

## Placement Agent and Political Contribution Disclosure Letter

Treasurer of the State of North Carolina  
325 North Salisbury Street  
Raleigh, North Carolina 27603

Re: Disclosure Letter pursuant to Placement Agent and Political Contribution Policy

Ladies and Gentlemen:

Under Section III(A) of the Placement Agent and Political Contribution Policy originally adopted by the North Carolina Department of State Treasurer on October 19, 2009 and revised on March 14, 2011 (the "Policy"), prior to entering into an engagement to engage, hire, invest with or commit to invest, or otherwise do business with the Treasurer of the State of North Carolina (the "Treasurer") or at such time as provided in Section II of the Policy, an Investment Manager (as such term is defined in Section VII(B) of the Placement Agent Policy) must make certain disclosures to the Treasurer regarding its use of Placement Agents and Political Contributions (as such terms are defined in Section VII(B) of the Policy). Pursuant to and in accordance with such Policy, the undersigned Investment Manager hereby makes the following disclosures. Capitalized terms not otherwise defined in this Disclosure Letter have the same meanings as specified in the Policy.

For purposes of this Disclosure Letter, the term "affiliates" shall not include any of the portfolio companies in which any fund or account managed by Oaktree (as defined below) has made an investment.

**1) Use of Placement Agent (please check the appropriate box):**

- The Investment Manager (or any officer, partner, principal or affiliate thereof) has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. (Note that this box should be checked whether the compensation provided to the Placement Agent is a flat fee, contingent fee, or any other form of compensation or benefit (tangible or intangible).) If this box is checked, please provide the disclosures as prompted in paragraphs 2 through 8.
- Neither the Investment Manager nor any officer, partner, principal or affiliate thereof has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. If this box is checked, no further disclosures are necessary.

**2) Placement Agent Information:**

**a) The name of the Placement Agent is:**

OCM Investments, LLC ("OCM Investments")

- b) **Attached is a resume for each officer, partner, and/or principal of the Placement Agent, detailing the person's education, work experience and professional designations.**

Please see professional staff biographies of senior officers of OCM Investments, LLC, as well as any licensed representatives who may have been involved in communications with North Carolina Retirement System ("NCRS"), attached as Exhibit A.

- c) **Listed below are any and all officers, partners and/or principals of the Placement Agent that are current or former North Carolina Department of State Treasurer employees, Investment Advisory Committee members, or consultants or members of the immediate family of any such person (attach additional pages as necessary):**

Not applicable.

- 3) **Placement Agent Compensation: Described below is any and all compensation of any kind provided or agreed to be provided to a Placement Agent including the nature, timing and value of such compensation. (Note that compensation to a Placement Agent is deemed to include compensation to third parties as well as employees of the Investment Manager who are retained in order to solicit, or who are paid based in whole or in part upon, an investment from or business with any of the NC Funds (attach additional pages as necessary)):**

As it pertains to Oaktree European Principal Fund III the "Fund"), as of the date hereof, neither Oaktree Capital Management, L.P. ("Oaktree") nor any officer, partner, principal or affiliate thereof has engaged any external parties to assist in connection with any investment by NCRS in the Fund. Since March 2004, OCM Investments, a subsidiary of Oaktree, has acted as a placement agent for Oaktree-managed funds in the United States and certain other jurisdictions, and is doing so for the Funds (including in connection with any investment by NCRS). OCM Investments is not compensated on a transaction basis for its role as a placement agent to Oaktree-managed funds and is only reimbursed on a cost-plus 10% basis for its costs and expenses. This reimbursement is paid quarterly by Oaktree.

- 4) **Terms of Agreement with Placement Agent: Described below are the terms of the agreement or arrangement (oral or written) creating an obligation to pay a fee to or for the benefit of any Placement Agent the Investment Manager has elected to use in connection with obtaining investments or doing business with the Treasurer. (Please note that in the case of any oral agreement, the full extent of such agreement should be written and summarized, succinctly describing the terms of such agreement or arrangement with the Placement Agent, including details of the nature, timing, and value of the compensation or benefit provided (attach additional pages as necessary))**

Please see Exhibit B for fee terms between Oaktree and OCM Investments.

- 5) **Actions and Investigations Involving Placement Agent (please check the appropriate box):**

- The Placement Agent (or any officer, partner, principal or affiliate thereof) has been the subject of an action, or investigation by a federal, state, or local government agency or regulatory body in the last ten (10) years and/or anticipates being the subject of such actions or investigations in the future. If this box is checked, the following describes any such action(s) or investigation(s) (attach additional pages as necessary):

In May, 2005, the SEC accepted Oaktree's offer to resolve an investigation into four alleged violations by Oaktree's Emerging Markets Fund of an SEC trading rule, Rule 105 of Regulation M, which prohibits the use of stock acquired in a public offering to cover a short position entered into in the five business days before the offering. Oaktree cooperated immediately and fully with the SEC's inquiry into this matter and readily agreed to enter into a cease-and-desist order requiring Oaktree to (a) implement written compliance policies and procedures reasonably designed to prevent violations of Regulation M, review those policies and procedures annually and require the Chief Compliance Officer to administer these policies and procedures; (b) pay disgorgement and prejudgment interest of \$175,928; and (c) pay a civil money penalty in the amount of \$169,773. In accepting Oaktree's offer of settlement, the SEC took specific note of the "remedial acts promptly undertaken by Oaktree and cooperation afforded the Commission staff." We have updated our firm compliance manual to ensure that it addresses the requirements of Rule 105 of Regulation M and outlines the policies and procedures we have implemented to mitigate further violations.

- Neither the Placement Agent nor any officer, partner, principal or affiliate thereof has been the subject of any actions, or investigations by any federal, state, or local government agencies or regulatory bodies in the last ten (10) years or anticipates being the subject of any such actions or investigations in the future.

**6) Relationships between Placement Agent and Department of State Treasurer (please check the appropriate box):**

- The Placement Agent (or any officer, partner, principal or affiliate thereof) has had a prior personal or professional relationship with a current or former Department of State Treasurer employee, Investment Advisory Committee member, and/or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent. If this box is checked, the following lists the name(s) of such individual(s) (attach additional pages as necessary):
- The Placement Agent (or any officer, partner, principal or affiliate thereof) has not had any prior personal or professional relationship with any current or former Department of State Treasurer employee, Investment Advisory Committee member, or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent.

**7) Registration of Placement Agent and Licensing of Placement Agent Representatives. The Investment Manager hereby confirms that (i) the Placement Agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, (ii) the individual officers, partners, principals, employees, or other representatives of the Placement Agent hold all required securities licenses, (iii) no placement fee has been shared with any person or entity not so registered and (iv) the Placement Agent is in the habitual systematized business of acting as a Placement Agent.**

**a) The Placement Agent's registration details are as follows:**

OCM Investments is a registered broker dealer with the U.S. Securities and Exchange Commission and member of the U.S. Financial Industry Regulatory Authority. Please see the FINRA summary attached as Exhibit C for additional information.

**b) For each individual officer, partner, principal, employee and other representative of the Placement Agent, the registrations, number of years of employment by the Placement Agent and the number of years of experience directly related to such business are as follows (attach additional pages as necessary):**

Please see the professional staff biographies of senior officers of OCM Investments, LLC, as well as any licensed representatives who may have been involved in communications with NCRS, attached as Exhibit A.

8) **Lobbying Information of Placement Agent** (please check the appropriate box):

- The Placement Agent (and/or any officer, partner, principal or affiliate thereof) is registered as a lobbyist with a state government. If this box is checked, the following are the names and positions of such persons and the registrations held (attach additional pages as necessary):

Please refer to the table below:

Name	Jurisdiction (State)
OCM Investments LLC/Oaktree Capital Management, L.P.	California, Florida, Kentucky
Tony Harrington	California
Alexis Otto	Florida
Douglas Hyde Powell	Kentucky

- Neither the Placement Agent nor any officer, partner, principal or affiliate thereof is registered as a lobbyist with any state government.

9) **Political Contributions.**

The Investment Manager hereby confirms that none of the Investment Manager, the Placement Agent nor their respective officers, partners, principals or affiliates has made, coordinated or solicited any Political Contribution to the Treasurer or any incumbent, nominee, candidate or successful candidate for such elective office (i) in violation of any published policy approved by the Treasurer or applicable state or federal law or (ii) that would make it unlawful for the Investment Manager to provide services to the Treasurer, the NCRS and/or the NC Funds either directly or indirectly through an investment vehicle affiliated with the Investment Manager.

*[Signature Page Follows]*

By signing below, the Investment Manager hereby (i) represents and warrants that the information found in this Disclosure Letter is true, correct, and complete in all material respects, and (ii) agrees that it shall provide the Treasurer with a written update of any material changes to any of the information in this Disclosure Letter within fourteen (14) days from the date the Investment Manager knew or should have known of the change of information.

Sincerely,

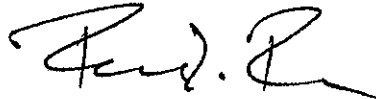
Oaktree European Principal Fund GP, L.P.

Name of Investment Manager, who for these purposes is the general partner of the Funds

By: Oaktree European Principal Fund GP Ltd., its general partner

By: Oaktree Capital Management, L.P., its director

By:



Name: **Brian D. Beck**  
Title: **Managing Director**

Date: December 7, 2011

By:



Name: **Jeffrey Joseph**  
Title: **Vice President, Legal**

Date: December 7, 2011

[Disclosure Letter should be signed by an authorized representative of the Investment Manager]

Exhibit A



confidential

---

Professional Staff Biographies

---

As previously disclosed, OCM Investments, LLC, a subsidiary of Oaktree and a registered broker dealer with the SEC and member of FINRA, has acted as placement agent for funds for which Oaktree or a related entity acts as investment manager in the United States and other jurisdictions. We have provided below the résumés for the senior officers of OCM Investments, LLC, as well as any licensed representatives who may have been involved in communications with North Carolina Retirement System. Such resumes detail each person's education, professional designations, regulatory licenses, and work experience.

**Howard Marks, CFA, CIC**  
**Chairman**

Since the formation of Oaktree in 1995, Mr. Marks has been responsible for ensuring the firm's adherence to its core investment philosophy, communicating closely with clients concerning products and strategies, and managing the firm. From 1985 until 1995, Mr. Marks led the groups at The TCW Group, Inc. that were responsible for investments in distressed debt, high yield bonds, and convertible securities. He was also Chief Investment Officer for Domestic Fixed Income at TCW. Previously, Mr. Marks was with Citicorp Investment Management for 16 years, where from 1978 to 1985 he was Vice President and senior portfolio manager in charge of convertible and high yield securities. Between 1969 and 1978, he was an equity research analyst and, subsequently, Citicorp's Director of Research. Mr. Marks holds a B.S. degree *cum laude* from the Wharton School of the University of Pennsylvania with a major in Finance and an M.B.A. in Accounting and Marketing from the Graduate School of Business of the University of Chicago, where he received the George Hay Brown Prize. He is a CFA® charterholder and a Chartered Investment Counselor.

Mr. Marks is a supervisory principal of OCM Investments, LLC, holding FINRA General Securities and General Securities Principal registrations.

**Kristin Scott**  
**Managing Director and Deputy Chief Compliance Officer**

Ms. Scott joined Oaktree in 1995 after serving five years with Price Waterhouse in its New York office and, most recently, in its Los Angeles office as an Audit Senior in the Financial Services Group. Ms. Scott was one of the original members of the consulting team from Price Waterhouse which helped establish Oaktree's procedures and policies. Ms. Scott graduated *cum laude* with a B.S. degree in Accounting and Business Administration from Bucknell University. She is a Certified Public Accountant (inactive).

Ms. Scott is the Chief Compliance Officer and a supervisory principal of OCM Investments, LLC, holding FINRA General Securities and General Securities Principal registrations.

**John Edwards**  
**Managing Director and Controller**  
**Accounting and Operations**

Mr. Edwards joined Oaktree in 1995, following more than six years with KPMG Peat Marwick's Los Angeles office, most recently serving as a Senior Audit Manager in the Financial Services Group. Mr. Edwards received a B.S. degree in Accounting and Business Administration from California Polytechnic State University. He is a Certified Public Accountant (inactive).

Mr. Edwards is the FINOP of OCM Investments, LLC, holding a FINRA Introducing Broker Dealer/Financial Operations Principal registration.

**Kevin Clayton**  
**Principal**

Mr. Clayton is a Principal and Director of Oaktree dedicated to developing and maintaining key investor relationships. Mr. Clayton founded and managed the Marketing and Client Services department at Oaktree until 2010. He spent five years in the marketing and client relations area at Trust Company of the West before joining Oaktree in 1995. Mr. Clayton's prior experience includes six years at Chrysler Corporation where he held a number of assignments in the U.S. Automotive Sales and Marketing Division. Mr. Clayton holds a B.A. degree from Lehigh University and an M.B.A. from Saint Joseph's University in Philadelphia. He is a member of Lehigh's Executive Committee of the Board of Trustees and chairs the University's Advancement Committee. Mr. Clayton also serves on the Executive Committee of the Board of Trustees at Blair Academy and chairs the school's Investment Committee.

Mr. Clayton is a supervisory principal of OCM Investments, LLC, holding FINRA General Securities and General Securities Principal registrations.

**Tony Harrington**  
**Managing Director**

Mr. Harrington is Oaktree's Head of Marketing for the Americas. Mr. Harrington joined Oaktree in 2008 from Coast Asset Management, where he spent over five years as the Managing Director of Marketing and Investor Relations. In this capacity, Mr. Harrington oversaw the development and institutionalization of Coast's sales and investor relations efforts. Before that, he spent six years as a Senior Vice President in Marketing, Client Service & Consultant Relations at Lazard Asset Management. Prior experience includes nearly three years at Coopers & Lybrand, LLP and five years at Kimball Union Academy. Mr. Harrington received a B.A. degree in Economics and History from St. Lawrence University and an M.A. degree in Administration and Planning from Harvard University.

Mr. Harrington is a supervisory principal of OCM Investments, LLC, holding FINRA General Securities and General Securities Principal registrations.

**Alexis Otto**  
**Senior Vice President (New York)**

Prior to joining Oaktree in 2005, Mr. Otto spent over two years as a Divisional Manager in the Business Development and Sales department of Northern Trust. Prior experience includes work as a Vice President and Charitable Gift Consultant at Fidelity Investments, and as a National Account Manager at Salomon Brothers Asset Management. Mr. Otto holds a B.A. degree in Economics from Lehigh University.

Mr. Otto is a registered representative of OCM Investments, LLC, holding a FINRA General Securities registration.

Oaktree Capital Management, L.P.



**Jennifer Spendlove**  
**Vice President**

Ms. Spendlove joined Oaktree in 2009 from Goldman Sachs, where she served as a Vice President in the Investment Management Division. Before that, she spent seven years at Pfizer Inc., most recently as a Manager in Pension Investments and Finance. Ms. Spendlove received a B.S. degree in Finance from Villanova University.

Ms. Spendlove is a registered representative of OCM Investments, LLC, holding a FINRA General Securities registration.

Exhibit B

SECOND AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT  
OF  
OCM INVESTMENTS, LLC

This Second Amended and Restated Limited Liability Company Agreement (this "Agreement") of OCM Investments, LLC (the "Company"), dated as of May 25, 2007, is entered by and between Oaktree Capital Management, L.P., as the managing member of the Company ("Oaktree" or the "Managing Member"), and Oaktree Fund GP II, L.P. (together with any other member of the Company duly admitted pursuant to the terms of this Agreement, the "Non-Managing Members"). The Managing Member and the Non-Managing Members shall be referred to herein collectively as the "Members".

WHEREAS, the Company was formed under and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the "Act"), pursuant to a Certificate of Formation filed with the Secretary of State of the State of Delaware on August 4, 2003 and since its formation has been governed by the Limited Liability Company Agreement of the Company, dated as of August 4, 2003 (the "Original Agreement"); and subsequent thereto, the Amended and Restated Limited Liability Company Agreement dated as of October 29, 2004 (the "Restated Agreement") and

WHEREAS, the Managing Member and any Non-Managing Member admitted on the date hereof desire to amend and restate the Restated Agreement in its entirety and to enter into this Agreement.

NOW, THEREFORE, the parties hereto hereby agree to continue the Company and hereby amend and restate the Restated Agreement, which is replaced and superseded in its entirety by this Agreement on the date hereof, as follows:

1. Name. The name of the limited liability company formed hereby is OCM Investments, LLC (the "Company").

2. Location of Principal Place of Business. The location of the principal place of business of the Company shall be c/o Oaktree Capital Management, L.P., 333 South Grand Avenue, 28<sup>th</sup> Floor, Los Angeles, CA 90071, or such other location as may be determined by the Managing Member. In addition, the Company may maintain such other offices as the Managing Member may deem advisable at any other place or places within or without the United States.

3. Purpose. The purpose of the Company, and the nature of the business to be conducted and promoted by the Company, is (a) to establish itself and operate as a securities broker-dealer in connection with the private placement of investments in funds managed by the Managing Member or any of its affiliates as general partner or investment manager ("Oaktree Accounts"), and (b) to engage in any lawful act or activity for which limited liability companies

may be formed under the Act and to engage in any and all activities as the Managing Member deems necessary, advisable or incidental to the foregoing.

[Redacted]


(a) Fees. In consideration of the services provided by the Company to Oaktree in acting as the securities broker-dealer of the Oaktree Accounts, Oaktree will pay the Company a quarterly fee equivalent to the total of all of the costs and expenses incurred directly by the Company in connection with the performance of the services described herein and contemplated hereunder plus ten percent (10%) of the amount of such costs and expenses.

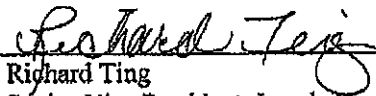
[Redacted]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement as of the date first above written.

MANAGING MEMBER:

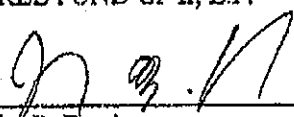
OAKTREE CAPITAL MANAGEMENT, L.P.

By:   
\_\_\_\_\_  
Todd E. Molz  
General Counsel

By:   
\_\_\_\_\_  
Richard Ting  
Senior Vice President, Legal

NON-MANAGING MEMBER:

OAKTREE FUND GP II, L.P.

By:   
\_\_\_\_\_  
John B. Frank  
Authorized Signatory

By:   
\_\_\_\_\_  
David M. Kirchheimer  
Authorized Signatory

Exhibit C

## OCM INVESTMENTS, LLC

CRD# 128803

SEC# 8-66176

### Main Office Location

333 SOUTH GRAND AVENUE (28TH FLOOR)  
LOS ANGELES, CA 90071  
Regulated by FINRA Los Angeles Office

### Mailing Address

333 SOUTH GRAND AVENUE (28TH FLOOR)  
LOS ANGELES, CA 90071

### Business Telephone Number

213-830-6300

## Report Summary for this Firm

The report summary provides an overview of the firm's background. The firm and securities regulators have provided the information contained in this report as part of the securities industry registration and licensing process. More detailed information for this firm can be found in the firm's report. Select "Get Detailed Report" to view more detailed information about this firm. The information contained in this report was last updated by the firm via Uniform Application for Broker-Dealer Registration (Form BD), the Uniform Request for Broker-Dealer Withdrawal (Form BDW), or a securities regulator via a Uniform Disciplinary Action Reporting Form (Form U6) on 03/17/2008.

### Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 08/04/2003.

Its fiscal year ends in December.

### Firm History

Information relating to the firm's history such as Other Business Names, Other Business, and Successions (e.g., mergers or acquisitions) can be found in the firm's full report.

### Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 52 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 2 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

## Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events include certain disciplinary actions initiated by regulators, certain criminal charges and/or convictions, financial disclosures such as bankruptcies, and summary information regarding arbitration awards involving securities and commodities disputes between public customers and the firm.

Are there events disclosed about this firm? **No**





### Firm Operations

#### Registrations

This section provides information about the regulators (e.g., U.S. Securities and Exchange Commission (SEC), self-regulatory organizations, states and U.S. territories) in which the firm is currently registered and licensed, and the date the registration became effective, as well as certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.

<b>Federal Regulator</b>	<b>Status</b>	<b>Date Effective</b>
SEC	Approved	03/08/2004

#### SEC Registration Questions

This firm is registered with the SEC as:

- A broker-dealer: Yes
- A broker-dealer and government securities broker or dealer: No
- A government securities broker or dealer only: No
- This firm has ceased activity as a government securities broker or dealer: No

#### Self-Regulatory Organization

FINRA	<b>Status</b>	<b>Date Effective</b>
	Approved	03/08/2004