



Class A Units (OAK)

SAMPLE PARTNER 1000 UNITS
333 SOUTH GRAND AVE
28TH FLOOR
LOS ANGELES, CA 90071

To Oaktree Capital Group, LLC Unitholder:

Enclosed is your 2018 Tax Package, which contains your Schedule K-1 and certain information relating to your ownership of Oaktree Capital Group, LLC (NYSE: OAK) units. As a unitholder, you are required to report this activity on your federal and state income tax returns.

In the Tax Package, we are providing the following documents to you:

1. Schedule K-1 (Form 1065)
2. 2018 Supplemental Information (contains details about the amounts reported on Schedule K-1)
3. 2018 Ownership Schedule
4. 2018 Sales Schedule (if applicable)
5. Frequently Asked Questions and Answers
6. Instructions for Schedule K-1

Please carefully review the information on your 2018 Ownership Schedule. This schedule contains the history of units you bought or sold by date and number of units as reported by your broker or our transfer agent through December 31, 2018. We rely on purchase and sale information obtained from the brokers and transfer agent to prepare the tax information reported to you. If the information provided by the brokers and transfer agent is incorrect, then the information reported to you, as well as the information reported to the Internal Revenue Service, will also be incorrect. If the information is inaccurate, please contact Tax Package Support as indicated below to correct such information, and we will issue you a corrected package.

This package is intended to be a general guide to reporting your share of our taxable income and any gain or loss from the sale of our units based on our understanding of existing tax laws and regulations. It is not intended to provide tax advice. Therefore, before you prepare and file your income tax return, you are urged to consult your tax advisor.

If you have any questions concerning your Schedule K-1 or this package, please contact Tax Package Support at (866)-709-8178 during the hours of 8:00 a.m. to 5:00 p.m., Monday thru Friday, Central Time, or visit our website at www.taxpackagesupport.com/oaktree.

Oaktree Capital Group, LLC

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions,
Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

- A Partnership's employer identification number
26-0174894
- B Partnership's name, address, city, state, and ZIP code
OAKTREE CAPITAL GROUP, LLC
CLASS A UNITS (NYSE: OAK)
333 SOUTH GRAND AVE 28TH FLOOR
LOS ANGELES, CA 90071
- C IRS Center where partnership filed return
e-file
- D ☒ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

- E Partner's identifying number
...-6789
- F Partner's name, address, city, state, and ZIP code
SAMPLE PARTNER 1000 UNITS
333 SOUTH GRAND AVE
28TH FLOOR
LOS ANGELES, CA 90071
- G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member
- H ☒ Domestic partner ☐ Foreign partner
- I1 What type of entity is this partner? Individual
- I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐
- J Partner's share of profit, loss, and capital (see instructions):
- | | Beginning | Ending |
|---------|------------|------------|
| Profit | 0.001580 % | 0.001161 % |
| Loss | 0.001580 % | 0.001161 % |
| Capital | 0.001580 % | 0.001161 % |
- K Partner's share of liabilities:
- | | Beginning | Ending |
|---------------------------------|-----------|--------|
| Nonrecourse | \$ | \$ |
| Qualified nonrecourse financing | \$ | \$ |
| Recourse | \$ | \$ |
- L Partner's capital account analysis:
- | | | |
|-------------------------------------|----|---------|
| Beginning capital account | \$ | 41,522 |
| Capital contributed during the year | \$ | 0 |
| Current year increase (decrease) | \$ | 3,958 |
| Withdrawals & distributions | \$ | (2,970) |
| Ending capital account | \$ | 42,510 |
- ☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)
- M Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
If "Yes," attach statement (see instructions)

☐ Final K-1 ☐ Amended K-1

651118
OMB No. 1545-0123

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments	A	VARIOUS
5	Interest income	B	4,137
6a	Ordinary dividends	C	1,784
6b	Qualified dividends	F*	STMT
6c	Dividend equivalents	I	69
7	Royalties	M	125
8	Net short-term capital gain (loss)	*	STMT
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	A	5
11	Other income (loss)	C	0
12	Section 179 deduction	19	Distributions
13	Other deductions	A	2,970
14	Self-employment earnings (loss)	V*	72

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

	<i>Report on</i>
Passive loss	See the Partner's Instructions
Passive income	Schedule E, line 28, column (h)
Nonpassive loss	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (k)
2. Net rental real estate income (loss)	See the Partner's Instructions
3. Other net rental income (loss)	
Net income	Schedule E, line 28, column (h)
Net loss	See the Partner's Instructions
4. Guaranteed payments	Schedule E, line 28, column (k)
5. Interest income	Form 1040, line 2b
6a. Ordinary dividends	Form 1040, line 3b
6b. Qualified dividends	Form 1040, line 3a
6c. Dividend equivalents	See the Partner's Instructions
7. Royalties	Schedule E, line 4
8. Net short-term capital gain (loss)	Schedule D, line 5
9a. Net long-term capital gain (loss)	Schedule D, line 12
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
9c. Unrecaptured section 1250 gain	See the Partner's Instructions
10. Net section 1231 gain (loss)	See the Partner's Instructions
11. Other income (loss)	
<i>Code</i>	
A Other portfolio income (loss)	See the Partner's Instructions
B Involuntary conversions	See the Partner's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Cancellation of debt	Schedule 1 (Form 1040), line 21 or Form 982
F Section 951A income	See the Partner's Instructions
G Section 965(a) inclusion	
H Subpart F income other than sections 951A and 965 inclusion	
I Other income (loss)	
12. Section 179 deduction	See the Partner's Instructions
13. Other deductions	
A Cash contributions (60%)	See the Partner's Instructions
B Cash contributions (30%)	
C Noncash contributions (50%)	
D Noncash contributions (30%)	
E Capital gain property to a 50% organization (30%)	
F Capital gain property (20%)	Form 4952, line 1
G Contributions (100%)	
H Investment interest expense	Schedule E, line 19
I Deductions—royalty income	See the Partner's Instructions
J Section 59(e)(2) expenditures	See the Partner's Instructions
K Excess business interest expense	See the Partner's Instructions
L Deductions—portfolio (other)	Schedule A, line 16
M Amounts paid for medical insurance	Schedule A, line 1 or Schedule 1 (Form 1040), line 29
N Educational assistance benefits	See the Partner's Instructions
O Dependent care benefits	Form 2441, line 12
P Preproductive period expenses	See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions
R Pensions and IRAs	See the Partner's Instructions
S Reforestation expense deduction through V	See the Partner's Instructions
T through V	Reserved for future use
W Other deductions	See the Partner's Instructions
X Section 965(c) deduction	See the Partner's Instructions

14. Self-employment earnings (loss)

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
D Low-income housing credit (other) from post-2007 buildings	
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions
F Other rental real estate credits	
G Other rental credits	
H Undistributed capital gains credit	
I Biofuel producer credit	
	Schedule 5 (Form 1040), line 74, box a
	See the Partner's Instructions

Code		Report on
J	Work opportunity credit	See the Partner's Instructions
K	Disabled access credit	
L	Empowerment zone employment credit	
M	Credit for increasing research activities	
N	Credit for employer social security and Medicare taxes	
O	Backup withholding	
P	Other credits	
16.	Foreign transactions	
A	Name of country or U.S. possession	Form 1116, Part I
B	Gross income from all sources	
C	Gross income sourced at partner level	
	Foreign gross income sourced at partnership level	
D	Section 951A category	Form 1116, Part I
E	Foreign branch category	
F	Passive category	
G	General category	
H	Other	
	Deductions allocated and apportioned at partner level	
I	Interest expense	Form 1116, Part I
J	Other	Form 1116, Part I
	Deductions allocated and apportioned at partnership level to foreign source income	
K	Section 951A category	Form 1116, Part I
L	Foreign branch category	
M	Passive category	
N	General category	
O	Other	
	Other information	
P	Total foreign taxes paid	Form 1116, Part II
Q	Total foreign taxes accrued	Form 1116, Part II
R	Reduction in taxes available for credit	Form 1116, line 12
S	Foreign trading gross receipts	Form 8873
T	Extraterritorial income exclusion	Form 8873
U	Section 951A(c)(1)(A) tested income	See the Partner's Instructions
V	Tested foreign income tax	
W	Section 965 information	
X	Other foreign transactions	
17.	Alternative minimum tax (AMT) items	
A	Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
B	Adjusted gain or loss	
C	Depletion (other than oil & gas)	
D	Oil, gas, & geothermal—gross income	
E	Oil, gas, & geothermal—deductions	
F	Other AMT items	
18.	Tax-exempt income and nondeductible expenses	
A	Tax-exempt interest income	Form 1040, line 2a
B	Other tax-exempt income	See the Partner's Instructions
C	Nondeductible expenses	See the Partner's Instructions
19.	Distributions	
A	Cash and marketable securities	See the Partner's Instructions
B	Distribution subject to section 737	
C	Other property	
20.	Other information	
A	Investment income	Form 4952, line 4a
B	Investment expenses	Form 4952, line 5
C	Fuel tax credit information	Form 4136
D	Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E	Basis of energy property	See the Partner's Instructions
F	Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G	Recapture of low-income housing credit (other)	Form 8611, line 8
H	Recapture of investment credit	See Form 4255
I	Recapture of other credits	See the Partner's Instructions
J	Look-back interest—completed long-term contracts	See Form 8697
K	Look-back interest—income forecast method	See Form 8866
L	Dispositions of property with section 179 deductions	See the Partner's Instructions
M	Recapture of section 179 deduction	
N	Interest expense for corporate partners	
O	through Y	
Z	Section 199A income	
AA	Section 199A W-2 wages	
AB	Section 199A unadjusted basis	
AC	Section 199A REIT dividends	
AD	Section 199A PTP income	
AE	Excess taxable income	
AF	Excess business interest income	
AG	Gross receipts for section 59A(e)	
AH	Other information	



CLASS A UNITS (NYSE: OAK)

2018 SCHEDULE K-1 SUPPLEMENTAL INFORMATION	
<u>Line 5 - Interest Income</u> The interest income amount on Line 5 of the Schedule K-1 that represents interest from U.S. sources:	787
<u>Line 6 - Dividend Income</u> The dividend income amount on Line 6 of the Schedule K-1 that represents dividends from U.S. sources:	416
<u>Line 8 – Net Short-Term Capital Gain (Loss)</u> A portion of the amount reported to you as net short-term capital gain (loss) on Line 8 of your Schedule K-1 is capital gain from an applicable partnership interest (as defined by I.R.C §1061) held greater than one year but less than three years. Your allocable share of net short-term capital gain (loss) from an applicable partnership interest that was reclassified under §1061 is: Please consult your tax advisor.	328
<u>Line 9a – Net Long-Term Capital Gain (Loss)</u> A portion of the amount reported to you as net long-term capital gain (loss) on Line 9a of your Schedule K-1 is capital gain held greater than one year but less than three years. Your allocable share of net long-term capital gain (loss) held greater than one year but less than three years is: Please consult your tax advisor.	16
<u>For Non U.S. Taxpayers – Line 9a Net Long-Term Capital Gain</u> A portion of the long-term capital gain reported on Line 9a of your Schedule K-1 is due to the sale of a United States real property holding corporation (“USRPHC”), as such term is defined in Internal Revenue Code (“IRC”) Sec. 897(c)(2). As a result, this gain will be treated under IRC Sec. 897(a)(1) as income that is effectively connected with a U.S. trade or business and may be subject to withholding pursuant to IRC Sec. 1446:	230
<u>Line 13w – Other Deductions</u> The amount on Line 13w of the Schedule K-1 that represents portfolio deductions (formerly subject to 2% floor):	114
<u>Line 16 - Foreign Transactions</u> 16F1 - Foreign gross income sourced at partnership level - Passive category - Interest: 16F2 - Foreign gross income sourced at partnership level - Passive category - Dividends: 16P - Total foreign taxes paid: 16U - Section 951A(c)(1)(A) tested income:	27 915 2 13

<p><u>For Tax Exempt Taxpayers – Line 20v Unrelated Business Taxable Income</u> The partnership owns an interest in partnerships that have debt-financed property within the meaning of IRC 514(C)(1). Your share of UBI is as follows:</p> <p>Line 6a Ordinary Dividends: 30 Line 9a Net Long-Term Capital Gain/(Loss): 42 Total 72</p>	
<p><u>For Corporate Taxpayers:</u> The amount of Dividend Income reported on Line 6a that qualifies for the Dividends Received Deduction (DRD) under IRC Sec. 243 is:</p>	398
<p><u>Foreign Information</u> The partnership owns interests in corporations that may be controlled foreign corporations (CFC) or passive foreign investment companies (PFIC). The partnership has made QEF elections with respect to each foreign corporation that is a PFIC, and has included any Subpart F income from any corporation that is a CFC. The total amount of ordinary income from PFIC and CFC interests is as follows:</p> <p>Line 6a PFIC Dividend Income: 206 Line 11H Subpart F Income: 196</p>	
<p><u>State Tax Information</u> The income reported on your Schedule K-1 for this year is portfolio income and should be sourced to your state of residence.</p>	
<p><u>Net Investment Income Reporting</u> Unless otherwise noted, the distributive share of all items included on your Schedule K-1 are components of net investment income as defined in Treas. Reg. 1.1411-4 and may be subject to the net investment income tax pursuant to IRC Sec. 1411.</p>	



Attachment to Form 1065 Schedule K-1
Supplemental Disclosure - Form(s) 926
Tax Year Ended December 31, 2018

During 2018, Oaktree Capital Group, LLC transferred cash/property to one or more non-U.S. entities treated as corporations for U.S. tax purposes. As a unitholder of Oaktree Capital Group, LLC, you are treated as having made indirect transfer(s) to these corporations proportionate to your ownership of Oaktree Capital Group, LLC.

In general, U.S. Persons must report those transfers by filing IRS Form 926 with their income tax return for the year in which such transfer(s) occur.¹ Transfers are generally reportable if, as a result of such transfer, the transferor acquires 10% or more of the transferee OR if such amounts equal or exceed \$100,000.

This determination must be made for each transferee corporation. Transfers to separate entities should not be aggregated. A separate Form 926 should therefore be filed for each corporation to which you made a transfer.

As noted in the Supplemental Disclosure for U.S. Persons above, pre-populated forms are available to view and download from the Tax Information area of Oaktree Capital Group, LLC's website at www.taxpackagesupport.com/oaktree.

If you are required to file one or more Form(s) 926, the information below should be used to prepare those sections of the forms not already populated on your behalf:

Transferor: Oaktree Capital Group, LLC

Transferee: Oaktree Real Estate Debt Fund II Holdings (Cayman), LP

Part III (c): Cash: \$ 56

Transferor: Oaktree Capital Group, LLC

Transferee: OCM Luxembourg ECS S.A.R.L.

Part III (c): Cash: \$ 100

¹U.S. persons not otherwise required to file a U.S. income tax return must file Form 926 at the address shown on the form's instructions.



PARTNER NAME: SAMPLE PARTNER 1000 UNITS
ACCOUNT NUMBER: 12479096
FEDERAL ID/ENTITY: ●●●●-6789 Individual
CUSTODIAN FEDERAL ID:
PARTNERSHIP FEDERAL ID: 26-0174894

THIS SCHEDULE K-1 IS NOT PROOF OF OWNERSHIP

This schedule details your history of ownership of Oaktree Capital Group, LLC units during 2018. The enclosed tax package reflects your ownership in units registered with the partnership, and units held in a broker account if such information was provided by the broker on your behalf. If your records do not agree with the transactions shown, the enclosed tax information may be incomplete.

TRANSACTION		BROKER OR CERTIFICATE NUMBER	UNITS
DESCRIPTION	DATE		
AC BUY	12/31/2017	BROKER - MAN	1,000.00000
END OF YEAR UNITS			1,000.00000

SEE FAQs FOR ADDITIONAL INFORMATION