



Series B Preferred Units (OAK PR B)

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

To Oaktree Capital Group, LLC Series B Preferred 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 PR B) 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
SERIES B UNITS (NYSE: OAK PR B)
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 | 0.000000 % | 0.001161 % |
| Loss | 0.000000 % | 0.001161 % |
| Capital | 0.000000 % | 0.001161 % |
- K** Partner's share of liabilities:
- | | Beginning | Ending |
|--|-----------|--------|
| Nonrecourse . . . \$ | | \$ |
| Qualified nonrecourse financing . . . \$ | | \$ |
| Recourse . . . \$ | | \$ |
- L** Partner's capital account analysis:
- | | |
|--|--------|
| Beginning capital account . . . \$ | 0 |
| Capital contributed during the year . . . \$ | 25,000 |
| Current year increase (decrease) . . . \$ | 573 |
| Withdrawals & distributions . . . \$(| 573) |
| Ending capital account . . . \$ | 25,000 |
- ☒ 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 |
| | | B | 573 |
| 4 | Guaranteed payments | F* | STMT |
| 5 | Interest income | 125 | U |
| | | | 0 |
| 6a | Ordinary dividends | 432 | |
| 6b | Qualified dividends | 313 | |
| 6c | Dividend equivalents | | |
| 7 | Royalties | | |
| 8 | Net short-term capital gain (loss) | 17 | Alternative minimum tax (AMT) items |
| 9a | Net long-term capital gain (loss) | | |
| 9b | Collectibles (28%) gain (loss) | | |
| 9c | Unrecaptured section 1250 gain | 18 | Tax-exempt income and nondeductible expenses |
| 10 | Net section 1231 gain (loss) | | |
| 11 | Other income (loss) | F | 0 |
| H | | 16 | 19 |
| | | | A |
| | | | 573 |
| 12 | Section 179 deduction | 20 | Other information |
| 13 | Other deductions | A | 557 |
| | | V* | 12 |
| 14 | Self-employment earnings (loss) | | |

*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 | |



Series B Preferred Units (NYSE: OAK PR B)

| 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: | 109 |
| <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: | 14 |
| <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: | 16 418 |
| <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: Line 6a Ordinary Dividends: | 12 |
| <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: | 6 |
| <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: Line 6a PFIC Dividend Income: Line 11H Subpart F Income: | 93 16 |
| <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. | |
| <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. | |



OAKTREE
Series B Preferred Units

1

PARTNER NAME: SAMPLE PARTNER 1000 UNITS
ACCOUNT NUMBER: 37346395
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 Series B Preferred 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 | 8/9/2018 | BROKER - MAN | 1,000.00000 |
| | | | 1,000.00000 |

SEE FAQs FOR ADDITIONAL INFORMATION