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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-23299

**OFS Credit Company, Inc.**

(Exact name of registrant as specified in charter)

10 South Wacker Drive, Suite 2500  
Chicago, IL 60606

(Address of principal executive offices)

Bilal Rashid  
Chief Executive Officer  
OFS Credit Company, Inc.  
10 South Wacker Drive, Suite 2500  
Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (847) 734-2000

Date of fiscal year end: October 31

Date of reporting period: October 31, 2019

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**Item 1. Report to Stockholders**

The Company's Annual Report to stockholders for the year ended October 31, 2019 is filed herewith.



OFS CREDIT

OFS Credit Company, Inc.

Annual Report 2019

NASDAQ Symbols: OCCI / OCCIP



OFS CREDIT

## **IMPORTANT NOTICE REGARDING ELECTRONIC DELIVERY**

Beginning in June 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of stockholder reports for OFS Credit Company, Inc. (the “Company”) such as this report will no longer be sent by mail, unless you specifically request paper copies of the reports from the Company or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Company’s website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive stockholder reports electronically, you will not be affected by this change and you do not need to take any action. For stockholder reports and other communications from the Company issued prior to June 2021, you may elect to receive such reports and other communications electronically. If you own shares of the Company through a financial intermediary, you may contact your financial intermediary to elect to receive materials electronically. This information is available free of charge by contacting us by mail at 10 South Wacker Drive, Suite 2500, Chicago, Illinois 60606; by telephone at (847) 734-2000 or on our website at <http://www.ofscreditcompany.com>.

You may elect to receive all future reports in paper, free of charge. If you own shares of the Company through a financial intermediary, you may contact your financial intermediary to elect to continue to receive paper copies of your stockholder reports after June 2021. This information is available free of charge by contacting us by mail at 10 South Wacker Drive, Suite 2500, Chicago, Illinois 60606; by telephone at (847) 734-2000 or on our website at <http://www.ofscreditcompany.com>. If you make such an election through your financial intermediary, your election to receive reports in paper may apply to all funds held through your financial intermediary.

OFS CREDIT COMPANY, INC.

TABLE OF CONTENTS - ANNUAL REPORT

<a href="#">Letter to Stockholders</a>	1
<a href="#">Important Information</a>	3
<a href="#">Summary of Certain Portfolio Characteristics (unaudited)</a>	4
<a href="#">Statement of Assets and Liabilities as of October 31, 2019</a>	7
<a href="#">Statement of Operations for the Year Ended October 31, 2019</a>	8
<a href="#">Statement of Changes in Net Assets for the Year Ended October 31, 2019 and Period Ended October 31, 2018</a>	9
<a href="#">Statement of Cash Flows for the Year Ended October 31, 2019</a>	10
<a href="#">Schedule of Investments as of October 31, 2019</a>	11
<a href="#">Notes to Financial Statements</a>	15
<a href="#">Report of Independent Registered Accounting Firm</a>	27
<a href="#">Dividend Reinvestment Plan</a>	28
<a href="#">Board Approval of the Investment Advisory Agreement</a>	30
<a href="#">Additional Information</a>	31

# OFS CREDIT

December 17, 2019

To Our Stockholders:

We are pleased to provide OFS Credit Company's annual report. In October, our Board of Directors increased our monthly distribution to common stockholders. Our monthly distribution rate (based on our last distribution) implies an annual rate of \$2.04 per common share, or a 13.6% distribution rate, based on our October 31, 2019 net asset value per share of \$14.98.

During our fiscal year ending October 31, 2019, insiders continued to invest in OFS Credit Company. OFS Capital Management, LLC, our investment adviser, together with affiliates, increased its ownership to approximately 16% of our common stock (up from 13% a year-ago).

We see compelling investment opportunities today as a result of the price volatility in the loan and collateralized loan obligation ("CLO") market over the last year. As of October 31, 2019, our portfolio consisted of \$64.1 million of investments in the equity tranches of 32 CLOs, 28 of which have reinvestment periods ending in 2022 or beyond. We have focused on investing in CLO equity securities with longer reinvestment periods in order to take advantage of this volatility and maximize our cash flows. We believe a longer reinvestment period provides the collateral manager with more flexibility to maximize cash flows by reinvesting loan repayments into new loans, potentially at discounted levels with higher yields, and reposition the portfolio to adapt to changing market conditions, all while our cost of financing remains stable (thus potentially increasing returns).

The CLOs in which we invest are collateralized by portfolios consisting primarily of below investment grade U.S. senior secured floating-rate corporate loans, with a large number of distinct underlying borrowers across various industry sectors. We believe that there are limited options for investors to access this unique asset class. OFS Credit Company, through the CLO securities in which it invests, affords our investors an opportunity to gain exposure to a diversified pool of senior floating-rate corporate loans across numerous industries with varying vintages. We intend to invest in CLO securities that we believe have the potential to generate attractive risk-adjusted returns and to outperform other similar CLO securities.

Our investment adviser, OFS Capital Management, LLC, is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and, as of September 30, 2019, had approximately \$2.2 billion of committed assets under management. We believe our adviser is uniquely positioned to manage the Company given its expertise in both investing in structured credit (CLO equity and subordinated debt tranches) and managing CLOs, which entails underwriting corporate loans in the broadly syndicated loan market. We are excited about the outlook for the Company.

Bilal Rashid  
Chairman and Chief Executive Officer

This letter is intended to assist stockholders in understanding our performance during the year ended October 31, 2019. The views and opinions in this letter were current as of October 31, 2019. Statements other than those of historical facts included herein may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors. Nothing herein should be relied upon as a representation as to the future performance or portfolio holdings of the Company. We undertake no duty to update any forward-looking statement made herein.

*[Not Part of the Annual Report]*

## **Important Information**

This report is transmitted to the stockholders of OFS Credit Company, Inc. (“we,” “us,” “our” or the “Company”) and is furnished pursuant to certain regulatory requirements. This report and the information and views herein do not constitute investment advice, or a recommendation or an offer to enter into any transaction with the Company or any of its affiliates. This report is provided for informational purposes only, does not constitute an offer to sell securities of the Company and is not a prospectus. From time to time, the Company may have a registration statement relating to one or more of its securities on file with the U.S. Securities and Exchange Commission (“SEC”).

An investment in the Company is not appropriate for all investors. The investment program of the Company is speculative, entails substantial risk and includes investment techniques not employed by traditional mutual funds. An investment in the Company is not intended to be a complete investment program. Shares of closed-end investment companies, such as the Company, frequently trade at a discount from their net asset value (“NAV”), which may increase investors’ risk of loss. Past performance is not indicative of, or a guarantee of, future performance. The performance and certain other portfolio information quoted herein represents information as of October 31, 2019. Nothing herein should be relied upon as a representation as to the future performance or portfolio holdings of the Company. Investment return and principal value of an investment will fluctuate, and shares, when sold, may be worth more or less than their original cost. The Company’s performance is subject to change since the end of the period noted in this report and may be lower or higher than the performance data shown herein.

## **About OFS Credit Company, Inc.**

The Company is a non-diversified, externally managed closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, or the “1940 Act.” Our investment adviser is OFS Capital Management, LLC, which we refer to as “OFS Advisor” or the “Advisor.” Our primary investment objective is to generate current income, with a secondary objective to generate capital appreciation. Under normal market conditions, we will invest at least 80% of our assets, or net assets plus borrowings, in floating rate credit instruments and other structured credit investments, including: (i) collateralized loan obligation (“CLO”) debt and subordinated (i.e., residual or equity) securities; (ii) traditional corporate credit investments, including leveraged loans and high yield bonds; (iii) opportunistic credit investments, including stressed and distressed credit situations and long/short credit investments; and (iv) other credit-related instruments. The CLOs in which we intend to invest are collateralized by portfolios consisting primarily of below investment grade U.S. senior secured loans with a large number of distinct underlying borrowers across various industry sectors. As part of the 80%, we may also invest in other securities and instruments that are related to these investments or that OFS Advisor believes are consistent with our investment objectives, including senior debt tranches of CLOs, and loan accumulation facilities. Loan accumulation facilities are short- to medium-term facilities often provided by the bank that will serve as the placement agent or arranger on a CLO transaction. Loan accumulation facilities typically incur leverage between three and six times prior to a CLO’s pricing. The CLO securities in which we primarily seek to invest are unrated or rated below investment grade and are considered speculative with respect to timely payment of interest and repayment of principal. Unrated and below investment grade securities are also sometimes referred to as “junk” securities. In addition, the CLO equity and subordinated debt securities in which we will invest are highly leveraged (with CLO equity securities typically being leveraged 9 to 13 times), which magnifies our risk of loss on such investments.

## **Forward-Looking Statements**

This report may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this report may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described in the Company’s filings with the SEC. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this report.



OFS Credit Company, Inc.

**Summary of Certain Portfolio Characteristics (unaudited)**  
**As of October 31, 2019**

The information presented below is on a look-through basis to the portfolio of CLO investments held by the Company as of October 31, 2019 and reflects the aggregate underlying exposure of the combined portfolio of those investments. The data is estimated and unaudited and is derived from third party sources based on reported information available as of October 31, 2019.

The top ten industries of the underlying obligors on a look-through basis to the Company's CLO investments and other unrated investments reported as of October 31, 2019 are provided below:

**Top 10 Industries of Underlying Obligor**

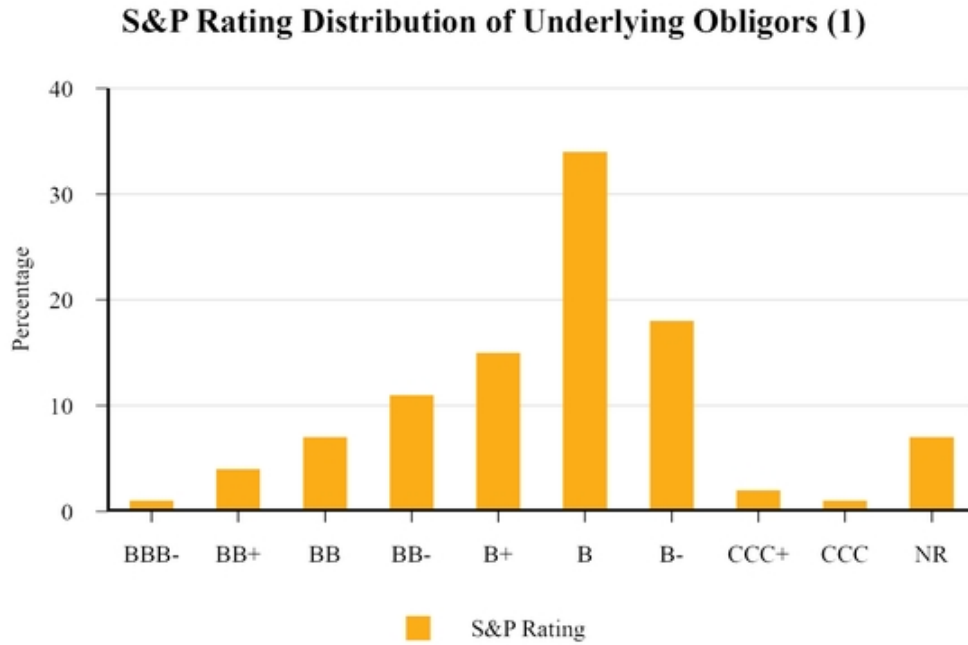
<b>Moody's Industry Name</b>	<b>% of Total</b>
Healthcare & Pharmaceuticals	10.4%
High Tech Industries	10.3%
Services: Business	8.7%
Banking, Finance, Insurance & Real Estate	7.2%
Telecommunications	5.2%
Media: Broadcasting & Subscription	5.0%
Hotel, Gaming & Leisure	5.0%
Chemicals, Plastics & Rubber	4.9%
Services: Consumer	4.0%
Construction & Building	3.7%
<b>Total</b>	<b>64.4%</b>

The top ten underlying obligors on a look-through basis to the Company's CLO investments and other unrated investments reported as of October 31, 2019 are provided below:

**Top 10 Underlying Obligor**

<b>Obligor</b>	<b>% of Total</b>
Altice SFRFP	0.8%
Cablevision Systems	0.6%
Dell International	0.6%
CenturyLink	0.6%
Asurion	0.6%
Envision Healthcare	0.5%
TransDigm	0.5%
Sprint Communications	0.5%
Starfruit Finco B.V.	0.5%
Berry Plastics Group	0.5%
<b>Total</b>	<b>5.7%</b>

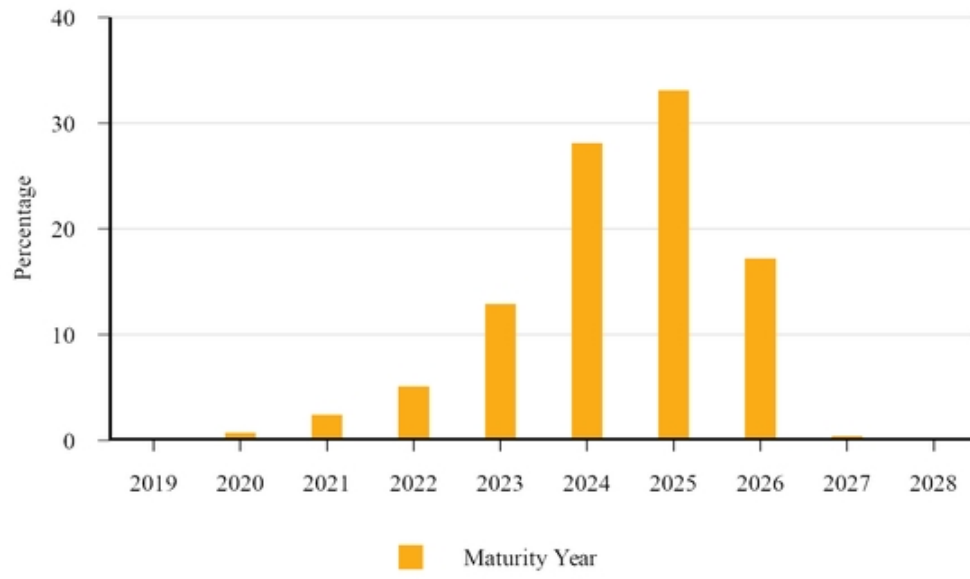
The credit ratings distribution of the underlying obligors on a look-through basis to the Company's CLO investments and other unrated investments reported as of October 31, 2019 is provided below:



(1) CLO indentures commonly require rating of the underlying collateral by nationally recognized rating agencies. Credit ratings shown are based on those assigned by Standard & Poor's Rating Group, or "S&P," for comparison and informational purposes. This data represents underlying portfolio characteristics of the Company's CLO equity portfolio. We have presented the S&P ratings of the underlying collateral of the CLO vehicles in which we are invested at October 31, 2019 because we believe S&P generally provides greater rating coverage across the underlying loan portfolios. Further information regarding S&P's rating methodology and definitions may be found on its website ([www.standardandpoors.com](http://www.standardandpoors.com)), which is not part of, or incorporated by reference in this Annual Report.

The maturity distribution of the underlying obligors on a look-through basis to the Company's CLO investments and other unrated investments reported as of October 31, 2019 is provided below:

## Maturity Distribution of Underlying Collateral



**OFS Credit Company, Inc.**  
**Statement of Assets and Liabilities**  
**October 31, 2019**

**Assets:**

Investments at fair value (cost of \$76,275,113)	\$	64,147,358
Cash		3,931,208
Prepaid expenses and other assets		54,062
<b>Total assets</b>		<b>68,132,628</b>

**Liabilities:**

6.875% Series A Term Preferred Stock (net of deferred debt issuance costs of \$733,672)		20,582,828
Payable to adviser and affiliates		1,039,310
Payable for investment purchased		320,000
Accrued professional fees		292,748
Other liabilities		42,434
<b>Total liabilities</b>		<b>22,277,320</b>

Commitments and contingencies (Note 5)

<b>Net assets</b>	<b>\$</b>	<b>45,855,308</b>
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**Net assets consists of:**

Common stock, par value of \$0.001 per share; 90,000,000 shares authorized and 3,061,858 shares issued and outstanding as of October 31, 2019	\$	3,062
Paid-in capital in excess of par		50,946,200
Total distributable earnings		(5,093,954)
<b>Total net assets</b>		<b>45,855,308</b>

<b>Total liabilities and net assets</b>	<b>\$</b>	<b>68,132,628</b>
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Net asset value per share	\$	14.98
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See Notes to Financial Statements.

**OFS Credit Company, Inc.**  
**Statement of Operations**  
**Year Ended October 31, 2019**

**Investment income**

Interest income	\$	8,857,672
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**Operating expenses**

Interest expense	982,195
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Management fees	1,098,919
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Incentive fees	1,063,672
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Administration fees	739,165
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Professional fees	364,308
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Board of directors fees	180,000
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Other expenses	321,313
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<b>Total operating expenses</b>	<b>4,749,572</b>
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Less: waiver of management fee (Note 3)	(220,441)
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<b>Net operating expenses</b>	<b>4,529,131</b>
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<b>Net investment income</b>	<b>4,328,541</b>
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**Realized and unrealized gain (loss) on investments**

Net realized gain on investments	10,175
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Net unrealized depreciation on investments	(12,197,225)
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<b>Net loss on investments</b>	<b>(12,187,050)</b>
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<b>Net decrease in net assets resulting from operations</b>	<b>\$ (7,858,509)</b>
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See Notes to Financial Statements.

OFS Credit Company, Inc.  
Statement of Changes in Net Assets

	Year Ended October 31, 2019	Period from October 10 (commencement of operations) through October 31, 2018
<b>Increase (decrease) in net assets resulting from operations:</b>		
Net investment income	\$ 4,328,541	\$ 217,037
Net realized gain on investments	10,175	—
Net unrealized appreciation (depreciation) on investments	(12,197,225)	69,470
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>(7,858,509)</b>	<b>286,507</b>
<b>Common stock distributions paid to stockholders:</b>		
Common stock distributions from tax return of capital	(5,488,924)	—
<b>Distributions paid to stockholders</b>	<b>(5,488,924)</b>	<b>—</b>
<b>Capital share transactions:</b>		
Proceeds from sale of common stock, net of offering costs	8,802,338	50,000,000
Common stock issued from reinvestment of stockholder distributions	13,896	—
<b>Net increase in net assets resulting from capital transactions</b>	<b>8,816,234</b>	<b>50,000,000</b>
<b>Net increase (decrease) in net assets</b>	<b>(4,531,199)</b>	<b>50,286,507</b>
<b>Net assets at the beginning of the period</b>	<b>50,386,507</b>	<b>100,000</b>
<b>Net assets at the end of the period</b>	<b>\$ 45,855,308</b>	<b>\$ 50,386,507</b>
<b>Capital share transactions:</b>		
Common stock shares at the beginning of the period	2,505,000	5,000
Common stock share offering	556,033	2,500,000
Common stock issued from reinvestment of stockholder distributions	825	—
<b>Common stock shares at the end of the period</b>	<b>3,061,858</b>	<b>2,505,000</b>

See Notes to Financial Statements.

**OFS Credit Company, Inc.**  
**Statement of Cash Flows**  
**Year Ended October 31, 2019**

**Cash flows from operating activities**

Net decrease in net assets resulting from operations	\$	(7,858,509)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash used in operating activities:		
Net realized gain on investments		(10,175)
Net unrealized depreciation on investments		12,197,225
Amortization of debt issuance costs		100,522
Accretion of interest income on structured-finance securities		(8,830,855)
Purchase of portfolio investments		(40,920,793)
Distributions from portfolio investments		13,113,805
Sale of portfolio investments		2,179,375
Changes in operating assets and liabilities:		
Investment distribution receivable		155,443
Prepaid expenses and other assets		(40,507)
Due to adviser and affiliates		1,029,310
Accrued professional fees		195,802
Payable for investment purchased		(270,000)
Other liabilities		24,646
<b>Net cash used in operating activities</b>		<b>(28,934,711)</b>

**Cash flows from financing activities**

Proceeds from issuance of preferred stock		21,316,500
Underwriting fees and offering costs relating to issuance of preferred stock		(834,194)
Proceeds from issuance of common stock		9,174,544
Underwriting fees and offering costs relating to issuance of common stock		(372,206)
Distributions paid to shareholders of common stock		(5,475,028)
<b>Net cash provided by financing activities</b>		<b>23,809,616</b>

Net decrease in cash		(5,125,095)
Cash at beginning of period		9,056,303
Cash at end of period	\$	<u>3,931,208</u>

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the period for interest	\$	877,601
Reinvestment of stockholder distributions		13,896

See Notes to Financial Statements.

**OFS Credit Company, Inc.**  
**Schedule of Investments**  
**October 31, 2019**

<b>Company and Investment</b>	<b>Effective Yield <sup>(3)</sup></b>	<b>Initial Acquisition Date</b>	<b>Maturity <sup>(6)</sup></b>	<b>Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	<b>Percent of Net Assets</b>
<b>Structured Finance <sup>(1) (2) (8)</sup></b>							
Allegro CLO VII, Ltd.							
<i>Subordinated Notes</i>	15.12%	2/14/2019	6/13/2031	\$ 3,100,000	\$ 2,561,954	\$ 2,283,585	5.0%
Anchorage Capital CLO 1-R Ltd.							
<i>Subordinated Notes</i>	15.65%	10/5/2018	4/13/2031	2,100,000	1,739,746	1,601,201	3.5
Atlas Senior Loan Fund X Ltd.							
<i>Subordinated Notes</i>	17.96%	10/5/2018	1/15/2031	5,000,000	3,042,045	2,341,297	5.1
Atlas Senior Loan Fund IX Ltd.							
<i>Subordinated Notes</i>	16.60%	10/5/2018	4/20/2028	1,200,000	616,054	390,137	0.9
Battalion CLO IX Ltd.							
<i>Income Notes <sup>(7)</sup></i>	17.05%	10/10/2018	7/15/2031	1,079,022	721,059	583,234	1.3
<i>Subordinated Notes</i>	17.05%	10/10/2018	7/15/2031	1,770,978	1,183,461	957,250	2.1
				2,850,000	1,904,520	1,540,484	3.4
Battalion CLO XI Ltd.							
<i>Subordinated Notes</i>	16.75%	3/20/2019	10/24/2029	5,000,000	4,236,266	4,041,411	8.8
BlueMountain Fuji U.S. CLO III, Ltd.							
<i>Subordinated Notes</i>	20.15%	9/18/2019	1/15/2030	3,701,700	2,783,660	2,746,851	6.0
Crown Point CLO 4 Ltd.							
<i>Subordinated Notes</i>	15.95%	3/22/2019	4/20/2031	3,400,000	2,914,145	2,694,570	5.9
Dryden 30 Senior Loan Fund							
<i>Subordinated Notes</i>	16.36%	10/5/2018	11/15/2028	1,000,000	586,983	475,649	1.0
Dryden 38 Senior Loan Fund							
<i>Subordinated Notes</i>	13.95%	10/5/2018	7/15/2030	2,600,000	1,790,697	1,470,491	3.2



**OFS Credit Company, Inc.**  
**Schedule of Investments**  
**October 31, 2019**

<b>Company and Investment</b>	<b>Effective Yield <sup>(3)</sup></b>	<b>Initial Acquisition Date</b>	<b>Maturity <sup>(6)</sup></b>	<b>Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	<b>Percent of Net Assets</b>
<b>Dryden 41 Senior Loan Fund</b>							
<i>Subordinated Notes</i>	14.40%	10/5/2018	4/15/2031	\$ 2,600,000	\$ 1,774,575	\$ 1,454,914	3.2%
<b>Dryden 53 CLO, Ltd.</b>							
<i>Income Notes (7)</i>	15.03%	10/5/2018	1/15/2031	3,200,000	2,495,291	2,186,720	4.8
<i>Subordinated Notes</i>	19.73%	10/1/2019	1/15/2031	500,000	351,347	341,675	0.7
				<u>3,700,000</u>	<u>2,846,638</u>	<u>2,528,395</u>	<u>5.5</u>
<b>Dryden 76 CLO, Ltd.</b>							
<i>Subordinated Notes</i>	15.37%	9/27/2019	10/20/2032	2,250,000	1,987,504	1,992,771	4.3
<b>Elevation CLO 2017-7, Ltd.</b>							
<i>Subordinated Notes</i>	13.49%	10/5/2018	7/15/2030	4,750,000	3,619,519	2,920,907	6.4
<b>Elevation CLO 2017-8, Ltd.</b>							
<i>Subordinated Notes</i>	13.97%	10/5/2018	10/25/2030	2,000,000	1,566,488	1,174,860	2.6
<b>TCI-Flatiron CLO 2017-1, Ltd.</b>							
<i>Subordinated Notes</i>	14.98%	3/22/2019	5/15/2030	3,000,000	2,067,799	1,789,669	3.9
<b>Flatiron CLO 18 Ltd.</b>							
<i>Subordinated Notes</i>	12.52%	10/5/2018	4/17/2031	4,500,000	3,757,016	3,297,035	7.1
<b>Greenwood Park CLO, Ltd.</b>							
<i>Subordinated Notes</i>	12.37%	10/5/2018	4/15/2031	4,000,000	3,418,835	2,946,791	6.4
<b>Halcyon Loan Advisors Funding 2018-1 Ltd.</b>							
<i>Subordinated Notes</i>	16.27%	3/20/2019	7/20/2031	3,000,000	2,370,923	2,016,350	4.4
<b>HarbourView CLO VII-R, Ltd.</b>							
<i>Subordinated Notes</i>	10.68%	10/5/2018	11/18/2026	3,100,000	1,881,690	1,007,877	2.2

**OFS Credit Company, Inc.**  
**Schedule of Investments**  
**October 31, 2019**

<b>Company and Investment</b>	<b>Effective Yield <sup>(3)</sup></b>	<b>Initial Acquisition Date</b>	<b>Maturity <sup>(6)</sup></b>	<b>Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	<b>Percent of Net Assets</b>
Madison Park Funding XXIII, Ltd.							
<i>Subordinated Notes</i>	11.11%	10/5/2018	7/27/2047	\$ 4,000,000	\$ 3,224,339	\$ 2,586,019	5.6%
Marble Point CLO X Ltd.							
<i>Subordinated Notes</i>	13.43%	10/5/2018	10/15/2030	7,000,000	5,203,316	3,785,229	8.2
Marble Point CLO XI Ltd.							
<i>Income Notes (7)</i>	15.72%	10/5/2018	12/18/2047	1,500,000	1,224,806	861,373	1.9
MidOcean Credit CLO VII Ltd.							
<i>Income Notes (7)</i>	13.68%	3/20/2019	7/15/2029	3,275,000	2,296,931	1,798,966	3.9
MidOcean Credit CLO VIII Ltd.							
<i>Income Notes (7)</i>	16.39%	1/14/2019	2/20/2031	3,250,000	2,584,492	2,363,153	5.2
MidOcean Credit CLO IX Ltd.							
<i>Income Notes (7)</i>	16.67%	11/21/2018	7/20/2031	3,000,000	2,115,996	2,117,567	4.6
Sound Point CLO IV-R, Ltd.							
<i>Subordinated Notes</i>	13.61%	11/2/2018	4/18/2031	4,000,000	1,568,306	1,307,712	2.9
THL Credit Wind River 2014-3 CLO Ltd.							
<i>Subordinated Notes</i>	10.99%	10/10/2018	10/22/2031	2,778,000	1,917,270	1,233,823	2.7
Venture 33 CLO Limited							
<i>Subordinated Notes</i>	15.58%	3/21/2019	7/15/2031	3,150,000	2,528,383	2,211,925	4.8
Vibrant CLO X Ltd.							
<i>Subordinated Notes</i>	17.63%	5/23/2019	10/20/2031	5,000,000	3,618,021	3,307,667	7.2

**OFS Credit Company, Inc.**  
**Schedule of Investments**  
**October 31, 2019**

<b>Company and Investment</b>	<b>Effective Yield <sup>(3)</sup></b>	<b>Initial Acquisition Date</b>	<b>Maturity <sup>(6)</sup></b>	<b>Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	<b>Percent of Net Assets</b>
<b>Voya CLO 2017-4, Ltd.</b>							
<i>Subordinated Notes</i>	13.84%	10/5/2018	10/15/2030	\$ 1,000,000	\$ 846,930	\$ 711,236	1.6%
<b>ZAIS CLO 3, Limited</b>							
<i>Income Notes (7)</i>	16.01%	10/10/2018	7/15/2031	1,038,255	622,681	425,478	0.9
<i>Subordinated Notes</i>	16.01%	10/10/2018	7/15/2031	1,761,745	1,056,585	721,965	1.6
				2,800,000	1,679,266	1,147,443	2.5
<b>Total Structured Finance Notes</b>				<b>\$103,604,700</b>	<b>\$76,275,113</b>	<b>\$ 64,147,358</b>	<b>139.9%</b>

- (1) These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act of 1933, as amended.
- (2) Structured finance investments, including income notes and subordinated notes, are considered CLO subordinated debt positions. CLO subordinated debt positions are entitled to recurring distributions which are generally equal to the remaining cash flow of payments made by underlying securities less contractual payments to debt holders and fund expenses. These securities are colloquially referred to as CLO equity.
- (3) The effective yield is estimated based upon the current projection of the amount and timing of distributions including the estimated amount of terminal principal payments. Effective yields for the Company's CLO subordinated debt positions are monitored and evaluated at each reporting date. The estimated yield and investment cost may ultimately not be realized. As of October 31, 2019, the Company's weighted-average effective yield on its aggregate CLO structured finance positions, based on current amortized cost, was 14.94%.
- (4) Amortized cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO structured finance investments.
- (5) The fair value of all investments was determined using significant, unobservable inputs, and was determined in good faith by the board of directors of the Company. See "Note 4. Fair Value of Financial Instruments".
- (6) Maturity represents the contractual maturity date of the CLO subordinated debt positions. Expected maturity and cash flows, not contractual maturity and cash flows, were utilized in deriving the effective yield of the investments.
- (7) Security issued by an affiliate of named issuer.
- (8) We do not "control" and are not an "affiliate" of any of our portfolio companies, each as defined in the 1940 Act. In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned 25% or more of its voting securities and would be an "affiliate" of a portfolio company if we owned 5% or more of its voting securities.

See Notes to Financial Statements.

## Note 1. Organization

OFS Credit Company, Inc., (the "Company") is a Delaware corporation formed on September 1, 2017. The Company's operations commenced on October 10, 2018 upon completion of the sale and issuance of 2,500,000 shares of common stock at an aggregate purchase price of \$50,000,000 (the "Offering"). Prior to October 10, 2018, there had been no activity other than the sale and issuance of 5,000 shares of common stock at an aggregate purchase price of \$100,000 to OFS Funding I, LLC, a wholly owned subsidiary of Orchard First Source Asset Management, LLC ("OFSAM").

The Company is a non-diversified, externally managed, closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, as amended ("1940 Act"); and has elected to be treated for U.S. federal income tax purposes, and intends to qualify annually, as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"). The Company's investment adviser is OFS Capital Management, LLC, which the Company refers to as "OFS Advisor". The Company's primary investment objective is to generate current income, with a secondary objective to generate capital appreciation. Under normal market conditions, the Company invests at least 80% of its assets in floating rate credit instruments and other structured credit investments, including: (i) collateralized loan obligation ("CLO") debt and subordinated/residual tranche securities ("Structured Finance Notes"); (ii) traditional corporate credit investments, including leveraged loans and high yield bonds; (iii) opportunistic credit investments, including stressed and distressed credit situations and long/short credit investments; and (iv) other credit-related instruments. The CLOs in which the Company invests are collateralized by portfolios consisting primarily of below investment grade U.S. senior secured loans with a large number of distinct underlying borrowers across various industry sectors.

## Note 2. Basis of Presentation and Summary of Significant Accounting Policies

**Basis of presentation:** The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), including the provision ASC Topic 946, *Financial Services — Investment Companies*, and the reporting requirements of the 1940 Act and Article 6 of Regulation S-X. In the opinion of management, the financial statements include all adjustments, consisting only of normal and recurring accruals and adjustments, necessary for fair presentation in accordance with GAAP.

**Use of estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

**Cash:** The Company's cash is maintained with a member bank of the FDIC and, at times, such balances may be in excess of the FDIC insurance limits. Cash as of October 31, 2019, includes \$3,931,208 held at US Bank National Association.

**Investments:** The Company applies fair value accounting in accordance with ASC Topic 820, which defines fair value, establishes a framework to measure fair value, and requires disclosures regarding fair value measurements. Fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined through the use of models and other valuation techniques, valuation inputs, and assumptions market participants would use to value the investment. Highest priority is given to prices for identical assets quoted in active markets (Level 1) and the lowest priority is given to unobservable valuation inputs (Level 3). The availability of observable inputs can vary significantly and is affected by many factors, including the type of product, whether the product is new to the market, whether the product is traded on an active exchange or in the secondary market, and the current market conditions. To the extent that the valuation is based on less observable or unobservable inputs, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for financial instruments classified as Level 3 (i.e., those instruments valued using non-observable inputs), which comprise the entirety of the Company's investments.

Changes to the Company's valuation policy are reviewed and approved by management and the Company's board of directors (the "Board"). As the Company's investments change, markets change, new products develop, and valuation inputs become more or less observable, the Company will continue to refine its valuation methodologies.

See Note 4 for additional disclosures of the Company's fair value measurements of its financial instruments.

The Company may acquire Structured Finance Notes of CLO investment vehicles or invest in CLO loan accumulation facilities. The Company considers CLO performance metrics, including prepayment rates, default rates, loss-on-default and recovery rates, and other metrics, as well as estimated market yields provided by a recognized industry pricing service as a primary source for discounted cash flow fair value estimates, supplemented by actual trades executed in the market at or around

period-end, as well as the indicative prices provided by broker-dealers in its estimate of the fair value of such investments. The Company also considers the operating metrics of the CLO vehicle, including compliance with collateralization tests, concentration limits, defaults, restructuring activity and prepayment rates on the underlying loans, if applicable. The Company engages a third-party valuation firm to provide assistance to the Board in determining the fair value of our investments.

### **Investment Income**

**Interest income:** Interest income from investments in Structured Finance Notes is recognized on the basis of the estimated effective yield to expected redemptions utilizing assumed cash flows in accordance with ASC Sub-topic 325-40, *Beneficial Interests in Securitized Financial Assets*. The Company monitors the expected cash flows from its Structured Finance Notes, and the effective yield is determined and updated periodically.

**Net realized and unrealized gain or loss on investments:** Investment transactions are reported on a trade-date basis. Unsettled trades as of the balance sheet date are included in payables for investments purchased. Realized gains or losses on investments are measured by the difference between the net proceeds from the disposition and the amortized cost basis of the investment on a specific-identification basis. Investments are valued at fair value as determined in good faith by the Board. The Company reports changes in the fair value of investments as net unrealized appreciation/depreciation on investments in the statement of operations.

**Deferred debt issuance costs:** Deferred debt issuance costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. Deferred debt issuance costs are presented as a direct reduction of the related debt liability on the statement of assets and liabilities. Deferred debt issuance costs are amortized to interest expense over the term of the related debt.

**Interest expense:** Interest expense is recognized on an accrual basis as incurred.

**Income taxes:** The Company has elected to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code. To qualify as a RIC, the Company must, among other things, meet certain source of income and asset diversification requirements, and timely distribute at least 90% of its investment company taxable income ("ICTI"), to its stockholders. The Company has made, and intends to continue to make, the requisite distributions to its stockholders, which generally relieves the Company from U.S. federal income taxes.

The Company may choose to retain a portion of ICTI in an amount less than that which would trigger U.S. federal income tax liability under Subchapter M of the Code; however, the Company may be liable for 4% excise tax on a portion of such income unless it timely distributes at least 98.2% of its ICTI to its stockholders. Excise tax liability is recognized when the Company determines its distributions from current year ICTI are less than 98.2% of its estimated current year annual ICTI, as defined in the Code. The Company evaluates tax positions taken in the course of preparing its tax returns to determine whether they are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold could result in greater and undistributed ICTI, income and excise tax expense, and, if involving multiple years, a re-assessment of the Company's RIC status. GAAP requires recognition of accrued interest and penalties related to uncertain tax benefits as income tax expense. There were no uncertain income tax positions at October 31, 2019.

**Distributions:** Distributions to stockholders are recorded on the applicable record date. The timing of monthly distributions as well as the amount to be paid out as a distribution is determined by the Board each quarter. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment. Distributions paid in excess of taxable net investment income and net realized gains are considered returns of capital to stockholders.

Net investment income determined accordance with tax regulations may differ from net investment income for financial reporting purposes. Differences may be permanent or temporary. Permanent differences result in a reclassification between capital accounts. Additionally, certain short-term capital gains may be reported as ordinary income. Distributions paid in excess of taxable net investment income and net realized gains are considered returns of capital to stockholders. Distributions paid by the Company in accordance with RIC requirements are subject to re-characterization for tax purposes.

**Concentration of credit risk:** Aside from its instruments in Structured Finance Notes and CLO loan accumulation facilities, financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits at financial institutions. At various times during the year, the Company's cash deposits may exceed the federally insured limits. To mitigate this risk, the Company places cash deposits only with high credit quality institutions. Management believes the risk of loss related to the Company's cash deposits is minimal. The amount of loss due to credit risk from investments in Structured Finance Notes, if underlying funds and managers fail to perform according to the terms of the indentures and collateral management agreements and the collateral or other security for those instruments proved to be of no value to the Company, is equal to the Company's recorded investment in Structured Finance Notes.

**New Accounting Standards:** In August 2018, the SEC adopted the final rule under SEC Release No. 33-10532, Disclosure Update and Simplification, amending certain disclosure requirements that were redundant, duplicative, overlapping, outdated or superseded. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance. The Company adopted the final rule under SEC Release No. 33-10532 as of October 31, 2018.

In August 2018, the FASB issued Accounting Standards Update ("ASU") 2018-13, Fair Value Measurement (Topic 820) - Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13") to improve the effectiveness of fair value measurement disclosures. ASU 2018-13 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 and early adoption is permitted. The Company adopted the amendments in ASU 2018-13 as of October 31, 2018.

### Note 3. Related Party Transactions

**Investment Advisory and Management Agreement:** OFS Advisor manages the day-to-day operations of, and provides investment advisory services to, the Company pursuant to an investment advisory and management agreement (the "Investment Advisory Agreement"). The Investment Advisory Agreement was approved by the Board on July 6, 2018 and became effective October 4, 2018. Under the terms of the Investment Advisory Agreement, OFS Advisor is responsible for: i) determining the composition of the portfolio, the nature and timing of the changes to the portfolio and the manner of implementing such changes; ii) identifying, evaluating and negotiating the structure of the investments made (including performing due diligence on prospective investments); iii) closing and monitoring the investments made; and iv) providing other investment advisory, research and related services as required. OFS Advisor is a subsidiary of OFSAM and a registered investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). OFS Advisor's services under the Investment Advisory Agreement are not exclusive, and both it and its members, officers and employees are free to furnish similar services to other persons and entities so long as its services to the Company are not impaired. OFS Advisor also serves as the investment adviser to CLO funds and other assets, including OFS Capital Corporation and Hancock Park Corporate Income, Inc.

OFS Advisor receives fees for providing services, consisting of two components: a base management fee ("Base Management Fee") and an incentive fee ("Incentive Fee"). The Base Management Fee is calculated and payable quarterly in arrears and equals an annual rate of 1.75% of the Company's "Total Equity Base", defined as the net asset value ("NAV") of the Company's shares of common stock and the paid-in capital of the Company's preferred stock. Base Management Fees are paid by the holders of our shares of common stock and are not paid by holders of preferred stock, or the holders of any other types of securities that the Company may issue. Base Management Fees for any partial calendar quarter are prorated based on the number of days in such quarter. The Base Management Fee does not increase when the Company borrows funds, but will increase if the Company issues preferred stock.

For the period from October 10, 2018 (commencement of operations) through January 31, 2019, OFS Advisor agreed to waive the Base Management Fee, without recourse against or reimbursement by the Company.

The Incentive Fee is calculated and payable quarterly in arrears and equals 20% of the Company's "Pre-Incentive Fee Net Investment Income" for the immediately preceding quarter, subject to a preferred return, or "hurdle," and a "catch up" feature. No incentive fees are payable to OFS Advisor in respect of any capital gains. For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from an investment) accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the Base Management Fee, expenses payable under the administrative services agreement to OFS Capital Services, LLC, ("OFS Services") and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee Net Investment Income includes accrued income that the Company has not yet received in cash, as well as any such amounts received (or accrued) in kind. Pre-Incentive Fee Net Investment Income does not include any capital gains or losses, and no incentive fees are payable in respect of any capital gains and no incentive fees are reduced in respect of any capital losses.

In calculating the Incentive Fee for any given calendar quarter, Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company's net assets at the end of the immediately preceding calendar quarter, is compared to a hurdle of 2.00% of the Company's net asset value per quarter (8.00% annualized) (the "Hurdle Rate"). For such purposes, the Company's quarterly rate of return is determined by dividing its Pre-Incentive Fee Net Investment Income by its reported net assets as of the prior period end. The Company's net investment income used to calculate this part of the incentive fee is also included in the calculation of the Total Equity Base which is used to calculate the Base Management Fee. The Incentive Fee with respect to the Company's Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:

- (A) no Incentive Fee in any calendar quarter in which Pre-Incentive Fee Net Investment Income does not exceed the hurdle of 2.00% of NAV;

- (B) 100% of Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle but is less than 2.50% of NAV in any calendar quarter (10.00% annualized). The Company refers to this portion of the Pre-Incentive Fee Net Investment Income (which exceeds the hurdle but is less than 2.50% of our NAV) as the “catch-up.” The “catch-up” is meant to provide OFS Advisor with 20% of Pre-Incentive Fee Net Investment Income as if a hurdle did not apply if this net investment income meets or exceeds 2.50% of NAV in any calendar quarter; and
- (C) 20.0% of that portion of the Company’s pre-Incentive Fee net investment income, if any, with respect to which the Rate of Return exceeds 2.50% in such quarter (10.0% annualized) is payable to the Advisor (that is, once the hurdle is reached and the catch-up is achieved, 20% of all Pre-Incentive Fee Net Investment Income thereafter is paid to the Advisor).

There shall be no accumulation of amounts on the Hurdle Rate from quarter to quarter, no claw back of amounts previously paid if the rate of return in any subsequent quarter is below the Hurdle Rate and no delay of payment if the Rate of Return in any prior quarters was below the Hurdle Rate. Incentive Fees shall be adjusted for any share issuances or repurchases during the calendar quarter, and Income-Based Fees for any partial quarter shall be prorated based on the number of days in such quarter.

**Administration Agreement:** OFS Services, an affiliate of OFS Advisor, provides the administrative services necessary for the Company to operate. OFS Services furnishes the Company with office facilities and equipment, necessary software licenses and subscriptions, and clerical, bookkeeping and record keeping services at such facilities pursuant to an administrative services agreement (the "Administration Agreement"). The Administration Agreement was approved by the Board on July 6, 2018 and became effective on October 4, 2018. Under the Administration Agreement, OFS Services performs, or oversees the performance of, the Company’s required administrative services, which include being responsible for the financial records that the Company is required to maintain and preparing reports to its stockholders and all other reports and materials required to be filed with the Securities and Exchange Commission or any other regulatory authority. In addition, OFS Services assists the Company in determining and publishing its NAV, oversees the preparation and filing of its tax returns and the printing and dissemination of reports to its stockholders, and generally oversees the payment of the Company’s expenses and the performance of administrative and professional services rendered to the Company by others. Payment under the Administration Agreement is equal to an amount based upon the Company’s allocable portion (subject to the review and approval of the Board) of OFS Services’ overhead in performing its obligations under the Administration Agreement, including, but not limited to, rent, information technology services and the Company’s allocable portion of the cost of its officers, including its chief executive officer, chief financial officer, chief compliance officer, chief accounting officer, corporate secretary and their respective staffs. To the extent that OFS Services outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis without profit to OFS Services. After the first two years of effectiveness, the Administration Agreement may be renewed annually with the approval of the Board, including a majority of our directors who are not “interested persons.” The Administration Agreement may be terminated by either party without penalty upon 60 days’ written notice to the other party.

Expenses recognized for the year ended October 31, 2019 under agreements with OFS Advisor and OFS Services are presented below:

	<b>Year Ended October 31, 2019</b>
Base management fees	\$ 1,098,919
Base management fee waiver	(220,441)
Incentive fees	1,063,672
Administration fees	739,165

**Note 4. Fair Value of Financial Instruments**

The following table provides quantitative information about the Company's Level 3 fair value measurements as of October 31, 2019. In addition to the valuation techniques and inputs noted in the table below, other valuation techniques and methodologies may be utilized when determining the Company's fair value measurements. The table below is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company's fair value measurements as of October 31, 2019.

Investment Type	Fair Value as of October 31, 2019	Valuation Techniques	Unobservable Input	Range (Weighted average) <sup>(1)</sup>
Structured Finance Notes	\$ 64,147,358	Discounted Cash Flows	Constant Default Rate <sup>(2)</sup>	1.26% - 1.60% (1.36%)
			Constant Default Rate <sup>(3)</sup>	1.73% - 2.38% (2.00%)
			Constant Prepayment Rate	25.00%
			Reinvestment Spread	3.30% - 4.10% (3.54%)
			Reinvestment Price	99.50%
			Reinvestment Floor	1.00%
			Recovery Rate	68.60% - 70.00% (69.60%)
			Discount Rate	14.50% - 30.00% (20.13%)

(1) Weighted average is calculated based on fair value of investments.

(2) Constant default rates for the next twelve months.

(3) Constant default rates for the remaining months following the next twelve months.

Additionally, the cash flows utilized in the discounted cash flow calculations assume liquidation at current market prices and redeployment of proceeds on all assets currently in default and all assets below specified fair value thresholds.

The following tables present changes in the investment measured at fair value using Level 3 inputs for the year ended October 31, 2019.

	<b>Structured Finance Notes</b>
Level 3 assets, November 1, 2018	\$ 41,875,940
Net realized gain on investments	10,175
Net unrealized depreciation on investments <sup>(1)</sup>	(12,197,223)
Accretion of interest income on structured-finance securities	8,830,855
Purchase of portfolio investments	40,920,793
Sale of portfolio investments	(2,179,377)
Distributions from portfolio investments	(13,113,805)
Level 3 assets, October 31, 2019	<u>\$ 64,147,358</u>

(1) The net unrealized depreciation in the Company's statement of operations for the year ended October 31, 2019 attributable to the Company's level 3 assets still held at the end of the year is \$12,197,225.

*Other Financial Assets and Liabilities*

GAAP requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. The Company believes that the carrying amounts of its other financial instruments such as cash, receivables and payables approximate the fair value of such items due to the short maturity of such instruments.

The following tables present the fair value measurements of the Company's debt and indicate the fair value hierarchy of the significant unobservable inputs utilized by the Company to determine such fair values as of October 31, 2019:



Description	Level 1	Level 2	Level 3	Total
6.875% Series A Term Preferred Stock	\$ 21,870,729	\$ —	\$ —	\$ 21,870,729

Description	Carrying Value	Fair Value
6.875% Series A Term Preferred Stock	\$ 20,582,828	\$ 21,870,729

#### Note 5. Commitments and Contingencies

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not occurred. The Company believes the risk of any material obligation under these indemnifications to be low.

#### Note 6. Mandatorily Redeemable Preferred Stock

##### Preferred Stock Transactions

The Company has authorized 10,000,000 shares of preferred stock, at a par value of \$0.001 per share, and had 852,660 shares of its 6.875% Series A Term Preferred Stock ("Term Preferred Shares") issued and outstanding at October 31, 2019. In March and April 2019, the Company issued 852,660 Term Preferred Shares for net proceeds of \$20,482,306 after deducting underwriting costs and offering expenses. The Company's Term Preferred Shares are mandatorily redeemable at March 31, 2024. At any time on or after March 31, 2021, the Company may, in its sole option, redeem the outstanding Term Preferred Shares in whole or, from time to time, in part, out of funds legally available for such redemption, at the liquidation preference plus an amount equal to accumulated but unpaid dividends, if any, on such shares (whether or not earned or declared, but excluding interest on such dividends) to, but excluding, the date fixed for such redemption.

As of October 31, 2019, the Term Preferred Shares had the following terms and balances:

	Principal	Unamortized Debt Issuance Costs	Stated Interest Rate	Effective Interest Rate <sup>(1)</sup>	Interest Expense <sup>(2)</sup>
Term Preferred Shares	\$21,316,500	\$733,672	6.875%	7.66%	\$982,195

(1) The effective interest rate includes deferred debt issuance cost amortization.

(2) Interest expense includes deferred debt issuance cost amortization of \$100,522 for the year ended October 31, 2019.

During the year ended October 31, 2019, the Board paid the following dividends on Term Preferred Shares.

Record Date	Payable Date	Dividend Per Preferred Share <sup>(2)</sup>
March 25, 2019	April 1, 2019	\$0.0286458 <sup>(1)</sup>
April 23, 2019	April 30, 2019	\$0.1432292
May 24, 2019	May 31, 2019	\$0.1432292
June 21, 2019	June 28, 2019	\$0.1432292
July 24, 2019	July 31, 2019	\$0.1432292
August 23, 2019	August 30, 2019	\$0.1432292
September 23, 2019	September 30, 2019	\$0.1432292
October 24, 2019	October 31, 2019	\$0.1432292

(1) Partial period.

(2) The Company paid dividends of \$1.03 per Term Preferred Share during the year ended October 31, 2019.

The tax character of each dividend paid is reported to stockholders on Form 1099-DIV in January following the close of the calendar year. The tax character of dividends paid for the fiscal year ended October 31, 2019, represented 100% tax return of capital. The tax character is not being provided for U.S. tax reporting purposes as the fiscal period does not correspond to the required tax reporting period. The ultimate tax character cannot be determined until tax returns are prepared after the end of the fiscal year. The information provided is based on available estimates.

On October 10, 2019, the Board declared the following dividends on Term Preferred Shares.

Record Date	Payable Date	Dividend Per Preferred Share
November 22, 2019	November 29, 2019	\$0.1432292
December 24, 2019	December 31, 2019	\$0.1432292
January 24, 2020	January 31, 2020	\$0.1432292

#### Note 7. Federal Income Taxes

The Company has elected, and intends to qualify annually hereafter, to be taxed as a RIC under Subchapter M of the Code. In order to maintain its status as a RIC, the Company will be required to distribute annually to its stockholders at least 90% of its ICTI. Additionally, to avoid a 4% U.S. federal excise tax on undistributed earnings the Company will be required to distribute each calendar year the sum of (i) 98% of its ordinary income for such calendar year (ii) 98.2% of its net capital gains for the period ending October 31 of that calendar year, and (iii) any income recognized, but not distributed, in preceding years and on which the Company paid no U.S. federal income tax. Maintenance of the Company's RIC status also requires adherence to certain source of income and asset diversification requirements provided under the Code.

The Company has met the source of income and asset diversification requirements as of October 31, 2019, and intends to continue to meet these requirements. The Company's ICTI differs from the net increase in net assets resulting from operations primarily due to differences in income recognition for Structured Finance Notes for which GAAP requires recognition of an estimated constant yield whereas U.S. federal income tax rules require recognition of net investment income reported to the Company by the underlying CLO fund in the tax period reported, as well as differences in recognition of unrealized appreciation/depreciation of investments. The Company recognized no ICTI or realized capital gains for the year ended October 31, 2019, and had no tax distributable earnings at October 31, 2019. The Company recorded a reclassification to its capital accounts of \$2,344,477 related to a net operating loss for tax purposes during the fiscal year ended October 31, 2019.

The tax-basis cost of investments and associated tax-basis gross unrealized appreciation (depreciation) inherent in the fair value of investments based on known and estimated GAAP-tax basis differences as of October 31, 2019, were as follows:

Tax-basis amortized cost of investments	\$ 69,241,311
Tax-basis gross unrealized appreciation on investments	781,153
Tax-basis gross unrealized depreciation on investments	(5,875,106)
Tax-basis net unrealized depreciation on investments	(5,093,953)
Fair value of investments	<u>\$ 64,147,358</u>

**Note 8. Financial Highlights**

The following is a schedule of financial highlights for the year ended October 31, 2019 and period ended October 31, 2018:

	Year Ended October 31, 2019	Period from October 10 (commencement) through October 31, 2018
<b>Per share data:</b>		
Net asset value per share at beginning of period	\$ 20.11	\$ 20.00
<b>Distributions:</b>		
Distributions from tax return of capital	(2.12)	—
Total distributions	(2.12)	—
Net investment income <sup>(7)</sup>	1.66	0.08
Net realized and unrealized gains (losses) on investments <sup>(7)</sup>	(4.69)	0.03
Net increase (decrease) from operations	(3.03)	0.11
Issuance of common stock <sup>(8)</sup>	0.02	—
<b>Net asset value per share at end of period</b>	<b>\$ 14.98</b>	<b>\$ 20.11</b>
Per share market value, end of period	\$ 16.91	\$ 18.78
Total return based on market value <sup>(1)</sup>	1.84 %	(6.10)%
Total return based on net asset value <sup>(2)</sup>	(15.75)%	0.55 %
Shares outstanding at end of period	3,061,858	2,505,000
Weighted average shares outstanding	2,601,037	2,505,000
<b>Ratio/Supplemental Data</b>		
Average net asset value	\$ 48,120,908	\$ 50,243,254
Net asset value at end of period	\$ 45,855,308	\$ 50,386,507
Ratio of total operating expenses to average net assets <sup>(4)(6)</sup>	9.41 %	4.42 %
Ratio of net investment income to average net assets <sup>(5)(6)</sup>	9.00 %	7.17 %
Portfolio turnover <sup>(3)</sup>	28.80 %	5.10 %

(1) Total return based on market value is calculated assuming shares of common stock were purchased at the market price at the beginning of the period, distributions were reinvested at a price obtained in the Company's dividend reinvestment plan, and shares were sold at the closing market price on the last day of the period. Total return is not annualized for a period of less than one year.

(2) Total return based on net asset value is calculated assuming shares of common stock were purchased at the net asset value at the beginning of the period, distributions were reinvested at a price obtained in the Company's dividend reinvestment plan, and shares were sold at the ending net asset value on the last day of the period. Total return is not annualized for a period of less than one year.

(3) Portfolio turnover rate is calculated using the lesser of period-to-date sales and distributions from portfolio investments or period-to-date purchases over the average of the invested assets at fair value.

(4) Ratio of total expenses before management fee waiver to average net assets was 9.87% and 6.17% for the year ended October 31, 2019 and period ended October 31, 2018, respectively.

(5) Ratio of net investment income before management fee waiver to average net assets was 8.54% and 5.42% for the year ended October 31, 2019 and period ended October 31, 2018, respectively.

(6) Annualized.

(7) Calculated on the average share method.

(8) The issuance of common stock on a per share basis reflects the incremental net asset value change as a result of the issuance of shares of common stock in the Company's August 2019 rights offering and the anti-dilutive impact from changes in weighted-average shares outstanding during the period.

The following table presents the aggregate outstanding borrowings and asset coverage per unit as of October 31, 2019 and as of October 31, 2018:

Class and Year	Total Amount Outstanding	Asset Coverage Per \$1,000 <sup>(1)</sup>	Asset Coverage Per Unit <sup>(2)</sup>	Involuntary Liquidation Preference Per Unit <sup>(3)</sup>
<b>6.875% Series A Term Preferred Stock</b>				
October 31, 2019	\$ 21,316,500	\$ 3,151	\$ 78.78	\$ 25.00
October 31, 2018	—	—	—	—

(1) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as the total assets, less all liabilities and indebtedness not represented by senior securities, divided by the class of senior securities representing indebtedness. This asset coverage ratio is multiplied by \$1,000 to determine the "Asset Coverage Per \$1,000."

(2) The Asset Coverage Per Unit is expressed in terms of a ratio per share of outstanding Term Preferred Shares. When expressing in terms of dollar amounts per share, the asset coverage ratio is multiplied by the involuntary liquidation preference per unit of \$25.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it.

### Note 9. Capital Transactions

In August 2019, the Company commenced a non-transferable rights offerings of the Company's common stock to its stockholders of record on July 31, 2019 (the "Rights Offering"). Stockholders received one non-transferable right for each outstanding share of common stock owned on July 31, 2019. The rights entitled the holders to purchase one new share of common stock for \$16.50 per share for every two rights held. The Rights Offering expired on August 27, 2019, and resulted in the issuance of 556,033 shares of common stock. Net proceeds of the Rights Offering were \$8,802,338, after deducting underwriting costs and offering expenses of \$372,206. OFS Advisor, together with other insiders, held approximately 16.2% of the outstanding common stock as of October 31, 2019.

The following table summarizes distributions paid for the year ended October 31, 2019 on common shares.

Record Date	Payable Date	Dividend Per Common Share	Cash Distribution	DRIP Shares Value	Total Distribution
November 5, 2018	November 16, 2018	\$0.113	\$283,065	\$—	\$283,065
November 12, 2018	November 30, 2018	0.167	418,335	—	418,335
December 10, 2018	December 31, 2018	0.167	418,179	156	418,335
January 14, 2019	January 31, 2019	0.167	418,202	135	418,337
February 21, 2019	February 28, 2019	0.167	418,202	135	418,337
March 22, 2019	March 29, 2019	0.167	418,204	135	418,340
April 23, 2019	April 30, 2019	0.167	418,206	135	418,341
May 24, 2019	May 31, 2019	0.167	417,386	956	418,342
June 21, 2019	June 28, 2019	0.167	418,134	218	418,352
July 24, 2019	July 31, 2019	0.167	418,217	137	418,354
August 23, 2019	August 30, 2019	0.167	418,219	137	418,356
September 23, 2019	September 30, 2019	0.167	511,019	195	511,214
October 24, 2019	October 31, 2019	0.167	499,660	11,556	511,216

The Company paid distributions of \$5,488,924 or \$2.12 per common share during the year ended October 31, 2019. The tax attributes of distributions is determined annually as of the end of each calendar year based, in part, on the taxable income for the fiscal year, estimated taxable income subsequent to the fiscal year end, and distributions paid. The tax character of each distribution paid is reported to stockholders on Form 1099-DIV in January following the close of the calendar year. The tax character of distributions paid for the fiscal year ended October 31, 2019, represented \$-0- from ordinary income and

\$5,488,924 from tax return of capital. These amounts and sources of distributions reported are not being provided for U.S. tax reporting purposes as the fiscal period does not correspond to the required tax reporting period. The ultimate tax character of the Company's earnings cannot be determined until tax returns are prepared after the end of the fiscal year. The information provided is based on available estimates.

The Company adopted a plan that provides for reinvestment of its common stock distributions on behalf of the common stockholders (the "DRIP"), unless a common stockholder elects to receive cash. The following table represents DRIP participation for the year ended October 31, 2019:

For the Year Ended	DRIP Shares Value	Total Distribution Declared	DRIP Shares Issued	Average Value Per Share
October 31, 2019	\$ 13,896	\$ 5,488,924	825	\$ 16.84

On October 10, 2019, the Board declared the following distributions on common shares.

Record Date	Payable Date	Distribution Per Common Share
November 22, 2019	November 29, 2019	\$0.17
December 24, 2019	December 31, 2019	\$0.17
January 24, 2020	January 31, 2020	\$0.17

#### Note 10. Risks and Uncertainties

The Company invests in subordinated notes issued by a CLO that comprise the equity tranche, which are junior in priority of payment and are subject to certain payment restrictions generally set forth in an indenture governing the notes. In addition, CLO subordinated notes generally do not benefit from any creditors' rights or ability to exercise remedies under the indenture governing the notes. The subordinated notes are not guaranteed by another party. Subordinated notes are subject to greater risk than the secured notes issued by the CLO. CLOs are typically highly levered, utilizing up to approximately 9-13 times leverage, and therefore subordinated notes are subject to a risk of total loss. There can be no assurance that distributions on the assets held by the CLO will be sufficient to make any distributions or that the yield on the subordinated notes will meet the Company's expectations.

CLOs generally may make payments on subordinated notes only to the extent permitted by the payment priority provisions of an indenture governing the notes issued by the CLO. CLO indentures generally provide that principal payments on subordinated notes may not be made on any payment date unless all amounts owing under secured notes are paid in full. In addition, if a CLO does not meet the asset coverage tests or the interest coverage test set forth in the indenture governing the notes issued by the CLO, cash would be diverted from the subordinated notes to first pay the secured notes in amounts sufficient to cause such tests to be satisfied. The subordinated notes are unsecured and rank behind all of the secured creditors, known or unknown, of the issuer, including the holders of the secured notes it has issued. Relatively small numbers of defaults of instruments underlying CLOs in which the Company holds subordinated notes may adversely impact the Company's returns. The leveraged nature of subordinated notes is likely to magnify the adverse impact on the subordinated notes of changes in the market value of the investments held by the issuer, changes in the distributions on those investments, defaults and recoveries on those investments, capital gains and losses on those investments, prepayments on those investments and availability, prices and interest rates of those investments.

CLO subordinated notes do not have a fixed coupon and payments on CLO subordinated notes will be based on the income received from the underlying collateral and the payments made to the secured notes, both of which may be based on floating rates. While the payments on CLO subordinated notes will vary, CLO subordinated notes may not offer the same level of protection against changes in interest rates as other floating rate instruments. An increase in interest rates would materially increase the financing costs of CLOs. Since underlying instruments held by a CLO may have LIBOR floors, there may not be corresponding increases in investment income to the CLO (if LIBOR increases but stays below the LIBOR floor rate of such instruments) resulting in smaller distribution payments on CLO subordinated notes.

Subordinated notes may be subject to extensive transfer restrictions, and no party is under any obligation to make a market for subordinated notes. At times, there may be no market for subordinated notes, and the Company may not be able to sell or otherwise transfer subordinated notes at their fair value, or at all, in the event that it determines to sell them. Investments in CLO subordinated notes may have complicated accounting and tax implications.

On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. It is unclear if at that time whether or not LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large US financial institutions, is considering replacing U.S. dollar LIBOR with a new index calculated by short-term repurchase agreements, backed by Treasury securities. On June 12, 2019, the Staff from the SEC's Division of Corporate Finance, Division of Investment Management, Division of Trading and Markets, and Office of the Chief Accountant issued a statement about the potentially significant effects on financial markets and market participants when LIBOR is discontinued in 2021 and no longer available as a reference benchmark rate. The Staff encouraged all market participants to identify contracts that reference LIBOR and begin transitions to alternative rates. Recently, the CLOs the Company has invested in have included, or have been amended to include, language permitting the CLO investment manager, to implement a market replacement rate (like those proposed by the Alternative Reference Rates Committee of the Federal Reserve Board and the Federal Reserve Bank of New York) upon the occurrence of certain material disruption events. However, the Company cannot ensure that all CLOs in which it is invested will have such provisions, nor can the Company ensure the CLO investment managers will undertake the suggested amendments when able. The Company believes that because CLO managers and other CLO market participants have been preparing for an eventual transition away from LIBOR, it does not anticipate such a transition to have a material impact on the liquidity or value of any of LIBOR-referenced CLO investments. However, because the future of LIBOR at this time is uncertain and the specific effects of a transition away from LIBOR cannot be determined with certainty as of the date of this report, a transition away from LIBOR could:

- adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any LIBOR-linked CLO investments;
- require extensive changes to documentation that governs or references LIBOR or LIBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding investments;
- result in inquiries or other actions from regulators in respect of the Company's preparation and readiness for the replacement of LIBOR with one or more alternative reference rates;
- result in disputes, litigation or other actions with CLO investment managers, regarding the interpretation and enforceability of provisions in the Company's LIBOR-based CLO investments, such as fallback language or other related provisions, including, in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between LIBOR and the various alternative reference rates;
- require the transition and/or development of appropriate systems and analytics to effectively transition risk management processes from LIBOR-based products to those based on one or more alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and
- cause the Company to incur additional costs in relation to any of the above factors.

Some of the CLOs in which the Company invests may constitute "passive foreign investment companies," or "PFICs." If the Company acquires interests treated as equity for U.S. federal income tax purposes in PFICs (including equity tranche investments and certain debt tranche investments in CLOs that are PFICs), the Company may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such investments even if such income is distributed as a taxable dividend by the Company to stockholders. Certain elections may be available to mitigate or eliminate such tax on excess distributions, but such elections (if available) will generally require the Company to recognize its share of the PFIC's income for each tax year regardless of whether the Company receives any distributions from such PFIC. The Company must nonetheless distribute such income to maintain tax treatment as a RIC. Income derived by the Company from a PFIC with respect to which the Company has made a qualifying elected fund ("QEF") election will constitute qualifying income for purposes of determining the Company's ability to be subject to tax as a RIC provided that they are derived in connection with the Company's business of investing in stocks and securities or the PFIC makes distributions of that income to the Company in the same year in which it is included in taxable income. As such, the Company may be restricted in its ability to make QEF elections with respect to holdings in issuers that could be treated as PFICs in order to limit tax liability or maximize after-tax return from these investments.

If the Company holds more than 10% of the interests treated as equity for U.S. federal income tax purposes in a foreign corporation that is treated as a controlled foreign corporation, or "CFC" (including equity tranche investments and certain debt tranche investments in a CLO treated as a CFC), the Company may be treated as receiving a deemed distribution (taxable as ordinary income) each tax year from such foreign corporation in an amount equal to the pro rata share of the corporation's

income for the tax year (including both ordinary earnings and capital gains). If the Company is required to include such deemed distributions from a CFC in income, it will be required to distribute such income to maintain RIC tax treatment regardless of whether or not the CFC makes an actual distribution during such tax year. Income derived from a CFC will constitute qualifying income for purposes of determining the Company's ability to be subject to tax as a RIC provided that it is derived in connection with the business of investing in stocks and securities or the CFC makes distributions of that income in the same year in which it is included in taxable income. As such, the Company may limit and/or manage holdings in issuers that could be treated as CFCs in order to limit tax liability or maximize after-tax return from these investments.

The Foreign Account Tax Compliance Act (commonly referred to as "FATCA") imposes a withholding tax of 30% on U.S. source periodic payments, including interest and dividends and certain dividends distributed from net capital gains, if any, which have been designated by the Company, or "capital gain dividends," to certain non-U.S. entities, including certain non-U.S. financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its U.S. account holders and its U.S. owners. While existing U.S. Treasury regulations would also require withholding on payments of the gross proceeds from the sale of any property that could produce U.S. source interest or dividends, the U.S. Treasury Department has indicated in subsequent proposed regulations its intent to eliminate this requirement. The Company expects that most CLOs in which it invests will be treated as non-U.S. financial entities for this purpose, and therefore will be required to comply with these reporting requirements to avoid the 30% withholding. If a CLO in which the Company invests fails to properly comply with these reporting requirements, it could reduce the amount available to distribute to equity and subordinated debt holders in such CLO, which could materially and adversely affect the fair value of the CLO's securities and the Company's operating results and cash flows.

#### **Note 11. Subsequent Events**

The Company evaluated events subsequent to October 31, 2019 to assess the need for disclosure. No subsequent events that require disclosure occurred through December 16, 2019.

## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors  
OFS Credit Company, Inc.:

### *Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of OFS Credit Company, Inc. (the Company), including the schedule of investments, as of October 31, 2019, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the year then ended and the period from October 10, 2018 (commencement of operations) through October 31, 2018, and the related notes (collectively, the financial statements) and the financial highlights for the year then ended and the period from October 10, 2018 through October 31, 2018. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Company as of October 31, 2019, the results of its operations and its cash flows for the year then ended, and the changes in its net assets and the financial highlights for the year then ended and the period from October 10, 2018 through October 31, 2018, in conformity with U.S. generally accepted accounting principles.

### *Basis for Opinion*

These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of October 31, 2019, by correspondence with custodians and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the auditor of the Company since 2018.

Chicago, Illinois  
December 16, 2019



## DISTRIBUTION REINVESTMENT PLAN

We have adopted a plan that provides for reinvestment of our distributions and other distributions on behalf of our common stockholders (the "DRIP"), unless a common stockholder elects to receive cash as provided below. As a result, if our Board authorizes, and we declare, a cash distribution, then our common stockholders who have not "opted out" of our DRIP will have their cash distribution automatically reinvested in additional shares of common stock, rather than receiving the cash distribution.

No action is required on the part of a registered holder of common stock to have their cash distribution reinvested in shares of our common stock. A registered holder of common stock may elect to receive an entire distribution in cash by notifying American Stock Transfer & Trust Company, LLC, the plan administrator and our transfer agent and registrar, in writing so that such notice is received by the plan administrator no later than 10 days prior to the record date for distributions to holders of common stock. The plan administrator will set up an account for shares acquired through the DRIP for each holder of common stock who has not elected to receive distributions in cash and hold such shares in non-certificated form. Upon request by a holder of common stock participating in the plan, received in writing not less than 10 days prior to the record date, the plan administrator will, instead of crediting shares to the participant's account, issue a certificate registered in the participant's name for the number of whole shares and a check for any fractional share.

Those common stockholders whose common shares are held by a broker or other financial intermediary may receive distributions in cash by notifying their broker or other financial intermediary of their election.

We will use primarily newly issued shares of our common stock to implement the DRIP, whether shares of our common stock are trading at a premium or at a discount to net asset value. However, we reserve the right to direct the plan administrator to purchase shares in the open market in connection with our implementation of the plan. The number of shares to be issued to a holder of common stock is determined by dividing the total dollar amount of the distribution payable to such holder of common stock by the market price per share of common stock at the close of regular trading on the Nasdaq Capital Market on the valuation date for such distribution. Market price per share of common stock on that date will be the closing price for such shares on the Nasdaq Capital Market or, if no sale is reported for such day, at the average of their reported bid and asked prices. The number of shares to be outstanding after giving effect to payment of the distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of our holders of common stock have been tabulated.

There will be no brokerage charges or other charges to common stockholders who participate in the DRIP. The plan administrator's fees will be paid by us. If a participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the common shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a \$15.00 transaction fee plus a \$0.10 per common share brokerage commission from the proceeds.

Holders of common stock who receive distributions in the form of stock are subject to the same U.S. federal tax consequences as are holders of common stock who elect to receive their distributions in cash; however, since their cash distributions will be reinvested, such holders of common stock will not receive cash with which to pay any applicable taxes on reinvested distributions. A holder of common stock's basis for determining gain or loss upon the sale of stock received in a distribution from us will be equal to the total dollar amount of the distribution payable to the holder of common stock. Any stock received in a distribution will have a new holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. holder of common stock's account.

Participants may terminate their accounts under the DRIP by notifying the plan administrator via its website at [www.amstock.com](http://www.amstock.com), by filling out the transaction request form located at the bottom of their statement and sending it to the plan administrator. Such termination will be effective immediately if the participant's notice is received by the plan administrator not less than 10 days prior to any distribution record date; otherwise, such termination will be effective only with respect to any subsequent distribution. The DRIP may be terminated by us upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any distribution by us. All correspondence concerning the DRIP should be directed to the plan administrator by mail American Stock Transfer & Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, New York 10269, or by the plan administrator's Interactive Voice Response System at (800) 937-5449.

If a common stockholder withdraws or the plan is terminated, such common stockholder will receive the number of whole shares in their account under the plan and a cash payment for any fraction of a share in their account.

If a common stockholder holds shares with a brokerage firm that does not participate in the plan, such common stockholder will not be able to participate in the plan and any distribution reinvestment may be effected on different terms than those described above. Consult your financial advisor for more information.

## BOARD APPROVAL OF THE INVESTMENT ADVISORY AGREEMENT

At an in-person organizational meeting of our Board held on July 6, 2018, our Board unanimously voted to approve the Investment Advisory Agreement through October 4, 2020 (two years from the date of its execution). In reaching a decision to approve the Investment Advisory Agreement, the Board reviewed a significant amount of information and considered and concluded, among other things:

- The nature, quality and extent of the advisory and other services to be provided to us by OFS Advisor, including the responses in a questionnaire regarding OFS Advisor's investment process and OFS Advisor's policies and guidelines currently in place to monitor and manage the risk and volatility associated with the Company's portfolio, and the qualifications and abilities of the professional personnel of OFS Advisor and the compensation structure for such personnel, and concluded that such services are satisfactory;
- The investment performance of OFS Advisor;
- Comparative data with respect to advisory fees or similar expenses paid by other management investment companies with similar investment objectives, and concluded that the total advisory fees paid by the Company to OFS Advisor were reasonable;
- Our projected operating expenses and expense ratio compared to management investment companies with similar investment objectives, and concluded that our projected operating expenses were reasonable;
- Any existing and potential sources of indirect income to OFS Advisor from their relationship with the Company and the profitability of that relationship, and concluded that OFS Advisor's profitability was not excessive with respect to us;
- The services to be performed and the personnel performing such services under the Investment Advisory Agreement, and concluded that the services to be performed and the personnel performing such services were satisfactory;
- The organizational capability and financial condition of OFS Advisor and its affiliates, and concluded that the organizational capability and financial condition of OFS Advisor were reasonable; and
- The possibility of obtaining similar services from other third-party service providers or through an internally managed structure, and concluded that our current externally managed structure with OFS Advisor as our investment advisor was satisfactory.

Based on the information reviewed and the discussions detailed above, the Board, including all of the directors who are not "interested persons" as defined in the 1940 Act, concluded that the fees payable to OFS Advisor pursuant to the Investment Advisory Agreement were reasonable, and comparable to the fees paid by other management investment companies with similar investment objectives, in relation to the services to be provided. The Board did not assign relative weights to the above factors or the other factors considered by it. Individual members of the Board may have given different weights to different factors.

## Additional Information

### Management

Our Board is responsible for the overall management and supervision of our business and affairs, including the appointment of advisers and sub-advisers. Pursuant to the Investment Advisory Agreement, our Board has appointed OFS Advisor as our investment adviser. Our prospectus includes additional information about our directors and is available without charge, upon request by calling (847) 734-2000, or on the Securities and Exchange Commission website at <http://www.sec.gov>.

The investment committees of OFS Advisor (the "Advisor Investment Committees"), which includes the Structured Credit Investment Committee of OFS Advisor (the "Structured Credit Investment Committee"), are responsible for the overall asset allocation decisions and the evaluation and approval of investments of OFS Advisor's advisory clients that invest in CLO securities.

The purpose of the Structured Credit Investment Committee is to evaluate and approve our prospective investments, subject at all times to the oversight of our Board. The Structured Credit Investment Committee, which is comprised of Richard Ressler (Chairman), Jeffrey Cerny, Bilal Rashid, Glen Ostrander and Kenneth A. Brown, is responsible for the evaluation and approval of all the investments made by us. The members of the senior investment team of OFS Advisor (the "Senior Investment Team") are our portfolio managers who are primarily responsible for the day-to-day management of the portfolio. The Senior Investment Team is supported by a team of analysts and investment professionals.

Information regarding the Structured Credit Investment Committee is as follows:

Name <sup>(1)</sup>	Age	Position
Richard Ressler	61	Chairman of Structured Credit Investment Committee
Bilal Rashid <sup>(2)</sup>	48	President and Senior Managing Director of OFS Advisor
Jeffrey A. Cerny <sup>(2)</sup>	56	Senior Managing Director of OFS Advisor
Glen Ostrander <sup>(2)</sup>	45	Managing Director of OFS Advisor
Kenneth A. Brown <sup>(2)</sup>	46	Managing Director of OFS Advisor

(1) The address for each member of the Structured Credit Investment Committee is c/o OFS Capital Management, LLC, 10 S. Wacker Drive, Suite 2500, Chicago, IL 60606.

(2) Member of the Senior Investment Team.

### The Board of Directors

We have three classes of directors, currently consisting of one Class I director, two Class II directors and two Class III directors. At each annual meeting of stockholders, directors are elected for a full term of three years to succeed those whose terms are expiring. The terms of the three classes are staggered in a manner so that only one class is elected by stockholders annually.

The Board currently consists of five members, Messrs. Rashid and Cerny, Robert J. Cresci, Kathleen M. Griggs and Romita Shetty. On May 23, 2019, the Board appointed Robert J. Cresci as a director. Additionally, Mr. Cresci was appointed to the Company's audit committee, nominating and corporate governance committee and compensation committee. Mr. Cresci replaced Wolfgang Schubert, who resigned from the Board as of May 23, 2019.

The term of one class expires each year. The terms of Ms. Shetty and Mr. Cresci expire at the 2020 annual meeting; the terms of Ms. Griggs and Mr. Cerny expire at the 2021 annual meeting; and the term of Mr. Rashid expires at the 2022 annual meeting. Ms. Shetty and Griggs also serve as Series A Term Preferred Stock directors. Subsequently, each class of directors will stand for election at the conclusion of its respective term. Such classification may prevent replacement of a majority of the directors for up to a two-year period.

The directors and our officers are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. The "Independent Directors" consist of those directors who are not "interested persons," as that term is defined under the 1940 Act, of the Company. Conversely, "Interested Director(s)" consist of those directors who are "interested persons" of the Company. Certain of our officers and directors also are officers or managers of OFS Advisor.

Information regarding our Board is as follows:

Name, Address <sup>(1)</sup> and Age	Position(s) held with Company	Term of Office and Length of Time Served	Principal Occupation, Other Business Experience During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(2)</sup>	Other Directorships Held by Director
<b>Independent Directors</b>					
Kathleen M. Griggs (3) Age: 64	Director	2018 - Current	Ms. Griggs has been a managing director of Griggs Consulting, LLC, a consulting and advisory firm, since 2014. Prior to that, Ms. Griggs served as the Chief Financial Officer of j2 Global, Inc. from 2007 to 2014. Ms. Griggs also previously served as a Director, Audit Committee Chair and Governance Committee member for Chad Therapeutics, Inc. from 2001 to 2009. Ms. Griggs received a Bachelor of Science degree in Business Administration from the University of Redlands and a Master of Business Administration degree from the University of Southern California in Los Angeles. From her experience as a Chief Financial Officer for over 25 years in public and private companies and as a financial expert for Chad Therapeutics, a public company, Ms. Griggs has developed extensive knowledge of accounting and finance, which we believe qualifies her for service on our Board.	1	None
Robert J. Cresci Age: 76	Director	2019 - Current	Mr. Cresci has been a managing director of Pecks Management Partners Ltd., an investment management firm, since 1990. He currently serves on the boards of j2 Global, Inc., CIM Commercial Trust Corporation, OFS Capital Corporation, a business development company managed by OFS Advisor, and Hancock Park Corporate Income, Inc., another BDC managed by OFS Advisor. Mr. Cresci holds an undergraduate degree in Engineering from the United States Military Academy at West Point and an M.B.A. in Finance from the Columbia University Graduate School of Business. Mr. Cresci has broad experience in investment strategies, accounting issues and public company matters. His experience on the board of directors of other public companies and his insight on financial and operational issues are particularly valuable to our Board.	3	Four

Name, Address <sup>(1)</sup> and Age	Position(s) held with Company	Term of Office and Length of Time Served	Principal Occupation, Other Business Experience During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(2)</sup>	Other Directorships Held by Director
<b>Independent Directors</b>					
Romita Shetty (3)  Age: 53	Director	2018 - Current	Ms. Shetty currently serves as a principal of DA Companies, parent of DA Capital LLC, a global investment manager specializing in credit and special situations. Ms. Shetty has 28 years of experience in fixed income and credit. At DA Capital she has focused on special situations, structured credit and private investments. She has also served in a management capacity as President of DA Capital Asia Pte Ltd. In 2007-2008 she ran the Global Special Opportunities group at Lehman Brothers which invested proprietary capital. Prior to that she co-ran North American structured equity and credit markets and the Global Alternative Investment product businesses at RBS from 2004 to 2006. Previously she worked at JP Morgan from 1997 to 2004 where she ran their Global Structured Credit Derivatives as well as Financial Institutions Solutions and CDO businesses. She started her career at Standard & Poor's in 1990 where she worked on a wide variety of credit ratings including municipal bonds, financial institutions and asset-backed securities and managed a large part of their ABS ratings business. Ms. Shetty holds a BA (Honors) in History from St Stephens College, India and a Master of International Affairs from Columbia University. We believe that Ms. Shetty's extensive experience in fixed income and credit management and expertise in the Company's intended investments qualifies her for service on our Board.	1	None

Name, Address and Age	Position(s) held with Company	Term of Office and Length of Time Served	Principal Occupation, Other Business Experience During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(2)</sup>	Other Directorships Held by Director
<b>Interested Directors</b>					
Bilal Rashid Age: 48	Director, Chairman, and Chief Executive Officer	Director (Since 2017); Chairman (Since 2018); and President and Chief Executive Officer (Since 2017)	Mr. Rashid has served as our Chairman of the Board since 2018, and President and Chief Executive Officer since our inception in 2017. He is also Chairman of the Board and Chief Executive Officer of OFS Capital Corporation and Chairman, President and Chief Executive Officer of Hancock Park Corporate Income, Inc., President and a Senior Managing Director of Orchard First Source Capital, Inc., Chief Executive Officer of OFSAM, and a member of OFSAM's investment and executive committees. Prior to joining OFSAM in 2008, Mr. Rashid was a managing director in the global markets and investment banking division at Merrill Lynch. Mr. Rashid has more than 20 years of experience in investment banking, debt capital markets and investing as it relates to structured credit and corporate credit. Over the years, he has advised and arranged financing for investment management companies and commercial finance companies including business development companies. Before joining Merrill Lynch in 2005, he was a vice president at Natixis Capital Markets, which he joined as part of a large team move from Canadian Imperial Bank of Commerce ("CIBC"). Prior to CIBC, he worked as an investment analyst in the project finance area at the International Finance Corporation, which is part of the World Bank. Prior to that, Mr. Rashid was a financial analyst at Lehman Brothers. Mr. Rashid has a B.S. in Electrical Engineering from Carnegie Mellon University and an MBA from Columbia University. Through his years of work in investment banking, capital markets and in sourcing, leading and managing investments, Mr. Rashid has developed expertise and skills that are relevant to understanding the risks and opportunities that the Company faces and which are critical to implementing our strategic goals and evaluating our operational performance.	3	OFS Capital Corporation, a BDC managed by OFS Advisor, Hancock Park Corporate Income, Inc., another BDC managed by OFS Advisor and CIM Real Assets & Credit Fund, a registered investment company sub-advised by OFS Advisor

Name, Address and Age	Position(s) held with Company	Term of Office and Length of Time Served	Principal Occupation, Other Business Experience During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(2)</sup>	Other Directorships Held by Director
<b>Interested Directors</b>					
Jeffrey A. Cerny Age: 56	Director, Chief Financial Officer and Treasurer	Director (Since 2017); Chief Financial Officer and Treasurer (Since 2017)	Mr. Cerny has served as a member of our Board, and our Chief Financial Officer and Treasurer since 2017, as the Chief Financial Officer and Treasurer of Hancock Park Corporate Income, Inc. since 2016 and as a Director since 2015 and Chief Financial Officer and Treasurer of OFS Capital Corporation since 2014. Mr. Cerny also serves as a Senior Managing Director of Orchard First Source Capital, Inc., as a Vice President of OFSAM, and as a member of OFSAM's investment and executive committees. Mr. Cerny oversees the finance and accounting functions of Hancock Park and OFS Capital Corporation as well as the underwriting, credit monitoring and CLO portfolio compliance for OFS Advisor's syndicated senior loan business. Prior to joining OFSAM in 1999, Mr. Cerny held various positions at Sanwa Business Credit Corporation, American National Bank and Trust Company of Chicago and Charter Bank Group, a multi-bank holding company. Mr. Cerny holds a B.S. in Finance from Northern Illinois University, a Masters of Management in Finance and Economics from Northwestern University's J.L. Kellogg School of Management, and a J.D. from DePaul University's School of Law. Mr. Cerny brings to our Board extensive accounting and financial experience and expertise. He is also an experienced investor, including lending, structuring and workouts which makes him an asset to our board of directors. The breadth of his background and experience enables Mr. Cerny to provide unique insight into our strategic process and into the management of our investment portfolio.	2	OFS Capital Corporation, a BDC managed by OFS Advisor

(1) The address of each director is 10 S. Wacker Drive, Suite 2500, Chicago, IL 60606.

(2) The "Fund Complex" includes the Company, OFS Capital Corporation and Hancock Park Corporate Income, Inc.

(3) Designated as a preferred stock director.



## Compensation of Directors

The following table sets forth the compensation paid to our directors for the year ended October 31, 2019:

Name of Director	Fees Earned <sup>(2)</sup>	All Other Compensation	Total Compensation from OFS Credit	Total Compensation from Fund Complex
<b>Independent Directors</b>				
Robert J. Cresci <sup>(3)</sup>	\$ 26,413	\$ —	\$ 26,413	\$ 138,913
Kathleen M. Griggs	60,000	—	60,000	60,000
Wolfgang Schubert <sup>(3)</sup>	33,587	—	33,587	33,587
Romita Shetty	60,000	—	60,000	60,000
<b>Interested Directors</b>				
Bilal Rashid <sup>(1)</sup>	—	—	—	—
Jeffrey A. Cerny <sup>(1)</sup>	—	—	—	—

(1) No compensation is paid to directors who are “interested persons.”

(2) Each independent director receives an annual fee of \$50,000. In addition, the chairman of each committee receives an annual fee of \$10,000 for his or her additional services in this capacity. The annual fee that each independent director receives will increase to \$75,000 when the Company's net asset value reaches \$125.0 million. We also reimburse our independent directors for reasonable out-of-pocket expenses incurred in attending our Board and committee meetings, which is not considered fees earned nor compensation. We have obtained directors' and officers' liability insurance on behalf of our directors and officers.

(3) On May 23, 2019, the Board of Directors appointed Robert J. Cresci as a director to replace Wolfgang Schubert, who resigned from the Board of Directors as of May 23, 2019.

## Director Ownership of Company Shares

The table below sets forth the dollar range of the value of shares of our common stock that are owned beneficially by each director as of October 31, 2019. For purposes of this table, beneficial ownership is defined to mean a direct or indirect pecuniary interest.

Name of Director	Dollar Range of Equity Securities in the Company as of October 31, 2019 <sup>(1)</sup>
<b>Independent Directors</b>	
Robert J. Cresci	None
Kathleen M. Griggs	None
Romita Shetty	None
<b>Interested Directors</b>	
Bilal Rashid	Over \$100,000 <sup>(2)</sup>
Jeffrey A. Cerny	Over \$100,000 <sup>(2)</sup>

(1) Dollar ranges are as follows: None, \$1 – \$10,000, \$10,001 – \$50,000, \$50,001 – \$100,000 and over \$100,000.

(2) Messrs. Rashid and Cerny beneficially own securities of the Company through their indirect ownership of an affiliate of OFS Advisor. Messrs. Rashid and Cerny each own shares of the Company's common stock directly and each may be deemed to beneficially own the shares of the Company's common stock that OFSAM owns.

## Officers Who Are Not Directors

Information regarding the Company's officers who are not directors is as follows:

Name	Age	Position
Jeffery S. Owen	55	Chief Accounting Officer
Mukya S. Porter	45	Chief Compliance Officer
Tod Reichert	58	Corporate Secretary

The following is information concerning the business experience of our officers.

**Jeffery S. Owen** has served as our Chief Accounting Officer since 2017 and has served as the Chief Accounting Officer of Hancock Park Corporate Income, Inc. and OFS Capital Corporation since 2016. Mr. Owen also serves as the Chief Accounting Officer and Controller of OFS Advisor. Mr. Owen has over 25 years of experience in public and private accounting. Prior to joining OFSAM in November of 2015, Mr. Owen served as Senior Vice President of Corporate Accounting for Northern Trust Corporation. Before joining Northern Trust Corporation in 2010, he held various positions at Aon Corporation, Web Street, Inc., CNA Financial Corporation, and Ernst & Young LLP, an international public accounting firm. Mr. Owen holds a Bachelor of Accountancy from the University of Oklahoma and a Masters of Business Administration from The University of Chicago Graduate School of Business. Mr. Owen is also a Certified Public Accountant and a CFA charterholder.

**Mukya S. Porter** has served as our Chief Compliance Officer since 2017 and has served as the Chief Compliance Officer of Hancock Park Corporate Income, Inc., OFS Capital Corporation and OFS Advisor since 2017, and CIM Real Assets & Credit Fund since 2019, in which capacity she oversees the compliance and risk management functions. Prior to her appointment, Ms. Porter served as Deputy Chief Compliance Officer and General Counsel-Compliance of CIM Group, having joined the firm in August 2016 and is responsible for management of the day-to-day responsibilities of CIM's compliance program. From June 2012 to August 2016, Ms. Porter served as a Senior Vice President of Compliance at Oaktree Capital Management, L.P. ("Oaktree"), an alternative investment adviser, where she was responsible for oversight of the firm's code of ethics program and the day-to-day management of an affiliated limited-purpose broker dealer. Prior to Oaktree, Ms. Porter held the position of Vice President and Senior Compliance Officer at Pacific Investment Management Company ("PIMCO") from 2010 to 2012 and prior to that, from 2004 to 2010, worked, first, as a Vice President in the Legal department at Morgan Stanley Global Wealth Management and, subsequently, as a Vice President of Compliance at Morgan Stanley Investment Management. Ms. Porter received a Bachelor of Science degree, magna cum laude, in Biology from Howard University in 1996 and a J.D. from the University of California, Berkeley School of Law in 2001.

**Tod K. Reichert** has served as our Corporate Secretary since 2017, as the Corporate Secretary of Hancock Park Corporate Income, Inc. and OFS Capital Corporation since 2017, and as Managing Director, Legal and Administration and General Counsel of OFS Advisor, in which capacity he oversees the legal and administration functions of the firm. Mr. Reichert has over 20 years of experience as a strategic business partner, providing advice on general corporate governance and transactional matters, with a focus on securities laws, compliance, corporate finance, debt and equity investments, and mergers and acquisitions. Prior to joining OFS Advisor, Mr. Reichert served as General Counsel, Chief Compliance Officer and Corporate Secretary of MCG Capital Corporation (Nasdaq: MCGC), managing the legal and compliance departments, overseeing complex litigation, and providing securities law, disclosure and transactional advice to the Board of Directors and senior management team, while serving as a member of the MCG credit committee and the Small Business Investment Company investment committee. Prior to joining MCG, Mr. Reichert worked as an attorney in private practice in New York, Princeton and Boston. Mr. Reichert received his J.D. from the Rutgers University School of Law - Newark and his BFA from the University of North Carolina.

#### **Conflicts of Interest**

Subject to certain 1940 Act restrictions on co-investments with affiliates, OFS Advisor will offer us the right to participate in investment opportunities that it determines are appropriate for us in view of our investment objective, policies and strategies and other relevant factors. Such offers will be subject to the exception that, in accordance with OFS Advisor's allocation policy, we might not participate in each individual opportunity but will, on an overall basis, be entitled to participate fairly and equitably over time with other entities managed by OFS Advisor and its affiliates.

To the extent that we compete with entities managed by OFS Advisor or any of its affiliates for a particular investment opportunity, OFS Advisor will allocate investment opportunities across the entities for which such opportunities are appropriate, consistent with (i) its internal allocation policy, (ii) the requirements of the Advisers Act, and (iii) certain restrictions under the 1940 Act and rules thereunder regarding co-investments with affiliates. OFS Advisor's allocation policy is intended to ensure that we may generally share fairly and equitably with other investment funds or other investment vehicles managed by OFS Advisor or its affiliates in investment opportunities that OFS Advisor determines are appropriate for us in view of our investment objective, policies and strategies and other relevant factors, particularly those involving a security with limited supply or involving differing classes of securities of the same issuer that may be suitable for us and such other investment funds or other investment vehicles. Under this allocation policy, if two or more investment vehicles with similar or overlapping investment strategies are in their investment periods, an available opportunity will be allocated based on the provisions governing allocations of such investment opportunities in the relevant organizational, offering or similar documents, if any, for such investment vehicles. In the absence of any such provisions, OFS Advisor will consider the following factors and the weight that should be given with respect to each of these factors:

- investment guidelines and/or restrictions, if any, set forth in the applicable organizational, offering or similar documents for the investment vehicles;
- the status of tax restrictions and tests and other regulatory restrictions and tests;
- risk and return portfolio of the investment vehicles;
- suitability/priority of a particular investment for the investment vehicles;
- if applicable, the targeted position size of the investment for the investment vehicles;
- level of available cash for investment with respect to the investment vehicles;
- total amount of funds committed to the investment vehicles; and
- the age of the investment vehicles and the remaining term of their respective investment periods, if any.

When not relying on exemptive relief from the SEC that permits us to co-invest in portfolio companies with certain other funds managed by OFS Advisor provided we comply with certain conditions (the "Order"), priority as to opportunities will generally be given to clients that are in their "ramp-up" period, or the period during which the account has yet to reach sufficient scale such that its investment income covers its operating expenses, over the accounts that are outside their ramp-up period but still within their investment or re-investment periods. However, application of one or more of the factors listed above, or other factors determined to be relevant or appropriate, may result in the allocation of an investment opportunity to a fund no longer in its ramp-up period over a fund that is still within its ramp-up period.

In situations where co-investment with such other accounts is not permitted or appropriate, such as when there is an opportunity to invest in different securities of the same issuer, OFS Advisor will need to decide which account will proceed with the investment. The decision by OFS Advisor to allocate an opportunity to another entity could cause us to forego an investment opportunity that we otherwise would have made.

**Co-Investment With Affiliates.** In certain instances, we may co-invest on a concurrent basis with other accounts managed by the Advisor or certain of its affiliates, subject to compliance with applicable regulations and regulatory guidance and our written allocation procedures. On October 12, 2016, OFS Advisor and certain funds that it manages received the Order, which we are able to rely on, that permits us to co-invest in portfolio companies with certain other funds managed by OFS Advisor provided we comply with certain conditions. Pursuant to the Order, we are generally permitted to co-invest with such funds if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transactions, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. We have applied for a new exemptive order (the "New Order"), which, if granted, would supersede the Order and would permit us greater flexibility to enter into co-investment transactions. There can be no assurance that we will obtain such new exemptive relief from the SEC. A copy of our application for exemptive relief, including all of the conditions, and the related order are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

The staff of the SEC has granted no-action relief permitting purchases of a single class of privately placed securities provided that the adviser negotiates no term other than price and certain other conditions are met. As a result, unless under the Order, we only expect to co-invest on a concurrent basis with certain funds advised by OFS Advisor when each of us will own the same securities of the issuer and when no term is negotiated other than price. Any such investment would be made, subject to compliance with existing regulatory guidance, applicable regulations and OFS Advisor's allocation policy. If opportunities arise that would otherwise be appropriate for us and for another fund advised by OFS Advisor to invest in different securities of the same issuer, OFS Advisor will need to decide which fund will proceed with the investment. The decision by OFS Advisor to allocate an opportunity to another entity could cause us to forego an investment opportunity that we otherwise would have made. Moreover, except in certain circumstances, we will be unable to invest in any issuer in which another fund advised by OFS Advisor has previously invested.

## Portfolio Information

The Company files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, within sixty days after the end of the relevant period. Beginning in 2020, the Fund will cease filing its complete schedule of portfolio holdings on Form N-Q, and will begin to file its complete schedule of portfolio holdings with the SEC on Form N-PORT. Form N-Q filings of the Company are available on the SEC's website at <http://www.sec.gov>. This information is also available free of charge by contacting the Company by mail at 10 S. Wacker Drive, Suite 2500, Chicago, IL 60606 by telephone at (847) 734-2000 or on its website at <http://www.ofscreditcompany.com>

## Proxy Voting Records

Information regarding how OFS Advisor voted proxies relating to the Company's portfolio securities is available: (1) without charge, upon request, by calling collect (847) 734-2000; and (2) on the SEC's website at <http://www.sec.gov>. You may also obtain information about how OFS Advisor voted proxies by making a written request for proxy voting information to: OFS Capital Management, LLC, 10 S. Wacker Drive, Suite 2500, Chicago, IL 60606.

## SUBMISSION OF MATTERS TO A VOTE OF STOCKHOLDERS

On August 20, 2019, the Company held its 2019 Annual Meeting of Stockholders (the "Annual Meeting"). There were present at the Annual Meeting in person or by proxy stockholders holding an aggregate of 2,891,700 shares of the Company's outstanding securities, out of a total number of 3,357,759 shares of the Company's issued and outstanding securities entitled to vote at the Annual Meeting. The following matters were submitted at the Annual Meeting to the Company's stockholders for consideration:

1. The election of a Class I director who will serve for three years, or until his successor is elected and qualified; and
2. The ratification of the selection by the Audit Committee of the Company's Board of Directors of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending October 31, 2019.

Bilal Rashid was elected to serve as a Class I Director until the 2022 annual meeting of stockholders, or until his successor is elected and qualified, and the appointment of KPMG LLP as the independent registered public accounting firm for the Company for the fiscal year ending October 31, 2019 was ratified.

The detailed final voting results of the shares voted with regard to each of these matters are as follows:

1. Election of the Class I director:

	For	Withheld
Bilal Rashid	2,667,012	224,688

Continuing directors whose terms did not expire at the Annual Meeting were as follows: Robert J. Cresci and Romita Shetty are currently serving as Class II directors, whose terms expire in 2020 and Kathleen M. Griggs and Jeffrey A. Cerny are currently serving as Class III directors, whose terms expire in 2021.

1. Ratification of the selection by the Audit Committee of the Company's Board of Directors of KPMG LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending October 31, 2019:

For	Against	Abstain
2,881,828	6,532	3,340

## Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of OFS Advisor and its affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

*[End of Annual Report]*



OFS CREDIT

**OFS Credit Company, Inc.**

10 South Wacker Drive, Suite 2500  
Chicago, IL 60606  
(847) 734-2000

**Investment Adviser**

OFS Capital Management, LLC  
10 South Wacker Drive, Suite 2500  
Chicago, IL 60606  
(847) 734-2000

**Transfer Agent, Registrar, Dividend  
Disbursement and Stockholder Servicing Agent**

American Stock Transfer and Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219  
(800) 937-5449

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

**OFS CREDIT**

## Item 2. Code of Ethics.

OFS Credit Company, Inc. (the "Registrant") has adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions, and is filed herewith. Our code of ethics was amended on July 30, 2019, to include changes that document i) the supervisory oversight applicable to the Chief Compliance Officer and compliance staff, ii) the compliance pre-approval requirement for transactions involving affiliated securities and that pre-approvals are valid for three business days, iii) the compliance disclosure requirement involving any acquisition by an access person or his/her related person or family member of an interest in a public company that exceeds five percent, iv) that supervised persons must seek pre-approval of charitable contributions at the request or for the benefit of a public official or public official's immediate family member, and v) that the cybersecurity security policy is incorporated into the code of ethics by reference. We did not grant any waivers, including implicit waivers, from any provisions of the code of ethics during the year covered by this report. Our code of ethics can also be accessed via our website at [www.ofscreditcompany.com](http://www.ofscreditcompany.com).

## Item 3. Audit Committee Financial Expert.

The Registrant's Board has determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The Board of the Registrant has determined that Kathleen M. Griggs and Robert J. Cresci satisfy the requirements of an audit committee financial expert. Ms. Griggs and Mr. Cresci are "independent" within the meaning of that term used in Form N-CSR.

## Item 4. Principal Accountant Fees and Services.

(a) **Audit Fees.** The aggregate fees billed for professional services rendered by KPMG LLP ("KPMG"), the Registrant's independent registered public accounting firm, for the audit of the Registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years ended October 31, 2019 and October 31, 2018 were \$227,237 and \$120,000, respectively. The audit fees for fiscal year end 2019 include fees in connection with securities offerings of \$69,237. The audit fees for fiscal year 2018 include \$85,000 borne by the Company, and \$35,000 paid by the Advisor related to services rendered prior to the Offering.

(b) **Audit-Related Fees.** The aggregate fees billed for assurance and related services by KPMG that are reasonably related to the performance of the audit of the registrant's financial statements and not reported under paragraph (a) of this Item 4 for the fiscal years ended October 31, 2019 and October 31, 2018 were \$-0- and \$-0-, respectively.

(c) **Tax Fees.** The aggregate fees billed for professional services by KPMG for tax compliance, tax advice and tax planning in the fiscal years ended October 31, 2019 and October 31, 2018 were \$25,000 and \$10,000, respectively. These fees were incurred in connection with the preparation of the Registrant's RIC tax compliance and related tax advice.

(d) **All Other Fees.** There were no additional fees billed for assurance and related services by KPMG in the fiscal years ended October 31, 2019 and October 31, 2018.

(e)(1) The Registrant's Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by the Registrant's independent registered public accounting firm. This policy generally provides that the Registrant will not engage the independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to one of the pre-approval procedures described below.

Any requests for audit, audit-related, tax and other services that have not received general pre-approval must be submitted to the Audit Committee for specific pre-approval, irrespective of the amount, and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings of the Audit Committee. However, in urgent cases, the Audit Committee chair may pre-approve audit and non-audit services (other than prohibited non-audit services), provided that the Audit Committee chair reports any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent registered accounting firm to management.

(e)(2) 100% of KPMG's services were pre-approved by the Audit Committee.

(f) Not applicable.

(g) The aggregate fees billed for non-audit services rendered to the Registrant were \$25,000 and \$10,000 for the fiscal years ended October 31, 2019 and October 31, 2018, respectively. The aggregate fees billed for audit services rendered to OFS Advisor were \$85,000 and \$-0- for the fiscal years ended October 31, 2019 and October 31, 2018, respectively.

(h) The Registrant's Audit Committee has considered whether the provision of non-audit services that were rendered to OFS Advisor and/or to any entity controlling, controlled by or under common control with OFS Advisor that provides ongoing services to the registrant that were not required to be pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining KPMG's independence.

#### **Item 5. Audit Committee of Listed Registrant.**

The Registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the committee are Kathleen M. Griggs, Robert J. Cresci and Romita Shetty. Ms. Griggs serves as the Chair of the Audit Committee.

#### **Item 6. Investments.**

A schedule of investments is included in the Registrant's report to stockholders under Item 1 herein.

#### **Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies**

We have delegated our proxy voting responsibility to OFS Advisor. The Proxy Voting Policies and Procedures of the Advisor are set forth below. The guidelines will be reviewed periodically by the Advisor and our Independent Directors, and, accordingly, are subject to change. For purposes of these Proxy Voting Policies and Procedures described below, "we," "our" and "us" refers to the Advisor.

##### *Introduction*

An investment adviser registered under the Advisers Act has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, we recognize that we must vote client securities in a timely manner free of conflicts of interest and in the best interests of our clients.

These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

##### *Proxy Policies*

Based on the nature of our investment strategy, we do not expect to receive proxy proposals but may from time to time receive amendments, consents or resolutions applicable to investments held by us. It is our general policy to exercise our voting or consult authority in a manner that serves the interests of our stockholders. We may occasionally be subject to material conflicts of interest in voting proxies due to business or personal relationships we maintain with persons having an interest in the outcome of certain votes. If at any time we become aware of a material conflict of interest relating to a particular proxy proposal, our CCO will review the proposal and determine how to vote the proxy in a manner consistent with interests of our stockholders.

##### *Proxy Voting Records*

Information regarding how we voted proxies relating to portfolio securities is available: (1) without charge, upon request, by calling collect (847) 734-2000; and (2) on the SEC's website at <http://www.sec.gov>. You may also obtain information about how we voted proxies by making a written request for proxy voting information to: OFS Capital Management, LLC, 10 S. Wacker Drive, Suite 2500, Chicago, IL 60606.

#### **Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

The management of the Company's investment portfolio is the responsibility of OFS Advisor and its investment committees (the "Advisor Investment Committees"). The Advisor Investment Committees, including the Structured Credit Investment Committee of OFS Advisor (the "Structured Credit Investment Committee"), are responsible for the overall asset allocation decisions and the evaluation and approval of investments of OFS Advisor's advisory clients that invest in CLO securities.

The purpose of the Structured Credit Investment Committee is to evaluate and approve our prospective investments, subject at all times to the oversight of our Board. The Structured Credit Investment Committee, which is comprised of Richard Ressler (Chairman), Jeffrey Cerny, Bilal Rashid, Glen Ostrander and Kenneth A. Brown, is responsible for the evaluation and approval of all the investments made by us. The members of the senior investment team of OFS Advisor (the "Senior Investment Team")



are our portfolio managers who are primarily responsible for the day-to-day management of the portfolio. The Senior Investment Team is supported by a team of analysts and investment professionals.

The process employed by the Advisor Investment Committees, including the Structured Credit Investment Committee, is intended to bring the diverse experience and perspectives of the committees' members to the investment process. The Structured Credit Investment Committee serves to provide investment consistency and adherence to our core investment philosophy and policies. The Structured Credit Investment Committee also determines appropriate investment sizing and implements ongoing monitoring requirements of our investments.

In addition to reviewing investments, the meetings of the Structured Credit Investment Committee serve as a forum to discuss credit views and outlooks. Potential transactions and deal flow are reviewed on a regular basis. Members of the Advisor's investment team are encouraged to share information and views on credits with members of the Structured Credit Investment Committee early in their analysis. We believe this process improves the quality of the analysis and assists the deal team members in working efficiently.

None of the members of the Senior Investment Team or the Structured Credit Investment Committee is employed by us or receives any direct compensation from us although some allocated compensation could be borne under the Administration Agreement by certain of those individuals in their capacity under such Administration Agreement. Certain Senior Investment Team members have ownership and financial interests in, and may receive compensation and/or profit distributions from, OFSAM, an affiliate of our Advisor, and/or its subsidiaries. These individuals receive compensation from OFS Advisor that includes an annual base salary, an annual discretionary bonus and a portion of the distributions made by OFS Advisor, a portion of which may relate to the incentive fee or carried interest earned by OFS Advisor in connection with its services to us.

Information regarding the Structured Credit Investment Committee is as follows:

<b>Name <sup>(1)</sup></b>	<b>Age</b>	<b>Position</b>
Richard Ressler	61	Chairman of Structured Credit Investment Committee
Bilal Rashid <sup>(2)</sup>	48	President and Senior Managing Director of OFS Advisor
Jeffrey A. Cerny <sup>(2)</sup>	56	Senior Managing Director of OFS Advisor
Glen Ostrander <sup>(2)</sup>	45	Managing Director of OFS Advisor
Kenneth A. Brown <sup>(2)</sup>	46	Managing Director of OFS Advisor

(1) The address for each member of the Senior Investment Team is c/o OFS Capital Management, LLC, 10 S. Wacker Drive, Suite 2500, Chicago, IL 60606.

(2) Member of the Senior Investment Team

## Members of the Structured Credit Investment Committee Who Are Not Our Directors or Officers

**Richard S. Ressler** is the founder and President of Orchard Capital Corp. ("Orchard Capital"), a firm through which Mr. Ressler oversees companies in which Orchard Capital or its affiliates invest. Through his affiliation with Orchard Capital, Mr. Ressler serves in various senior capacities with, among others, CIM Group, LLC (together with its controlled affiliates, "CIM"), a vertically-integrated owner, operator and developer of real assets, as well as a lender of debt secured by real assets, OFSAM, a full-service provider of capital and leveraged finance solutions to U.S. corporations, and OCV Management, LLC ("OCV"), an investor, owner and operator of technology companies. Mr. Ressler also serves as a board member for various public and private companies in which Orchard Capital or its affiliates invest, including as chairman of j2 Global, Inc. (NASDAQ "JCOM"), director of Presbia PLC (NASDAQ "LENS"), and chairman of CIM Commercial Trust Corporation (NASDAQ "CMCT"). Mr. Ressler served as Chairman and CEO of JCOM from 1997 to 2000 and, through an agreement with Orchard Capital, currently serves as its non-executive Chairman. Mr. Ressler has served as a director of LENS since January 2015 and as chairman of CMCT since March 2014. Since February 2018, Mr. Ressler has also served as chief executive officer, president and a director of CIM Real Estate Finance Trust, Inc., CIM Income NAV, Inc. and Cole Office & Industrial REIT (CCIT III), Inc., three publicly held non-listed REITs managed by affiliates of CIM, and as chairman of the board for each of these entities since August 2018. Mr. Ressler has also served as a director of Cole Credit Property Trust V, Inc. and Cole Office & Industrial REIT (CCIT II), Inc., two other public non-traded REITs managed by affiliates of CIM, since January 2019. Mr. Ressler co-founded CIM in 1994 and, through an agreement with Orchard Capital, chairs its executive, investment, credit, allocation and asset management committees. CIM Capital, LLC, its relying advisers, and CIM Capital IC Management, affiliates of CIM, are registered with the United States Securities and Exchange Commission as registered investment advisers. Mr. Ressler co-founded the predecessor of OFSAM in 2001 and, through an agreement with Orchard Capital, chairs its executive committee. OFS Capital Management, LLC and OFS CLO Management, LLC, affiliates of OFSAM, are registered with the SEC as registered investment advisers. Mr. Ressler co-founded OCV in 2016 and, through an agreement with Orchard Capital, chairs its executive committee. OCV relies on an exemption from registration with the SEC.

**Glen Ostrander** is a Managing Director of OFS Advisor and focuses on structured products investment activities of the firm, capital markets related activities, fundraising, and strategic initiatives. Mr. Ostrander has more than 18 years of experience in investing, banking and debt capital markets relating to securitization, corporate credit, and structured credit. Mr. Ostrander has been involved in the CLO market since the late 1990s, with experience in the creation and full life cycle of various types of CLOs through multiple credit cycles. Prior to joining OFS Advisor in 2009, Mr. Ostrander worked within the Global Markets & Investment Banking division at Merrill Lynch. Prior to joining Merrill Lynch, he was a Vice President at Wachovia Capital Markets from 1998 to 2006, and worked at International Business Machines and Koch Industries. Throughout his experience at Wachovia Capital Markets, Merrill Lynch, and OFS Advisor, Mr. Ostrander has been involved in the structuring of CLO transactions, investing throughout the CLO capital structure, and the creation and vetting of CLO managers. Mr. Ostrander holds a Bachelor of Science in Accounting from Belmont Abbey College.

**Kenneth A. Brown** is a Managing Director of OFS Advisor and is responsible for leading the underwriting, credit monitoring and trading functions for the Broadly Syndicated Loan Group at OFS, as well as managing relationships with agent/investment banks. Mr. Brown's experience spans more than 24 years working in leveraged finance and public accounting. Mr. Brown has been involved in the leveraged finance/CLO market since the late 1990s, with experience underwriting, managing, and sourcing leveraged loans as well as managing CLO's through multiple cycles. Prior to joining OFS Advisor in 2007, Mr. Brown was a Vice President at GE Antares Capital, wherein Mr. Brown focused on direct underwriting/portfolio management activities, including workout situations, focused on private equity-backed transactions. Prior to GE Antares Capital, Mr. Brown was at First Source Financial, focused on underwriting direct and participation interests, as well as managing portfolios of leveraged loans. Mr. Brown started his career with Arthur Andersen LLP, a national public accounting firm, as an auditor. Mr. Brown holds a Bachelor of Science in Accountancy from the University of Illinois at Urbana-Champaign and a Master of Business Administration from the University of Chicago's Booth School of Business, with concentrations in Finance and Strategic Management. Mr. Brown has also earned his CPA certification.

The table below shows the dollar range of shares of our common stock beneficially owned by the members of the Senior Investment Team.

Name of Senior Investment Team Member	Dollar Range of Equity Securities Beneficially Owned as of October 31, 2019 <sup>(1)(2)</sup>
Bilal Rashid	\$100,001 - \$500,000 <sup>(3)</sup>
Jeffrey A. Cerny	\$100,001 - \$500,000 <sup>(3)</sup>
Glen Ostrander	\$100,001 - \$500,000
Kenneth A. Brown	\$50,001 - \$100,000

(1) Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Exchange Act of 1934.

(2) Dollar ranges are as follows: None, \$1 – \$10,000, \$10,001 – \$50,000, \$50,001 – \$100,000, \$100,001 – \$500,000, \$500,001 – \$1,000,000 and over \$1,000,000.

(3) Mr. Rashid and Mr. Cerny beneficially own securities of the Company directly, and through their indirect ownership of an affiliate of OFS Advisor, and through their indirect ownership of OFSAM.

Messrs. Rashid, Cerny, and Brown also perform a similar role for other pooled investment vehicles managed by OFS Advisor and its affiliates, with a total amount of approximately \$2.2 billion of committed assets under management as of September 30, 2019 from which OFS Advisor and OFSAM may receive incentive fees. As a result, Messrs. Rashid, Cerny and Brown may be subject to certain conflicts of interests with respect to their management of the Registrant’s portfolio on the one hand, and their respective obligations to manage other pooled investment vehicles managed by OFS Advisor and its affiliates on the other hand.

The following table sets forth other accounts within each category listed for which members of the Senior Investment Team are jointly and primarily responsible for day-to-day portfolio management as of October 31, 2019. Each of the accounts is subject to a performance fee.

Portfolio Manager	Registered Investment Companies <sup>(1)</sup>		Other Pooled Investment Vehicle	
	Number of Accounts	Total Assets (in millions)	Number of Accounts	Total Assets (in millions)
Bilal Rashid	3	\$ 626.0	8	\$ 1,539.1
Jeffrey A. Cerny	3	626.0	8	1,539.1
Glen Ostrander	3	626.0	8	1,539.1
Kenneth A. Brown	1	74.1	8	1,539.1

(1) Includes, for purposes of this table, closed-end funds that have elected to be regulated as business development companies.

#### Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

There have been no purchases by or on behalf of the Company of shares or other units of any class of the Company’s equity securities that are registered pursuant to Section 12 of the Exchange Act during the period covered by this report.

#### Item 10. Submission of Matters to a Vote of Security Holders.

There have been no material changes to the procedures by which stockholders may recommend nominees to the Registrant’s Board.

#### Item 11. Controls and Procedures.

(a) Based on an evaluation of the Disclosure Controls and Procedures (as defined in Rule 30a-3(c) under the 1940 Act, the “Disclosure Controls”) as of a date within 90 days prior to the filing date (the “Filing Date”) of this Form N-CSR (the “Report”), the Chief Executive Officer and Chief Financial Officer have concluded that the Disclosure Controls are reasonably designed to ensure that information required to be disclosed by the Company in the Report is recorded, processed, summarized and reported by the Filing Date, including ensuring that information required to be disclosed in the Report is accumulated and communicated to the Company’s management, including the Company’s principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the Company's internal control over financial reporting (as defined in Rule 30a-3 (d) under the 1940 Act) that occurred during the Company's last fiscal quarter of the period covered by this report that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

The Registrant did not engage in securities lending activity during the fiscal year ended October 31, 2019.

**Item 13. Exhibits.**

- (a)(1) [Joint Code of Ethics of the Registrant and OFS Capital Management, LLC filed herewith.](#)
- (a)(2) [Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.](#)
- (b) [Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 furnished herewith.](#)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**OFS CREDIT COMPANY, INC.**

By: /s/ Bilal Rashid  
Bilal Rashid  
Chief Executive Officer  
Date: December 17, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Bilal Rashid  
Bilal Rashid  
Chief Executive Officer  
Date: December 17, 2019

By: /s/ Jeffrey A. Cerny  
Jeffrey A. Cerny  
Chief Financial Officer  
Date: December 17, 2019

**OFS Capital Management, LLC  
OFS CLO Management, LLC  
OFS Capital Corporation  
OFS Credit Company, Inc.  
Hancock Park Corporate Income, Inc.**

**Code of Ethics**

**Restated and Adopted on July 30, 2019**

This Code of Ethics is the property of OFS Capital Management, LLC and certain affiliated entities and must be returned to it if an individual's association with it terminates for any reason.

The content of this Code of Ethics is confidential, and should not be revealed to third parties without the consent of the Chief Compliance Officer ("CCO"). The policies and procedures set forth herein supersede previous versions.

## TABLE OF CONTENTS

Page

I.	<a href="#">GENERAL (CODE OF ETHICS)</a>	1
A.	<a href="#">INTRODUCTION</a>	3
B.	<a href="#">STATEMENT OF STANDARDS OF BUSINESS CONDUCT</a>	3
C.	<a href="#">PERIODIC COMPLIANCE AND TRAINING</a>	7
D.	<a href="#">ACKNOWLEDGMENT</a>	7
E.	<a href="#">REPORTING AND SANCTIONS</a>	7
F.	<a href="#">ADDITIONAL RESTRICTIONS AND WAIVERS BY OFS ADVISER AND THE OFS FUNDS</a>	8
G.	<a href="#">REVIEW BY THE BOARD OF DIRECTORS OF EACH OFS FUND</a>	8
H.	<a href="#">CCO REPORTING</a>	9
I.	<a href="#">CCO AND COMPLIANCE OVERSIGHT</a>	9
J.	<a href="#">CONFIDENTIALITY</a>	10
K.	<a href="#">CONFLICT WITH EMPLOYEE HANDBOOK</a>	10
II.	<a href="#">PERSONAL INVESTMENT POLICY</a>	11
A.	<a href="#">INTRODUCTION AND DEFINITIONS</a>	11
B.	<a href="#">RECORDKEEPING AND REPORTING REQUIREMENTS</a>	13
1.	<a href="#">Reports</a>	13
2.	<a href="#">Determining Whether an Account is an Affiliated Account</a>	14
3.	<a href="#">Managed Accounts</a>	15
4.	<a href="#">Non-Transferable Accounts</a>	15
5.	<a href="#">Transactions Subject to Review</a>	16
C.	<a href="#">STATEMENT OF RESTRICTIONS</a>	16
1.	<a href="#">Restricted List</a>	16
2.	<a href="#">Private Placements and Initial Public Offerings</a>	18
3.	<a href="#">Trades by OFS Fund Directors</a>	18

## TABLE OF CONTENTS (cont'd)

Page

4. [Trades of OFS Fund Securities or CMCT](#) 18
5. [Trades by Access Persons Serving on Company Boards](#) 18
6. [No Personal Trades Through OFS Adviser's Traders](#) 19
7. [Use of Brokerage for Personal or Family Benefit](#) 19
8. [No "Front Running"](#) 19

### D. [REQUIREMENTS OF DISINTERESTED DIRECTORS](#) 19

## III. [INSIDE INFORMATION POLICY](#) 20

### A. [INTRODUCTION](#) 20

### B. [KEY TERMS](#) 20

1. [What is a "Security"?](#) 21
2. [Who is an Insider?](#) 21
3. [What is Material Information?](#) 22
4. [What is Nonpublic Information?](#) 23
5. [Contacts with Companies](#) 23
6. [Tender Offers](#) 23
7. [Penalties for Insider Trading](#) 23

### C. [INSIDER TRADING PROCEDURES](#) 24

1. [Identifying Inside Information](#) 24
2. [Restricting Access to Material and Nonpublic Information](#) 24
3. [Review and Dissemination of Certain Investment Related Information](#) 25
4. [Determination of Materiality](#) 25
5. [Policies and Procedures Relating to Paid Research Consultants and Expert Network Firms Regarding Securities](#) 25

## IV. [GIFTS, ENTERTAINMENT AND POLITICAL ACTIVITIES](#) 28

### A. [INTRODUCTION](#) 28



## TABLE OF CONTENTS (cont'd)

Page

<u>B.</u>	<u>GIFTS AND ENTERTAINMENT POLICY</u>	28
1.	<u>Business Meals</u>	29
2.	<u>Providing Gifts</u>	29
3.	<u>Receiving Gifts</u>	30
4.	<u>Entertainment</u>	30
5.	<u>Travel and Lodging</u>	30
6.	<u>Providing Meals, Gifts and Entertainment to Public Officials and Union Employees</u>	30
7.	<u>Receipt of Meals, Gifts or Entertainment by Traders from Brokers/Agent Bank Employees</u>	31
8.	<u>Charitable Contributions</u>	31
<u>C.</u>	<u>POLITICAL ACTIVITY POLICY</u>	32
1.	<u>Introduction</u>	33
2.	<u>Indirect Violations</u>	33
3.	<u>Periodic Disclosure</u>	33
<u>V.</u>	<u>OUTSIDE AFFILIATIONS POLICY</u>	34
<u>A.</u>	<u>OUTSIDE BUSINESS ACTIVITIES</u>	34
<u>B.</u>	<u>DIRECTOR AND OFFICER POSITIONS</u>	34
<u>C.</u>	<u>EMPLOYEE RELATIONSHIPS</u>	35
<u>VI.</u>	<u>ANTI-CORRUPTION POLICY</u>	36
<u>VII.</u>	<u>IT ACCEPTABLE USE POLICY</u>	39
<u>VIII.</u>	<u>CYBERSECURITY POLICY</u>	40
<u>IX.</u>	<u>PERSONAL USE OF FIRMS RESOURCES AND RELATIONSHIPS POLICY</u>	41

## I. **GENERAL (CODE OF ETHICS)**

### A. **INTRODUCTION**

The Code of Ethics (“Code”) has been jointly adopted by OFS Capital Management and OFS CLO Management, LLC (collectively, “OFS Adviser” or the “Firm”) and certain entities that are controlled by or under common control with OFS Capital Management (“Affiliates”), as determined from time to time by Senior Management, and each of OFS Capital Corporation, Hancock Park Corporate Income, Inc., OFS Credit Company, Inc. and any investment company that OFS Adviser may sponsor and/or manage from time to time (each, an “OFS Fund” and collectively, “OFS Funds”) in order to establish applicable policies, guidelines and procedures that promote ethical practices and conduct by all Supervised Persons of OFS Adviser, including, but not limited to, certain employees, interns, temporary employees, principals and others designated by Compliance, and that prevent violations of applicable laws including the Investment Advisers Act of 1940, as amended (“Advisers Act”) and the Investment Company Act of 1940, as amended (“Company Act”).<sup>1</sup> “Supervised Person” is defined as any director, officer, member or employee (or other person occupying similar status or performing similar functions) of OFS Adviser or any other person who provides investment advice on behalf of OFS Adviser and is subject to the supervision and control of OFS Adviser.<sup>2</sup> Unless instructed otherwise or approved by the Compliance Department, temporary employees and consultants will generally be deemed a Supervised Person if the employee’s or consultant’s work assignment or engagement exceeds ninety (90) calendar days. This Code is available to all Supervised Persons on OFS Adviser’s automated compliance system. All Supervised Persons must read it carefully and must verify at least annually (and at such other times that a Compliance Officer may request) that he or she has read, understands, and agrees to abide by the Code.

The Code is designed to address conflicts of interest that may arise in your personal dealings and those in which you engage on behalf of the Firm and its Advisory Clients<sup>3</sup>. The following policies comprise the Code and address certain of these conflicts:

<sup>1</sup> The Code is adopted by OFS Adviser and each OFS Fund pursuant to and in accordance with the requirements of each of Rules 204A-1 and 206(4)-7 under the Advisers Act and Rules 17j-1 and 38a-1 under the Company Act.

<sup>2</sup> The Chief Compliance Officer or his/her designee may consider any director, officer, member, principal or employee, including, but not limited to, intern and temporary employees, of an Affiliate of OFS Adviser to be a Supervised Person of OFS Adviser if the Chief Compliance Officer determines that such person performs services for OFS Adviser, through any staffing or similar agreement, such that the person would constitute a Supervised Person if such person was a director, officer, member, employee, intern or temporary employee of OFS Adviser. The Compliance Department maintains a list of all such persons and whether each person is (1) a Supervised Person and (2) an Access Person and will notify each person of relevant requirements. The majority of OFS Adviser’s personnel are employees of Orchard First Source Capital, Inc., an Affiliate of OFS Adviser.

<sup>3</sup> Advisory Client means any individual, group of individuals, partnership, trust, company or other investment fund entity for whom OFS Adviser acts as investment adviser. For example, any OFS Fund is an Advisory Client. For the avoidance of doubt, Advisory Clients include public and private investment funds, including comingled funds and single investor funds (“Funds”) and managed accounts managed by OFS Adviser, but do not include the underlying individual investors in such Funds (“Investors”), although certain protections afforded to Advisory Clients pursuant to this Code do extend to Investors through Rule 206(4)-8 of the Advisers Act.

- the Personal Investment Policy,
- the Inside Information Policy,
- the Gifts and Entertainment Policy,
- Political Activity Policy,
- Outside Affiliations Policy,
- Anti-Corruption Policy,
- CIM Computer Acceptable Use Policy; and
- Personal Use of the Firm's Resources and Relationships Policy

OFS Adviser and each OFS Fund require that all Supervised Persons observe the applicable standards of care set forth in these policies and not seek to evade the provisions of the Code in any way, including through indirect acts by Related Persons or other associates.

All activities involving the OFS Funds are subject to the Company Act and the policies and procedures adopted by each OFS Fund in connection therewith as set forth in the Rule 38a-1 Compliance Manual ("38a-1 Manual") for each OFS Fund. The obligations set forth in the Code and the 38a-1 Manual are in addition to and not in lieu of the policies and procedures set forth in the Firm's Employee Handbook and any other Compliance Policies adopted by OFS Adviser in respect of the conduct of its business.

## B. STATEMENT OF STANDARDS OF BUSINESS CONDUCT

As a fundamental mandate, OFS Adviser and each OFS Fund demand the highest standards of ethical conduct and care from all Supervised Persons and OFS Fund Directors. Supervised Persons and OFS Fund Directors must abide by this basic business standard and must not take inappropriate advantage of their position with the Firm or OFS Fund. Each Supervised Person and OFS Fund Director is under a duty to exercise his or her authority and responsibility for the primary benefit of our Advisory Clients, including the OFS Funds, and the Firm, and may not have outside interests or engage in activities that inappropriately conflict or appear to conflict with the interests of the Firm or its Advisory Clients, including the OFS Funds. Examples of such conflicts include:

- engaging a service provider on behalf of Advisory Clients or the Firm in which you or your Related Person has a financial interest;
- accepting extravagant gifts or entertainment from a potential service provider to the Firm;
- making charitable donations at the request of a prospective Advisory Client when the Advisory Client will directly benefit from such donation;
- contributing to the election campaign of a government official or candidate who has, or will have if elected, the authority to appoint pension plan board members who are responsible for selecting investment advisers for such pension plan;
- purchasing an interest in a company or property that you know the Firm is targeting for investment; and
- assuming an outside position with a company that competes directly with the Firm.

The above list of examples is not exhaustive, and you, as a Supervised Person or OFS Fund Director, are responsible for assessing the unique facts and circumstances of your activities for potential conflicts and consulting with OFS Adviser's Legal and Compliance Departments **prior to** engaging in such activities.

Each Supervised Person and OFS Fund Director must avoid circumstances or conduct that adversely affect or that appear to adversely affect OFS Adviser or its Advisory Clients, including the OFS Funds. Every Supervised Person and OFS Fund Director must comply with applicable federal securities laws and must promptly report suspected violations of the Code to a Compliance Officer. OFS Adviser strictly prohibits retaliation against any individual reporting suspected violations, who, in good faith, seeks help or reports known or suspected violations, including Supervised Persons who assist in making a report or who cooperate in an investigation (*see* Section I.E. Reporting and Sanctions).

### GENERAL GUIDELINES

1. Supervised Persons and OFS Directors may not employ any device, scheme or artifice to defraud an OFS Fund or any Advisory Client, make any untrue statement of a material fact to an OFS Fund or any Advisory Client, or omit to state a material fact necessary in order to make the statements not misleading, engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon an OFS Fund or any other Advisory Client,

engage in any manipulative practice with respect to an OFS Fund or any other Advisory Client, or engage in any manipulative practice with respect to Securities, including price manipulation.

2. Except with the prior approval of a Compliance Officer, in consultation with a Supervised Person's supervisor and/or Senior Management, a Supervised Person may not act as a director, officer, general partner, managing member, principal, proprietor, consultant, agent, representative, trustee or employee of any unaffiliated public or private entity or business other than an OFS Fund, OFS Adviser, or an Affiliate of OFS Adviser. (See Section IV)
3. All Supervised Persons must disclose to OFS Adviser and their respective OFS Fund any interests they may have in any entity that is not affiliated with OFS Adviser or any OFS Fund *and* that has a known business relationship with OFS Adviser, an Affiliate of OFS Adviser or any OFS Fund.
4. Except with the prior approval of a Compliance Officer, and as specifically permitted by law, Supervised Persons may not have a material direct or indirect interest (e.g., as principal, co-principal, agent, member, partner, or material shareholder or beneficiary) in any transaction that conflicts with the interests of OFS Adviser or its Advisory Clients.
5. Except with the prior approval of a Compliance Officer, Access Persons may not invest in any Initial Public Offering ("IPO") or Private Placement<sup>4</sup> (including hedge funds and other private investment vehicles). (See Section II.C.2) This requirement also applies to Private Placements that are Advisory Clients of OFS Adviser, such as OFS Credit Income Fund, L.P.
6. No Supervised Person, except in the course of the rightful exercise of his or her job responsibilities, shall reveal to any other person, information regarding any Advisory Client or any investment or Security transaction being considered, recommended or executed on behalf of any Advisory Client. (See Section III.)
7. No OFS Fund Director, except in the course of the rightful exercise of his or her board responsibilities, shall reveal to any other person information regarding any OFS Fund or any "Portfolio Company", defined as any legal entity in which an OFS Fund or another Advisory Client holds an investment regardless of whether or not the investment is a Security, or any investment or Security transaction being considered, recommended, or executed on behalf of any other Advisory Client. (See Section III.)
8. No Supervised Person shall make any recommendation concerning the purchase or sale of any Security by an Advisory Client without disclosing, to the extent known, the interest of the Firm or any Supervised Person, if any, in such Security or the issuer thereof, including, without limitation (a) any direct or indirect beneficial ownership of any Security of such issuer; (b) any contemplated transaction by such person in such Security; and (c) any present or proposed relationship with respect to such Security, issuer or its affiliates.

4. Private Placement is defined as an offering that is exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to section 4(2) or section 4(5) or pursuant to rule 504, rule 505 or rule 506 thereunder.

9. Subject to certain exceptions permitted by applicable law, each OFS Fund shall not, directly or indirectly extend, maintain or arrange for the extension of credit or the renewal of an extension of credit, in the form of a personal loan to any officer or director of the Fund. Any Supervised Person or person who serves as a director on the board of directors of any OFS Fund (“OFS Fund Director”) who becomes aware that their respective OFS Fund may be extending or arranging for the extension of credit to a director or officer, or person serving an equivalent function, should notify and consult with a Compliance Officer to ensure that the proposed extension of credit complies with this Code and the applicable law.
10. No Supervised Person shall engage in insider trading (as described in the “Inside Information Policy” in Section III.) whether for his or her own benefit or for the benefit of others.
11. No Supervised Person may communicate material, nonpublic information concerning any Security, or its issuer, or Portfolio Company to anyone unless it is properly within his or her duties to do so. No OFS Fund Director may communicate material, nonpublic information concerning any Security of an issuer in which the OFS Fund Director knows, or, in the course of his or her duties as a director, should have known, OFS Fund has a current investment, or with respect to which an investment or Security is Being Considered for Purchase or Sale by any OFS Fund (“OFS Fund Portfolio Security”) or Portfolio Company of their respective OFS Fund to anyone unless it is properly within his or her duties to do so. A Security is “Being Considered for Purchase or Sale” when a recommendation to purchase or sell the Security has been made and communicated and, with respect to the person making the recommendation, when such person seriously considers making such a recommendation. In all cases, a Security which has been recommended for purchase or sale pursuant to an Investment Committee memorandum, presentation, due diligence package or other formal Investment Committee recommendation shall be deemed to be a Security Being Considered for Purchase or Sale.
12. Each Supervised Person shall complete a compliance questionnaire (the “Regulatory Compliance Disclosure”) prior to employment and annually thereafter, within the prescribed deadline, as provided by the Compliance Department, (“Compliance Due Date”) through the Firm’s automated compliance system. Each Supervised Person shall supplement the Regulatory Compliance Disclosure, as necessary, to reflect any material changes between annual disclosures filings, and must immediately notify Compliance if any of the conditions addressed in the Regulatory Compliance Disclosure become applicable to such Supervised Person.
13. Every Supervised Person must avoid any activity that might give rise to a question as to whether the Firm’s objectivity as a fiduciary has been compromised. (See Section V)
14. Access Persons are required to disclose to a Compliance Officer the existence of any account that has the ability to hold any Reportable Securities (e.g., brokerage or trading accounts and IRAs), as well the account’s holdings (immediately upon commencement of employment (which shall include the accounts and holdings of the Access Person’s Related Persons), and in no case later than ten (10) calendar days beyond the Access Person’s start date. Such Accounts must be disclosed even if they contain a zero balance or non-Reportable Securities. Access Persons are required to disclose accounts that are Managed Accounts; however, disclosing the holdings of such Managed Accounts is not required. With limited exceptions provided herein, Access Persons are also required to maintain Non-Managed Accounts capable

of holding Reportable Securities with Approved Brokers, which have contracted to provide holdings and transaction reporting to the Compliance Department on the Firm's automated compliance system. Access Persons must confirm the accuracy and completeness of the information so provided to the Firm on a quarterly and annual basis by the Compliance Due Date. Initial and quarterly reports must disclose the existence of all accounts, even if none of those accounts at the time hold a Reportable Security. (See Section II).

15. The intentional creation, transmission or use of false rumors is inconsistent with the Firm's commitment to high ethical standards and may violate the antifraud provisions of the Advisers Act, among other securities laws of the United States. Accordingly, no Supervised Person may maliciously create, disseminate or use false rumors. This prohibition covers oral and written communications, including the use of electronic communication media such as e-mail, PIN messages, instant messages, tweets, text messages, blogs and chat rooms. Because of the difficulty identifying "false" rumors, the Firm discourages Supervised Persons from creating, passing or using any rumor.

#### **C. PERIODIC COMPLIANCE REPORTING AND TRAINING**

Each Supervised Person is required to complete all assigned compliance certifications and disclosures by the Compliance Due Date. Absent an exemption granted to you by a Compliance Officer, failure to complete such items by the Compliance Due Date will likely constitute a violation of this Code and may result in the imposition of sanctions.

The Compliance Department also presents and/or coordinates mandatory training on this Code at least annually, and may assign mandatory or voluntary training on the Code or other Firm policies at such other times as the Compliance Department deems appropriate. Failure to attend or complete mandatory training sessions, unless excused in writing by a Compliance Officer, will likely constitute a violation of this Code and may lead to the imposition of sanctions. The Compliance Department maintains an attendance or completion list, as appropriate, of all Supervised Persons assigned to such training sessions.

#### **D. ACKNOWLEDGMENT**

Each Supervised Person must certify upon commencement of employment, at least annually thereafter, and at such other times as a Compliance Officer may determine, that he or she has read, understands, is subject to and has complied with the Code. Any Supervised Person who has any questions about the applicability of the Code to a particular situation should promptly consult with a Compliance Officer.

#### **E. REPORTING AND SANCTIONS**

While compliance with the provisions of the Code is anticipated, Supervised Persons should be aware that, in response to any violations, the Firm (or any OFS Fund, as applicable) shall take any action deemed necessary under the circumstances including, but without limitation, the imposition of appropriate sanctions. These sanctions may include, among others, verbal or written warnings, the reversal of trades, reallocation of trades to client accounts, disgorgement of profits, suspension or termination of personal trading or investment privileges, reduction in bonus or bonus opportunity, payment of a monetary fine payable to a recognized charitable organization of the Supervised Person's choice or, in more serious cases, suspension or termination of employment and/or the making of any civil or criminal referral to the appropriate governmental authorities.

Moreover, Supervised Persons are required to promptly report any violation(s) of this Code, any other compliance policies adopted by OFS Adviser or the Rule 38a-1 Manual adopted by any OFS Fund (collectively “Compliance Policies”), or any activity that may adversely affect the Firm’s or any OFS Fund’s business or reputation, to a Compliance Officer. The Compliance Department shall maintain a record of all violations of the Code and any corrective actions taken. Supervised Persons are encouraged to identify themselves when reporting such conduct, but they may also report anonymously. Reporting should be made through a letter to a Compliance Officer or via the telephonic and electronic reporting procedures detailed in the Firm’s “Whistleblower Hotline Information” attached hereto as **Attachment A**. Further, all activities reported by Supervised Persons will be treated anonymously and confidentially (to the extent reasonably practicable) in order to encourage Supervised Persons to come forward with perceived problems. The Firm and each OFS Fund are committed to a full, unbiased review of any matter(s) raised.

The Firm and OFS Fund prohibit retaliation against any such personnel who, in good faith, seeks help or reports known or suspected violations (even if the reported event is determined not to be a violation), including personnel who assist in making a report or who cooperate in an investigation. Any Supervised Person who engages in retaliatory conduct will be subject to disciplinary action, up to and including termination of employment.

**F. ADDITIONAL RESTRICTIONS AND WAIVERS BY OFS ADVISER AND THE OFS FUNDS**

From time to time, a Compliance Officer may determine that it is in the best interests of the Firm to subject certain Supervised Persons or other persons (i.e., consultants and third party service providers) to restrictions or requirements in addition to those set forth in the Code. In such cases, the affected persons will be notified of the additional restrictions or requirements and will be required to abide by them as if they were included in the Code. In addition, under extraordinary circumstances, the Compliance Officer may grant a waiver of certain of these restrictions or requirements contained in the Code on a case by case basis. In order for a Supervised Person to rely on any such waiver, it must be granted in writing.

Any waiver of the requirements of the Code for executive officers of any OFS Fund or any OFS Fund Director may be made only by the respective OFS Fund’s board of directors or a committee of the board, and must be promptly disclosed to shareholders of the OFS Fund as required by law or relevant exchange rule or regulation.

The Compliance Department maintains a log of all requests for exceptions and waivers and the determinations made with respect to such requests.

**G. REVIEW BY THE BOARD OF DIRECTORS OF EACH OFS FUND**

The CCO will prepare a written report to be considered by the board of directors of each OFS Fund (1) quarterly, that identifies any violations of the Code with respect to each OFS Fund requiring significant remedial action during the past quarter and the nature of that remedial action; and (2) annually, that (a) describes any issues arising under the Code since the last written report to the Board, including, but not limited to, information about material violations of the Code and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or procedures based upon each OFS Fund’s and/or OFS Adviser’s experience under the Code, then-prevailing industry practices, or developments in applicable laws or regulations, and (c) certifies that each OFS Fund and OFS Adviser have each adopted procedures reasonably designed to prevent violations of the Code, and of the federal securities laws in accordance with the requirements of the Advisers Act and the Company Act.



The board of directors of each OFS Fund will also be asked to approve any material changes to the Code within six (6) months after the adoption of such change, based on a determination that the Code, as amended, contains policies and procedures reasonably designed to prevent violations of the federal securities laws.

#### **H. CCO REPORTING**

The CCO will prepare a written report to be considered by Senior Management no less than annually, that (a) describes any issues arising under the Code since the last written report, including, but not limited to, information about material violations of the Code and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or procedures based upon OFS Adviser's experience under the Code, then-prevailing industry practices, or developments in applicable laws or regulations.

The CCO of each OFS Fund, as applicable, prepares a written report to be considered by the relevant OFS Fund Directors no less than annually, that (a) describes any issues arising under the Compliance Policies since the last written report, including, but not limited to, information about material violations of the Compliance Policies and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or procedures based upon each OFS Fund's and/or OFS Adviser's experience under the Compliance Policies, then-prevailing industry practices, or developments in applicable laws or regulations.

#### **I. CCO AND COMPLIANCE OVERSIGHT**

All requirements and prohibitions under this Code are likewise applicable to the CCO and all Compliance Department employees. For the purpose of addressing actual and perceived conflicts of interest and potential self-dealing, any report and pre-approval request submitted by such employees is to be reviewed, and approved as applicable, by the employee's supervisor or the CCO. Reports and pre-approval requests from the CCO will be reviewed, and approved as applicable, by CIM's Chief Legal Counsel ("CLC). Under no circumstances should the CCO or any Compliance Department employee review his/her own report or approve his/her own pre-approval request.

Potential Code violations by the CCO must be reviewed by the CLC. Potential Code violations by a Compliance Department employee must be reviewed by the CCO. If it is determined that a violation occurred, the CCO or employee will be subject to the applicable sanction(s) under the Code.

#### **J. CONFIDENTIALITY**

Personnel will be given access to and become acquainted with highly confidential information about the Firm such as its financial information, business plans and strategies, investment strategies and opportunities, affiliated companies and internal policies and practices, as well as information relating to past, current and prospective Advisory Clients and Portfolio Companies. Such information must not be disclosed or discussed with anyone other than the Firm's employees under any circumstances, and only on a "need to know" basis, unless otherwise permitted by the Legal or Compliance Departments.

**K. CONFLICT WITH EMPLOYEE HANDBOOK**

Where this Code addresses policies that are also addressed in other corporate policies or in the Employee Handbook of Orchard First Source Capital, Inc. or another Affiliate by which a Supervised Person is employed, the policies herein are intended to augment, and not to supersede or replace, the relevant corporate or Employee Handbook policies. In the event of any conflict that would prohibit a Supervised Person from complying with both sets of policies, the Supervised Person should address the conflict to a Compliance Officer.

## II. PERSONAL INVESTMENT POLICY

### A. INTRODUCTION AND DEFINITIONS

The Advisers Act, specifically Rule 204A-1, requires “Access Persons” of a registered investment adviser, such as OFS Adviser, to provide periodic reports regarding transactions and holdings in Reportable Securities beneficially owned by Access Persons. Rule 17j-1 under the Company Act requires similar reports for “Access Persons” to a Fund, such as each of the OFS Funds.

The purpose of this Personal Investment Policy and related procedures is to advise Access Persons of their ethical and legal responsibilities with respect to Securities transactions that may involve (i) possible conflicts of interest with Advisory Clients, including the OFS Funds, and (ii) the possession and use of material, nonpublic information (“MNPI”). It is a violation of the Code for any Access Person of OFS Adviser or any OFS Fund to use their knowledge concerning a trade, pending trade, or contemplated trade or investment by an OFS Fund or any other Advisory Client to profit personally, directly or indirectly, as a result of such transaction, including by purchasing or selling such Securities.

The following definitions are utilized within this Personal Investments Policy and more broadly within the rest of the Code.

“Access Person” with respect to OFS Adviser means (a) any Supervised Person who (i) has access to nonpublic information regarding any Advisory Client’s purchase or sale of Securities, or nonpublic information regarding the portfolio holdings of any Advisory Client (including any OFS Fund); or (ii) is involved in making Securities recommendations to Advisory Clients (including any OFS Fund), or has access to such recommendations that are nonpublic; and (b) all directors, officers and partners of OFS Adviser.<sup>5</sup>

For purposes of the Code, all Supervised Persons are generally considered to be Access Persons of OFS Adviser, and all Access Persons of OFS Adviser are considered to be Access Persons of each OFS Fund. OFS Fund Directors are also considered Access Persons of each OFS Fund but are generally exempt from Recordkeeping, Reporting and Statement of Restrictions requirements of Access Persons included in this Code, except as described in Section II.D below.

“Affiliate Account” means: (i) the personal Securities account of an Access Person or the account of any Related Person in which Reportable Securities may be held or transacted; (ii) any such Securities account for which any Access Person serves as custodian, trustee, or otherwise acts in a fiduciary capacity or with respect to which an Access Person either has authority to make investment decisions or from time to time makes investment recommendations, except with respect to Advisory Clients; (iii) any such Securities account of any person, partnership, joint venture, trust or other entity in which an Access Person or his or her Related Person has Beneficial Ownership or other Beneficial Interest; and (iv) and accounts containing Reportable Funds of which an Access Person or his or her Related Person has Beneficial Ownership or Beneficial Interest.

<sup>5</sup> The Chief Compliance Officer or his/her designee may consider any director, officer, principal, member or employee, including, but not limited to, intern and temporary employees, of an Affiliate of OFS Adviser to be a Supervised Person, and Access Person if appropriate, of OFS Adviser if the Chief Compliance Officer determines that such person performs services for OFS Adviser, through any staffing or similar agreement, such that the person would constitute a Supervised Person or Access Person if such person was a director, officer, member, principal or employee, including an intern or temporary employee, of OFS Adviser. The Compliance Department will maintain a list of all such persons and whether each person is (1) a Supervised Person and (2) an Access Person and will notify each person of relevant requirements. The majority of OFS Adviser’s personnel are employees of Orchard First Source Capital, Inc., an Affiliate of OFS Adviser.

“Beneficial Interest” means an interest whereby a person can, directly or indirectly, control the disposition of a Security or a Reportable Fund or derive a monetary, pecuniary or other right or benefit from the purchase, sale or ownership of a Security or a Reportable Fund (e.g., interest payments or dividends).

“Beneficial Ownership” of a Security, Reportable Fund or account means, consistent with Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Rule 16a-1(a)(2) thereunder, ownership of Securities, Securities accounts, or Reportable Funds by or for the benefit of a person or his or her Related Person. Beneficial Ownership specifically includes any Security or account in which the Access Person or any Related Persons holds a direct or indirect Beneficial Interest or retains voting power (or the ability to direct such a vote) or investment power (which includes the power to acquire or dispose of, or the ability to direct the acquisition or disposition of, a Security, Securities accounts or Reportable Funds), directly or indirectly (e.g., by exercising a power of attorney or otherwise).

“Exempt Security” is any Security that falls into any of the following categories: (i) shares issued by open-end mutual funds (excluding exchange traded funds (“ETFs”), except Reportable Funds, if any); (ii) shares issued by money market funds; (iii) Security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iv) College Direct Savings Plans (e.g., 529 College Savings Program, etc.); (v) shares issued by unit investment trusts that are invested exclusively in one or more open-end funds (so long as such funds are not Reportable Funds); (vi) bankers’ acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vii) treasury obligations (e.g., T-bills, notes and bonds) or other Securities issued/guaranteed by the U.S. Government, its agencies, or instrumentalities (e.g., FNMA, GNMA).

“Related Person” means the spouse, domestic partner, child or stepchild, parent or stepparent, grandchild, grandparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law (including adoptive relationships) of an Access Person, who either resides with, or is financially dependent upon, the Access Person, or whose investments are controlled by the Access Person.

“Reportable Fund” means any Fund for which OFS Advisor or any Affiliate acts as investment adviser, sub-adviser or underwriter.

“Reportable Security” means every Security and Reportable Fund in which an Access Person or a Related Person has a Beneficial Ownership or other Beneficial Interest, except for an Exempt Security.

“Security” means any note, stock, treasury stock, bond, debenture, evidence of indebtedness<sup>6</sup>, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, reorganization certificate or subscription, transferable share, investment contract, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, any put, call, straddle, option or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or a put, call, straddle, option or privilege, entered into on a national securities exchange relating to foreign currency, or in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

<sup>6</sup> Note that, for most purposes, evidences of indebtedness are treated as “Securities” for securities law purposes; insider trading prohibitions are an exception to this general rule.

Note that Security has a different definition for purposes of the Inside Information Policy of the Code.

## **B. RECORDKEEPING AND REPORTING REQUIREMENTS**

Under the Advisers Act and the Company Act, OFS Adviser and each OFS Fund are required to keep records of transactions in Reportable Securities in which Access Persons have Beneficial Ownership or a direct or indirect Beneficial Interest.

### **1. Reports**

The following personal Securities holdings and transaction reporting requirements have been adopted to enable each of OFS Adviser and each OFS Fund to satisfy their legal and regulatory requirements:

In all cases, within ten (10) calendar days from the date of commencement of employment (or other engagement or arrangement) with the Firm, every new Access Person shall submit to the Compliance Department, through the Firm's automated compliance system, the required information about any Affiliated Accounts (such information must be current as of a date no more than forty-five (45) calendar days prior to the date the person becomes an Access Person);

Within sixty (60) calendar days of becoming an Access Person, every new Access Person must transfer all Affiliated Accounts in which the Access Person or his or her Related Persons have direct influence or control in the investment decisions ("Non-Managed Accounts") and in which Reportable Securities are held or are capable of being held to a broker-dealer to which the Compliance Department has access via the Firm's automated compliance system (an "Approved Broker"). Subsequently, any new Non-Managed Accounts opened on behalf of such Access Person or his or her Related Person in which Reportable Securities will be held or transacted must be established with an Approved Broker. The Compliance Department maintains a list of Approved Brokers, which can be found on the Firm's automated compliance system site. Holdings and transactions in Reportable Securities in these accounts are electronically reported to the Compliance Department by the Approved Brokers through the automated compliance system.

Any exception to the Approved Broker policy above must be approved in writing by a Compliance Officer.

By the Compliance Due Date and no later than thirty (30) calendar days after each quarter end, every Access Person is required to certify all Affiliated Accounts via the Firm's automated compliance system. Any updates to an Access Person's accounts must be reported via the Firm's automated compliance system within thirty (30) calendar days of opening or closing of such Affiliated Account.

By the Compliance Due Date and no later than thirty (30) calendar days after each quarter end, every Access Person is required to certify via the Firm's automated compliance system, all transactions in Reportable Securities in Non-Managed Accounts, as recorded by the system during the quarter. Any transactions in Reportable Securities in a Non-Managed Account not included within the Firm's automated compliance system should be reported separately by the Access Person.

- By the Compliance Due Date and no later than forty-five (45) calendar days following the end of each calendar year (i.e., February 14), every Access Person is required to certify, via the Firm's automated compliance system, such Access Person's Affiliated Accounts and Reportable Securities holdings in all Non-Managed Accounts as of year-end. Any holdings in Reportable Securities in a Non-Managed Account not included within the Firm's automated compliance system should be reported separately by the Access Person.

## 2. **Determining Whether an Account is an Affiliated Account**

In most cases, determining whether an Access Person or his or her Related Person has Beneficial Ownership of or a Beneficial Interest in the Reportable Securities held in an account (which would make such account an Affiliated Account for purposes hereof) is a straight-forward process. It is, however, important to note that, in some cases, an owner of an equity interest in an entity may be considered to have Beneficial Ownership of the assets of that entity. In general, equity holders are not deemed to have Beneficial Ownership of Securities held by an entity that is not "controlled" by the equity holders or in which the equity holders do not have or share investment control over the entity's portfolio. Because the determination of whether an equity holder controls an entity or its investment decisions can be complicated, Access Persons are encouraged to seek guidance from a Compliance Officer. To the extent such guidance is not sought, any failure by an Access Person to properly identify all Affiliated Accounts will be treated as a violation of the Code.

## 3. **Managed Accounts**

The Firm recognizes that it may be impossible or impractical for accounts that are controlled or invested by a third party, such as an investment adviser or broker ("Managed Accounts"), to comply with the Reporting and Restricted List procedures of the Code. Therefore, Managed Accounts are exempted from such procedures, *provided* that the Access Person cedes any and all control over investment decisions for the account (other than general asset class and objectives guidelines) to such third party and does not communicate with such person with respect to individual transactions for the account. Special rules apply with respect to whether an Access Person "controls" the investment decisions of an entity in which he or she invests; guidance from a Compliance Officer should be sought in such instances.

The Firm requires that general information regarding Managed Accounts, including broker, account title, account number, and the status of the account, be reported through the Firm's automated compliance system. In order to properly establish a Managed Account, the Access Persons is required to provide to the Compliance Department evidence that full investment discretion has been provided to the third-party investment adviser or broker (e.g., provide the investment management agreement). Upon establishing a Managed Account in the Firm's automated compliance system and quarterly thereafter, the Access Person is required to certify within the Firm's automated compliance system that he or she does not participate, directly or indirectly in individual investment decisions in the Managed Account or be made aware of such decisions before transactions are executed.

## 4. **Non-Transferable Accounts**

The Firm recognizes that it may be impossible or impracticable for certain types of Non-Managed Accounts (e.g. 401(k) accounts) of Access Persons or their Related Persons with other employers, an account pledged to secure a personal loan, etc. to be transferred to an Approved Broker. A Compliance Officer may exempt any such Non-Managed Account from the Approved Broker procedures set forth above provided that the Access Person shall be responsible for reporting transactions and holdings of Reportable Securities

(e.g. employer shares) in such account as set forth above and complying with the Restricted List procedures with respect to such Non-Managed Accounts.

The Firm requires that all such “non-transferable” Non-Managed Accounts be reported to the Compliance Department so that an exemption may properly be granted. General information regarding such accounts must be reported through the Firm’s automated compliance system. A Compliance Officer may, as a condition to exempting such Affiliated Accounts, require, initially and periodically thereafter, copies of account statements, a certification from the Access Person, or such other information as such Compliance Officer deems prudent.

#### 5. **Transactions Subject to Review**

Transactions and holding information reported via the Firm’s automated compliance system will be reviewed by a Compliance Officer and compared against the investments made or considered by each of the Advisory Clients. Such review and comparison are designed to evaluate compliance with the Code and further, to determine whether there have been any violations of applicable law. Reporting made by a Compliance Officer is reviewed by a different Compliance Officer so that no Compliance Officer is reviewing his or her own reporting.

### C. **STATEMENT OF RESTRICTIONS**

#### 1. **Restricted List**

**No Access Person or Related Person may make a trade Personal Securities Trade in the Securities of an issuer listed on the Firm’s Restricted List.** Before an Access Person or his/her Related Person makes a Personal Securities Trade, the Access Person must review the Restricted List and confirm that neither the Security to be traded nor the relevant issuer are listed thereon. The information that a particular issuer or Security has been placed on the Restricted List is itself sensitive and confidential. The contents of the Restricted List should never be communicated to persons outside of the Firm except in the limited circumstances in which a Compliance Officer has determined that it is necessary and appropriate to disclose such information for bona fide business purposes. The Firm may place an issuer on the Restricted List at any time without prior notice to Access Persons. Therefore, Access Persons who obtain Securities of an issuer that is later placed on the Restricted List may be “frozen in,” or prohibited from disposing of such Securities, until the issuer has been removed from the Restricted List. Because Access Persons are already required to obtain pre-approval for the purchase or sale of any Private Placement (see below), the Restricted List is limited to the Securities of issuers with a class of publicly-traded Securities.

##### (a) Securities

The name of an issuer or Security could be placed on the Restricted List for many reasons, including when:

- the Firm, any investment adviser Affiliate, or an Advisory Client purchases a Security of a particular issuer or such Security is Being Considered for Purchase or Sale;
- the Firm or any investment adviser Affiliate executes a confidentiality agreement with or relating to an issuer;
- the Firm, any investment adviser Affiliate, or an Advisory Client has declared itself “Private” with respect to an issuer in an electronic workspace;
- the Firm becomes bound by a fiduciary obligation or other duty (for example, because an Access Person has become a board member of an issuer);

- an Access Person becomes a member of an issuer's board on behalf of the Firm or a Portfolio Company;
- an Access Person becomes aware of (or is likely to become aware of) MNPI about a Security or issuer; or
- the Firm, as determined by a Compliance Officer, has determined to include an issuer to avoid the appearance of impropriety and protect the Firm's reputation for integrity and ethical conduct.

(b) Procedures

The Compliance Department maintains and updates the Firm's Restricted List. It is the responsibility of Access Persons, however, to ensure that the Firm's Restricted List is accurate. Please refer to the Confidentiality Policy for further information on the relevant procedures.

- **Additions:** Access Persons who become aware of any of the circumstances set forth in subsection 1.a) above, or who for any other reason believe an issuer or Security should be added to the Restricted List, should immediately notify a Compliance Officer in order to ensure that the Restricted List is updated.
- **Deletions:** When the circumstances set forth in subsection 1.a) above no longer exist, or the Firm is no longer bound by the obligations giving rise to the inclusion of an issuer or Security on the Restricted List, Access Persons should notify a Compliance Officer so that the proposed removal can be assessed and the name of the issuer or Security can be promptly removed, as necessary, from the Restricted List.
- **Changes:** From time to time, the Compliance Department will update the Restricted List as contemplated by this Personal Investment Policy and the Confidentiality Policy. Access Persons are responsible for checking the Restricted List in all cases before engaging in any Personal Securities Trade.

Generally, Securities that are on the Restricted List because OFS Adviser or an investment adviser Affiliate has entered into a confidentiality agreement, declared itself "private" or otherwise accessed MNPI with respect to an issuer, must stay on the list for at least one hundred eighty (180) calendar days after the applicable Advisory Client(s) have liquidated the holding or last accessed MNPI on the relevant Security or issuer of such Security. A Compliance Officer may determine that a longer or shorter "stay" period is appropriate for issuers or Securities in such Compliance Officer's sole discretion.

2. **Private Placements and Initial Public Offerings**

No IPO may be purchased and no Private Placement may be purchased or sold for any Affiliated Account, except with the prior, express written approval of (i) the CCO or designee; or (ii) where such Access Person is the CCO, the prior written approval of the GC. Requests to make such investments shall be made through the Firm's automated compliance system. A record of such approval (or denial), and a brief description of the reasoning supporting such decision will be maintained in accordance with the recordkeeping requirements of the Advisers Act and the Company Act.

3. **Trades by OFS Funds Directors**

OFS Funds Directors are prohibited from trading any OFS Funds Portfolio Security.



4. **Trades of OFS Funds Securities, CMCT, or other Affiliated Securities**

Access Persons and their Related Person's are prohibited from buying or selling, or buying or selling options on, futures or other derivatives related to, shares issued by OFS Funds, CIM Commercial Trust Corporation ("CMCT"), the Cole/CCO Capital REITs and any affiliated securities ("Affiliated Securities"), except with prior, express written approval of the CCO or designee.

Access Persons may engage in transactions on Affiliated Securities upon approval by the CCO or designee, which generally may be granted only during an open trading window. All approved transactions must be completed within three (3) business days from the date of approval, but before the close of any applicable trading window. If the approved transaction is not completed within three (3) business days, the Access Person must seek a new preapproval from the CCO or designee.

5. **Trades by Access Persons Serving on Company Boards**

Companies for which Access Persons serve on the board of directors may permit members of its board of directors to purchase or sell stock based on a predetermined schedule (such as a Rule 10b5-1 Plan<sup>7</sup>) that is approved by the company ("Predetermined Schedule"). Personal Securities Trades made in accordance with a Predetermined Schedule by Access Persons who serve on the board of directors of such companies are exempt from the restriction against trading in Securities added to the Restricted List after the adoption of the Predetermined Schedule, however such Predetermined Schedules must be disclosed to a Compliance Officer prior to making the trade and are subject to the reporting requirements set forth in the section above. Further, purchases and sales of Securities by such company's directors during an established trading window may be permitted with prior notice to, and at the discretion of, a Compliance Officer.

6. **No Personal Trades Through OFS Adviser's Traders**

No Personal Securities Trades may be effected through OFS Adviser's trading personnel.

7. **Use of Brokerage for Personal or Family Benefit**

No Access Person may, for direct or indirect personal or a Related Person's benefit, execute a trade with a broker by using the influence (actual or implied) of OFS Adviser or any Access Person's influence (actual or implied) with OFS Adviser.

8. **No "Front Running"**

While the Code contains policies and procedures designed to promote ethical conduct with respect to Personal Securities Trades, irrespective of the application of any particular trading policy or restriction, no Personal Securities Trades may be effected by any Access Person who is aware or should be aware that (i) there is a pending buy or sell order in the Securities of that same issuer for any Advisory Client of OFS Adviser, or (ii) a purchase or sale of the Securities of that same issuer can reasonably be anticipated for an OFS Adviser Advisory Client in the next five (5) calendar days. No Personal Securities Trade may be executed with a view toward making a profit from a change in price of such Security resulting from anticipated transactions by or for OFS Adviser's Advisory Clients.

9. **Acquiring Five (5) Percent or more of a Publicly Traded Company**

Access Persons are required to report to a Compliance Officer any ownership exceeding five (5) percent of a class of equity securities of a publicly traded company that they or their Related Persons or Family Members have a beneficial interest in.

#### D. **REQUIREMENTS OF DISINTERESTED DIRECTORS**

The Recordkeeping, Reporting, and Statement of Restrictions provisions listed above (except those in Section II(C)(3-4) do not apply to any OFS Fund Director who is not an interested person of any OFS Fund within the meaning of Section 2(a)(19) of the Company Act (“Disinterested Directors”) of each of the OFS Funds, except as the following describes. A Disinterested Director need only report a transaction if, at the time of a Personal Securities Trade in a Reportable Security, the Disinterested Director knew, or, in the ordinary course of fulfilling his or her duties as a director, should have known that during the fifteen (15) day period immediately preceding or after the date of the transaction, their OFS Fund purchased or sold the Security or the Security was Being Considered for Purchase or Sale by their OFS Fund or OFS Adviser.

<sup>7</sup> A Rule 10b5-1 plan is a written plan for trading Securities that is designed in accordance with Rule 105-1(c). Any person executing pre-planned transactions pursuant to a Rule 10b5-1 plan that was established in good faith at a time when that person was unaware of material nonpublic information has an affirmative defense against accusations of insider trading, even if actual trades made pursuant to the plan are executed at a time when the individual may be aware of material nonpublic information.)

### III. INSIDE INFORMATION POLICY

#### A. INTRODUCTION

The prohibitions against insider trading set forth in the federal securities laws play an essential role in maintaining the fairness, health and integrity of our markets. These laws also establish fundamental standards of business conduct that govern our daily activities and help to ensure that Advisory Client's trust and confidence are not compromised in any way. Consistent with these principles, OFS Adviser forbids any Supervised Person from (i) trading Securities for the Firm, any Advisory Client or any account in which a Supervised Person has a Beneficial Interest, if that Supervised Person is "aware" of material and nonpublic information ("MNPI" or "Inside Information") concerning an issuer; or (ii) communicating MNPI to others in violation of the law. This conduct is frequently referred to as "insider trading." This policy applies to all Supervised Persons, and extends to activities within and outside of each Supervised Person's duties at OFS Adviser or with any OFS Fund.

The term "insider trading" is not specifically defined under the federal securities laws (most guidance in this area can be found under case law and related judicial decisions), but generally is used to refer to improper trading in Securities<sup>8</sup> *on the basis of* MNPI (whether or not the person trading is an insider). A person is generally deemed to trade "on the basis of MNPI if that person is aware of MNPI when making the purchase or sale, regardless of whether the person specifically relied on the information in making an investment decision. It is generally understood that the law prohibits trading by an insider on the basis of MNPI about the Security or issuer. To be held liable under the law, the person trading generally must violate a duty of trust or confidence owed directly, indirectly or derivatively to the issuer of that Security or the shareholders of that issuer, or to any other person who is the source of the material nonpublic information (e.g., an employer). The law also prohibits the communication of inside information to others and provides for penalties and punitive damages against the "tipper" even if he or she does not gain personally from the improper trading.

<sup>8</sup> OFS Adviser often transacts in syndicated or other loan interests on the basis of information that is not available to other members of the syndicate, or to the public in general; however, for the limited purpose of this policy, "Securities" (as defined in the Exchange Act) do not include such loan interests or other "evidences of indebtedness." If you are uncertain as to whether a particular investment is a "security" for purposes of this policy, contact the Legal/Compliance Department.

## B. KEY TERMS

### 1. What is a “Security”?

The Exchange Act, which covers insider trading, defines “Security” very broadly to include most types of financial instruments,<sup>9</sup> except bank debt.<sup>10</sup> There may be instances where Supervised Persons receive information about such investments that is not generally known by other institutional investors - even those institutional investors who may be similarly situated (e.g., lenders that are privy to nonpublic information and have access to bank-level information or primary lender meetings). Although trading in “non-security” investments on the basis of nonpublic information is not prohibited by federal securities laws, such trading may be prohibited by fiduciary obligations, other federal or state statutes, or contractual obligations such as confidentiality agreements<sup>11</sup>. In situations where OFS Adviser has access to MNPI to which other potential investors/counterparties may not have access, Supervised Persons should consult with a Compliance Officer or Senior Management, as appropriate, as to whether a proposed purchase or sale of an investment should be made, and, if made, should include the use of a “Big Boy” letter (see the Firm’s Confidentiality Policy), a confidentiality agreement (see the Firm’s Confidentiality Policy), or, if the investment is a syndicated loan, the execution by OFS Adviser of the standard LSTA form, which includes disclosure concerning the possibility of access to such information. In addition, even if trading in a “non-security” investment is permissible because the above standards are met, Supervised Persons are still prohibited from trading in any Securities issued by the relevant borrower, either for an Advisory Client or themselves, if the information obtained would be material with respect to the Securities transaction. This would also include indirect participation in such a transaction; for example, by participating in an Investment Committee meeting in which a decision regarding such Securities was being considered.

### 2. Who is an Insider?

The concept of an “insider” is broad. It includes officers, directors and employees of a company. In addition, a person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purposes. A temporary insider can include, among others, a company’s attorneys, accountants, consultants, bank lending officers, investment advisers (such as OFS Adviser) and the employees of such organizations. OFS Adviser may become a temporary insider by signing a confidentiality agreement or by accessing material nonpublic information on a private electronic workspace.

<sup>9</sup> For purposes of the Inside Information Policy, “Security” means any note, stock, treasury stock, security feature, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker’s acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited.

<sup>10</sup> Note that, for most purposes, evidences of indebtedness are treated as “securities” for securities law purposes; insider trading prohibitions are an exception to this general rule.

<sup>11</sup> The Compliance Department maintains the Private Company List and Advisory Clients may not transact in these investments unless an exception to the prohibition from trading a security on the Private Company List has been granted by the CCO or his or her designee. Please refer to the Confidentiality Policy for more information.

### 3. **What is Material Information?**

Trading on inside information is not a basis for liability unless the information is material. “Material” information generally is defined as information with respect to which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a company’s Securities.

Among other things, the following types of information are generally regarded as “material”:

- dividend or earnings announcements
- write-downs or write-offs of assets
- additions to reserves for bad debts or contingent liabilities
- expansion or curtailment of company or major division operations
- merger, joint venture announcements
- new product/service/marketing announcements
- new supplier/manufacturing/production announcements
- material charge/impairment announcements
- senior management changes
- changes in control
- material restatement of previously issued financial statements
- discovery or research developments
- criminal indictments and civil and government investigations, litigations and/or settlements
- pending labor disputes
- debt service or liquidity problems
- bankruptcy or insolvency problems
- tender offers, stock repurchase plans, etc.
- recapitalizations

Material information does not have to relate to a company’s business. For example, in Carpenter v. U.S., 18 U.S. 316 (1987), the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a Security. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

### 4. **What is Nonpublic Information?**

Information is nonpublic until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg or other publications of general circulation would be considered public. Supervised Persons should seek specific guidance from a Compliance Officer in situations where information concerning an issuer or its affiliated entities (e.g., subsidiaries) may not have been made available to the investment community generally but was made available to a group of institutional investors.

## 5. **Contacts with Companies**

From time to time, Supervised Persons may meet with members of senior management at publicly-traded companies associated with an investment, or a prospective investment. OFS Adviser may make investment decisions on the basis of the Firm's conclusions formed through such contacts and analysis of publicly-available information regarding foreign and U.S. companies. Difficult legal issues arise when, during these contacts, a Supervised Person becomes aware of MNPI about those companies. This could happen, for example, if a company's chief financial officer prematurely discloses quarterly results to a Supervised Person, a broker or a securities analyst, or if an investor relations representative makes a selective disclosure of adverse news to a handful of investors. In such situations, Supervised Persons should immediately contact a Compliance Officer if he or she believes that he or she may have received MNPI about a publicly traded company.

## 6. **Tender Offers**

Tender offers raise heightened concerns in the law of insider trading for two reasons. First, tender offer activity often produces gyrations in the price of the target company's Securities. Trading during this period is more likely to attract regulatory attention (and produces a disproportionate percentage of insider trading cases). Second, the SEC has adopted a rule which expressly forbids trading and "tipping" while in possession of MNPI regarding a tender offer received from the tender offeror, the target company or anyone acting on behalf of either. Supervised Persons should exercise caution any time they become aware of nonpublic information relating to a tender offer.

## 7. **Penalties for Insider Trading**

Penalties for trading on or inappropriately communicating MNPI are severe, both for the individuals involved and their employers. A person can be subject to some or all of the penalties below, even if he or she does not personally benefit from the violations. Penalties include:

- civil injunctions;
- disgorgement of profits;
- punitive damages (i.e., fines for the person who committed the violation of up to three (3) times the profit gained or loss avoided, irrespective of whether the person actually benefited personally);
- felony convictions which include possible jail sentences; and
- fines and sanctions against the employer or other controlling person.

## C. **INSIDER TRADING PROCEDURES**

The following procedures have been established to assist Supervised Persons in avoiding insider trading, and to aid OFS Adviser in preventing, detecting and imposing sanctions for insider trading. The following procedures should be read in conjunction with other policies set forth in this Code, and in the Compliance Policies.

### 1. **Identifying MNPI**

Before trading in the Securities of a company about which they may have potential MNPI, Supervised Persons should ask themselves the following questions:

- Is the information material? Is this information that an investor would consider important in making his or her investment decisions (e.g., whether the investor should buy, sell or hold a Security)? Is this information that would substantially affect the market price of the Securities if generally disclosed?
- Is the information nonpublic? To whom has this information been provided? Has the information been effectively communicated to the marketplace by being published in Reuters, The Wall Street Journal, Bloomberg or other publications of general circulation? Remember that information that has been communicated to a relatively large group of sophisticated investors does not by itself mean that the information is public (e.g., large group of potential bank debt investors during an *invitation only* meeting).

## 2. **Restricting Access to MNPI**

Care should be taken so that MNPI is secure. For example, files containing MNPI should be sealed or locked; access to computer files containing MNPI should be restricted. As a general matter, materials containing such information should not be removed from the Firm's premises and, if they are, appropriate measures should be maintained to protect the materials from loss or disclosure. Among other things, Supervised Persons should:

- distribute materials containing MNPI only on a need-to-know" basis;
- take care so that telephone conversations cannot be overheard when discussing matters involving MNPI (e.g., speaker telephones should generally be used in a way so that outsiders who might be in OFS Advisers' offices are not inadvertently exposed to this information);
- limit access to offices and conference rooms when these rooms contain MNPI; and
- not leave materials containing MNPI displayed on the computer viewing screen when they leave their computers unattended.

## 3. **Review and Dissemination of Certain Investment Related Information**

As part of its consideration of certain investments, including in certain types of "non-Securities" (e.g., bank debt instruments), the Firm may enter into confidentiality agreements with third parties (e.g., issuers, sponsors, syndicate members or other lenders) that could have implications for the Firm's compliance with federal securities laws. Those agreements may sometimes contain so-called "stand-still" provisions, which specifically restrict the Firm's activity in Securities of identified issuers, but more typically simply raise the possibility that nonpublic information may be disclosed to the recipient and seek the receiving party's acknowledgment of that understanding and agreement not to disclose any MNPI transmitted. The procedures for executing confidentiality agreements are set forth in the Firm's Confidentiality Policy. Many potential counterparties or their agents specifically require that potential investors sign a confidentiality agreement before they will be provided access to investment-related information. Because of the importance of our policies regarding access to and use of confidential information, confidentiality agreements may only be reviewed, negotiated and executed as set forth in the Firm's Confidentiality Policy.

## 4. **Determination of Materiality**

Given the unique asset classes in which OFS Adviser typically invests, Supervised Persons may receive detailed information about a Security that may not be otherwise readily available to the investing public. The issue of "materiality" and the ultimate determination as to whether the information provided rises to the level of MNPI should not be made independently by a Supervised Person. Rather, the individual

should contact a Compliance Officer so that an analysis may be performed and an informed determination may be made. Unless otherwise determined by a Compliance Officer, in consultation with investment staff and outside legal counsel, as appropriate, information received about a publicly-traded Security that is not readily available to the investing public shall be deemed to be and treated as material.

#### **5. Policies and Procedures Relating to Paid Research Consultants and Expert Network Firms Regarding Securities**

While it is permissible to utilize consultants who may provide information relating to Securities as part of the research process, OFS Adviser must be particularly sensitive about the information that these consultants provide. Accordingly, OFS Adviser has adopted the following procedures with which all Supervised Persons must comply in connection with their contact and interaction with paid consultants who provide information relating to Securities or their issuers:

- The Supervised Person must obtain the prior written approval of a Compliance Officer before engaging a paid consultant if; (1) substantive information related to a Security or its issuer will be discussed as part of the engagement; and/or (2) the consultant is either employed with an issuer of Securities at the time of the engagement or was employed with such an issuer within six months of the engagement. The Compliance Department will maintain a log of all such engagements.
- Prior to the commencement of a phone call or meeting with a paid consultant where (i) it is anticipated that substantive information related to a Security or its issuer will be discussed, and/or (ii) the consultant is either employed with an issuer of Securities at the time of the call or was employed with such an issuer within six months of the call, the Supervised Person must inform such consultant that:
  - (i) the Firm may invest in the public and non-public Securities and private debt markets,
  - (ii) the Firm does not wish to receive MNPI,
  - (iii) the purpose of speaking with such consultant is to obtain his/her independent insight as it relates to a particular industry, sector or company, and
  - (iv) such consultant should not share any MNPI or confidential information that he/she may have a duty to keep confidential or that he/she otherwise should not disclose.
- The Supervised Person should also confirm with such consultant that he/she will not be violating any agreement, duty or obligation such consultant may have with any employer or other institution.
- Supervised Persons must keep and maintain logs of all call or conversations with such consultants, which should include the date/time of the conversation, the name of the consultant and a summary of the information discussed on the call.
- In the event that a Supervised Person learns or has reason to suspect that he or she has been provided with confidential or MNPI relating to a Security from a consultant, the Supervised Person must immediately contact a Compliance Officer prior to either communicating such



confidential or material nonpublic information to anyone else, or making any investment or trading decisions.

Agreements with paid research consultants and expert network firms who provide information relating to Securities must be pre-approved by a Compliance Officer and may be signed only by (i) Bilal Rashid on behalf of Senior Management in the case of Advisory Clients, after consultation with, and approval by, a Compliance Officer. Depending on the facts and circumstances, the CCO may impose other conditions on the engagement of consultants or on the conduct of the engagement, including, but not limited to, the participation of a Compliance Officer on any phone calls or in any correspondence between the consultant and the Firm.

#### IV. GIFTS, ENTERTAINMENT AND POLITICAL ACTIVITIES

##### A. INTRODUCTION

OFS Adviser attempts to minimize any activity that might give rise to a question as to whether the Firm's objectivity as a fiduciary has been compromised.

##### B. GIFTS AND ENTERTAINMENT POLICY

One possible area of fiduciary concern relates to providing or receiving meals, gifts or entertainment from third parties with which OFS Adviser or its Advisory Clients, including each OFS Fund, joint business partners, service providers and current and prospective clients (collectively "Outside Parties" and each an "Outside Party"), do business.

Supervised Persons are prohibited from soliciting anything of value from Outside Parties. Further, no Supervised Person may give or receive any gift, meal or entertainment that could or is intended to influence decision-making or to make a person beholden, in any way, to another person or company that seeks to do or is currently doing business with the Firm or its Advisory Clients. Lavish or luxurious gifts and entertainment, and gifts and entertainment that are received or provided on a frequent basis, are generally deemed to meet this standard and, unless a Compliance Officer indicates otherwise, are prohibited. In addition, depending upon a Supervised Person's responsibilities, specific regulatory requirements may dictate the types and extent of gifts and entertainment that Supervised Persons may give or receive. The Firm is committed to competing solely on the merit of its products and services, and Supervised Persons should avoid any actions that create a perception that favorable treatment of Outside Parties by the Firm was sought, received or given in exchange for gifts or entertainment.

###### 1. Business Meals

Generally, Supervised Persons may share meals with Outside Parties in the ordinary course of business. **Meals received by Supervised Persons from Outside Parties should not exceed \$250 per person per meal. Meals provided by Supervised Persons to Outside Parties are generally permissible and should also not exceed \$250 per person per meal**, subject to certain pre-approval requirements applicable to providing meals to Public Officials. A "Public Official" means any person who is employed full- or part-time by a government, or by regional subdivisions of governments, including states, provinces, districts, counties, cities, towns and villages or by independent agencies, state-owned businesses, state-controlled businesses or public academic institutions. This would include, for example, employees of sovereign wealth funds, government-sponsored pension plans (i.e. pension plans for the benefit of government employees), heads of state, lower level employees of state-controlled businesses and government-sponsored university endowments. "Public Official" also includes political party officials and candidates for political office.

###### 2. Providing Business Gifts

Any Supervised Person who offers a gift to an Outside Party must be sure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon the Firm. In addition, a Supervised Person may never use personal funds or resources to do something that cannot be done with Firm resources. A gift may include any services or merchandise of any kind or discounts on

merchandise or services and other items of value. **Supervised Persons are prohibited from giving gifts of cash, cash equivalents (such as gift cards and gift certificates) and securities to Outside Parties.** This policy does not prohibit the provision of occasional or nominal non-cash gift items, such as holiday gifts, to Outside Parties so long as the value of the gift(s) provided by a Supervised Person to any one recipient over a calendar year does not exceed \$250. **Once the aggregate amount proposed to be provided by a Supervised Person to any one recipient during one calendar year exceeds \$250, that Supervised Person must obtain pre-approval from a Compliance Officer.** Such request should be submitted via the Firm's automated compliance system. **Further, anything of value (e.g., meals, beverages, gifts and entertainment) to be provided to Public Officials requires pre-approval from a Compliance Officer.** Such requests should be submitted via the Firm's automated compliance system.

The Compliance Department shall periodically review gifts provided for compliance with this Code as part of quarterly expense reimbursement review process.

If you are unsure of OFS Adviser's policy with respect to providing gifts in any circumstance, you should consult with a Compliance Officer.

### 3. **Receiving Gifts**

No Supervised Person should obtain any material personal benefits or favors because of his or her position with the Firm. Each Supervised Person's decisions on behalf of the Firm must be free from undue influence. Soliciting gifts from Outside Parties is strictly prohibited. A gift may include any services or merchandise of any kind or discounts on merchandise or services and other items of value. Supervised Persons are prohibited from receiving gifts of cash, cash equivalents (such as gift cards and gift certificates) and securities from Outside Parties. This policy does not prohibit the receipt of occasional or nominal non-cash gift items, such as holiday gifts, so long as the value of the gift(s) received by a Supervised Person from any one source over a calendar year does not exceed \$250. Any gift that will cause the total received by that Supervised Person from a single source to exceed \$250 for the calendar year, and any additional gift thereafter received during the calendar year, requires pre-approval by a Compliance Officer. Such requests should be submitted via the Firm's automated compliance system.

**Gifts in any amount received by a Supervised Person from an Outside Party, except for gifts of nominal value (such as logo items, including pens, notepads, coffee mugs and baseball caps) must be disclosed in the Firm's automated compliance system at the time of receipt.**

### 4. **Entertainment**

The gift policies above are not intended to prohibit the acceptance or provision of non-extravagant entertainment that facilitates the handling of the Firm's business. Thus, normal and customary entertainment (e.g., concerts, exhibitions or games featuring local sports teams, where the person providing the entertainment is present), that is not frequent or "lavish" and does not influence the selection of vendors or other Outside Parties, is acceptable. Note, entertainment provided by or to a Supervised Person where the person providing the entertainment does not attend should be treated as a "gift." Also, if you bring a guest to an entertainment event hosted by an Outside Party, your guest's ticket is considered as a "gift" for purposes of this policy. Business meals are not considered entertainment for purposes of this Policy (see Section IV.B. 1. "Business Meals" above for additional information).

No Supervised Person may provide or accept extravagant or excessive entertainment to or from an Outside Party. **Any entertainment that a Supervised Person reasonably expects to exceed \$1,000 in market value per person must be pre-approved by a Compliance Officer.** Such requests should be

submitted via the Firm's automated compliance system. Further, entertainment of any value to be provided to Public Officials requires pre-approval from a Compliance Officer. Such requests should be submitted via the Firm's automated compliance system.

**Entertainment in any amount received by a Supervised Person must be reported via the Firm's automated compliance system within a reasonable amount of time of participating in such entertainment and no later than 30 calendar days of participation in such event.** Entertainment provided to Outside Parties is not required to be reported in the Firm's automated compliance system, as OFS Adviser shall track all entertainment expenses in the Firm's corporate accounting records. The Compliance Department periodically reviews entertainment provided by Supervised Persons for compliance with this Code as part of its quarterly expense reimbursement review process.

5. **Travel and Lodging**

You may occasionally be invited to conferences or other events by Outside Parties, which include an offer of travel and/or lodging. In the event that you receive such offers, you must obtain approval from the Compliance Department prior to accepting the travel and/or lodging. Requests to accept travel or lodging that appear to be exorbitant in price and/or luxurious in nature will generally be denied. All travel and lodging received from Outside Parties must be disclosed. Requests and disclosures should be submitted via the Firm's automated compliance system.

6. **Providing Meals, Gifts and Entertainment to Public Officials and Union Employees**

Specific requirements and restrictions apply regarding the offering of meals, gifts and entertainment to Public Officials and can vary depending on the governmental branch/body, state or other jurisdiction. For example, many government pension plans place strict limits on the value of any meal provided by a service provider, such as the Firm, to the pension plans' employees. Certain jurisdictions even ban service providers from providing anything of value to their public employees, including promotional items of nominal value. Penalties for violating these gift laws can range from monetary fines to disqualification from RFP participation and rescindment of existing investment mandates. Private unions are subject to Department of Labor gift rules and regulations and service providers, such as the Firm, must comply with prescribed limits and reporting requirements when providing gifts and meals to union employees. Accordingly, it is against Firm policy to offer or give meals, gifts, entertainment or anything of value to Public Officials or union officials or employees unless the regulations applicable to that individual permit acceptance of such items. **Further, Supervised Persons are prohibited from offering or giving anything of value, including nominal items or snacks, to Public Officials or union officials or employees without first obtaining the approval of a Compliance Officer.** Such requests for prior approval should be submitted via the Firm's automated compliance system.

If you are unsure of applicable laws, rules and regulations with respect to providing gifts, meals and entertainment to Public Officials and union employees or officials in any circumstance, you should consult with a Compliance Officer.

7. **Receipt of Meals, Gifts or Entertainment by Traders from Brokers/Agent Bank Employees**

Traders or other investment professionals with the ability to influence the selection of brokers/agent banks with respect to trading in Securities and broadly syndicated loans are prohibited from receiving meals, gifts or entertainment in any value from an employee of such broker/agent bank without preapproval from

a Compliance Officer. Such request for pre-approval should be submitted via the Firm's automated compliance system.

#### 8. **Charitable Contributions**

Certain charitable contributions require preapproval by a Compliance Officer. Charitable contributions by an employee, at the request or for the benefit of a Public Official or a Public Official's immediate family member or close associate may be permissible only if the Compliance Officer can reasonably conclude that the contribution is lawful, ethical and in compliance with the policies and standards under this Code.

In all cases, the Compliance Officer shall ensure that the beneficiary of the contribution is an organization formed under section 501(c)(3) of the U.S. Internal Revenue Code or is otherwise operating exclusively as a non-profit civic charity that is not involved in any political or lobbying activity.

### C. **POLITICAL ACTIVITY POLICY**

#### 1. **Introduction**

The SEC, along with certain states, municipalities and public pension plans, have adopted regulations limiting or completely disqualifying investment advisers from providing services to, or accepting placements from, a government entity if certain political contributions<sup>12</sup> are made or solicited<sup>13</sup> by the Firm, certain of its Supervised Persons, or, in some instances, a Supervised Person's Related Persons. Under these "pay to play" regulations, a single prohibited political contribution to a candidate or officeholder, political party, political action committee or other political organization at practically every level of government (including local, state and federal) may preclude the Firm from providing services to, or accepting placements from, the applicable government entity and may compel the firm to repay compensation received by the Firm in connection with such services or placements.

**OFS Adviser and its Affiliates (other than natural persons, as provided below) generally do not make or solicit contributions in any amount to any federal, state, county or local political campaign, candidate or officeholder, or any political organization (e.g., political party committee and political action committee ("PAC")). As such, Supervised Persons are prohibited from making or soliciting contributions in the name of or on behalf of OFS Advisers and/or its Affiliates unless otherwise approved by the Compliance Department and a member of Senior Management.**

**No Supervised Person of the Firm or his/her Related Persons may engage in any Political Activity for any federal, state, county, or local political campaign, candidate or officeholder, or any political organizations (e.g., political party committee, political action committee), without the prior written approval of a Compliance Officer. Such requests should be submitted via the Firm's automated compliance system.** "Political Activity" is defined as monetary or in-kind campaign contributions to, or for the benefit of, any government official, candidate running for office, political party or legislative leadership, politically active non-profit, ballot measure committee or PAC as well as the solicitation and coordination of campaign contributions. Volunteering for a campaign that does not include solicitation or coordination of campaign contributions does not require pre-approval.

A Supervised Person must submit a Political Activity pre-approval request on behalf of the Supervised Person (or his or her Related Person) through the Firm's automated compliance system prior to engaging in Political Activity, and such submission must include all pertinent information related to the proposed activity, including, but not limited to, the individual wishing to contribute, amount of the contribution, the name of the intended recipient, the nature of the recipient's candidacy, whether the proposed recipient holds an existing political office (whether local, state or federal), and whether the Supervised Person (or his or her Related Person, where applicable) is legally entitled to vote for the proposed recipient. Because of the serious nature of the sanctions applicable to a pay to play violation, requests to engage in Political Activity for candidates seeking election to state and local offices will generally be limited and/or declined, depending on whether a Supervised Person is legally entitled to vote for the candidate. As such, requests to donate to state or local candidates and officials may be approved up to \$350, where the Supervised Person is legally entitled to vote for the candidate, and is limited to \$150 or less, where a Supervised Person is not legally entitled to vote for the candidate or where the relevant jurisdiction imposes more restrictive limits.

The Firm expects that every Supervised Person will explain the importance of compliance with this policy to his/her Related Persons, and ensure their clear understanding of the obligation to follow these requirements. Moreover, the applicable laws in this area are complex and a trap for the unwary -- no Supervised Person should attempt to decide for himself or herself whether a Political Activity is prohibited or permissible. Supervised Persons are responsible for complying with and tracking their own Political Activity limits.

## **2. Indirect Violations**

The pay to play laws also prohibit actions taken indirectly that the Firm or its Supervised Persons could not take directly without violating the law. For example, it is improper and unlawful to provide funds to a third party (such as a consultant or attorney) with the understanding that the third party will use such funds to make an otherwise prohibited contribution. Such indirect violations may result in a prohibition on the Firm from receiving compensation and result in other sanctions, including possible criminal penalties. If any Supervised Person learns of facts and circumstances suggesting a possible indirect violation, that Supervised Person must report such facts and circumstances to a Compliance Officer immediately.

## **3. Periodic Disclosure**

In order to ensure compliance with this policy, every Supervised Person must submit via the Firm's automated compliance system, a disclosure and certification setting forth all Political Activity by the Supervised Person and his/her Related Persons for the previous two (2) years or confirming that no such contributions have been made, prior to and at commencement of employment. Supervised Persons are also required to disclose and certify all Political Activity in which they or their Related Persons have engaged on a quarterly basis.

<sup>12</sup> Contributions include cash, checks, gifts, subscriptions, loans, advances, deposits of money, "in kind" contributions (e.g., the provision of free professional services) or anything else of value provided for the purpose of influencing an election for a federal, state or local office, including any payments for debts incurred in such an election.

<sup>13</sup> Solicitation of contributions encompasses any fundraising activity on behalf of a candidate, campaign or political organization, including direct solicitation, hosting of events and/or aggregating, coordinating or "bundling" the contributions of others.

## V. OUTSIDE AFFILIATIONS POLICY

### A. **OUTSIDE BUSINESS ACTIVITIES**

From time to time, Supervised Persons may be asked and/or desire to own, work for or serve as a general partner, managing member, principal, proprietor, consultant, agent, representative, or employees of an outside organization, all of which are considered “Outside Business Activities”. These organizations may include public or private corporations, limited and general partnerships, businesses, family trusts, endowments and foundations.

Outside Business Activities may, however, create potential conflicts of interest and/or provide access to MNPI. So that the Compliance Department can address these potential issues, **Supervised Persons must obtain prior approval from their supervisor and a Compliance Officer to engage in Outside Business Activities**. Approval should be requested through the Firm’s automated compliance system.

Prior approval is generally not required to assume positions with charitable and other non-profit organizations or civic and trade associations. However, if your responsibilities include the provision of investment advice, such as participation on the investment committee of a non-profit organization, or the organization is a client or business partner of the Firm or its Affiliates, you must obtain pre-approval from a Compliance Officer.

### B. **DIRECTOR AND OFFICER POSITIONS**

In other instances, Supervised Persons may be asked or desire to serve as a director, trustee or officer for organizations unaffiliated with the Firm and its Affiliates (“Outside Director and Officer Positions”) or for organizations that are affiliated with the Firm, such as a Portfolio Company (“Affiliated Director and Officer Positions”).

As a prospective board member, trustee or officer, it is critical that you coordinate with the Compliance Department to ensure that potential conflicts of interest are addressed and special measures are taken to handle and maintain the confidentiality of any information that you may obtain in your new position. As such, in the event that you wish to assume an Outside Director and Officer Position, you must obtain prior approval from your supervisor and a Compliance Officer. However, if you are assuming an Affiliated Director and Officer Position, you must only disclose your new position to the Compliance Department and in a timely manner. Such disclosures and requests for pre-approval should be made through the Firm’s automated compliance system.

You are prohibited from engaging in any outside activity previously described, without the prior approval or disclosure required for such activity. Outside Director and Officer Positions will be approved only if any associated conflicts of interest and insider trading risks, actual or apparent, can be satisfactorily mitigated or resolved. Please note, however, you are not required to seek pre-approval or provide disclosure to serve as a board member or officer of a personal residential organization, such as a homeowner’s association or coop board, or an entity formed for personal estate planning purposes.

## C. **EMPLOYEE RELATIONSHIPS**

The Firm needs to be aware of relationships maintained by Supervised Persons with third parties that may create the potential for conflicts of interest. The Firm uses this information to assess the need to prohibit certain Supervised Persons from handling matters where such a conflict exists or institute mitigating controls surrounding the levels of business activity or contract negotiations where a relationship posing a conflict has been identified. This may include situations where a Supervised Person's Related Person or Family Member is: 1) a director, an owner of more than 5% of or a senior management executive of a public company, 2) employed or engaged by a company with which the Firm is conducting or may conduct business, and such Related Person or Family Member is in a position to make decisions with respect to such business or is directly involved with the relationship with the Firm (e.g. a law firm, real estate broker or general contractor), or 3) employed with or serving in an office of a state or local government entity (e.g., city retirement system, state office, public university), in which the Related Person or Family Member has the authority, directly or indirectly, to affect the entity's current or prospective relationship with the Firm. Such relationships should be disclosed using the Firm's automated compliance system.

For purposes of this Code, "Family Member" means the parents, children, brothers, sisters, aunts, uncles and in-laws of the Supervised Person *regardless of residence, financial dependence or investment control.*



## VI. ANTI-CORRUPTION POLICY

The purpose of the OFS Adviser's Anti-Corruption Policy is to ensure compliance by the Firm and its employees with applicable anti-bribery laws. As such, the Policy prohibits OFS Adviser employees from offering, promising, paying or providing, or authorizing the promising, paying or providing (in each case, directly or indirectly, including through third parties) of any amount of money or anything of value to any Public Official or Private Sector Counterparty (defined below), including a person actually known to be an immediate family member of such parties, in order to improperly influence or reward any action or decision by such person for the Firm's benefit.

Neither funds from the Firm nor funds from any other source may be used to make any such payment or gift on behalf of or for the Firm's benefit.

### (a) Requirements for Interaction with Public Officials

The U.S. Foreign Corrupt Practices Act (also referred to as the "FCPA") is a U.S. federal law that generally prohibits the bribery of foreign officials (also referred to as "Public Officials"), directly or indirectly, by any individual, business entity or employee of any such entity for the purpose of obtaining or retaining business and/or gaining an unfair advantage.

"Public Official", for purposes of this Policy, includes any person who is employed full- or part-time by a government, or by regional subdivisions of governments, including states, provinces, districts, counties, cities, towns and villages or by independent agencies, state-owned businesses, state-controlled businesses or public academic institutions. This would include, for example, employees of sovereign wealth funds, government-sponsored pension plans (i.e. pension plans for the benefit of government employees), heads of state, lower level employees of state-controlled businesses and government-sponsored university endowments. "Public Official" also includes political party officials and candidates for political office. For example, a campaign contribution is the equivalent of a payment to a Public Official under the FCPA. In certain cases, providing a payment or thing of value to a person actually known to be an immediate family member of a Public Official or a charity associated with a Public Official may be the equivalent of providing a thing of value to the Public Official directly.

Under the FCPA, the employees of public international organizations, such as the African and Asian Development Banks, the European Union, the International Monetary Fund, the United Nations and the Organization of American States, are considered Public Officials.

In April 2010, the United Kingdom, passed its own anti-bribery law, the Bribery Act 2010 (the "Bribery Act"). However, the law went further than the FCPA, prohibiting not only bribery of "foreign public officials" but also the bribery of private parties. Further, the Bribery Act, unlike the FCPA, prohibits "passive" bribery or the acceptance of bribes, in addition to "active" bribery, or giving a bribe.

The OFS Adviser Anti-Corruption Policy is applicable to all OFS Adviser employees, regardless of their country of citizenship or residency. Although the FCPA and the Bribery Act are the principal anti-bribery statutes applicable to OFS Adviser and its employees worldwide, OFS Adviser and its employees are also subject to the applicable anti-bribery laws of all jurisdictions in which they do business and any jurisdictions involved in OFS Adviser's cross-border transactions. OFS Adviser employees who are not U.S.

or U.K. citizens or residents may also be subject to anti-bribery laws of their countries of citizenship or residency, as applicable.

Prior to transacting business (including merger and acquisition transactions and the retention of certain third parties) outside the U.S. or U.K., you should consult with the CCO or Legal Department or local counsel to obtain the applicable policies, requirements and procedures pertinent to complying with the applicable anti-bribery laws of such jurisdictions.

(b) Requirements for Interaction with Private Sector Counterparty Representatives

OFS employees should be sensitive to anti-corruption issues in their dealings directly or indirectly, with Private Sector Counterparty Representatives. A Private Sector Counterparty Representative is an owner, employee or representative of a private entity, such as a partnership or corporation, with which OFS Adviser is conducting or seeking to conduct business. Individuals affiliated with current and prospective clients, service providers and other third parties in such a capacity are all “Private Sector Counterparty Representatives”.

Bribery concerns may arise in connection with your day-to-day interactions with Private Sector Counterparty Representatives, regarding, for example, the offering of investment opportunities or the solicitation of OFS Adviser business by service providers. It is important to be mindful of the anti-bribery laws and to avoid any action that may give the appearance of bribery in your dealings with such individuals. While you may engage in the exchange of gifts, meals and entertainment with Private Sector Counterparty Representatives in the normal and routine course of business, it is important that you adhere to this Policy and to the Gifts, Meals and Entertainment Policy of this Code to avoid running afoul of the anti-corruption laws.

(c) Requirements for Retention of Certain Third Parties

Payments by OFS Adviser to Third Parties raise special concerns under the FCPA, Bribery Act and any other applicable anti-bribery laws. A “Third Party” is defined as any consultant, investor, joint venture partner, local partner, broker, agent or other third party retained or to be retained by OFS Adviser for purposes of dealing with a Public Official or a Private Sector Counterparty Representative on behalf of OFS Adviser or where the contemplated services are likely to involve business-related interactions with a Public Official or Private Sector Counterparty Representative on behalf of OFS Adviser. Because of the risk that a Third Party may seek to secure business for OFS Adviser or its Advisory Clients through violations of the FCPA or Bribery Act and that OFS Adviser or its Advisory Client’s Portfolio Companies may be subject to liability under the FCPA or Bribery Act as a result, any agreement with a Third Party that is engaged to do business with OFS Adviser is subject to specific due diligence and contractual requirements to assure compliance with the Firm’s Anti-Corruption Policy.

(d) Pre-Approval Reporting, Due Diligence and Contractual Requirements

Unless otherwise authorized by the CCO or a Compliance Officer, you are required to adhere to the following policies and procedures, designed to facilitate your compliance with applicable anti-bribery laws.

You must obtain pre-approval for the following types of expenses, donations and contributions:

- gifts, meals, entertainment, travel or lodging provided to a Public Official or a person actually known to be an immediate family member or guest of a Public Official;

- charitable donations made on behalf of OFS Adviser at the request of a Private Sector Counterparty Representative;
- charitable donations made in an individual capacity or on behalf of OFS Adviser at the request of or for the benefit of a Public Official; and
- any political contributions.

Pre-approval requests should be submitted via the Firm's automated compliance system.

(e) Reporting Obligations

On a quarterly basis, you must certify to all previously approved and/or disclosed political contributions, charitable donations, items to Public Officials and all gifts and entertainment received, as specified above. Certification must be made via the Firm's automated compliance system.

## **VII. IT ACCEPTABLE USE POLICY**

The Cybersecurity Policy is hereby incorporated into this Code by reference. Supervised Persons are required to: (1) fully comply with the safeguards for which employees, in general, are responsible, as set forth in the Policy and (2) complete any associated certification and training requirements. Instances of non-compliance with these requirements will likely constitute a violation of this Code. The Cybersecurity Policy is available to all Supervised Persons on the Firm's public network drive and automated compliance system.

## **VIII. CYBERSECURITY POLICY**

The Cybersecurity Policy is hereby incorporated into this Code by reference. Supervised Persons are required to: (1) fully comply with the safeguards for which employees, in general, are responsible, as set forth in the Policy and (2) complete any associated certification and training requirements. Instances of non-compliance with these requirements will likely constitute a violation of this Code. The Cybersecurity Policy is available to all Supervised Persons on the Firm's public network drive and automated compliance system.

## **IX. PERSONAL USE OF FIRM RESOURCES AND RELATIONSHIP POLICY**

OFS email and other OFS-sponsored communication mediums (e.g., Skype for Business) (collectively, “OFS communication platforms”) should generally only be used for conducting OFS business. While occasional use of OFS email for personal communications is permissible, Supervised Persons are prohibited from using OFS communication platforms to conduct personal outside business activities (including those involving political, civic or charitable solicitations), which may imply OFS’s sponsorship or endorsement of such activities. Use of OFS stationary for personal correspondence or other personal purposes is strictly prohibited. All communications made via OFS communication platforms are the property of OFS and use of such platforms must comply with the OFS Computer Acceptable Use Policy.

Absent an exemption granted by Human Resources or Compliance, Supervised Persons are prohibited from assigning tasks associated with personal business activities to staff or soliciting assistance for such personal endeavors from staff in a junior role to the requestor.

Further, Supervised Persons are prohibited from leveraging relationships with OFS clients, vendors and other business contacts (“OFS Contacts”) gained over the course of their employment for personal purposes. Personal purposes include, but are not limited to, charitable and political activities, including solicitation of donations, and the conduct of personal business activities.

OFS reserves the right to search and monitor the computer files of and OFS communication platforms used by any Supervised Persons, without advance notice, for purposes of monitoring compliance with this policy.



**ATTACHMENTS**

**Whistleblower Information.....Attachment A**

The listed attachment is also available on OFS Adviser's public network drive and automated compliance system, or from the Compliance Department.

**Whistleblower Hotline Information**

As part of our Whistleblower Policy, we have established an anonymous hotline where you will be able to report any suspected violation(s) of our various codes of conduct, any activity that may adversely affect the Firm's business or reputation, or any other inappropriate conduct of which you may become aware. Although we encourage you to report any concerns or problems you may have to your supervisor, there may be times where you may not feel comfortable voicing these concerns or problems to them. Due to this, we have set up an anonymous hotline with Report It Systems. Through Report It, you can report any situations or concerns without having any adverse ramifications for you. If you desire or need to report a violation or misconduct, you can do so by either calling the Report It hotline or by logging into their website. The OFS Report It username and password information is listed below.

- **Username: OFS Management**
- **Password: OFS Management**

1. Toll free hotline number: 1-877-778-5463 (1 -877-RPT-LINE)
2. Website address: [www.reportit.net](http://www.reportit.net)
  - a. Click on the Report It Online link
  - b. Click on the Report It Now button
  - c. Type the Username/Password under the "Create Report" column
  - d. Click on the Report It Now button

You will be able to anonymously file a wide variety of reports from questionable accounting or auditing matters to harassment or hostile work environment through either the website or the toll free hotline number. Any report that you submit will be handled anonymously by Report It and your name will not be provided by Report It to any OFS contact. We hope that by implementing this hotline service, you will be able to keep our organization free from fraudulent and unethical accounting/auditing activity while achieving our goal to maintain and conduct our business at the utmost level of professional standards and best practices.



**Certification Under Section 906  
of the Sarbanes-Oxley Act of 2002**

Bilal Rashid, Chief Executive Officer, and Jeffrey A. Cerny, Chief Financial Officer of OFS Credit Company, Inc. (the “registrant”), each certify to the best of his knowledge that:

1. The registrant’s periodic report on Form N-CSR for the period ended October 31, 2019 (the “Form N-CSR”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Form N-CSR fairly presents, in all material respects, the financial condition and results of operations of the registrant.

By: /s/ Bilal Rashid  
Bilal Rashid  
*President and Chief Executive Officer*

By: /s/ Jeffrey A. Cerny  
Jeffrey A. Cerny  
*Chief Financial Officer*

Date: December 17, 2019

This certification is being furnished to the Securities and Exchange Commission pursuant to Rule 30a-2(b) under the Investment Company Act of 1940, as amended, and 18 U.S.C. 1350 and is not being filed as part of the Form N-CSR with the Securities and Exchange Commission.

**CERTIFICATIONS**  
(Section 302)

I, Bilal Rashid, Chief Executive Officer of the Registrant, certify that:

1. I have reviewed this report on Form N-CSR of OFS Credit Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 17th day of December, 2019.

By: /s/ Bilal Rashid

Bilal Rashid

*President and Chief Executive Officer*

**CERTIFICATIONS**

(Section 302)

I, Jeffrey A. Cerny, Chief Financial Officer of the Registrant, certify that:

1. I have reviewed this report on Form N-CSR of OFS Credit Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 17th day of December, 2019.

By: /s/ Jeffrey A. Cerny

Jeffrey A. Cerny

Chief Financial Officer