

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 814-01190

OWL ROCK CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

**245 Park Avenue, 41st Floor
New York, New York**

(Address of principal executive offices)

47-5402460

(I.R.S. Employer
Identification No.)

10167

(Zip Code)

Registrant's telephone number, including area code: (212) 419-3000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a small reporting company)

Small reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 9, 2016, the registrant had 32,325,468 shares of common stock, \$0.01 par value per share, outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve substantial risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about Owl Rock Capital Corporation (the “Company,” “Owl Rock,” “we” or “our”), our current and prospective portfolio investments, our industry, our beliefs and opinions, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “will,” “may,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “should,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- an economic downturn could impair our portfolio companies’ ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- an economic downturn could disproportionately impact the companies which we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- an economic downturn could also impact availability and pricing of our financing;
- a contraction of available credit and/or an inability to access the equity markets could impair our lending and investment activities;
- interest rate volatility could adversely affect our results, particularly if we elect to use leverage as part of our investment strategy;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;
- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the ability of our portfolio companies to achieve their objectives;
- competition with other entities and our affiliates for investment opportunities;
- the speculative and illiquid nature of our investments;
- the use of borrowed money to finance a portion of our investments as well as any estimates regarding potential use of leverage;
- the adequacy of our financing sources and working capital;
- the loss of key personnel;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of Owl Rock Capital Advisors LLC (the “Adviser”) to locate suitable investments for us and to monitor and administer our investments;
- the ability of the Adviser to attract and retain highly talented professionals;
- our ability to qualify for and maintain our tax treatment as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), and as a business development company (“BDC”);
- the effect of legal, tax and regulatory changes; and
- other risks, uncertainties and other factors previously identified in the reports and other documents Owl Rock Capital Corporation has filed with the Securities and Exchange Commission.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report should not be regarded as a representation by us that our plans and objectives will be achieved. These forward-looking statements apply only as of the date of this report. Moreover, we assume no duty and do not undertake to update the forward-looking statements. Because we are an investment company, the forward-looking statements and projections contained in this report are excluded from the safe harbor protection provided by Section 21E of the 1934 Act.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Owl Rock Capital Corporation
 Consolidated Statement of Assets and Liabilities
 (Amounts in thousands, except share and per share amounts)
 (Unaudited)

	As of September 30, 2016
Assets	
Investments at fair value (amortized cost of \$637,665)	\$ 640,605
Cash and cash equivalents	215,149
Interest receivable	2,461
Subscriptions receivable	263
Prepaid expenses and other assets	960
Total Assets	\$ 859,438
Liabilities	
Credit facility (net of unamortized debt issuance costs of \$3,344)	\$ 385,656
Management fees payable	2,474
Payables to affiliates	1,271
Accrued expenses and other liabilities	875
Interest payable	308
Total Liabilities	390,584
Commitments and Contingencies (Note 7)	
Net Assets	
Common shares, \$0.01 par value; 500,000,000 shares authorized; 32,325,468 shares issued and outstanding	323
Additional paid-in-capital	464,937
Accumulated net investment income	654
Net unrealized gains on investments	2,940
Total Net Assets	468,854
Total Liabilities and Net Assets	\$ 859,438
Net Asset Value Per Share	\$ 14.50

The accompanying notes are an integral part of these consolidated financial statements.

Owl Rock Capital Corporation
Consolidated Statements of Operations
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Investment Income		
Investment income from non-controlled, non-affiliated investments:		
Interest income	\$ 10,685	\$ 11,313
Other income	41	42
Total investment income from non-controlled, non-affiliated investments	10,726	11,355
Total Investment Income	10,726	11,355
Expenses		
Initial organization	—	1,224
Interest expense	774	774
Management fees	2,474	4,673
Professional fees	924	2,097
Directors' fees	114	218
Other general and administrative	870	1,715
Total Expenses	5,156	10,701
Net Investment Income	5,570	654
Unrealized Gains on Investments		
Net unrealized gains:		
Non-controlled, non-affiliated investments	2,422	2,940
Total Net Unrealized Gains	2,422	2,940
Net Increase in Net Assets Resulting from Operations	\$ 7,992	\$ 3,594
Earnings Per Share – Basic and Diluted	\$ 0.27	\$ 0.22
Weighted Average Shares Outstanding – Basic and Diluted	29,634,244	16,302,756

The accompanying notes are an integral part of these consolidated financial statements.

Owl Rock Capital Corporation
Consolidated Schedule of Investments
As of September 30, 2016
(Amounts in thousands, except share amounts)
(Unaudited)

Company(1)(4)	Investment	Interest	Maturity Date	Principal / Par	Amortized Cost(2)	Fair Value	Percentage of Net Assets
Debt Investments							
Aerospace and defense							
Vencore, Inc.(3)	Second lien senior secured loan	L + 8.75% (9.75%)	5/23/2020	\$ 50,000	\$ 49,050	\$ 49,500	10.5 %
Distribution							
JM Swank, LLC(3)	First lien senior secured loan	L + 7.50% (8.50%)	7/25/2022	84,788	83,132	83,092	17.7 %
Food and beverage							
Candy Intermediate Holding, Inc.(3)	Second lien senior secured loan	L + 9.00% (10.00%)	12/15/2023	75,000	74,268	75,000	16.0 %
GG Foods Acquisition Corporation(3)(6)	Second lien senior secured loan	L + 9.75% (10.75%)	1/29/2024	28,500	27,799	27,787	5.9 %
Recipe Acquisition Corp.(3)	Second lien senior secured loan	L + 9.00% (10.00%)	3/29/2023	32,000	31,377	31,680	6.8 %
Tall Tree Foods, Inc.(3)	First lien senior secured loan	L + 6.75% (7.75%)	8/12/2022	60,000	59,116	59,100	12.6 %
				<u>195,500</u>	<u>192,560</u>	<u>193,567</u>	<u>41.3 %</u>
Healthcare equipment and services							
ABB/Con-cise Optical Group LLC(3)	Second lien senior secured loan	L + 9.00% (10.00%)	6/17/2024	25,000	24,266	24,625	5.3 %
Beaver-Visitec International Holdings, Inc.(3)	Second lien senior secured loan	L + 9.00% (10.00%)	8/19/2024	35,000	34,307	34,300	7.3 %
Strategic Partners Acquisition Corp.(3)	First lien senior secured loan	L + 5.25% (6.25%)	6/30/2023	25,000	24,756	24,875	5.3 %
				<u>85,000</u>	<u>83,329</u>	<u>83,800</u>	<u>17.9 %</u>
Infrastructure and environmental services							
FR Arsenal Holdings II Corp.(3)	First lien senior secured loan	L + 7.25% (8.25%)	9/8/2022	65,000	63,713	63,700	13.6 %
FR Arsenal Holdings II Corp.(3)(5)	First lien senior secured revolving loan	L + 7.25% (8.25%)	9/8/2021	7,000	6,600	6,600	1.4 %
				<u>72,000</u>	<u>70,313</u>	<u>70,300</u>	<u>15.0 %</u>
Leisure and entertainment							
UFC Holdings, LLC(3)	Second lien senior secured loan	L + 7.50% (8.50%)	8/18/2024	35,000	34,658	35,203	7.5 %
Manufacturing							
Blount International, Inc.(3)	First lien senior secured loan	L + 6.25% (7.25%)	4/12/2023	15,000	14,570	15,188	3.2 %
Professional services							
Allied Universal Holdco LLC	Second lien senior secured notes	11.00%	7/28/2023	20,000	19,606	19,600	4.2 %
CD&R TZ Purchaser, Inc.(3)	First lien senior secured loan	L + 6.00% (7.00%)	7/21/2023	35,000	32,927	32,900	7.0 %
Pomeroy Group LLC(3)	First lien senior secured loan	L + 6.00% (7.00%)	11/30/2021	59,849	57,520	57,455	12.3 %
				<u>114,849</u>	<u>110,053</u>	<u>109,955</u>	<u>23.5 %</u>
Total Debt Investments				<u>652,137</u>	<u>637,665</u>	<u>640,605</u>	<u>136.6 %</u>
Total Investments				<u>\$ 652,137</u>	<u>\$ 637,665</u>	<u>\$ 640,605</u>	<u>136.6 %</u>

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- (1) Certain portfolio company investments are subject to contractual restrictions on sales.
 - (2) The amortized cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method.
 - (3) Loan contains a variable rate structure, subject to an interest rate floor. Variable rate loans bear interest at a rate that may be determined by reference to either the London Interbank Offered Rate ("LIBOR" or "L") (which can include one-, two-, three- or six-month LIBOR) or an alternate base rate (which can include the Federal Funds Effective Rate or the Prime Rate), at the borrower's option, and which reset periodically based on the terms of the loan agreement. For each such loan, the Company has provided the interest rate in effect on the date presented.
 - (4) Unless otherwise indicated, all investments are non-controlled, non-affiliated investments. Non-controlled, non-affiliated investments are defined as investments in which the Company owns less than 5% of the portfolio company's outstanding voting securities and does not have the power to exercise control over the management or policies of such portfolio company.
 - (5) At September 30, 2016, there was an unfunded commitment of \$13.0 million.
 - (6) This portfolio company is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of total assets.

The accompanying notes are an integral part of these consolidated financial statements.

Owl Rock Capital Corporation
Consolidated Statement of Changes in Net Assets
(Amounts in thousands)
(Unaudited)

	Nine Months Ended September 30, 2016
Increase in Net Assets Resulting from Operations	
Net investment income	\$ 654
Net unrealized gains on investments	2,940
Net Increase in Net Assets Resulting from Operations	<u>3,594</u>
Increase in Net Assets Resulting from Capital Share Transactions	
Issuance of common shares	465,260
Increase in Net Assets Resulting from Capital Share Transactions	<u>465,260</u>
Total Increase in Net Assets	468,854
Net Assets, Beginning of Period	<u>—</u>
Net Assets, End of Period	<u>\$ 468,854</u>

The accompanying notes are an integral part of these consolidated financial statements.

Owl Rock Capital Corporation
Consolidated Statement of Cash Flows
(Amounts in thousands)
(Unaudited)

		Nine Months Ended September 30, 2016
Cash Flows from Operating Activities		
Net Increase in Net Assets Resulting from Operations	\$	3,594
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized gains on investments		(2,940)
Net amortization of discount on investments		(322)
Amortization of debt issuance costs		119
Purchases of investments, net		(746,155)
Proceeds from investments, net		108,812
Changes in operating assets and liabilities:		
Interest receivable		(2,461)
Prepaid expenses and other assets		(960)
Management fees payable to affiliate		2,474
Payables to affiliate		1,271
Accrued expenses and other liabilities		875
Interest payable		308
Net cash used in operating activities		<u>(635,385)</u>
Cash Flows from Financing Activities		
Borrowings on Credit Facility		389,000
Debt issuance costs		(3,463)
Proceeds from issuance of common shares		464,997
Net cash provided by financing activities		<u>850,534</u>
Net increase in cash and cash equivalents		215,149
Cash and cash equivalents, beginning of period		—
Cash and cash equivalents, end of period	\$	<u><u>215,149</u></u>
Non-cash financing activities		
Subscriptions receivable	\$	263
Supplemental Information		
Interest paid during the period	\$	347

The accompanying notes are an integral part of these consolidated financial statements.

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited)

Note 1. Organization and Basis of Presentation

Organization

Owl Rock Capital Corporation (“Owl Rock” or the “Company”) is a Maryland corporation formed on October 15, 2015. The Company was formed primarily to originate and make loans to, and make debt and equity investments in, U.S. middle market companies. The Company invests in senior secured or unsecured loans, subordinated loans or mezzanine loans and, to a lesser extent, equity-related securities including warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company’s common equity. The Company’s investment objective is to generate current income and to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns.

The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). In addition, for tax purposes, the Company intends to qualify and be treated as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

In April 2016, the Company closed on its first portfolio company investment. On April 27, 2016, the Company formed a wholly-owned subsidiary, OR Lending LLC, a Delaware limited liability company, which holds a California finance lenders license and a Tennessee industrial loan and thrift certificate.

Because the Company has elected to be regulated as a BDC and intends to qualify as a RIC under the Code, the Company’s portfolio is subject to diversification and other requirements.

Owl Rock Capital Advisors, LLC (the “Adviser”) serves as the Company’s investment adviser. The Adviser is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). Subject to the overall supervision of the Company’s Board of Directors (the “Board”), the Adviser manages the day to day operations of, and provides investment advisory and management services to the Company.

The Company’s capital is used by its portfolio companies to support their organic growth, acquisitions, market or product expansion, refinancings and/or recapitalizations. The Company defines “middle market companies” to generally mean companies with earnings before interest expense, income tax expense, depreciation and amortization, or “EBITDA,” between \$10 million and \$250 million annually and/or annual revenue of \$50 million to \$2.5 billion at the time of investment. The Company may on occasion invest in smaller or larger companies if an opportunity presents itself, including when there are dislocations in the capital markets, including the high yield and large syndicated loan markets. The Company’s target credit investments will typically have maturities between three and ten years and generally range in size between \$20 million and \$250 million. The investment size will vary with the size of its capital base.

The Company conducts private offerings (the “Private Offering”) of its common shares to accredited investors in reliance on exemptions from the registration requirements of the Securities Act of 1933, as amended. At the closing of each Private Offering, each investor makes a capital commitment (a “Capital Commitment”) to purchase shares of the Company’s common stock pursuant to a subscription agreement entered into with the Company. Investors are required to fund drawdowns to purchase shares of the Company’s common stock up to the amount of their respective Capital Commitment on an as-needed basis each time the Company delivers a drawdown notice to its investors.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company is an investment company and, therefore, applies the specialized accounting and reporting guidance in Accounting Standards Codification (“ASC”) Topic 946, Financial Services – Investment Companies. In the opinion of management, all adjustments, consisting solely of accruals considered necessary for the fair presentation of financial statements for interim periods, have been included. The results of operations for interim periods are not indicative of results to be expected for the full year.

Fiscal Year End

The Company’s fiscal year ends on December 31.

Note 2. Significant Accounting Policies*Use of Estimates*

The preparation of financial statements in conformity with U.S. 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. Such amounts could differ from those estimates and such differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and highly liquid investments (e.g. U.S. treasury notes) with original maturities of three months or less. Cash and cash equivalents are carried at cost, which approximates fair value. The Company deposits its cash and cash equivalents with highly-rated banking corporations and, at times, may exceed the insured limits under applicable law.

Investments at Fair Value

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment using the specific identification method without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment values, including the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Investments for which market quotations are readily available are typically valued at the bid price of those market quotations. To validate market quotations, the Company utilizes a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available, as is the case for substantially all of the Company's investments, are valued at fair value as determined in good faith by the Board, based on, among other things, the input of the Adviser, the Company's Audit Committee and independent third-party valuation firm(s) engaged at the direction of the Board.

As part of the valuation process, the Board takes into account relevant factors in determining the fair value of the Company's investments, including: the estimated enterprise value of a portfolio company (i.e., the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments based on its earnings and cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, and overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. When an external event such as a purchase or sale transaction, public offering or subsequent equity sale occurs, the Board considers whether the pricing indicated by the external event corroborates its valuation.

The Board undertakes a multi-step valuation process, which includes, among other procedures, the following:

- With respect to investments for which market quotations are readily available, those investments will typically be valued at the bid price of those market quotations;
- With respect to investments for which market quotations are not readily available, the valuation process begins with the independent valuation firm(s) providing a preliminary valuation of each investment to the Adviser's valuation committee;
- Preliminary valuation conclusions are documented and discussed with the Adviser's valuation committee. Agreed upon valuation recommendations are presented to the Audit Committee;
- The Audit Committee reviews the valuation recommendations and recommends values for each investment to the Board; and
- The Board reviews the recommended valuations and determines the fair value of each investment.

The Company conducts this valuation process on a quarterly basis.

The Company applies Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements* ("ASC 820"), as amended, which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited) — Continued

investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, the Company considers its principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in determination of fair value. In accordance with ASC 820, these levels are summarized below:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfer occurs. In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of the inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When an investment is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment. For example, the Company, or the independent valuation firm(s), reviews pricing support provided by dealers or pricing services in order to determine if observable market information is being used, versus unobservable inputs.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Interest and Dividend Income Recognition

Interest income is recorded on the accrual basis and includes amortization of discounts or premiums. Discounts and premiums to par value on securities purchased are amortized into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the amortization of discounts or premiums, if any.

Loans are generally placed on non-accrual status when there is reasonable doubt that principal or interest will be collected in full. Accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid current and, in management's judgment, are likely to remain current. Management may make exceptions to this treatment and determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection.

Dividend income on preferred equity securities is recorded on the accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

Other Income

From time to time, the Company may receive fees for services provided to portfolio companies by the Adviser. These fees are generally only available to the Company as a result of closing investments, are normally paid at the closing of the investments, are generally non-recurring and are recognized as revenue when earned upon closing of the investment. The services that the Adviser

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited) — Continued

provides vary by investment, but can include closing, work, diligence or other similar fees and fees for providing managerial assistance to our portfolio companies.

Organization Expenses

Costs associated with the organization of the Company are expensed as incurred. These expenses consist primarily of legal fees and other costs of organizing the Company.

Offering Expenses

Costs associated with the offering of common shares of the Company are capitalized as deferred offering expenses and are included in prepaid expenses and other assets in the consolidated statement of assets and liabilities and are amortized over a twelve-month period from incurrence. These expenses consist primarily of legal fees and other costs incurred in connection with the Company's share offerings, the preparation of the Company's registration statement, and registration fees.

Debt Issuance Costs

The Company records origination and other expenses related to its debt obligations as deferred financing costs. These expenses are deferred and amortized over the life of the related debt instrument. Debt issuance costs are presented on the consolidated statement of assets and liabilities as a direct deduction from the debt liability. In circumstances in which there is not an associated debt liability amount recorded in the consolidated financial statements when the debt issuance costs are incurred, such debt issuance costs will be reported on the consolidated statement of assets and liabilities as an asset until the debt liability is recorded.

Reimbursement of Transaction-Related Expenses

The Company may receive reimbursement for certain transaction-related expenses in pursuing investments. Transaction-related expenses, which are generally expected to be reimbursed by third parties, are typically deferred until the transaction is consummated and are recorded in prepaid expenses and other assets on the date incurred. The costs of successfully completed investments not otherwise reimbursed are borne by the Company and are included as a component of the investment's cost basis.

Cash advances received in respect of transaction-related expenses are recorded as cash and cash equivalents with an offset to accrued expenses and other liabilities. Accrued expenses and other liabilities are relieved as reimbursable expenses are incurred.

Income Taxes

The Company has elected to be treated as a BDC under the 1940 Act. The Company also intends to elect to be treated as a RIC under the Code for the taxable year ending December 31, 2016. So long as the Company maintains its tax treatment as a RIC, it generally will not pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Instead, any tax liability related to income earned and distributed by Owl Rock represents obligations of the Company's investors and will not be reflected in the consolidated financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are reserved and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof.

To qualify as a RIC, the Company must, among other things, meet certain source-of-income and asset diversification requirements. In addition, to qualify for RIC tax treatment, the Company must distribute to its stockholders, for each taxable year, at least 90% of its "investment company taxable income" for that year, which is generally its ordinary income plus the excess of its realized net short-term capital gains over its realized net long-term capital losses.

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited) — Continued

Distributions to Common Stockholders

Distributions to common stockholders are recorded on the record date. The amount to be distributed is determined by the Board and is generally based upon the earnings estimated by the Adviser. Net realized long-term capital gains, if any, would be generally distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any cash distributions on behalf of stockholders, unless a stockholder elects to receive cash. As a result, if the Board authorizes and declares a cash distribution, then the stockholders who have not “opted out” of the dividend reinvestment plan will have their cash distribution automatically reinvested in additional shares of the Company’s common stock, rather than receiving the cash distribution. The Company expects to use newly issued shares to implement the dividend reinvestment plan.

Consolidation

As provided under Regulation S-X and ASC Topic 946 - Financial Services - Investment Companies, the Company will generally not consolidate its investment in a company other than a wholly-owned investment company or controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the accounts of the Company's wholly-owned subsidiary in its consolidated financial statements.

Subsequent Events

The Company evaluates the need for disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements are issued.

New Accounting Pronouncements

Management does not believe any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying consolidated financial statements.

Note 3. Agreements and Related Party Transactions

Administration Agreement

On March 1, 2016, the Company entered into an Administration Agreement (the “Administration Agreement”) with the Adviser. Under the terms of the Administration Agreement, the Adviser will perform, or oversee the performance of, required administrative services, which includes providing office space, equipment and office services, maintaining financial records, preparing reports to shareholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others.

The Administration Agreement also provides that the Company will reimburse the Adviser for certain organization costs incurred prior to the commencement of the Company’s operations, and for certain offering costs.

The Company will reimburse the Adviser for services performed for it pursuant to the terms of the Administration Agreement. In addition, pursuant to the terms of the Administration Agreement, the Adviser may delegate its obligations under the Administration Agreement to an affiliate or to a third party and the Company will reimburse the Adviser for any services performed for it by such affiliate or third party.

For the three and nine months ended September 30, 2016, the Company incurred expenses of approximately \$0.7 million and \$1.8 million, respectively, for costs and expenses reimbursable to the Adviser under the terms of the Administration Agreement.

Unless earlier terminated as described below, the Administration Agreement will remain in effect until March 1, 2018 and from year to year thereafter if approved annually by (1) the vote of the Board, or by the vote of a majority of its outstanding voting securities, and (2) the vote of a majority of the Company’s directors who are not “interested persons” of the Company, of the Adviser or of any of their respective affiliates, as defined in the 1940 Act. The Administration Agreement may be terminated at any time, without the payment of any penalty, on 60 days’ written notice, by the vote of a majority of the outstanding voting securities of the Company, or by the vote of the Board or by the Administrator.

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited) — Continued

No person who is an officer, director, or employee of the Adviser or its affiliates and who serves as a director of the Company receives any compensation from the Company for his or her services as a director. However, the Company reimburses the Adviser (or its affiliates) for an allocable portion of the compensation paid by the Adviser or its affiliates to the Company's Chief Compliance Officer, Chief Financial Officer and other professionals who spend time on such related activities (based on the percentage of time those individuals devote, on an estimated basis, to the business and affairs of the Company). Directors who are not affiliated with the Adviser receive compensation for their services and reimbursement of expenses incurred to attend meetings.

Investment Advisory Agreement

On March 1, 2016, the Company entered into an Investment Advisory Agreement (the "Investment Advisory Agreement") with the Adviser. Under the terms of the Investment Advisory Agreement, the Adviser will be responsible for managing the Company's business and activities, including sourcing investment opportunities, conducting research, performing diligence on potential investments, structuring its investments, and monitoring its portfolio companies on an ongoing basis through a team of investment professionals.

The Adviser's services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to the Company are not impaired.

Under the terms of the Investment Advisory Agreement, the Company will pay the Adviser a base management fee and may also pay to it certain incentive fees. The cost of both the management fee and the incentive fee will ultimately be borne by the Company's shareholders.

The management fee is payable quarterly in arrears. Prior to the future quotation or listing of the Company's securities on a national securities exchange (an "Exchange Listing") or the future quotation or listing of its securities on any other public trading market, the management fee is payable at an annual rate of 0.75% of the Company's (i) average gross assets, excluding cash and cash equivalents but including assets purchased with borrowed amounts, at the end of the Company's two most recently completed calendar quarters plus (ii) the average of any remaining unfunded Capital Commitments at the end of the two most recently completed calendar quarters. Following an Exchange Listing, the management fee is payable at an annual rate of 1.75% of the Company's average gross assets excluding cash and cash equivalents but including assets purchased with borrowed amounts, at the end of the two most recently completed calendar quarters. The management fee for any partial month or quarter, as the case may be, will be appropriately prorated and adjusted for any share issuances or repurchases during the relevant calendar months or quarters, as the case may be.

For the three and nine months ended September 30, 2016, management fees were \$2.5 million and \$4.7 million, respectively.

Pursuant to the Investment Advisory Agreement, the Adviser will not be entitled to an incentive fee prior to an Exchange Listing. Following an Exchange Listing, the incentive fee will consist of two components that are independent of each other, with the result that one component may be payable even if the other is not. A portion of the incentive fee is based on the Company's pre-incentive fee net investment income and a portion is based on the Company's capital gains. The portion of the incentive fee based on pre-incentive fee net investment income is determined and paid quarterly in arrears commencing with the first calendar quarter following an Exchange Listing, and equals 100% of the pre-incentive fee net investment income in excess of a 1.5% quarterly "hurdle rate," until the Adviser has received 20% of the total pre-incentive fee net investment income for that calendar quarter and, for pre-incentive fee net investment income in excess of 1.875% quarterly, 20% of all remaining pre-incentive fee net investment income for that calendar quarter.

The second component of the incentive fee, the capital gains incentive fee, payable at the end of each calendar year in arrears, equals 20% of cumulative realized capital gains from the date on which the Exchange Listing becomes effective (the "Listing Date") to the end of each calendar year, less cumulative realized capital losses and unrealized capital depreciation from the Listing Date to the end of each calendar year, less the aggregate amount of any previously paid capital gains incentive fee for prior periods. In no event will the capital gains incentive fee payable pursuant to the Investment Advisory Agreement be in excess of the amount permitted by the Advisers Act, including Section 205 thereof.

There was no incentive fee for the three and nine months ended September 30, 2016.

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited) — Continued

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect until March 1, 2018 and will remain in effect from year-to-year thereafter if approved annually by a majority of the Board or by the holders of a majority of our outstanding voting securities and, in each case, by a majority of independent directors.

The Investment Advisory Agreement will automatically terminate within the meaning of the 1940 Act and related SEC guidance and interpretations in the event of its assignment. In accordance with the 1940 Act, without payment of any penalty, the Company may terminate the Investment Advisory Agreement with the Adviser upon 60 days' written notice. The decision to terminate the agreement may be made by a majority of the Board or the shareholders holding a majority (as defined under the 1940 Act) of the outstanding shares of the Company's common stock or the Adviser. In addition, without payment of any penalty, the Adviser may generally terminate the Investment Advisory Agreement upon 60 days' written notice and, in certain circumstances, the Adviser may only be able to terminate the Investment Advisory Agreement upon 120 days' written notice.

From time to time, the Adviser may pay amounts owed by the Company to third-party providers of goods or services, including the Board, and the Company will subsequently reimburse the Adviser for such amounts paid on its behalf. Amounts payable to the Adviser are settled in the normal course of business without formal payment terms.

Note 4. Investments

Under the 1940 Act, the Company is required to separately identify non-controlled investments where it owns 5% or more of a portfolio company's outstanding voting securities and/or had the power to exercise control over the management or policies of such portfolio company as investments in "affiliated" companies. In addition, under the 1940 Act, the Company is required to separately identify investments where it owns more than 25% of a portfolio company's outstanding voting securities and/or had the power to exercise control over the management or policies of such portfolio company as investments in "controlled" companies. Under the 1940 Act, "non-affiliated investments" are defined as investments that are neither controlled investments nor affiliated investments. Detailed information with respect to the Company's non-controlled, non-affiliated; non-controlled, affiliated; and controlled affiliated investments is contained in the accompanying consolidated financial statements, including the consolidated schedule of investments. The information in the tables below is presented on an aggregate portfolio basis, without regard to whether they are non-controlled non-affiliated, non-controlled affiliated or controlled affiliated investments.

As of September 30, 2016, investments consisted of the following:

	September 30, 2016	
	Amortized Cost	Fair Value
First-lien senior secured debt investments	\$ 342,334	\$ 342,910
Second-lien senior secured debt investments	295,331	297,695
Total Investments	\$ 637,665	\$ 640,605

The industry composition of investments based on fair value as of September 30, 2016 was as follows:

	September 30, 2016
Aerospace and defense	7.7 %
Distribution	13.0 %
Food and beverage	30.1 %
Healthcare equipment and services	13.1 %
Infrastructure and environmental services	11.0 %
Leisure and entertainment	5.5 %
Manufacturing	2.4 %
Professional services	17.2 %
Total	100.0 %

Owl Rock Capital Corporation

Notes to Consolidated Financial Statements (Unaudited) — Continued

The geographic composition of investments based on fair value as of September 30, 2016 was as follows:

	<u>September 30, 2016</u>
United States:	
Midwest	35.7 %
Northeast	23.2 %
South	22.0 %
West	14.8 %
Canada	4.3 %
Total	<u>100.0 %</u>

Note 5. Fair Value of Investments

Investments

The following table presents the fair value hierarchy of investments as of September 30, 2016:

	<u>Fair Value Hierarchy as of September 30, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
First-lien senior secured debt investments	\$ —	\$ —	\$ 342,910	\$ 342,910
Second-lien senior secured debt investments	—	35,203	262,492	297,695
Total Investments at fair value	<u>\$ —</u>	<u>\$ 35,203</u>	<u>\$ 605,402</u>	<u>\$ 640,605</u>

The following table presents changes in the fair value of investments for which Level 3 inputs were used to determine the fair value as of and for the three and nine months ended September 30, 2016 :

	<u>As of and for the Three Months Ended September 30, 2016</u>		
	<u>First-lien debt investments</u>	<u>Second-lien debt investments</u>	<u>Total</u>
	Fair value, beginning of period	\$ 39,825	\$ 178,860
Purchases of investments, net	327,703	81,688	409,391
Proceeds from investments, net	(24,862)	-	(24,862)
Net change in unrealized gain	58	1,819	1,877
Net amortization of discount on investments	186	125	311
Transfers into (out of) Level 3	—	—	—
Fair value, end of period	<u>\$ 342,910</u>	<u>\$ 262,492</u>	<u>\$ 605,402</u>

	<u>As of and for the Nine Months Ended September 30, 2016</u>		
	<u>First-lien debt investments</u>	<u>Second-lien debt investments</u>	<u>Total</u>
	Fair value, beginning of period	\$ —	\$ —
Purchases of investments, net	367,003	344,498	711,501
Proceeds from investments, net	(24,862)	(83,950)	(108,812)
Net change in unrealized gain	576	1,819	2,395
Net amortization of discount on investments	193	125	318
Transfers into (out of) Level 3	—	—	—
Fair value, end of period	<u>\$ 342,910</u>	<u>\$ 262,492</u>	<u>\$ 605,402</u>

The following table presents information with respect to net change in unrealized gains on investments for which Level 3 inputs were used in determining the fair value that are still held by the Company at September 30, 2016:

Owl Rock Capital Corporation

Notes to Consolidated Financial Statements (Unaudited) — Continued

	Net change in Unrealized Gain for the Three Months Ended September 30, 2016 on Investments Held at September 30, 2016	Net change in Unrealized Gain for the Nine Months Ended September 30, 2016 on Investments Held at September 30, 2016
First-lien senior secured debt investments	\$ 58	\$ 576
Second-lien senior secured debt investments	1,819	1,819
Total Investments	\$ 1,877	\$ 2,395

The following table presents quantitative information about the significant unobservable inputs of the Company's Level 3 investments as of September 30, 2016. The table is not intended to be all-inclusive but instead captures the significant unobservable inputs relevant to the Company's determination of fair value.

	As of September 30, 2016				
	Fair Value ⁽¹⁾	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase in Input
First-lien senior secured debt investments	\$ 302,847	Recent Transaction	Transaction Price	94.0-98.5 (97.3)	Increase
	24,875	Yield Analysis	Market Yield	6.7% (6.7%)	Decrease
Second-lien senior secured debt investments	\$ 81,688	Recent Transaction	Transaction Price	97.5-98.0 (97.8)	Increase
	180,804	Yield Analysis	Market Yield	10.7%-11.4% (10.9%)	Decrease

(1) Excludes an investment at fair value amounting to \$15,188, which the Company valued using indicative bid prices obtained from brokers.

The Company typically determines the fair value of its performing Level 3 debt investments utilizing a yield analysis. In a yield analysis, a price is ascribed for each investment based upon an assessment of current and expected market yields for similar investments and risk profiles. Additional consideration is given to the expected life, portfolio company performance since close, and other terms and risks associated with an investment. Among other factors, a determinant of risk is the amount of leverage used by the portfolio company relative to its total enterprise value, and the rights and remedies of the Company's investment within each portfolio company's capital structure.

Significant unobservable quantitative inputs typically used in the fair value measurement of the Company's Level 3 debt investments primarily include current market yields, including relevant market indices, but may also include quotes from brokers, dealers, and pricing services as indicated by comparable investments. For the Company's Level 3 equity investments, a market approach, based on comparable publicly-traded company and comparable market transaction multiples of revenues, earnings before income taxes, depreciation and amortization ("EBITDA") or some combination thereof and comparable market transactions typically would be used.

Financial Instruments Not Carried at Fair Value

The fair value of the Company's Credit Facility, which is categorized as Level 3 within the fair value hierarchy as of September 30, 2016, approximates its carrying value.

The carrying amounts of the Company's assets and liabilities, other than investments at fair value, approximate fair value due to their short maturities or their close proximity of the originations to the measurement date. Under the fair value hierarchy, cash and cash equivalents are classified as Level 1 while the Company's other assets and liabilities, other than investments at fair value and debt, are classified as Level 2.

Owl Rock Capital Corporation
Notes to Consolidated Financial Statements (Unaudited) — Continued

Note 6. Borrowings

In accordance with the 1940 Act, with certain limitations, the Company is allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. As of September 30, 2016, the Company's asset coverage was 220%.

On August 1, 2016 (the "Closing Date"), the Company entered into a revolving credit facility (the "Credit Facility") with Wells Fargo Bank, National Association ("Wells Fargo"), as administrative agent (the "Administrative Agent"), and Wells Fargo, State Street Bank and Trust Company and the banks and financial institutions from time to time party thereto, as lenders.

The Credit Facility permits the Company to borrow up to \$250 million, subject to availability under the "Borrowing Base". The Borrowing Base is calculated based on the unused Capital Commitments of the investors meeting various eligibility requirements above certain concentration limits based on investors' credit ratings. The Credit Facility includes a provision permitting the Company to increase the size of the facility on or before the first anniversary of the Closing Date up to a maximum principal amount not exceeding \$500 million, subject to customary conditions, and includes a further provision permitting the Company to increase the size of the facility under certain circumstances up to a maximum principal amount not exceeding \$750 million, if the existing or new lenders agree to commit to such further increase. On September 14, 2016, the Company, in accordance with the credit agreement, exercised its option to increase the size of the facility to a total of \$300 million. On September 26, 2016, the Company, in accordance with the credit agreement, exercised its option to increase the size of the facility to a total of \$500 million.

(\$ in thousands)	September 30, 2016			
	Aggregate Principal Committed	Outstanding Principal	Amount Available(1)	Net Carrying Value(2)
Credit Facility	\$ 500,000	\$ 389,000	\$ 111,000	\$ 385,656
Total Debt	\$ 500,000	\$ 389,000	\$ 111,000	\$ 385,656

(1) The amount available reflects any limitations related to the Credit Facility's borrowing base.

(2) The carrying value of the Company's Credit Facility is presented net of deferred financing costs of \$3.3 million.

Average debt outstanding during the three months ended September 30, 2016 was \$99.7 million.

Borrowings under the Credit Facility bear interest, at the Company's election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, an adjusted LIBOR rate for the applicable interest period plus 1.60% or (ii) in the case of reference rate loans, the greatest of (A) a prime rate plus 0.60%, (B) the federal funds rate plus 1.10%, and (C) one-month LIBOR plus 1.60%. Loans may be converted from one rate to another at any time at the Company's election, subject to certain conditions. The Company also will pay an unused commitment fee of 0.25% per annum on the unused commitments.

For the three months ended September 30, 2016, the components of interest expense were as follows:

(\$ in thousands)	Three months ended September 30, 2016	
Interest expense	\$	655
Amortization of debt issuance costs		119
Total Interest Expense	\$	774
Average interest rate		2.52 %

The Credit Facility will mature upon the earliest of (i) the date three (3) years from the Closing Date; (ii) the date upon which the Administrative Agent declares the obligations under the Credit Facility due and payable after the occurrence of an event of default; (iii) forty-five (45) days prior to the scheduled termination of the commitment period under the Company's Subscription Agreements (as defined below); (iv) forty-five (45) days prior to the date of any listing of the Company's common stock on a national securities exchange; (v) the termination of the commitment period under the Company's Subscription Agreements (if earlier than the scheduled date); and (vi) the date the Company terminates the commitments pursuant to the Credit Facility.

The Credit Facility is secured by a perfected first priority security interest in the Company's right, title, and interest in and to the capital commitments of the Company's private investors, including the Company's right to make capital calls, receive and apply capital contributions, enforce remedies and claims related thereto together with capital call proceeds and related rights, and a pledge of the collateral account into which capital call proceeds are deposited.

The Credit Facility contains customary covenants, including certain limitations on the incurrence by the Company of additional indebtedness and on the Company's ability to make distributions to its shareholders, or redeem, repurchase or retire shares of stock, upon the occurrence of certain events, and customary events of default (with customary cure and notice provisions).

Transfers of interests in the Company by investors will need to comply with certain sections of the Credit Facility and the Company shall notify the Administrative Agent before such transfers take place. Such transfers may trigger mandatory prepayment obligations.

Note 7. Commitments and Contingencies

From time to time, the Company may enter into commitments to fund investments. As of September 30, 2016, the Company had an outstanding commitment to fund a revolver loan totaling \$13.0 million.

As of September 30, 2016, the Company had \$2.2 billion in total Capital Commitments from investors (\$1.7 billion unfunded), of which \$112.4 million is from executives of the Adviser (\$64.1 million unfunded).

From time to time, the Company may become a party to certain legal proceedings incidental to the normal course of its business. At September 30, 2016, management is not aware of any pending or threatened litigation.

Note 8. Net Assets

In connection with its formation, the Company has the authority to issue 500,000,000 common shares at \$0.01 per share par value.

On March 1, 2016, the Company issued 100 common shares for \$1,500 to the Adviser.

During the nine months ended September 30, 2016, the Company entered into subscription agreements (the "Subscription Agreements") with investors providing for the private placement of the Company's common shares. Under the terms of the Subscription Agreements, investors are required to fund drawdowns to purchase the Company's common shares up to the amount of their respective Capital Commitment on an as-needed basis each time the Company delivers a drawdown notice to its investors.

On March 17, 2016, pursuant to the Subscription Agreements, the Company delivered a capital drawdown notice to its investors relating to the issuance of 3,333,344 common shares for an aggregate offering price of \$50 million. The shares were issued on March 30, 2016.

On March 30, 2016, pursuant to the Subscription Agreements, the Company delivered a capital drawdown notice to its investors relating to the issuance of 17,214 common shares for an aggregate offering price of \$0.3 million. The shares were issued on April 12, 2016.

On May 26, 2016, pursuant to the Subscription Agreements, the Company delivered a capital drawdown notice to its investors relating to the issuance of 20,979,021 common shares for an aggregate offering price of \$300 million. The shares were issued on June 10, 2016.

On June 16, 2016, pursuant to the Subscription Agreements, the Company delivered a capital drawdown notice to its investors relating to the issuance of 5,244,760 common shares for an aggregate offering price of \$75 million. The shares were issued on June 29, 2016.

On September 16, 2016, pursuant to the Subscription Agreements, the Company delivered a capital drawdown notice to its investors relating to the issuance of 2,751,029 common shares for an aggregate offering price of \$40 million. The shares were issued on September 29, 2016.

On November 8, 2016, the Company's Board declared a dividend of \$2.1 million for shareholders of record on November 15, 2016, payable on November 30, 2016.

Note 9. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per common share:

Owl Rock Capital Corporation

Notes to Consolidated Financial Statements (Unaudited) — Continued

	Three Months Ended September 30, 2016	Nine months ended September 30, 2016
Increase in net assets resulting from operations	\$ 7,992	\$ 3,594
Weighted average shares of common stock outstanding—basic and diluted	29,634,244	16,302,756
Earnings per common share-basic and diluted	\$ 0.27	\$ 0.22

Note 10. Financial Highlights

The following are the financial highlights for a common share outstanding during the nine months ended September 30, 2016:

(amounts in thousands, except share and per share data)	Nine months ended September 30, 2016
Per Share Data	
Net asset value, beginning of period	\$ —
Net investment income ⁽¹⁾	0.04
Net unrealized gain ⁽¹⁾	0.18
Total from operations	0.22
Issuance of common shares	14.28
Total increase in net assets	14.50
Net asset value, end of period	\$ 14.50
Shares outstanding, end of period	32,325,468
Total Return⁽³⁾	(3.3)%
Ratios / Supplemental Data	
Ratio of total expenses to average net assets ⁽²⁾	6.0 %
Ratio of net investment income to average net assets ⁽²⁾	0.6 %
Net assets, end of period	\$ 468,854
Weighted-average shares outstanding	16,302,756
Total capital commitments, end of period	\$ 2,200,510
Ratios of total contributed capital to total committed capital, end of period	21.1 %
Portfolio turnover rate	11.4 %
Year of formation	2015

- (1) The per share data was derived by using the weighted average shares outstanding during the period.
- (2) The ratios reflect an annualized amount, except in the case of non-recurring expenses (e.g. initial organization expense).
- (3) Total return is calculated as the change in net asset value (“NAV”) per share during the period, plus distributions per share (if any), divided by the beginning NAV per share. Total return is not annualized.

Note 11. Subsequent Events

The Company’s management evaluated subsequent events through the date of issuance of these consolidated financial statements. Other than those previously disclosed, there have been no subsequent events that occurred during such period that would require disclosure in, or would be required to be recognized in, these consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information contained in this section should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report. This discussion also should be read in conjunction with the "Cautionary Statement Regarding Forward Looking Statements" set forth on page 1 of this Quarterly Report on Form 10-Q.

Overview

Owl Rock Capital Corporation (the "Company", "we", "us" or "our") is a Maryland corporation formed on October 15, 2015. We were formed primarily to originate and make loans to, and make debt and equity investments in, U.S. middle market companies. We will invest in senior secured or unsecured loans, subordinated loans or mezzanine loans and, to a lesser extent, equity-related securities including warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company's common equity. Our investment objective is to generate current income, and to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns.

We are managed by Owl Rock Capital Advisors LLC (the "Adviser"). The Adviser is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). Subject to the overall supervision of the Board, the Adviser manages the day to day operations of, and provides investment advisory and management services to us. The Adviser or its affiliates may engage in certain origination activities and receive attendant arrangement, structuring or similar fees.

The Adviser will serve as investment adviser to Owl Rock Capital Corporation II. Owl Rock Capital Corporation II is a corporation formed under the laws of the State of Maryland that intends to elect to be treated as a business development company under the 1940 Act. It is expected that Owl Rock Capital Corporation II's investment objective will be similar to ours, which is to generate current income, and to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns.

On April 27, 2016, we formed a wholly-owned subsidiary, OR Lending LLC, a Delaware limited liability company, which holds a California finance lenders license and a Tennessee industrial loan and thrift certificate. Subject to the overall supervision of our Board of Directors (the "Board"), the Adviser is responsible for managing our business and activities, including sourcing investment opportunities, conducting research, performing diligence on potential investments, structuring our investments, and monitoring our portfolio companies on an ongoing basis through a team of investment professionals. The Board consists of seven directors, four of whom are independent.

We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act") and intend to qualify and be treated as a regulated investment company ("RIC") for tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). As a result, we are required to comply with various statutory and regulatory requirements, such as:

- the requirement to invest at least 70% of our assets in "qualifying assets", as such term is defined in the 1940 Act;
- source of income limitations;
- asset diversification requirements; and
- the requirement to distribute (or be treated as distributing) in each taxable year at least 90% of our investment company taxable income and tax-exempt interest for that taxable year.

In addition, we will not invest more than 20% of our total assets in companies whose principal place of business is outside the United States.

Our Investment Framework

We are a Maryland corporation organized primarily to originate and make loans to, and make debt and equity investments in, U.S. middle market companies. Our investment objective is to generate current income, and to a lesser extent, capital appreciation by targeting investment opportunities with favorable risk-adjusted returns. Since we began our investment activities in April 2016 through September 30, 2016, we have originated \$775.5 million aggregate principal amount of investments and retained \$665.5 million aggregate principal amount of these investments on our balance sheet prior to any subsequent exits or repayments. We seek to generate current income primarily in U.S. middle market companies through direct originations of senior secured loans or originations of unsecured loans, subordinated loans or mezzanine loans and, to a lesser extent, investments in equity-related securities including warrants, preferred stock and similar forms of senior equity.

We define “middle market companies” to generally mean companies with earnings before interest expense, income tax expense, depreciation and amortization, or “EBITDA,” between \$10 million and \$250 million annually and/or annual revenue of \$50 million to \$2.5 billion at the time of investment, although we may on occasion invest in smaller or larger companies if an opportunity presents itself.

As of September 30, 2016, our average investment size in each of our portfolio companies was approximately \$42.7 million based on fair value.

The companies in which we invest use our capital to support their growth, acquisitions, market or product expansion, refinancings and/or recapitalizations. The debt in which we invest typically is not rated by any rating agency, but if these instruments were rated, they would likely receive a rating of below investment grade (that is, below BBB- or Baa3), which is often referred to as “junk”.

Key Components of Our Results of Operations

Investments

We focus primarily on the direct origination of loans to middle market companies domiciled in the United States.

Our level of investment activity (both the number of investments and the size of each investment) can and will vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle market companies, the level of merger and acquisition activity for such companies, the general economic environment and the competitive environment for the types of investments we make.

In addition, as part of our risk strategy on investments, we may reduce the levels of certain investments through partial sales or syndication to additional investors.

Revenues

We generate revenues primarily in the form of interest income from the investments we hold. In addition, we may generate income from dividends on either direct equity investments or equity interests obtained in connection with originating loans, such as options, warrants or conversion rights. Our debt investments typically have a term of three to ten years. As of September 30, 2016, 96.9% of our investments based on fair value bear interest at a floating rate, subject to interest rate floors. Interest on our debt investments is generally payable either monthly or quarterly.

Our investment portfolio consists of floating rate loans, and our Credit Facility (as defined below) bears interest at floating rates. Macro trends in base interest rates like LIBOR may affect our net investment income over the long term. However, because we generally originate loans to a small number of portfolio companies each quarter, and those investments vary in size, our results in any given period, including the interest rate on investments that were sold or repaid in a period compared to the interest rate of new investments made during that period, often are idiosyncratic, and reflect the characteristics of the particular portfolio companies that we invested in or exited during the period and not necessarily any trends in our business or macro trends.

Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income using the effective yield method for term instruments and the straight-line method for revolving or delayed draw instruments. Repayments of our debt investments can reduce interest income from period to period. The frequency or volume of these repayments may fluctuate significantly. We record prepayment premiums on loans as interest income. We may also generate revenue in the form of commitment, loan origination, structuring, or due diligence fees, fees for providing managerial assistance to our portfolio companies and possibly consulting fees.

Dividend income on equity investments is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded companies.

Our portfolio activity also reflects the proceeds of sales of investments. We recognize realized gains or losses on investments based on the difference between the net proceeds from the disposition and the amortized cost basis of the investment without regard to

unrealized gains or losses previously recognized. We record current period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized gains (losses) on investments in the consolidated statement of operations.

Expenses

Our primary operating expenses include the payment of the management fee and, in the event of the future quotation or listing of our securities on a national securities exchange, the incentive fee, and expenses reimbursable under the Administration Agreement and Investment Advisory Agreement. The management fee and incentive fee compensate our Adviser for work in identifying, evaluating, negotiating, closing, monitoring and realizing our investments.

Except as specifically provided below, all investment professionals and staff of the Adviser, when and to the extent engaged in providing investment advisory and management services to the Company, the base compensation, bonus and benefits, and the routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser. We bear our allocable portion of the compensation paid by the Adviser (or its affiliates) to our Chief Compliance Officer and Chief Financial Officer and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to our business affairs). We bear all other costs and expenses of our operations, administration and transactions, including, but not limited to (i) investment advisory fees, including management fees and incentive fees, to the Adviser, pursuant to the Investment Advisory Agreement; (ii) our allocable portion of overhead and other expenses incurred by the Adviser in performing its administrative obligations under the Investment Advisory Agreement; and (iii) all other expenses of its operations and transactions including, without limitation, those relating to:

- the cost of our organization and offerings;
- the cost of calculating our net asset value, including the cost of any third-party valuation services;
- the cost of effecting any sales and repurchases of our common stock and other securities;
- fees and expenses payable under any dealer manager agreements, if any;
- debt service and other costs of borrowings or other financing arrangements;
- costs of hedging;
- expenses, including travel expense, incurred by the Adviser, or members of the investment team, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, enforcing our rights;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees, any stock exchange listing fees and fees payable to rating agencies;
- federal, state and local taxes;
- independent directors' fees and expenses including certain travel expenses;
- costs of preparing financial statements and maintaining books and records and filing reports or other documents with the Securities and Exchange Commission (or other regulatory bodies) and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation of the foregoing;
- the costs of any reports, proxy statements or other notices to our shareholders (including printing and mailing costs), the costs of any shareholder or director meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- commissions and other compensation payable to brokers or dealers;
- research and market data;
- fidelity bond, directors' and officers' errors and omissions liability insurance and other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits, outside legal and consulting costs;
- costs of winding up;
- costs incurred in connection with the formation or maintenance of entities or vehicles to hold our assets for tax or other purposes;

- extraordinary expenses (such as litigation or indemnification); and
- costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws.

We expect that during periods of asset growth, our general and administrative expenses will be relatively stable or will decline as a percentage of total assets, and will increase as a percentage of total assets during periods of asset declines.

Leverage

The amount of leverage we use in any period depends on a variety of factors, including cash available for investing, the cost of financing and general economic and market conditions. However, our total borrowings are limited so that our asset coverage ratio cannot fall below 200%, as defined in the 1940 Act. In any period, our interest expense will depend largely on the extent of our borrowing and we expect interest expense will increase as we increase our leverage over time within the limits of the 1940 Act. In addition, we may dedicate assets to financing facilities.

Market Trends

We believe the middle-market lending environment provides opportunities for us to meet our goal of making investments that generate attractive risk-adjusted returns based on a combination of the following factors:

Limited Availability of Capital for Middle-Market Companies. We believe that regulatory and structural changes in the market have reduced the amount of capital available to U.S. middle-market companies. In particular, we believe there are currently fewer providers of capital to middle market companies. Traditional middle market lenders, such as commercial and regional banks and commercial finance companies, have contracted their origination and lending activities and are focusing on more liquid asset classes, or have exited the business altogether. We believe the Basel III accord, and implementing regulations by the Federal Reserve, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation will significantly increase capital and liquidity requirements for banks, decreasing their capacity to hold non-investment grade leveraged loans on their balance sheets. Coupled with new risk retention requirements for collateralized loan vehicles, we believe these developments reduce the capacity of traditional lenders to serve this market segment and, as a result, increase the cost of borrowing for U.S. middle market companies.

Capital markets have been unable to fill the void in U.S. middle market finance left by banks While underwritten bond and syndicated loan markets have been robust in recent years, middle market companies are rarely able to access these markets as participants are generally highly focused on the liquidity characteristics of the bond or loan being issued. For example, mutual funds and ETFs are significant buyers of underwritten bonds. However, mutual funds and ETFs generally require the ability to liquidate their investments quickly in order to fund investor redemptions. Accordingly, the existence of an active secondary market for bonds is an important consideration in these entities' initial investment decision. Because there is typically little or no active secondary market for the debt of U.S. middle market companies, mutual funds and ETFs generally do not provide debt capital to U.S. middle market companies. We believe this is likely to be a persistent problem and creates an advantage for those like us who have a more stable capital base and have the ability to invest in illiquid assets.

Robust Demand for Debt Capital. We believe U.S. middle market companies will continue to require access to debt capital to refinance existing debt, support growth and finance acquisitions. In addition, we believe the large amount of uninvested capital held by funds of private equity firms, estimated by Preqin Ltd., an alternative assets industry data and research company, to be \$1.31 trillion as of December 2015, will continue to drive deal activity. We expect that private equity sponsors will continue to pursue acquisitions and leverage their equity investments with secured loans provided by companies such as us.

The Middle Market is a Large Addressable Market. According to GE Capital's National Center for the Middle Market 4th Quarter 2015 Middle Market Indicator, there are approximately 200,000 U.S. middle market companies, which have approximately 48 million aggregate employees. Moreover, the U.S. middle market accounts for approximately \$4.3 trillion of private sector gross domestic product, or GDP, which, measured on a global scale, would be the fifth largest global economy. GE defines U.S. middle market companies as those between \$10 million and \$1 billion in annual revenue, which the Company believes has significant overlap with its definition of U.S. middle market companies.

Attractive Investment Dynamics. An imbalance between the supply of, and demand for, middle market debt capital creates attractive pricing dynamics. We believe the directly negotiated nature of middle market financings also generally provides more favorable terms to the lender, including stronger covenant and reporting packages and better call protection. Additionally, we believe BDC managers' expertise in credit selection and ability to manage through credit cycles has generally resulted in BDCs experiencing lower loss rates than U.S. commercial banks through credit cycles. Further, we believe that historical middle market default rates have been lower, and recovery rates have been higher, as compared to the larger market capitalization, broadly distributed market, leading to lower cumulative losses.

Conservative Capital Structures. Following the credit crisis, which we define broadly as occurring between mid-2007 and mid-2009, lenders have generally required borrowers to maintain more equity as a percentage of their total capitalization, specifically to protect lenders during economic downturns. With more conservative capital structures, U.S. middle market companies have exhibited higher levels of cash flows available to service their debt. In addition, U.S. middle market companies often are characterized by simpler capital structures than larger borrowers, which facilitates a streamlined underwriting process and, when applicable, restructuring process.

Attractive Opportunities in Investments in Loans. We intend to invest in senior secured or unsecured loans, subordinated loans or mezzanine loans and, to a lesser extent, equity-related securities. We believe that opportunities in senior secured loans are significant because of the floating rate structure of most senior secured debt issues and because of the strong defensive characteristics of these types of investments. Given the current low interest rate environment, we believe that debt issues with floating interest rates offer a superior return profile as compared with fixed-rate investments, since floating rate structures are generally less susceptible to declines in value experienced by fixed-rate securities in a rising interest rate environment. Senior secured debt also provides strong defensive characteristics. Senior secured debt has priority in payment among an issuer's security holders whereby holders are due to receive payment before junior creditors and equityholders. Further, these investments are secured by the issuer's assets, which may provide protection in the event of a default, if necessary.

Portfolio and Investment Activity

As of September 30, 2016, our weighted average total yield of debt and income producing securities at fair value was 9.3%, and our weighted average total yield of debt and income producing securities at amortized cost was 9.3%.

As of September 30, 2016 we had investments in 15 portfolio companies with an aggregate fair value of \$640.6 million.

Our investment activity for the three months ended September 30, 2016 is presented below (information presented herein is at par value unless otherwise indicated).

(\$ in thousands, except as otherwise indicated)	Three Months Ended September 30, 2016
New investment commitments:	
Gross originations	\$ 468,500
Less: Sell downs	(25,000)
Total new investment commitments	\$ 443,500
Principal amount of investments funded:	
First-lien senior secured debt investments	\$ 312,000
Second-lien senior secured debt investments	118,500
Total principal amount of investments funded	\$ 430,500
Principal amount of investments sold or repaid:	
First-lien senior secured debt investments	\$ —
Second-lien senior secured debt investments	—
Total principal amount of investments sold or repaid	\$ —
Number of new investment commitments	9
Average new investment commitment amount	\$ 49,278
Weighted average maturity for new investment commitments (in years)	6.4
Percentage of new debt investment commitments at floating rates	95.4 %
Percentage of new debt investment commitments at fixed rates	4.6 %
Weighted average interest rate of new investment commitments	8.4 %
Weighted average spread over LIBOR of new floating rate investment commitments	7.3 %
Weighted average interest rate on investments sold or paid down	- %

As of September 30, 2016, our investments consisted of the following:

(\$ in thousands)	September 30, 2016	
	Amortized Cost	Fair Value
First-lien senior secured debt investments	\$ 342,334	\$ 342,910
Second-lien senior secured debt investments	295,331	297,695
Total	\$ 637,665	\$ 640,605

The table below describes investments by industry composition based on fair value as of September 30, 2016:

	September 30, 2016
Aerospace and defense	7.7 %
Distribution	13.0 %
Food and beverage	30.1 %
Healthcare equipment and services	13.1 %
Infrastructure and environmental services	11.0 %
Leisure and entertainment	5.5 %
Manufacturing	2.4 %
Professional services	17.2 %
Total	100.0 %

The table below describes investments by geographic composition based on fair value as of September 30, 2016:

	<u>September 30, 2016</u>
United States:	
Midwest	35.7 %
Northeast	23.2 %
South	22.0 %
West	14.8 %
Canada	4.3 %
Total	<u>100.0 %</u>

The weighted average yields and interest rate of our debt investments at fair value as of September 30, 2016 were as follows:

	<u>September 30, 2016</u>
Weighted average total yield of debt and income producing securities	9.3 %
Weighted average interest rate of debt and income producing securities	8.7 %
Weighted average spread over LIBOR of all floating rate investments	7.7 %

Our Adviser monitors our portfolio companies on an ongoing basis. It monitors the financial trends of each portfolio company to determine if they are meeting their respective business plans and to assess the appropriate course of action with respect to each portfolio company. Our Adviser has a number of methods of evaluating and monitoring the performance and fair value of our investments, which may include the following:

- assessment of success of the portfolio company in adhering to its business plan and compliance with covenants;
- periodic and regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments;
- comparisons to other companies in the portfolio company's industry; and
- review of monthly or quarterly financial statements and financial projections for portfolio companies.

As part of the monitoring process, our Adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment Adviser rates the credit risk of all investments on a scale of 1 to 5. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e., at the time of origination or acquisition), although it may also take into account the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors. The rating system is as follows:

Investment Rating	Description
1	Investments with a rating of 1 involve the least amount of risk to our initial cost basis. The borrower is performing above expectations, and the trends and risk factors for this investment since origination or acquisition are generally favorable;
2	Investments rated 2 involve an acceptable level of risk that is similar to the risk at the time of origination or acquisition. The borrower is generally performing as expected and the risk factors are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a rate of 2;
3	Investments rated 3 involve a borrower performing below expectations and indicates that the loan's risk has increased somewhat since origination or acquisition;
4	Investments rated 4 involve a borrower performing materially below expectations and indicates that the loan's risk has increased materially since origination or acquisition. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due (but generally not more than 120 days past due); and
5	Investments rated 5 involve a borrower performing substantially below expectations and indicates that the loan's risk has increased substantially since origination or acquisition. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. Loans rated 5 are not anticipated to be repaid in full and we will reduce the fair market value of the loan to the amount we anticipate will be recovered.

Our Adviser rates the investments in our portfolio at least quarterly and it is possible that the rating of a portfolio investment may be reduced or increased over time. For investments rated 3, 4 or 5, our Adviser enhances its level of scrutiny over the monitoring of such portfolio company. The following table shows the composition of our portfolio on the 1 to 5 rating scale as of September 30, 2016.

Investment Rating	September 30, 2016	
	Investments at Fair Value (\$ in thousands)	Percentage of Total Portfolio
1	\$ —	— %
2	640,605	100.0 %
3	—	— %
4	—	— %
5	—	— %
Total	\$ 640,605	100.0 %

The following table shows the amortized cost of our performing and non-accrual investments as of September 30, 2016:

(\$ in thousands)	September 30, 2016	
	Amortized Cost	Percentage
Performing	\$ 637,665	100.0 %
Non-accrual	—	-
Total	\$ 637,665	100.0 %

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that the principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. Management may make exceptions to this treatment and determine to not place a loan on non-accrual if the loan has sufficient collateral value and is in the process of collection.

Results of Operations

The following table represents the operating results for the three and nine months ended September 30, 2016:

(\$ in millions)	Three Months Ended September 30, 2016	Nine months ended September 30, 2016
Total Investment Income	\$ 10.7	\$ 11.4
Less: Expenses	5.1	10.7
Net investment income before income taxes	5.6	0.7
Less: Income taxes, including excise taxes	—	—
Net Investment Income	5.6	0.7
Net change in unrealized gains	2.4	2.9
Net Increase in Net Assets Resulting from Operations	\$ 8.0	\$ 3.6

As we were in the development stage through March 31, 2016, we have no prior periods with which to compare our results of operations.

Investment Income

Investment income for the three and nine months ended September 30, 2016, were as follows:

(\$ in millions)	Three Months Ended September 30, 2016	Nine months ended September 30, 2016
Interest from investments	\$ 10.7	\$ 11.4
Other income	0.0	0.0
Total investment income	\$ 10.7	\$ 11.4

As we were in the development stage through March 31, 2016, no revenues were earned during periods prior to April 1, 2016.

Expenses

Expenses for the three and nine months ended September 30, 2016 were as follows:

(\$ in millions)	Three Months Ended September 30, 2016	Nine months ended September 30, 2016
Initial organization	\$ —	\$ 1.2
Interest expense	0.8	0.8
Management fees	2.5	4.7
Professional fees	0.9	2.1
Directors' fees	0.1	0.2
Other general and administrative	0.8	1.7
Total expenses	\$ 5.1	\$ 10.7

Expenses for the three months ended September 30, 2016 were \$5.2 million, which consisted of \$0.8 million in interest expense, \$2.5 million in management fees, \$0.9 million in professional fees, \$0.1 million in directors' fees and \$0.9 million in other general and administrative expenses.

Expenses for the nine months ended September 30, 2016 were \$10.7 million, which consisted of \$0.8 million in interest expense, \$1.2 million of initial organization expenses for which we were required to reimburse the Adviser in accordance with the Administration Agreement, \$4.7 million in management fees, \$2.1 million in professional fees, \$0.2 million in directors' fees and \$1.7 million in other general and administrative expenses.

Under the terms of the Administration Agreement, we reimburse the Adviser for services performed for us. In addition, pursuant to the terms of the Administration Agreement, the Adviser may delegate its obligations under the Administration Agreement to an affiliate or to a third party and we reimburse the Adviser for any services performed for us by such affiliate or third party.

Income Taxes, Including Excise Taxes

We intend to elect to be treated as a RIC under Subchapter M of the Code, and we intend to operate in a manner so as to continue to qualify for the tax treatment applicable to RICs. To qualify for tax treatment as a RIC, we must, among other things, distribute to our shareholders in each taxable year generally at least 90% of our investment company taxable income, as defined by the Code, and net tax-exempt income for that taxable year. To maintain our tax treatment as a RIC, we, among other things, intend to make the requisite distributions to our shareholders, which generally relieves us from corporate-level U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we can be expected to carry forward taxable income (including net capital gains, if any) in excess of current year dividend distributions from the current tax year into the next tax year and pay a nondeductible 4% U.S. federal excise tax on such taxable income, as required. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such income, we will accrue excise tax on estimated excess taxable income.

For the three and nine months ended September 30, 2016, there was no expense for U.S. federal excise tax.

Net Unrealized Gains on Investments

We fair value our portfolio investments quarterly and any changes in fair value are recorded as unrealized gains or losses. During the three and nine months ended September 30, 2016, net unrealized gains on our investment portfolio were comprised of the following:

(\$ in millions)	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Unrealized gain on investments	\$ 2.4	\$ 2.9
Net unrealized gains on investments	\$ 2.4	\$ 2.9

Financial Condition, Liquidity and Capital Resources

Our liquidity and capital resources are generated primarily from the proceeds of capital drawdowns of our privately placed Capital Commitments and our Credit Facility. The primary uses of our cash and cash equivalents are for (i) investments in portfolio companies and other investments and to comply with certain portfolio diversification requirements, (ii) the cost of operations (including paying our Adviser), (iii) debt service, repayment and other financing costs of any borrowings and (iv) cash distributions to the holders of our shares.

We may from time to time enter into additional debt facilities, increase the size of our existing Credit Facility or issue debt securities. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to incur borrowings, issue debt securities or issue preferred stock, if immediately after the borrowing or issuance, the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 200%. As of September 30, 2016, our asset coverage ratio was 220%. We carefully consider our unfunded commitments for the purpose of planning our ongoing financial leverage. Further, we maintain sufficient borrowing capacity within the 200% asset coverage limitation to cover any outstanding unfunded commitments we are required to fund.

Cash and cash equivalents as of September 30, 2016, taken together with our uncalled Capital Commitments of \$1.7 billion, is expected to be sufficient for our investing activities and to conduct our operations in the near term. As of September 30, 2016, we had \$111.0 million available under our Credit Facility.

As of September 30, 2016, we had \$215.1 million in cash and cash equivalents. During the nine months ended September 30, 2016, we used \$635.4 million in cash for operating activities, primarily as a result of funding portfolio investments of \$746.2 million, partially offset by \$108.7 million of sell downs, and other operating activity of \$(1.5) million, which was partially offset by an increase in net assets of \$3.6 million. Lastly, cash provided by financing activities was \$850.5 million during the period, primarily due to proceeds from the issuance of common shares of \$465.0 million and borrowing on our Credit Facility, net of debt issuance costs, of \$385.7 million.

Equity

On March 1, 2016, we issued 100 common shares for \$1,500 to the Adviser.

During the nine months ended September 30, 2016, we entered into subscription agreements (the "Subscription Agreements") with several investors, including affiliates of our Adviser, providing for the private placement of our common shares. Under the terms of the Subscription Agreements, investors are required to fund drawdowns to purchase our common shares up to the amount of their respective capital commitment on an as-needed basis each time we deliver a drawdown notice to our investors. As of September 30, 2016, we had received Capital Commitments totaling \$2.2 billion, of which \$112.4 million was from executives of our Adviser.

During the three months ended September 30, 2016, we received Capital Commitments totaling \$1.2 billion.

On March 17, 2016, pursuant to the Subscription Agreements, we delivered a capital drawdown notice to our investors relating to the issuance of 3,333,344 common shares for an aggregate offering price of \$50 million. The shares were issued on March 30, 2016.

On March 30, 2016, pursuant to the Subscription Agreements, we delivered a capital drawdown notice to our investors relating to the issuance of 17,214 common shares for an aggregate offering price of \$0.3 million. The shares were issued on April 12, 2016.

On May 26, 2016, pursuant to the Subscription Agreements, we delivered a capital drawdown notice to our investors relating to the issuance of 20,979,021 common shares for an aggregate offering price of \$300 million. The shares were issued on June 10, 2016.

On June 16, 2016, pursuant to the Subscription Agreements, we delivered a capital drawdown notice to our investors relating to the issuance of 5,244,760 common shares for an aggregate offering price of \$75 million. The shares were issued on June 29, 2016.

On September 16, 2016, pursuant to the Subscription Agreements, we delivered a capital drawdown notice to our investors relating to the issuance of 2,751,029 common shares for an aggregate offering price of \$40 million. The shares were issued on September 29, 2016.

On November 8, 2016, our Board declared a dividend of \$2.1 million for shareholders of record on November 15, 2016, payable on November 30, 2016.

Credit Facility

On August 1, 2016 (the "Closing Date"), we entered into a revolving credit facility (the "Credit Facility") with Wells Fargo Bank, National Association ("Wells Fargo"), as administrative agent (the "Administrative Agent"), and Wells Fargo, State Street Bank and Trust Company and the banks and financial institutions from time to time party thereto, as lenders.

The Credit Facility permits us to borrow up to \$250 million, subject to availability under the "Borrowing Base". The Borrowing Base is calculated based on the unused Capital Commitments of the investors meeting various eligibility requirements above certain concentration limits based on investors' credit ratings. The Credit Facility includes a provision permitting us to increase the size of the facility on or before the first anniversary of the Closing Date up to a maximum principal amount not exceeding \$500 million, subject to customary conditions, and includes a further provision permitting us to increase the size of the facility under certain circumstances up to a maximum principal amount not exceeding \$750 million, if the existing or new lenders agree to commit to such further increase. On September 14, 2016, in accordance with the Credit Agreement, we exercised our option to increase the size of the facility to a total of \$300 million. On September 26, 2016, in accordance with the Credit Agreement, we exercised our option to increase the size of the facility to a total of \$500 million.

	September 30, 2016			
(\$ in thousands)	Aggregate Principal Committed	Outstanding Principal	Amount Available ⁽¹⁾	Net Carrying Value ⁽²⁾
Credit Facility	\$ 500,000	\$ 389,000	\$ 111,000	\$ 385,656
Total Debt	\$ 500,000	\$ 389,000	\$ 111,000	\$ 385,656

(1) The amount available reflects any limitations related to the Credit Facility's borrowing base.

(2) The carrying value of the Company's Credit Facility is presented net of deferred financing costs of \$3.3 million.

Borrowings under the Credit Facility bear interest, at our election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, an adjusted LIBOR rate for the applicable interest period plus 1.60% or (ii) in the case of reference rate loans, the greatest of (A) a prime rate plus 0.60%, (B) the federal funds rate plus 1.10%, and (C) one-month LIBOR plus 1.60%. Loans may be converted from one rate to another at any time at our election, subject to certain conditions. We also will pay an unused commitment fee of 0.25% per annum on the unused commitments.

The Credit Facility will mature upon the earliest of (i) the date three (3) years from the Closing Date; (ii) the date upon which the Administrative Agent declares the obligations under the Credit Facility due and payable after the occurrence of an event of default; (iii) forty-five (45) days prior to the scheduled termination of the commitment period under our Subscription Agreements (as defined below); (iv) forty-five (45) days prior to the date of any listing of our common stock on a national securities exchange; (v) the termination of the commitment period under our Subscription Agreements (if earlier than the scheduled date); and (vi) the date we terminate the commitments pursuant to the Credit Facility.

The Credit Facility is secured by a perfected first priority security interest in our right, title, and interest in and to the capital commitments of our private investors, including our right to make capital calls, receive and apply capital contributions, enforce remedies and claims related thereto together with capital call proceeds and related rights, and a pledge of the collateral account into which capital call proceeds are deposited.

The Credit Facility contains customary covenants, including certain limitations on the incurrence by the Company of additional indebtedness and on our ability to make distributions to our shareholders, or redeem, repurchase or retire shares of stock, upon the occurrence of certain events, and customary events of default (with customary cure and notice provisions).

Transfers of interests in the Company by investors will need to comply with certain sections of the Credit Facility and we shall notify the Administrative Agent before such transfers take place. Such transfers may trigger mandatory prepayment obligations.

Off-Balance Sheet Arrangements

As of September 30, 2016, we had an outstanding commitment to fund a revolver loan totaling \$13.0 million.

As of September 30, 2016, we had \$2.2 billion in total Capital Commitments from investors (\$1.7 billion unfunded), of which \$112.4 million is from executives of the Adviser (\$64.1 million unfunded).

From time to time, we may become a party to certain legal proceedings incidental to the normal course of its business. At September 30, 2016, management is not aware of any pending or threatened litigation.

Contractual Obligations

A summary of our contractual payment obligations under our Credit Facility as of September 30, 2016, is as follows:

(\$ in millions)	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Credit Facility	\$ 389.0	\$ —	\$ 389.0	\$ —	\$ —
Total Contractual Obligations	\$ 389.0	\$ —	\$ 389.0	\$ —	\$ —

In addition to the contractual payment obligations in the table above, we also have a commitment to fund a revolver loan with an unfunded par balance of \$13.0 million.

Distributions

We intend to elect to be treated for U.S. federal income tax purposes, and qualify annually thereafter, as a RIC under Subchapter M of the Code. To obtain and maintain our tax treatment as a RIC, we must distribute (or be deemed to distribute) in each taxable year dividends for tax purposes equal to at least 90 percent of the sum of our:

- investment company taxable income (which is generally our ordinary income plus the excess of realized short-term capital gains over realized net long-term capital losses), determined without regard to the deduction for dividends paid, for such taxable year; and
- net tax-exempt interest income (which is the excess of our gross tax exempt interest income over certain disallowed deductions) for such taxable year.

As a RIC, we (but not our shareholders) generally will not be subject to U.S. federal tax on investment company taxable income and net capital gains that we distribute to our shareholders.

We intend to distribute annually all or substantially all of such income. To the extent that we retain our net capital gains or any investment company taxable income, we generally will be subject to corporate-level U.S. federal income tax. We can be expected to carry forward our net capital gains or any investment company taxable income in excess of current year dividend distributions, and pay the U.S. federal excise tax as described below.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% U.S. federal excise tax payable by us. To avoid this tax, we must distribute (or be treated as distributing) during each calendar year an amount at least equal to the sum of:

- 98% of our net ordinary income excluding certain ordinary gains or losses for that calendar year;
- 98.2% of our capital gain net income, adjusted for certain ordinary gains and losses, recognized for the twelve-month period ending on October 31 of that calendar year; and
- 100% of any income or gains recognized, but not distributed, in preceding years.

While we intend to distribute any income and capital gains in the manner necessary to minimize imposition of the 4% U.S. federal excise tax, sufficient amounts of our taxable income and capital gains may not be distributed and as a result, in such cases, the excise tax will be imposed. In such an event, we will be liable for this tax only on the amount by which we do not meet the foregoing distribution requirement.

We intend to pay quarterly dividends to our shareholders out of assets legally available for distribution. All dividends will be paid at the discretion of our Board and will depend on our earnings, financial condition, maintenance of our tax treatment as a RIC, compliance with applicable BDC regulations and such other factors as our Board may deem relevant from time to time.

On November 8, 2016, our Board declared a dividend of \$2.1 million for shareholders of record on November 15, 2016. This dividend will be payable on November 30, 2016.

To the extent our current taxable earnings for a year fall below the total amount of our distributions for that year, a portion of those distributions may be deemed a return of capital to our shareholders for U.S. federal income tax purposes. Thus, the source of a distribution to our shareholders may be the original capital invested by the shareholder rather than our income or gains. Shareholders should read written disclosure carefully and should not assume that the source of any distribution is our ordinary income or gains.

We have adopted an “opt out” dividend reinvestment plan for our common shareholders. As a result, if we declare a cash dividend or other distribution, each shareholder that has not “opted out” of our dividend reinvestment plan will have their dividends or distributions automatically reinvested in additional shares of our common stock rather than receiving cash dividends. Shareholders who receive distributions in the form of shares of common stock will be subject to the same U.S. federal, state and local tax consequences as if they received cash distributions.

Critical Accounting Policies

The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies should be read in connection with our risk factors as disclosed in our Registration Statement filed in our Form 10.

Investments at Fair Value

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment values, including the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Investments for which market quotations are readily available are typically valued at the bid price of those market quotations. To validate market quotations, we utilize a number of factors to determine if the quotations are representative of fair value, including

the source and number of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available, as is the case for substantially all of our investments, are valued at fair value as determined in good faith by our Board, based on, among other things, the input of the Adviser, our Audit Committee and independent third-party valuation firm(s) engaged at the direction of the Board.

As part of the valuation process, the Board takes into account relevant factors in determining the fair value of our investments, including: the estimated enterprise value of a portfolio company (i.e., the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments based on its earnings and cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, and overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Board considers whether the pricing indicated by the external event corroborates its valuation.

The Board undertakes a multi-step valuation process, which includes, among other procedures, the following:

- With respect to investments for which market quotations are readily available, those investments will typically be valued at the bid price of those market quotations;
- With respect to investment for which market quotations are not readily available, the valuation process begins with the independent valuation firm(s) providing a preliminary valuation of each investment to the Adviser's valuation committee;
- Preliminary valuation conclusions are documented and discussed with the Adviser's valuation committee. Agreed upon valuation recommendations are presented to the Audit Committee;
- The Audit Committee reviews the valuations recommendations and recommends values for each investment to the Board; and
- The Board reviews the recommended valuations and determines the fair value of each investment.

We conduct this valuation process on a quarterly basis.

We apply Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements* ("ASC 820"), as amended, which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, we consider its principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in determination of fair value. In accordance with ASC 820, these levels are summarized below:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that we have the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfer occur. In addition to using the above inputs in investment valuations, we apply the valuation policy approved by our Board that is consistent with ASC 820. Consistent with the valuation policy, we evaluate the source of the inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When an investment is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), we subject those prices to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment. For example, we, or the independent valuation firm(s), reviews pricing support provided by dealers or pricing services in order to determine if observable market information is being used, versus unobservable inputs.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of such investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be realized. Further, such investments are generally less liquid than publicly traded securities and

may be subject to contractual and other restrictions on resale. If we were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Interest and Dividend Income Recognition

Interest income is recorded on the accrual basis and includes amortization of discounts or premiums. Discounts and premiums to par value on securities purchased are amortized into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the amortization of discounts or premiums, if any.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when management has reasonable doubt that the borrower will pay principal or interest in full. Accrued and unpaid interest is generally reversed when a loan is placed non-accrual status. Interest payment received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest has been paid and, in management's judgment, the borrower is likely to make principal and interest payments in the future. We may determine to not place a loan on non-accrual status if, notwithstanding any failure to pay, the loan has sufficient collateral value and is in the process of collection.

Dividend income on preferred equity securities is recorded on the accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

Income Taxes

We have elected to be treated as a BDC under the 1940 Act. We also intend to elect to be treated as a RIC under the Code for the taxable year ending December 31, 2016. So long as we maintain our tax treatment as a RIC, we generally will not pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned and distributed by us represents obligations of our investors and will not be reflected in our consolidated financial statements.

We evaluate tax positions taken or expected to be taken in the course of preparing our consolidated financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are reserved and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof.

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements. In addition, to qualify for RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income" for that year, which is generally our ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are subject to financial market risks, including valuation risk and interest rate risk.

Valuation Risk

We have invested, and plan to continue to invest, primarily in illiquid debt and equity securities of private companies. Most of our investments will not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board in accordance with our valuation policy. There is no single standard for determining fair value. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize amounts that are different from the amounts presented and such differences could be material.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. We intend to fund portions of our investments with borrowings, and at such time, our net investment income will be affected by the difference between the rate at which we invest and the rate at which we borrow. Accordingly, we cannot assure you that a significant change in market interest rates will not have a material adverse effect on our net investment income.

As of September 30, 2016, 96.9% of the investments based on fair value in our portfolio were at floating rates.

Based on our consolidated balance sheet as of September 30, 2016, the following table shows the annualized impact on net income of hypothetical base rate changes in interest rates (considering interest rate floors and ceilings for floating rate instruments) assuming no changes in our investment and borrowing structure:

(\$ in thousands)	Interest Income	Interest Expense	Net Income
Up 300 basis points	\$ 17,988	\$ 11,670	\$ 6,318
Up 200 basis points	11,667	7,780	3,887
Up 100 basis points	5,345	3,890	1,455
Down 25 basis points	-	(973)	973

Currency Risk

From time to time, we may make investments that are denominated in a foreign currency. These investments are translated into U.S. dollars at each balance sheet date, exposing us to movements in foreign exchange rates. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us. We may seek to utilize instruments such as, but not limited to, forward contracts to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates. We also have the ability to borrow in certain foreign currencies under our Credit Facility. Instead of entering into a foreign currency exchanges forward contract in connection with loans or other investments we have made that are denominated in a foreign currency, we may borrow in that currency to establish a natural hedge against our loan or investment. To the extent the loan or investment is based on a floating rate other than a rate under which we can borrow under our Credit Facility, we may seek to utilize interest rate derivatives to hedge our exposure to changes in the associated rate.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q and determined that our disclosure controls and procedures are effective as of the end of the period covered by the Quarterly Report on Form 10-Q.

(b) Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any material legal proceeding threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of any such future legal or regulatory

proceedings cannot be predicted with certainty, we do not expect that any such future proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in our Registration Statement on Form 10, filed with the SEC on April 11, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None, other than those already disclosed in certain Form 8-Ks filed with the SEC.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.**(a) Exhibits**

Exhibit Number	Description
3.1	Articles of Amendment and Restatement, dated March 1, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10 filed on April 11, 2016).
3.2	Bylaws, dated January 11, 2016 (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 10 filed on April 11, 2016).
10.1*	Investment Advisory Agreement between the Company and the Adviser, dated March 1, 2016.
10.2	Administration Agreement between the Company and the Adviser, dated March 1, 2016 (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form 10 filed on April 11, 2016).
10.3	Dividend Reinvestment Plan effective as of March 1, 2016 (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form 10 filed on April 11, 2016).
10.5	Custody Agreement by and between the Company and State Street Bank and Trust Company dated February 24, 2016 (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form 10 filed on April 11, 2016).
10.6	License Agreement between the Company and Owl Rock Capital Partners LP, dated March 1, 2016 (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form 10 filed on April 11, 2016).
10.7	Revolving Credit Agreement between the Company and Wells Fargo Bank, National Association and Wells Fargo Securities, LLC, dated August 1, 2016 (incorporated by reference to Exhibit 10.7 to the Company's Form 10-Q filed on August 10, 2016).
11.1	Computation of Per Share Earnings (included in the notes to the unaudited consolidated financial statements contained in this report).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

INVESTMENT ADVISORY AGREEMENT
BETWEEN
OWL ROCK CAPITAL CORPORATION
AND
OWL ROCK CAPITAL ADVISORS LLC

This Agreement (the “Agreement”) is made as of March 1, 2016, by and between Owl Rock Capital Corporation, a Maryland corporation (the “Company”), and Owl Rock Capital Advisors LLC, a Delaware limited liability company (the “Adviser”).

WHEREAS, the Company is a closed-end management investment company that intends to elect to be treated as a business development company (“BDC”) under the Investment Company Act of 1940 (the “Investment Company Act”);

WHEREAS, the Adviser is an investment adviser that is registered under the Investment Advisers Act of 1940 (the “Advisers Act”); and

WHEREAS, the Company desires to retain the Adviser to furnish investment advisory services to the Company on the terms and conditions hereinafter set forth, and the Adviser desires to be retained to provide such services.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1) Duties of the Adviser

- a) The Company hereby employs the Adviser to act as the investment adviser to the Company and to manage the investment and reinvestment of the assets of the Company, subject to the supervision of the Board of Directors of the Company (the “Board”), for the period and upon the terms herein set forth, (x) in accordance with the investment objective, policies and restrictions that are set forth in the Company’s registration statement on Form 10 (as amended from time to time, the “Registration Statement”) to be filed with the Securities and Exchange Commission (the “SEC”), and prior to the date on which the SEC declares the Company’s Registration Statement effective, in accordance with the investment objective, policies and restrictions that are set forth in the Company’s confidential private placement memorandum dated February 23, 2016 and as amended from time to time; (y) in accordance with all other applicable federal and state laws, rules and regulations, and the Company’s charter and by-laws as the same shall be amended from time to time; and (z) in accordance with the Investment Company Act. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement: (i) determine the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify/source, research, evaluate and negotiate the structure of the investments made by the Company; (iii) close and monitor the Company’s investments; (iv) determine the
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securities and other assets that the Company will purchase, retain, or sell; (v) use reasonable endeavors to ensure that the Company's investments consist mainly of shares, securities or currencies (or derivative contracts relating thereto), which for the avoidance of doubt may include loans, notes and other evidences of indebtedness; (vi) perform due diligence on prospective portfolio companies; and (vii) provide the Company with such other investment advisory, research, and related services as the Company may, from time to time, reasonably require for the investment of its funds, including providing operating and managerial assistance to the Company and its portfolio companies as required. Subject to the supervision of the Board, the Adviser shall have the power and authority on behalf of the Company to effectuate its investment decisions for the Company, including the execution and delivery of all documents relating to the Company's investments and the placing of orders for other purchase or sale transactions on behalf of the Company. In the event that the Company determines to acquire debt financing, the Adviser will arrange for such financing on the Company's behalf, subject to the oversight and approval of the Board. If it is necessary or appropriate for the Adviser to make investments on behalf of the Company through a special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such special purpose vehicle and to make such investments through such special purpose vehicle (in accordance with the Investment Company Act).

- b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the compensation provided herein.
- c) The Adviser shall for all purposes herein provided be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Company in any way or otherwise be deemed an agent of the Company.
- d) The Adviser shall keep and preserve for the period required by the Investment Company Act any books and records relevant to the provision of its investment advisory services to the Company and shall specifically maintain all books and records in accordance with Section 31(a) of the Investment Company Act with respect to the Company's portfolio transactions and shall render to the Board such periodic and special reports as the Board may reasonably request. The Adviser agrees that all records that it maintains for the Company are the property of the Company and will surrender promptly to the Company any such records upon the Company's request, provided that the Adviser may retain a copy of such records.
- e) The Adviser shall be primarily responsible for the execution of any trades in securities in the Company's portfolio and the Company's allocation of brokerage commissions.
- f) Following a continuous public offering through the independent broker-dealer network (a "Non-Listed Offering") and prior to such time as the Company's common stock is listed on a national securities exchange (an "Exchange Listing"), the Adviser shall, upon request by an official or agency administering the securities laws of a state (a "State Administrator"), submit to such State Administrator the reports and statements required to be distributed to the Company's stockholders pursuant to this Agreement, any registration statement filed with the SEC and applicable federal and state law.

- g) The Adviser has a fiduciary responsibility and duty to the Company and the Company's stockholders for the safekeeping and use of all the funds and assets of the Company, whether or not in the Adviser's immediate possession or control. Following a Non-Listed Offering and prior to an Exchange Listing, the Adviser (i) shall not employ, or permit another to employ, such funds or assets except for the exclusive benefit of the Company and (ii) may not contract away the fiduciary obligation owed to the Company and the Company's stockholders under common law.
- h) Following a Non-Listed Offering and prior to an Exchange Listing, the provisions set forth in "*Annex A—IV. Conflicts of Interest*" shall apply.

2) Company's Responsibilities and Expenses Payable by the Company

Except as otherwise provided herein or in the Administration Agreement (the "Administration Agreement"), dated March 1, 2016, between the Company and the Adviser (the Adviser, in its capacity as the administrator, the "Administrator"), the Adviser shall be solely responsible for the compensation of its investment professionals and employees and all overhead expenses of the Adviser (including rent, office equipment and utilities). The Company will bear all other costs and expenses of its operations, administration and transactions, including (without limitation): the cost of its organization and any offerings; the cost of calculating its net asset value, including the cost of any third-party valuation services; the cost of effecting any sales and repurchases of the Common Stock and other securities; fees and expenses payable under any dealer manager agreements, if any; debt service and other costs of borrowings or other financing arrangements; costs of hedging; expenses, including travel expense, incurred by the Adviser, or members of the Investment Team, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, enforcing the Company's rights; transfer agent and custodial fees; fees and expenses associated with marketing efforts; federal and state registration fees, any stock exchange listing fees and fees payable to rating agencies; federal, state and local taxes; independent directors' fees and expenses including certain travel expenses; costs of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation of the foregoing; the costs of any reports, proxy statements or other notices to stockholders (including printing and mailing costs), the costs of any stockholder or director meetings and the compensation of personnel responsible for the preparation of the foregoing and related matters; commissions and other compensation payable to brokers or dealers; research and market data; fidelity bond, directors and officers errors and omissions liability insurance and other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone and staff; fees and expenses associated with independent audits, outside legal and consulting costs; costs of winding up; costs incurred in connection with the formation or maintenance of entities or vehicles to hold the Company's assets for tax or other purposes; extraordinary expenses (such as litigation or indemnification); and costs associated with reporting and compliance obligations under the Advisers Act and applicable federal and state securities laws. Notwithstanding anything to the contrary contained herein, the Company shall reimburse the Adviser (or its affiliates) for an allocable portion of the compensation paid by the Adviser (or its affiliates) to the Company's Chief Compliance Officer and Chief Financial Officer and their respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to

the business affairs of the Company). For the avoidance of doubt, the Adviser shall be solely responsible for any placement or “finder’s” fees payable to placement agents engaged by the Company or its affiliates in connection with the offering of securities by the Company.

In addition to the compensation paid to the Adviser pursuant to Section 3, following a Non-Listed Offering and prior to an Exchange Listing the provisions set forth in “*Annex A —I._Company’s Responsibilities and Expenses Payable by the Company*” shall apply.

3) Compensation of the Adviser

The Company agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee (the “Management Fee”) and an incentive fee (the “Incentive Fee”) as hereinafter set forth. The Company shall make any payments due hereunder to the Adviser or to the Adviser’s designee as the Adviser may otherwise direct.

- a) For services rendered under this Agreement, the Management Fee will be payable quarterly in arrears. Management Fees for any partial month or quarter will be appropriately prorated and adjusted for any share issuances or repurchases during the relevant month or quarter. The Management fee shall be calculated as follows:
 - i) Prior to an Exchange Listing, the Management Fee shall be calculated at an annual rate of 0.75% of (i) the average of the Company’s gross assets, excluding cash and cash-equivalents but including assets purchased with borrowed amounts, at the end of the two most recently completed calendar quarters and (ii) the average of any remaining undrawn capital commitments at the end of the two most recently completed calendar quarters.
 - ii) Following an Exchange Listing, the Management Fee shall be calculated at an annual rate of 1.75% of the average of the Company’s gross assets, excluding cash and cash-equivalents but including assets purchased with borrowed amounts, at the end of the two most recently completed calendar quarters.
- b) Prior to an Exchange Listing, the Adviser will not be entitled to an Incentive Fee. Following an Exchange Listing, the Incentive Fee shall consist of two parts, as follows:
 - i) One part will be calculated and payable quarterly in arrears based on the pre-Incentive Fee net investment income for the immediately preceding calendar quarter commencing with the first calendar quarter following an Exchange Listing. For this purpose, pre-Incentive Fee net investment income means dividends (including reinvested dividends), interest and fee income accrued by the Company during the calendar quarter, minus the Company’s operating expenses for the calendar quarter (including the Management Fee, expenses payable under the Administration Agreement to the Administrator, 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, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay-in-kind interest and zero coupon securities), accrued income that the Company has not yet received in cash.

Pre-Incentive Fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. 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, will be compared to a "hurdle rate" of 1.5% per calendar quarter (6% annualized). The Company's net investment income used to calculate this part of the Incentive Fee is also included in the amount of its gross assets used to calculate the Management Fee.

The Company will pay the Adviser an Incentive Fee with respect to the Company's pre-Incentive Fee net investment income in each calendar quarter as follows:

- With the exception of the Capital Gains Incentive Fee (as defined and discussed in greater detail below), no Incentive Fee is payable to the Adviser prior to an Exchange Listing or in any calendar quarter in which the Company's pre-Incentive Fee net investment income does not exceed the hurdle rate of 1.5% for such calendar quarter.
 - 100% of the Company's 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 rate is payable to the Adviser until the Adviser has received 20% of the total pre-Incentive Fee net investment income for that calendar quarter. The Company refers to this portion of the Company's Pre-Incentive Fee net investment income as the "catch-up."
 - Once the hurdle is reached and the catch-up is achieved, 20% of all remaining pre-Incentive Fee net investment income for that calendar quarter is payable to the Adviser.
- ii) The second part of the Incentive Fee (the "Capital Gains Incentive Fee") will be determined and payable in arrears as of the end of each calendar year of the Company (or upon termination of this Agreement as set forth below), and will equal 20% of the Company's realized capital gains, if any, on a cumulative basis from the date on which the Exchange Listing becomes effective (the "Listing Date") to the end of such calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis from the Listing Date through the end of each calendar year, minus the aggregate amount of any previously paid Capital Gains Incentive Fees for prior periods. For the sole purpose of calculating the Capital Gains Incentive Fee, the cost basis as of the Listing Date for all of the Company's investments made prior to the Listing Date will be equal to the fair market value of such investments as of the last day of the calendar quarter in which the Listing Date occurs; provided, however, that in no event will the Capital Gains Incentive Fee payable pursuant hereto be in excess of the amount permitted by the Investment Advisers Act of 1940, as amended, including Section 205 thereof.
- iii) Examples of the quarterly incentive fee calculation are attached hereto as Annex B. Such examples are included for illustrative purposes only and are not considered part of this Agreement.

4) Covenants of the Adviser

The Adviser agrees that it will remain registered as an investment adviser under the Advisers Act so long as the Company maintains its election to be regulated as a BDC under the Investment Company Act. The Adviser agrees that its activities will at all times be in compliance in all material respects with all applicable federal and state laws governing its operations and investments. In addition, following a Non-Listed Offering and prior to an Exchange Listing, the Adviser shall comply with the covenants set forth in “*Annex A —II. Covenants of the Adviser.*”

5) Excess Brokerage Commissions

The Adviser is hereby authorized, to the fullest extent now or hereafter permitted by law, to cause the Company to pay a member of a national securities exchange, broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of such exchange, broker or dealer would have charged for effecting that transaction, if the Adviser determines in good faith, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm’s risk and skill in positioning blocks of securities, that such amount of commission is reasonable in relation to the value of the brokerage and/or research services provided by such member, broker or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Company’s portfolio, and constitutes the best net results for the Company. Notwithstanding anything herein to the contrary, following a Non-Listed Offering and prior to an Exchange Listing, the provisions set forth in “*Annex A —III. Excess Brokerage Commissions*” shall apply.

6) Investment Team

The Adviser shall manage the Company’s portfolio through a team of investment professionals (the “Investment Team”) dedicated primarily to the Company’s business, in cooperation with the Company’s Chief Executive Officer. The Investment Team shall be comprised of senior personnel of the Adviser, supported by and with access to the investment professionals, analytical capabilities and support personnel of the Company.

7) Limitations on the Employment of the Adviser

The services of the Adviser to the Company are not exclusive, and the Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment-based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Company, so long as its services to the Company hereunder are not impaired thereby, and nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Company’s portfolio companies, subject to applicable law). So long as this Agreement or any extension, renewal or amendment remains in effect, the Adviser shall be the only investment adviser for the Company, subject to the Adviser’s right to enter into sub-advisory agreements as set forth herein. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and stockholders of the Company are or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members,

managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Company as stockholders or otherwise.

8) Responsibility of Dual Directors, Officers and/or Employees

If any person who is a manager, partner, officer or employee of the Adviser is or becomes a director, officer and/or employee of the Company and acts as such in any business of the Company, then such manager, partner, officer and/or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Company, and not as a manager, partner, officer or employee of the Adviser or the Administrator or under the control or direction of the Adviser or the Administrator, even if paid by the Adviser or the Administrator.

9) Limitation of Liability of the Adviser; Indemnification

The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its sole member) shall not be liable to the Company for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Company (except to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services), and the Company shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its general partner or managing member and the Administrator each of whom shall be deemed a third party beneficiary hereof) (collectively, the “Indemnified Parties”) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Adviser’s duties or obligations under this Agreement or otherwise as an investment adviser of the Company. Notwithstanding the preceding sentence of this Section 9 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of criminal conduct, willful misfeasance, bad faith or gross negligence in the performance of the Adviser’s duties or by reason of the reckless disregard of the Adviser’s duties and obligations under this Agreement (as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the SEC or its staff thereunder). Notwithstanding this Section 9 to the contrary, following a Non-Listed Offering and prior to an Exchange Listing, the provisions set forth in “*Annex A —V. Limitation of Liability of the Adviser; Indemnification*” shall apply.

10) Effectiveness, Duration and Termination of Agreement

- a) This Agreement shall become effective as of the date first written above. This Agreement may be terminated at any time, without the payment of any penalty, on 60 days’ written

notice, by the vote of a majority of the outstanding voting securities of the Company or by the vote of the Company's directors or by the Adviser; provided, however, that following a Non-Listed Offering and prior to an Exchange Listing, the Adviser may only terminate this agreement upon not more than 120 days' written notice. The provisions of Section 9 of this Agreement shall remain in full force and effect, and the Adviser shall remain entitled to the benefits thereof, notwithstanding any termination of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 3 through the date of termination or expiration, and Section 9 shall continue in force and effect and apply to the Adviser and its representatives as and to the extent applicable.

- b) This Agreement shall continue in effect for two years from the date hereof, or to the extent consistent with the requirements of the Investment Company Act, from the date of the Company's election to be regulated as a BDC under the Investment Company Act, and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (A) the vote of the Board, or by the vote of a majority of the outstanding voting securities of the Company and (B) the vote of a majority of the Company's directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act.
- c) This Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the Investment Company Act).
- d) Following a Non-Listed Offering and prior to an Exchange Listing the provisions set forth in "*Annex A —VI. Effectiveness, Duration and Termination of Agreement*" shall apply.

11) Notices

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

12) Amendments

This Agreement may be amended by mutual consent, but the consent of the Company must be obtained in conformity with the requirements of the Investment Company Act.

13) Entire Agreement; Governing Law

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of Delaware and in accordance with the applicable provisions of the Investment Company Act. In such case, to the extent the applicable laws of the State of Delaware, or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

[Remainder of page intentionally left blank.]

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date above written.

OWL ROCK CAPITAL CORPORATION

By: _____
Name:
Title:

OWL ROCK CAPITAL ADVISORS LLC

By: _____
Name:
Title:

Annex A

Additional Provisions

- I. Company's Responsibilities and Expenses Payable by the Company.** In addition to the compensation paid to the Adviser pursuant to Section 3 of the Agreement, following a Non-Listed Offering the Company shall reimburse the Adviser for all expenses of the Company incurred by the Adviser as well as the actual cost of goods and services used for or by the Company and obtained from entities not affiliated with the Adviser. Following a Non-Listed Offering the Adviser may be reimbursed for the administrative services performed by it on behalf of the Company pursuant to any separate administration or co-administration agreement with the Adviser; provided, however, such reimbursement shall be an amount equal to the lower of the Adviser's actual cost or the amount the Company would be required to pay third parties for the provision of comparable administrative services in the same geographic location; and provided, further, that such costs are reasonably allocated to the Company on the basis of assets, revenues, time records or other methods conforming with generally accepted accounting principles. No such reimbursement shall be permitted for services for which the Adviser is entitled to compensation by way of a separate fee. Excluded from such allowable reimbursement shall be:
- a. rent or depreciation, utilities, capital equipment, and other administrative items of the Adviser; and
 - b. salaries, fringe benefits, travel expenses and other administrative items incurred by or allocated to any Controlling Person of the Adviser. The term "Controlling Person" shall mean a person, whatever his or her title, who performs functions for the Adviser similar to those of (a) the chairman or other member of a board of directors, (b) executive officers or (c) those holding 10% or more equity interest in the Adviser, or a person having the power to direct or cause the direction of the Adviser, whether through the ownership of voting securities, by contract or otherwise.
- II. Covenants of the Adviser.** Following a Non-Listed Offering and prior to an Exchange Listing:
- a. The Adviser shall prepare or shall cause to be prepared and mailed or delivered by any reasonable means, including an electronic medium, a copy of the Company's Annual Report on Form 10-K, filed by the Company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to each stockholder as of a record date after the end of the fiscal year within 120 days after the end of the fiscal year to which it relates that shall include: (i) financial statements prepared in accordance with generally accepted accounting principles which are audited and reported on by independent certified public accountants; (ii) a report of the material activities of the Company during the period covered by the report; (iii) where forecasts have been provided to the Company's stockholders, a table comparing the forecasts previously provided with the actual results during the period covered by the report;

and (iv) a report setting forth distributions to Company's stockholders for the period covered thereby and separately identifying distributions from: (A) cash flow from operations during the period; (B) cash flow from operations during a prior period which have been held as reserves; (C) proceeds from disposition of assets; and (D) reserves from the gross proceeds. Such Annual Report on Form 10-K must also contain a breakdown of the costs reimbursed to the Adviser. The Company shall take reasonable steps to assure that: (v) within the scope of the annual audit of the Company's financial statements, the independent certified public accountants preparing such Annual Report on Form 10-K will issue a special report on the allocation of such costs to the Company in accordance with this Agreement; (w) the special report shall be in accordance with the American Institute of Certified Public Accountants United States Auditing Standards relating to special reports; (x) the additional costs of such special report will be itemized and may be reimbursed to the Adviser by the Company in accordance with this Section II(a) only to the extent that such reimbursement, when added to the cost for administrative services rendered, does not exceed the competitive rate for such services as determined above; (y) the special report shall at minimum provide a review of the time records of individual employees, the costs of whose services were reimbursed and the specific nature of the work performed by each such employee; and (z) the prospectus, prospectus supplement or periodic report as filed with the SEC shall disclose in tabular form an itemized estimate of such proposed expenses for the next fiscal year together with a breakdown by year of such expenses reimbursed in each of the last five public programs formed by the Adviser and subject to the Omnibus Guidelines published by the North American Securities Administrators Association on May 7, 2007.

- b. The Adviser shall prepare or shall cause to be prepared and mailed or delivered to each Company stockholder within 60 days after the end of each fiscal quarter of the Company a Quarterly Report on Form 10-Q filed by the Company under the Exchange Act.
- c. The Adviser shall prepare or shall cause to be prepared and mailed or delivered within 75 days after the end of each calendar year of the Company to each person who was at any time during such calendar year a Company stockholder all information pertaining to such stockholder's investment in the Company necessary for the preparation of such person's federal income tax return.
- d. The Adviser shall, upon written request of any State Administrator, submit any of the reports and statements to be prepared and distributed by it pursuant to this Section II to such State Administrator.
- e. In performing its duties hereunder, the Adviser shall cause the Company to provide for adequate reserves for normal replacements and contingencies (but not for the payment of fees payable to the Adviser described in Section 3 of the Agreement) by causing the Company to retain a reasonable percentage of proceeds from offerings and revenues.

- f. From time to time and not less than quarterly, the Company shall cause the Adviser to review the Company's accounts to determine whether cash distributions are appropriate. The Company may, subject to authorization by the Board, distribute pro rata to the Company's stockholders funds which the Board deems unnecessary to retain in the Company. In no event shall funds be advanced or borrowed solely for the purpose of such cash distributions. Any cash distributions to the Adviser shall be made only in conjunction with distributions to stockholders and as a result of any shares held by the Adviser. All such cash distributions shall be made only out of funds legally available therefor pursuant to the Maryland General Corporation Law, as amended from time to time.
- g. The Adviser shall, in its sole discretion, temporarily place proceeds from offerings by the Company of its equity securities into short-term, highly liquid investments which, in its reasonable judgment, afford appropriate safety of principal during such time as it is determining the composition and allocation of the portfolio of the Company and the nature, timing and implementation of any changes thereto pursuant to Section 1 of the Agreement; provided however, that the Adviser shall be under no fiduciary obligation to select any such short-term, highly liquid investment based solely on any yield or return of such investment. The Adviser shall cause any proceeds of the offering of Company securities not committed for investment within the later of two years from the date of effectiveness of the registration statement relating to the Non-Listed Offering or one year from termination of the Non-Listed Offering, unless a longer period is permitted by the applicable State Administrator, to be paid as a distribution to the stockholders of the Company as a return of capital without deduction of Front End Fees.

III. Excess Brokerage Commissions. Notwithstanding anything herein to the contrary, following a Non-Listed Offering and prior to an Exchange Listing:

- a. All Front End Fees (as defined in the Company's charter) shall be reasonable and shall not exceed 18% of the gross proceeds of any offering and sale of the Company's shares, regardless of the source of payment. Any reimbursement to the Adviser or any other person for deferred Organizational and Offering Expenses (as defined in the Company's charter), including any interest thereon, if any, will be included within this 18% limitation.
- b. The Adviser shall cause the Company to commit at least 82% of the gross proceeds of any offering and sale of the Company's shares towards the investment or reinvestment of assets and reserves as set forth in Section II(e) of this Annex A on behalf of the Company. The remaining proceeds may be used to pay Front End Fees.

IV. Conflicts of Interest. Following a Non-Listed Offering:

- a. The Adviser is not hereby granted or entitled to an exclusive right to sell or exclusive employment to sell assets for the Company.

- b. The Adviser shall not receive or accept any rebate or give-ups or similar arrangement that is prohibited under applicable federal or state securities laws. The Adviser shall not directly or indirectly pay or award any fees or commissions or other compensation to any Person engaged to sell shares of the Company's stock or give investment advice to a potential stockholder; provided, however, that this subsection shall not prohibit the payment to a registered broker-dealer or other properly licensed agent of sales commissions for selling or distributing the Company's common stock.
- c. The Adviser covenants that it shall not permit or cause to be permitted the Company's funds from being commingled with the funds of any other entity. However, nothing in this subsection shall prohibit the Adviser from establishing a master fiduciary account pursuant to which separate sub-trust accounts are established for the benefit of affiliated programs, provided that the Company's funds are protected from the claims of other programs and creditors of such programs.

V. Limitation of Liability of the Adviser; Indemnification.

- a. Following a Non-Listed Offering and prior to an Exchange Listing, the Company shall not provide for indemnification of an Indemnified Party for any liability or loss suffered by the an Indemnified Party, nor shall the Company provide that any of the Indemnified Parties be held harmless for any loss or liability suffered by the Company, unless all of the following conditions are met:
 - i. the Indemnified Party has determined, in good faith, that the course of conduct that caused the loss or liability was in the best interests of the Company;
 - ii. the Indemnified Party was acting on behalf of or performing services for the Company;
 - iii. such liability or loss was not the result of (A) negligence or misconduct, in the case that the Indemnified Party is the Adviser or an Affiliate (as defined in the Articles of Incorporation) of the Adviser, or (B) gross negligence or willful misconduct, in the case that the Indemnified Party is a director of the Company who is not also an officer of the Company or the Adviser or an Affiliate of the Adviser; and
 - iv. such indemnification or agreement to hold harmless is recoverable only out of the Company's net assets and not from the Company stockholders.

Furthermore, the Indemnified Party shall not be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws by such party unless one or more of the following conditions are met:

- i. there has been a successful adjudication on the merits of each count involving alleged material securities law violations as to the Indemnified Party;
 - ii. such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the Indemnified Party; or
 - iii. a court of competent jurisdiction approves a settlement of the claims against the Indemnified Party and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authority in which shares of stock of the Company were offered or sold as to indemnification for violations of securities laws.
- b. Following a Non-Listed Offering and prior to an Exchange Listing, the Company may pay or reimburse reasonable legal expenses and other costs incurred by the Indemnified Party in advance of final disposition of a proceeding only if all of the following are satisfied:
 - i. the proceeding relates to acts or omissions with respect to the performance of duties or services on behalf of the Company;
 - ii. the Indemnified Party provides the Company with written affirmation of such Indemnified Party's good faith belief that the Indemnified Party has met the standard of conduct necessary for indemnification by the Company;
 - iii. the legal proceeding was initiated by a third party who is not a Company stockholder, or, if by a Company stockholder acting in his or her capacity as such, a court of competent jurisdiction approves such advancement; and
 - iv. the Indemnified Party provides the Company with a written agreement to repay the amount paid or reimbursed by the Company, together with the applicable legal rate of interest thereon, if it is ultimately determined that the Indemnified Party did not comply with the requisite standard of conduct and is not entitled to indemnification.

VI. Effectiveness, Duration and Termination of Agreement. Following a Non-Listed Offering and prior to an Exchange Listing, without the approval of holders of a majority of the shares entitled to vote on the matter, the Adviser shall not: (i) amend this Agreement except for amendments that do not adversely affect the interests of the stockholders; (ii) voluntarily withdraw as the Adviser unless such withdrawal would not affect the tax status of the Company and would not materially adversely affect the stockholders; (iii) appoint a new Adviser; (iv) sell all or substantially all of the Company's assets other than in the ordinary course of the Company's business; or (v) cause the merger or other reorganization of the Company. In the event that the Adviser should withdraw pursuant to (ii) above, the withdrawing Adviser shall pay all expenses incurred as a result of its withdrawal. The Company may terminate the Adviser's interest in the Company's revenues, expenses,

income, losses, distributions and capital by payment of an amount equal to the then present fair market value of the terminated Adviser's interest, determined by agreement of the terminated Adviser and the Company. If Company Fund and the Adviser cannot agree upon such amount, the parties will submit to binding arbitration which cost will be borne equally by the Adviser and the Company. The method of payment to the terminated Adviser must be fair and must protect the solvency and liquidity of the Company.

Annex B

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Related Portion of Incentive Fee^{1,2:}

Alternative 1

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2%

Hurdle rate³ = 1.5%

Management fee⁴ = 0.4375%

Other expenses (legal, accounting, custodian, transfer agent, etc.)⁵ = 0.20%

Pre-Incentive Fee net investment income

(investment income - (management fee + other expenses)) = 1.3625%

Pre-incentive net investment income does not exceed hurdle rate, therefore there is no Incentive Fee.

Alternative 2

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2.375%

Hurdle rate³ = 1.5%

Management fee⁴ = 0.4375%

Other expenses (legal, accounting, custodian, transfer agent, etc.)⁵ = 0.20%

Pre-Incentive Fee net investment income

(investment income - (management fee + other expenses)) = 1.7375%

Incentive Fee = 100% × pre-Incentive Fee net investment income, subject to the “catch-up”⁶

= 100% × (1.7375% - 1.5%)

= 0.2375%

Alternative 3

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%

Hurdle rate³ = 1.5%

Management fee⁴ = 0.4375%

Other expenses (legal, accounting, custodian, transfer agent, etc.)⁵ = 0.20%

Pre-Incentive Fee net investment income

(investment income - (management fee + other expenses)) = 2.8625%

Incentive Fee = 20% × pre-Incentive Fee net investment income, subject to “catch-up”⁶

Incentive Fee = 100% × “catch-up” + (20% × (pre-Incentive Fee net investment income - 1.875%))

Catch-up = 1.875% - 1.5% = 0.375%

Incentive Fee = (100% × 0.375%) + (20% × (2.8625% - 1.875%))

= 0.375% + (20% × .9875%)

$$= 0.375\% + 0.1975\%$$
$$= 0.5725\%$$

1 This example assumes that an Exchange Listing has occurred.

2 The hypothetical amount of pre-Incentive Fee net investment income shown is based on a percentage of total net assets.

3 Represents 6.0% annualized hurdle rate.

4 Represents 1.75% annualized management fee.

5 Excludes organizational and offering expenses.

6 The "catch-up" provision is intended to provide the Adviser with an Incentive Fee of 20% on all of the Company's pre-Incentive Fee net investment income as if a hurdle rate did not apply. The "catch-up" portion of the Company's pre-Incentive Fee net investment income is the portion that exceeds the 1.5% hurdle rate but is less than or equal to 1.875% in any quarter.

Example 2: Capital Gains Portion of Incentive Fee:

Assumptions

- i) Year 1: The Listing Date is the last day of the first calendar quarter. Prior to the last day of the first calendar quarter the Company has made an investment in Company A ("Investment A"), an investment in Company B ("Investment B"), an investment in Company C ("Investment C"), an investment in Company D ("Investment D") and an investment in Company E ("Investment E"). On the last day of the first calendar quarter the fair market value ("FMV") of each of Investment A, Investment B, Investment C, Investment D and Investment E is \$10 million. For purposes of calculating the Capital Gains Incentive Fee, the cost basis of each of Investment A, Investment B, Investment C, Investment D and Investment E is considered to be its FMV as of the last day of the first calendar quarter; provided, however, that in no event will the Capital Gains Incentive Fee payable pursuant hereto be in excess of the amount permitted by the Investment Advisers Act of 1940, as amended, including Section 205 thereof.
- Year 2: Investment A sold for \$20 million, fair market value ("FMV") of Investment B determined to be \$8 million, FMV of Investment C determined to be \$12 million, and FMV of Investments D and E each determined to be \$10 million.
 - Year 3: FMV of Investment of B determined to be \$8 million, FMV of Investment C determined to be \$14 million, FMV of Investment D determined to be \$14 million and FMV of Investment E determined to be \$16 million.
 - Year 4: \$10 million investment made in Company F ("Investment F"), Investment D sold for \$12 million, FMV of Investment B determined to be \$10 million, FMV of Investment C determined to be \$16 million and FMV of Investment E determined to be \$14 million.
 - Year 5: Investment C sold for \$20 million, FMV of Investment B determined to be \$14 million, FMV of Investment E determined to be \$10 million and FMV of Investment F determined to \$12 million.
 - Year 6: Investment B sold for \$16 million, FMV of Investment E determined to be \$8 million and FMV of Investment F determined to be \$15 million.
 - Year 7: Investment E sold for \$8 million and FMV of Investment F determined to be \$17 million.
 - Year 8: Investment F sold for \$18 million.

These assumptions are summarized in the following chart:

	Investment A	Investment B	Investment C	Investment D	Investment E	Investment F	Cumulative Unrealized Capital Depreciation	Cumulative Realized Capital Losses	Cumulative Realized Capital Gains
Year 1	\$10 million (FMV/cost basis)	—	—	—	—				
Year 2	\$20 million (sale price)	\$8 million FMV	\$12 million FMV	\$10 million FMV	\$10 million FMV	—	\$2 million	—	\$10 million
Year 3	—	\$8 million FMV	\$14 million FMV	\$14 million FMV	\$16 million FMV	—	\$2 million	—	\$10 million
Year 4	—	\$10 million FMV	\$16 million FMV	\$12 million (sale price)	\$14 million FMV	\$10 million (cost basis)	—	—	\$12 million
Year 5	—	\$14 million FMV	\$20 million (sale price)	—	\$10 million FMV	\$12 million FMV	—	—	\$22 million
Year 6	—	\$16 million (sale price)	—	—	\$8 million FMV	\$15 million FMV	\$2 million	—	\$28 million
Year 7	—	—	—	—	\$8 million (sale price)	\$17 million FMV	—	\$2 million	\$28 million
Year 8	—	—	—	—	—	\$18 million (sale price)	—	\$2 million	\$36 million

The capital gains portion of the Incentive Fee would be:

- Year 1: None
- Year 2:
Capital Gains Incentive Fee = 20% multiplied by (\$10 million realized capital gains on sale of Investment A less \$2 million cumulative capital depreciation) = **\$1.6 million**
- Year 3:
Capital Gains Incentive Fee = 20% multiplied by (\$10 million cumulative realized capital gains less \$2 million cumulative capital depreciation)) less \$1.6 million cumulative Capital Gains Incentive Fee previously paid = \$1.6 million less \$1.6 million = **\$0.00**
- Year 4:
Capital Gains Incentive Fee = (20% multiplied by (\$12 million cumulative realized capital gains)) less \$1.6 million cumulative Capital Incentive Gains Fee previously paid = \$2.4 million less \$1.6 million = **\$0.8 million**
- Year 5:
Capital Gains Incentive Fee = (20% multiplied by (\$22 million cumulative realized capital gains)) less \$2.4 million cumulative Capital Gains Incentive Fee previously paid = \$4.4 million less \$2.4 million = **\$2.00 million**
- Year 6:

Capital Gains Incentive Fee = (20% multiplied by (\$28 million cumulative realized capital gains less \$2 million cumulative capital depreciation)) less \$4.4 million cumulative Capital Gains Incentive Fee previously paid = \$5.2 million less \$4.4 million = **\$0.80 million**

- Year 7:

Capital Gains Incentive Fee = (20% multiplied by (\$28 million cumulative realized capital gains less \$2 million cumulative realized capital losses)) less \$5.2 million cumulative Capital Gains Incentive Fee previously paid = \$5.2 million less \$5.2 million = **\$0.00**

- Year 8:

Capital Gains Incentive Fee = (20% multiplied by (\$36 million cumulative realized capital gains less \$2 million cumulative realized capital losses)) less \$5.2 million cumulative Capital Gains Incentive Fee previously paid = \$6.8 million less \$5.2 million = **\$1.6 million**

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Craig W. Packer, Chief Executive Officer of Owl Rock Capital Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Owl Rock Capital Corporation (the “registrant”) for the quarter ended September 30, 2016;
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 quarterly 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, and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) 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 the end of the period covered by this report based on such evaluation; and
 - c) 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, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors:
 - 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.

Date: November 9, 2016

By: _____ /s/ CRAIG W. PACKER
Craig W. Packer
Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Alan Kirshenbaum, Chief Financial Officer of Owl Rock Capital Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Owl Rock Capital Corporation (the "registrant") for the quarter ended September 30, 2016;
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 quarterly 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, and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) 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 the end of the period covered by this report based on such evaluation; and
 - c) 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, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
 - 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.

Date: November 9, 2016

By: _____ /s/ ALAN KIRSHENBAUM

Alan Kirshenbaum
Chief Financial Officer and Chief Operating Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Owl Rock Capital Corporation (the "Company"), does hereby certify that to the undersigned's knowledge:

- 1) the Company's Form 10-Q for the three months ended September 30, 2016 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 Company's Form 10-Q for the three months ended September 30, 2016 fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2016

By: _____
/s/ Craig W. Packer
Craig W. Packer
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Owl Rock Capital Corporation (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Form 10-Q for the three months ended September 30, 2016 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 Company's Form 10-Q for the three months ended September 30, 2016 fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2016

By: _____
/s/ Alan Kirshenbaum
Alan Kirshenbaum
Chief Financial Officer and Chief Operating Officer