0%   |
| Battalion CLO VII Ltd.  | 2.9%   | -2.0%   |
| Benefit Street Partners CLO V Ltd.  | 3.8%   | -0.5%   |
| Blue Hill CLO, Ltd.   | 1.4%   | -1.9%   |
| B&M CLO 2014-1, Ltd.  | 3.9%   | -4.0%   |
| Carlyle Global Market Strategies CLO 2013-2, Ltd.   | 4.4%   | -4.9%   |
| Carlyle Global Market Strategies CLO 2014-4, Ltd.   | 3.1%   | 0.0%  |
| Cent CLO 16, LP   | 2.4%   | -4.0%   |
| CIFC Funding 2014-III, Ltd.   | 3.3%   | 0.0%  |
| CIFC Funding 2015-I, Ltd.   | 0.0%   | 0.0%  |
| Dryden 42 Senior Loan Fund  | 2.9%   | 0.0%  |
| Hull Street CLO Ltd.  | 4.5%   | 0.0%  |
| Ivy Hill Middle Market Credit VII, Ltd.   | 3.9%   | -5.5%   |
| Jamestown III CLO Ltd.  | 3.4%   | -4.0%   |
| Jamestown IV CLO Ltd.   | 4.0%   | 0.0%  |
| JFIN 2015-II CLO, Ltd.  | 4.8%   | 0.0%  |
| MidOcean Credit CLO VI  | 0.0%   | 0.0%  |
| Mountain Hawk II CLO, Ltd.  | 3.3%   | -2.8%   |
| Neuberger Berman CLO XIII, Ltd.   | 2.1%   | -2.0%   |
| North End CLO, Ltd.   | 4.1%   | 0.0%  |
| OZLM IX, Ltd.   | 0.0%   | 0.0%  |
| OZLM XIV, Ltd.  | 3.6%   | -6.2%   |
| OFSI Fund VII, Ltd.   | 3.3%   | -1.0%   |
| Parallel 2015-1 Ltd.  | 4.0%   | -3.0%   |
| Race Point IX CLO, Ltd.   | 4.6%   | 0.0%  |
| Regatta III Funding Ltd.  | 3.7%   | 1.4%  |
| Shackleton II CLO, Ltd.   | 4.1%   | -3.0%   |
| Shackleton VII CLO, Ltd.  | 4.8%   | -8.1%   |
| Shackleton X CLO, Ltd.  | 0.0%   | 0.0%  |
| Sheridan Square CLO, Ltd.   | 0.0%   | -0.2%   |
| Telos CLO 2013-3, Ltd.  | 5.1%   | 0.5%  |
| Telos CLO 2013-4, Ltd.  | 5.2%   | -2.8%   |
| Venture XVII CLO, Ltd.  | 4.5%   | -1.5%   |
| Venture XXV CLO, Ltd.   | 0.0%   | 0.0%  |
| Wellfleet CLO 2016-2, Ltd.  | 0.0%   | 4.0%  |
| Wind River 2014-3 CLO Ltd.  | 5.1%   | -1.0%   |
| Wind River 2017-1 CLO Ltd.  | 0.0%   | 0.0%  |
| <b>Weighted Average</b>   | <b>3.1%</b>  | <b>-2.2%</b>  |

1. Excludes Warehouse Equity, Class M Notes, Subordinated Fee Notes and other CLO equity related investments.
2. Source: Bloomberg.
3. Source: OXLC financials.

# Investment Portfolio Composition\*

- Top 30 aggregate industry exposures of the CLO vehicles represent ~97.6%<sup>1</sup> of combined investments

## Top 30 Moody's Industry Exposure<sup>1</sup>

|  |       |
|--|-------|
| 1. Healthcare & Pharmaceuticals              | 10.1% |
| 2. High Tech Industries                      | 8.1%  |
| 3. Services: Business                        | 7.4%  |
| 4. Banking, Finance, Insurance & Real Estate | 5.9%  |
| 5. Retail                                    | 5.8%  |
| 6. Hotel, Gaming & Leisure                   | 5.3%  |
| 7. Telecommunications                        | 4.8%  |
| 8. Chemicals, Plastics & Rubber              | 4.8%  |
| 9. Media: Broadcasting & Subscription        | 4.6%  |
| 10. Beverage, Food & Tobacco                 | 4.0%  |
| 11. Services: Consumer                       | 3.9%  |
| 12. Utilities: Electric                      | 3.1%  |
| 13. Capital Equipment                        | 2.8%  |
| 14. Automotive                               | 2.7%  |
| 15. Aerospace and Defense                    | 2.7%  |

## Top 30 Moody's Industry Exposure<sup>1</sup>

|   |              |
|---|--------------|
| 16. Media: Advertising, Printing & Publishing | 2.6%         |
| 17. Construction & Building                   | 2.6%         |
| 18. Containers, Packaging & Glass             | 2.5%         |
| 19. Energy: Oil & Gas                         | 2.4%         |
| 20. Consumer goods: Durable                   | 1.8%         |
| 21. Consumer goods: Non-durable               | 1.8%         |
| 22. Transportation: Cargo                     | 1.8%         |
| 23. Media: Diversified & Production           | 1.5%         |
| 24. Transportation: Consumer                  | 1.1%         |
| 25. Metals & Mining                           | 1.1%         |
| 26. Environmental Industries                  | 0.9%         |
| 27. Energy: Electricity                       | 0.6%         |
| 28. Utilities: Oil and Gas                    | 0.5%         |
| 29. Wholesale                                 | 0.2%         |
| 30. Forest Products & Paper                   | 0.2%         |
| <b>Total</b>                                  | <b>97.6%</b> |

1. Exposures are determined by calculating the aggregate principal balance of the underlying corporate debt collateral held by OXLC's CLO investments within the Moody's industries indicated and dividing by the aggregate principal balance of all of the CLO vehicles' underlying corporate debt collateral (excluding cash) on a weighted average basis for OXLC's investments in each of those CLO vehicles. Weighted average exposures are as of March 31, 2017 and exclude recent CLO investments with missing or incomplete industry data, Class M Notes, Subordinated Fee Notes and other CLO equity related investments. All figures subject to rounding.

\* Source: As reported by Intex

# Capital Structure Overview

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- Oxford Lane had preferred stock with a liquidation preference of ~\$140.9 million at 3/31/17.

|  | <u>3/31/2017</u>      | <u>Dividend Rate</u> | <u>Call Date</u> | <u>Maturity</u> |
|--|-----------------------|----------------------|------------------|-----------------|
| Series 2023 Term Preferred Stock                       | 90,400,025            | 7.500%               | Callable         | 6/30/2023       |
| Series 2024 Term Preferred Stock                       | 50,504,475            | 8.125%               | 6/30/2017        | 6/30/2024       |
| <b>Total Liquidation Preference of Preferred Stock</b> | <b>\$ 140,904,500</b> |                      |                  |                 |
| Total Equity   | \$ 232,048,445        |                      |                  |                 |
| Preferred Stock (plus Debt)-to-Equity                  | 0.61:1 <sup>1</sup>   |                      |                  |                 |

1. Certain figures may not tie out as presented due to rounding.

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APPENDIX

# Investment Portfolio Composition – CLO Debt

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| <b>Company</b>   | <b>Investment</b> | <b>Manager</b>                        | <b>Fair Value</b>    | <b>% of Total<sup>1,2</sup></b> |
|--|-------------------|---------------------------------------|----------------------|---------------------------------|
| Mountain Hawk II CLO, Ltd.                                     | Class E           | Western Asset Management Company      | \$4,945,800          | 1.4%                            |
| OFSI Fund VII, Ltd.  | Class F           | Orchard First Source Asset Management | 5,018,728            | 1.4%                            |
| Telos CLO 2013-3, Ltd.   | Class F           | Telos Asset Management                | 2,691,900            | 0.8%                            |
| <b>Total Collateralized Loan Obligation - Debt Investments</b> |                   |                                       | <b>\$ 12,656,428</b> | <b>3.5%</b>                     |

1. Based on percentage of total fair value of investments as of 3/31/17.
2. Certain percentages may not tie out as presented due to rounding.

# Investment Portfolio Composition – CLO Equity<sup>1</sup>

| Company  | Manager                                 | Fair Value            | % of Total <sup>2,3</sup> |
|--|---|-----------------------|---------------------------|
| AMMC CLO XII, Ltd.   | American Money Management Corporation   | \$3,624,286           | 1.0%                      |
| Ares XXV CLO Ltd.  | Ares CLO Management                     | 8,215,000             | 2.3%                      |
| Ares XXVI CLO Ltd.   | Ares CLO Management                     | 5,952,275             | 1.7%                      |
| Ares XXIX CLO Ltd.   | Ares CLO Management                     | 6,637,548             | 1.9%                      |
| Ares XLIII CLO, Ltd.   | Ares CLO Management                     | 7,000,000             | 2.0%                      |
| Atrium XII   | Credit Suisse Asset Management          | 35,874,375            | 10.1%                     |
| Battalion CLO VII Ltd.   | Brigade Capital Management              | 12,480,000            | 3.5%                      |
| Benefit Street Partners CLO V Ltd.                               | Benefit Street Partners                 | 5,324,000             | 1.5%                      |
| Blue Hill CLO, Ltd.  | Invesco Senior Secured Management       | 2,687,623             | 0.8%                      |
| B&M CLO 2014-1 LTD   | Bradford & Marzec                       | 840,000               | 0.2%                      |
| Carlyle Global Market Strategies CLO 2013-2, Ltd.                | Carlyle Investment Management           | 5,147,100             | 1.4%                      |
| Carlyle Global Market Strategies CLO 2014-4, Ltd.                | Carlyle Investment Management           | 9,362,914             | 2.6%                      |
| Cent CLO 16, LP  | Columbia Management Investment Advisers | 5,985,000             | 1.7%                      |
| CIFC Funding 2014-III Ltd.                                       | CIFC Asset Management                   | 6,300,000             | 1.8%                      |
| CIFC Funding 2015-I Ltd.   | CIFC Asset Management                   | 7,800,000             | 2.2%                      |
| Dryden 42 Senior Loan Fund                                       | PGIM                                    | 6,020,000             | 1.7%                      |
| Hull Street CLO Ltd.   | Feingold O'Keeffe Capital               | 7,200,000             | 2.0%                      |
| Ivy Hill Middle Market Credit VII, Ltd.                          | Ivy Hill Asset Management               | 4,907,978             | 1.4%                      |
| Jamestown III CLO, Ltd.  | 3i Debt Management                      | 8,566,250             | 2.4%                      |
| Jamestown IV CLO, Ltd.   | 3i Debt Management                      | 3,995,000             | 1.1%                      |
| JFIN CLO 2015-II Ltd.  | Apex Credit Partners                    | 3,008,733             | 0.8%                      |
| MidOcean Credit CLO VI   | MidOcean Credit Fund Management         | 18,124,000            | 5.1%                      |
| Mountain Hawk II CLO, Ltd.                                       | Western Asset Management Company        | 8,214,400             | 2.3%                      |
| Mountain Hawk III CLO, Ltd. M Notes                              | Western Asset Management Company        | 143,248               | 0.0%                      |
| Neuberger Berman CLO XIII, Ltd.                                  | Neuberger Berman Fixed Income           | 2,001,600             | 0.6%                      |
| North End CLO, Ltd.  | Invesco Senior Secured Management       | 2,022,249             | 0.6%                      |
| OFSI Fund VII, Ltd.  | Orchard First Source Asset Management   | 18,169,200            | 5.1%                      |
| OZLM IX Ltd.   | Och-Ziff Loan Management                | 5,775,000             | 1.6%                      |
| OZLM XIV Ltd.  | Och-Ziff Loan Management                | 14,016,291            | 3.9%                      |
| Parallel 2015-1 Ltd.   | DoubleLine Capital LP                   | 6,457,500             | 1.8%                      |
| Race Point IX CLO, Ltd.  | Sankaty Advisors                        | 2,172,789             | 0.6%                      |
| Regatta III Funding Ltd.   | Napier Park Global Capital              | 1,624,380             | 0.5%                      |
| Shackleton II CLO, Ltd.  | Alcentra NY                             | 15,960,000            | 4.5%                      |
| Shackleton VIII CLO, Ltd.  | Alcentra NY                             | 8,005,605             | 2.2%                      |
| Shackleton X CLO, Ltd.   | Alcentra NY                             | 19,472,024            | 5.5%                      |
| Sheridan Square CLO, Ltd.  | GSO/Blackstone Debt Funds Management    | 1,382,700             | 0.4%                      |
| Sound Point CLO VIII, Ltd. Fee Notes                             | Sound Point Capital Management          | 94,810                | 0.0%                      |
| Telos CLO 2013-3, Ltd.   | Telos Asset Management                  | 5,580,000             | 1.6%                      |
| Telos CLO 2013-4, Ltd.   | Telos Asset Management                  | 6,565,669             | 1.8%                      |
| Venture XVII CLO, Ltd.   | MJX Asset Management                    | 10,620,671            | 3.0%                      |
| Venture XVIII CLO, Ltd. Fee Notes                                | MJX Asset Management                    | 117,911               | 0.0%                      |
| Venture XXV CLO, Ltd.  | MJX Asset Management                    | 4,200,000             | 1.2%                      |
| Wellfleet CLO 2016-2, Ltd.                                       | Wellfleet Credit Partners               | 8,600,000             | 2.4%                      |
| Wind River 2014-3 CLO Ltd.                                       | THL Credit Advisors                     | 15,565,200            | 4.4%                      |
| Wind River 2017-1 CLO Ltd.                                       | THL Credit Advisors                     | 9,900,363             | 2.8%                      |
| Other CLO equity related investments                             |   | 2,385,339             | 0.7%                      |
| <b>Total Collateralized Loan Obligation - Equity Investments</b> |   | <b>\$ 344,099,031</b> | <b>96.5%</b>              |

1. Includes Class M Notes, Subordinated Fee Notes, Warehouse Equity and other CLO equity related investments.
2. Based on percentage of total fair value of investments as of 3/31/17.
3. Certain percentages may not tie to financial statements due to rounding.

# Reconciliation of Core Net Investment Income

On a supplemental basis, we provide information relating to core net investment income, which is a non-GAAP measure. This measure is provided in addition to, but not as a substitute for, net investment income determined in accordance with GAAP. Our non-GAAP measure may differ from similar measures by other companies, even if similar terms are used to identify such measures. Core net investment income represents net investment income adjusted for additional cash distributions received, or entitled to be received (if any, in either case), on our CLO equity investments.

Income from investments in the “equity” class securities of CLO vehicles, for GAAP purposes, is recorded using the effective interest method based upon an effective yield to the expected redemption utilizing estimated cash flows compared to the cost, resulting in an effective yield for the investment; the difference between the actual cash received or distributions entitled to be received and the effective yield calculation is an adjustment to cost. Accordingly, investment income recognized on CLO equity securities in the GAAP statement of operations differs from the cash distributions actually received by us during the period (referred to below as “CLO equity adjustments”).

Further, in order to continue to qualify to be taxed as a regulated investment company (“RIC”), we are required, among other things, to distribute at least 90% of our investment company taxable income annually. Therefore, core net investment income may, for certain periods, provide a better indication of estimated taxable income for a reporting period than does GAAP net investment income, although we can offer no assurance that will be the case as the ultimate tax character of our earnings cannot be determined until tax returns are prepared after the end of a fiscal year. We note that this non-GAAP measure may not be a useful indicator of taxable earnings, particularly during periods of market disruption and volatility.

| (\$ in millions, except per share) | For the three months ended |            |            |           |           |           |           |           |           |           |
|------------------------------------|----------------------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                    | 3/31/2017                  |            | 12/31/2016 |           | 9/30/2016 |           | 6/30/2016 |           | 3/31/2016 |           |
|                                    | Amount                     | Per Share  | Amount     | Per Share | Amount    | Per Share | Amount    | Per Share | Amount    | Per Share |
| GAAP Net investment income         | \$ 9.8                     | \$ 0.451   | \$ 7.7     | \$ 0.380  | \$ 7.0    | \$ 0.367  | \$ 5.7    | \$ 0.302  | \$ 6.6    | \$ 0.364  |
| CLO equity adjustments             | (0.5)                      | \$ (0.023) | 4.0        | \$ 0.202  | 6.6       | \$ 0.346  | 13.8      | \$ 0.737  | 6.4       | \$ 0.349  |
| Core net investment income         | \$ 9.3                     | \$ 0.428   | \$ 11.7    | \$ 0.582  | \$ 13.6   | \$ 0.713  | \$ 19.5   | \$ 1.039  | \$ 13.0   | \$ 0.713  |

Note: Certain numbers may not tie to financial statements due to rounding.

# Corporate Information

## Board of Directors

### Independent

Mark J. Ashenfelter - Chairman

David S. Shin

John Reardon

### Interested

Jonathan H. Cohen

Saul B. Rosenthal

## Corporate Offices

8 Sound Shore Drive

Suite 255

Greenwich, CT 06830

## Corporate Website

[www.oxlc.com](http://www.oxlc.com)

## Fiscal Year End

March 31

## Independent Audit Firm

PricewaterhouseCoopers LLP

## Corporate Counsel

Eversheds Sutherland (US) LLP

## Transfer Agent

Computershare Trust Company, N.A

Tel: 1-877-498-8861

[www.computershare.com](http://www.computershare.com)

## Securities Listing and Equity Indices

Common Stock:

"OXLC" - NasdaqGS

Preferred Stock:

"OXLCO" - NasdaqGS

"OXLCN" - NasdaqGS

## Executive Corporate Officers

Jonathan H. Cohen

Board Member and Chief Executive Officer

Saul B. Rosenthal

Board Member and President

Bruce L. Rubin

Chief Financial Officer

Jerry Cummins

Chief Compliance Officer

## Research Coverage<sup>1</sup>

Ladenburg Thalmann

Mickey Schleien

## Investor Relations

Bruce L. Rubin

Oxford Lane Capital Corp.

Tel: (203) 983-5280

[ir@oxlc.com](mailto:ir@oxlc.com)

1. Source: ThomsonOne