

BGLF's Objective

- The Company's investment objective is to provide Shareholders with stable and growing income returns, and to grow the capital value of the investment portfolio by exposure predominantly to floating rate senior secured loans directly and indirectly through CLO Income Notes. The Company will seek to achieve its investment objective solely through exposure to the Originator. ¹

BGLF's Total Return

Total Returns ^{2,4} As at 31/8/14	31-Aug-14	YTD	SINCE INCEPTION
BGLF Euro NAV	+0.78%	+0.78%	+0.78%

BGLF Monthly Commentary

- This is the first monthly report since launch and covers the period from 22 July to 31 August. The increase in NAV is +0.78%, of which +0.73% is attributed to market price increases. Interest income attribution will increase as the primary loan investments settle and begin to earn interest.
- Since launch the Originator has made its first CLO Income Note investment (Phoenix Park), signed a €475m 3-year revolving credit facility with a syndicate of international banks, made significant progress on the portfolio ramp-up, and mandated a bank for its second CLO. The company pays 180bps drawn margin with an 80bps commitment fee on undrawn amounts on the revolving credit facility. The revolving credit facility is currently undrawn and will be drawn to fund loan settlements.
- The primary loan market was very strong in July. A total of €14.6 billion⁸ of new loans were launched – a seven year high. Loan activity in the primary market was much slower during the traditional August slow down, with just three transactions launching. Year to date primary loan volume is approximately €59.2 billion⁸ through August - 36% higher than 2013 and the most active year since 2007.
- The Originator took advantage of the active loan market since launch, and made direct loan investments of €522m through July and August. The busy primary calendar included several large global businesses that are domiciled in the United States, but issue loans in both USD and Euro. The Originator invested in the Euro tranches of these loans.
- We report the Top 10 Holdings, Top 10 Industries and Top 10 Countries on a look-through basis. This comprises the direct holdings held by the Originator, plus the loans held as a result of its investment in CLO Income Notes. The largest position is in the senior secured loans of Delek Europe Group, which was a July primary market transaction. Delek Europe Group is a France/Benelux forecourt station operator, operating through well-known brands such as Texaco, BP and Esso Express.
- In late August, the Originator mandated an international bank to arrange Sorrento Park CLO Limited. The CLO target size is anticipated to be approximately €400m, with approximately €45m of CLO Income Notes, and it is expected to price in September. The Originator will purchase a majority of the CLO Income Notes of Sorrento Park CLO at closing. The Originator expects to sell approximately €240m from its loan portfolio to Sorrento Park at closing of the CLO, with proceeds, net of an expected investment of c. €25m in Sorrento Park Income Notes, being used to originate more loans in the Primary and Secondary loan market.
- The recent announcement by the European Central Bank of an asset backed securities purchasing programme has supported new-issue CLO spreads. The senior tranche of European CLOs tightened to c.130-135bps over 3-month euribor, (US CLO comparable is 145-150bps), which we attribute to positioning by investors who forecast further tightening, most likely as an indirect benefit of tightening in non-CLO senior tranches of asset backed securities.
- As a portfolio update, as at 18 September 2014, the Originator's directly held loan portfolio comprises EUR 607.4m, in 60 issuers, with a weighted average margin of 4.46% and weighted average cost of 99.79%, and weighted average mark to market of 100.12%.

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: ³	€1.0078
Share Price: ⁵	€1.0230
Premium/Discount:	+1.51%
Dividend:	n/a
Historic Dividend Yield:	n/a
Originator Gross Assets:	€553.3m
BGLF Net Assets:	€303.5m
Market Capitalisation: ⁵	€308.1m
Shares Outstanding:	301.2m

Top 10 Holdings ^{6,7}

Delek Europe Group	3.86%
Amaya	3.64%
Materis Paints	3.53%
Chryso Group Holdings	3.44%
Aenova	3.26%
IDC Salud	2.85%
Penn Engineering	2.80%
Orion Engineered	2.79%
Springer Science Media	2.43%
Generale De Sante	2.32%

Top 10 Industries ^{6,7}

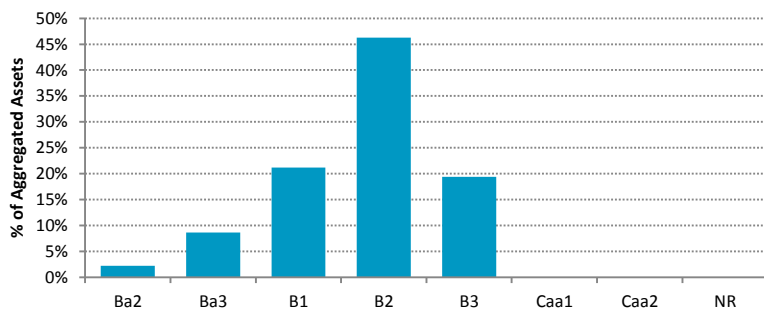
Healthcare & Pharma	20.52%
Chemicals Plastics & Rubber	9.67%
Buildings & Real Estate	8.33%
Business Services	7.00%
Electronics	5.62%
Telecommunications	5.29%
Broadcasting & Entertain.	5.17%
Retail Stores	4.50%
Beverage, Food & Tobacco	4.06%
Finance	4.02%

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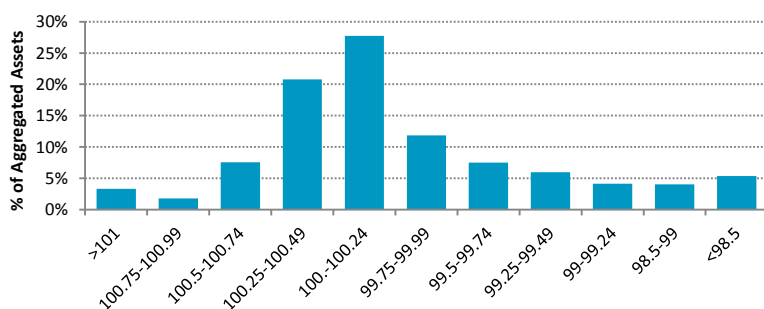
Top 10 Countries^{6,7}

France	21.8%
USA	21.6%
Germany	12.7%
Netherlands	12.6%
Luxembourg	8.9%
Great Britain	7.4%
Spain	4.9%
Ireland	1.9%
Norway	1.6%
Austria	1.3%

Moody's Rating Distribution^{6,7}



Asset MTM Bands^{6,7}



Asset Breakdown⁷

	Originator Direct Loan Portfolio	Originator Indirect Loans/CLO Portfolio
% of BGLF NAV:	92.21%	7.79%
Gross Par of Assets:	€528.9m	€400.8m
Gross Par of Drawn Liabilities:	€0.0m	€368.0m
Net Assets:	€528.9m	€32.8m
Number of Issuers:	50	79
Senior Secured Loans/Notes:	98.8%	99.0%
Floating Rate:	100.0%	100.0%
Weighted Average Asset Par Margin:	4.16%	4.33%
Weighted Average Loan MTM:	100.15%	99.55%
Weighted Average Cost of Liabilities:	0.80%	2.07%

Other Information:

BGLF charges no management or performance fees. The Adviser earns a management and performance fee on CLOs it manages in which the Originator invests. CLO management fees are typically 0.5% per annum on the CLO assets. The Adviser rebates 20% of the CLO management fees it receives to the Originator. Capitalised terms used but not defined herein have the meanings assigned to them in the Company's Prospectus dated 10 July 2014.

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Footnotes:

- The Originator is Blackstone / GSO Corporate Funding Limited, a company incorporated in Ireland on 16 April 2014.
- Past performance is not necessarily indicative of future results, and there can be no assurance that BGLF will achieve comparable results, will meet its target returns, achieve its investment objectives or be able to implement its investment strategy.
- As calculated by BGLF's Administrator in accordance with the provisions of the BGLF Prospectus. Per share data based on final number of shares in the period.
- YTD and Monthly performance are non-annualised. Dividends are assumed to be reinvested at the NAV.
- Source: Bloomberg as at the month end.
- Portfolio data by Issuer, Industry, Country, Rating and Loan Price Bands are presented using the gross par amount of assets held directly and indirectly by the Originator. Indirect asset holdings are held within CLOs the Originator has invested in. The total par amount of all assets held within each CLO are included on a fully consolidated basis and added to those assets held directly by the Originator.
- Portfolio holdings, Rating, Country, Industry and Loan Price Band distributions are subject to change and are not recommendations to buy or sell any security. Gross Par of Assets means, for the Direct Loan Portfolio, the total par value of loans and other assets and for the Indirect Loans/CLO Portfolio the look-through gross par amount of loans and other assets. Gross Par of Drawn Liabilities means, for the Direct Loan Portfolio the drawn leverage and for the Indirect Loans/CLO Portfolio the gross par amount of CLO rated note liabilities. Weighted Average Asset Par Margin and Weighted Average Loan MTM mean, for the Direct Loan Portfolio the weighted average asset margin and mid market valuation at the relevant month end and for Indirect Loans/CLO Portfolio the look-through Weighted Average Asset Par Margin and Weighted Average Loan Price at the relevant month end. Direct Loan Portfolio holdings are reported on a trade date basis and liabilities will only be drawn on the relevant loan settlement date.
- Source: S&P Capital IQ

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IMPORTANT INFORMATION

Any reference herein to future returns or distributions is a target and not a forecast and there can be no guarantee or assurance that it will be achieved.

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Any forecasts and estimates contained herein are based upon certain assumptions that the Company considers reasonable. Forecasts and estimates are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the forecasts and estimates will not materialize and/or that actual events and consequences thereof will vary significantly from the assumptions upon which forecasts and estimates contained herein have been based. The inclusion of forecasts and estimates herein should not be regarded as a representation or guarantee regarding the reliability, accuracy or completeness of the information contained herein, the Company is under no obligation to update or keep current such information. Unless otherwise indicated, the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date. Recipients of this document are encouraged to contact the Company's representatives to discuss the procedures and methodologies used to make the forecasts and estimates and other information provided herein.

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Blackstone / GSO Loan Financing Limited is a self-managed Jersey registered alternative investment fund, and is regulated by the Jersey Financial Services Commission.