

## 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.<sup>1</sup>

## BGLF’s Total Return

Total Returns<sup>2, 4</sup>  
As at 31/12/14

31-Dec-14

YTD

SINCE  
INCEPTION

	31-Dec-14	YTD	SINCE INCEPTION
BGLF Euro NAV	-3.05%	-0.73%	-0.73%

## BGLF Monthly Commentary<sup>8</sup>

- The decrease in NAV was -3.05% (excluding dividends) for December. Net Income was +0.88%, with -3.93% from net portfolio movements. December was a difficult month for global credit markets and CLO Income Notes in particular. The fall in the Fund’s NAV was predominantly due the price deterioration in the portfolio’s CLO Income Notes, which accounted for circa 85% of the drop in NAV.
- As announced on the 22 of January, the Board of the Company has approved a maiden dividend of 2.65c per share, from net income, which equates to 6% annualized on the IPO price, for the period from Admission to 31 December 2014. The dividend is payable on the 20<sup>th</sup> of February, to all shareholders on the register as at the close of business on the 30<sup>th</sup> of January 2015 and the corresponding Ex-Dividend Date will be the 29<sup>th</sup> of January 2015.
- The Originator reports Gross Assets of €672.5m as at December 31. An amount of €402.3m has been drawn under the revolving credit facility for loan purchases as at this date (of a total facility size of €475m).
- The European leveraged finance market generated €150.4bn of new issuance for 2014, this figure amounts to the best overall annual total for leveraged finance volume since 2007. Specifically in loans, volume totalled €78bn, up 17% year on year. European loans continue to see the benefits of the broader re-pricing in the U.S. market and benign European prepayment rates. Primary market spreads were 31bps firmer in Q4 and closed 2014 at 535bps, up almost 100bps from February’s low.
- In the short term, the Originator expects the U.S. loan market will continue to offer strong relative value opportunities. Despite better U.S. macroeconomic fundamentals, U.S. loans have experienced more mark-to-market volatility, primarily driven by the continued selling in U.S. loan mutual funds to meet redemptions. The Originator continues to take advantage of this technical situation in the U.S. market by investing approximately €30m million in U.S. dollar denominated assets during December. Despite a relatively subdued primary market, the Originator was allocated €7.5m of the Siemens Audiology deal. As a B+ credit paying 450bps with at 100bps floor and issued at 99.75, the issuer was well received by the market and traded 100bps firmer when breaking in the secondary.
- The Originator has mandated Deutsche Bank to arrange a U.S. dollar denominated CLO transaction called Dorchester Park. The CLO is currently being marketed in Europe and the U.S., with pricing anticipated in January and a target close in February.
- European CLO issuance remained strong in Q4 with €4.4bn in printed deals. This brings the year to date issuance to circa €15bn from 35 transactions. This issuance combined with managers ramping warehouses for Q1 ‘15 created a healthy bid for the primary market and supported levels in the secondary. Institutional investors view the renewed CLO bid as an important stabilising influence on the European loan market. The outlook for 2015 is also good with forecasts for CLO Issuance ranging from €15bn to €25bn. Spreads on European CLO AAA notes remain attractive to CLO Income Note investors. The AAA notes on recent European CLOs have priced at c.135bps.
- Market performance in 2014 will be remembered for a few key themes; strengthening of the U.S. Dollar, a surprise rally in core government bonds and a sell-off in oil. The prospect of quantitative easing from the ECB helped to support European Government Bonds, with Investment Grade clearly benefiting. The slide in oil had a material impact on the U.S. HY market, with some contagion being felt in global credit markets, even though the European market has minimal exposure to this sector. The Originator does expect that there may be some short term earnings volatility in the Commodity Chemical sector but that is not expected to materially impact credit quality of those issuers.

## BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>3</sup>	€0.9927
Share Price: <sup>5</sup>	€1.0150
Premium/Discount:	2.24%
Latest Dividend:	2.65c
Historic Dividend Yield:	6%
Originator Gross Assets:	€672.5m
BGLF Net Assets:	€299.0m
Market Capitalisation: <sup>5</sup>	€305.7m
Shares Outstanding:	301.2m

## Top 10 Holdings <sup>6, 7</sup>

Eircom	2.81%
Delek Europe Group	2.16%
Amaya	2.02%
Chryso	1.92%
Springer	1.82%
Materis Paints	1.74%
IDC Salud	1.69%
Lock AS	1.65%
Capsugel	1.65%
Deutsche Raststätten	1.53%

## Top 10 Industries <sup>6, 7</sup>

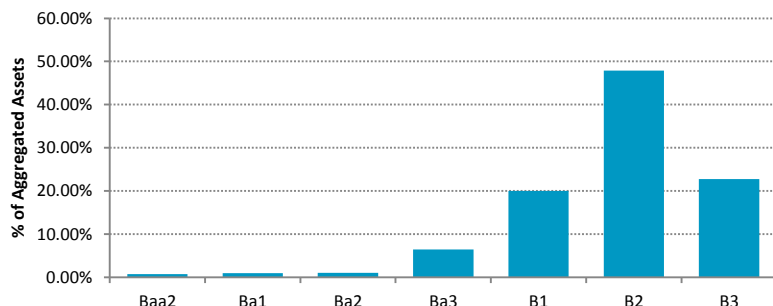
Healthcare & Pharma	16.63%
Business Services	8.10%
Chemical, Plastic & Rubber	7.94%
Capital Equipment	7.75%
Construction & Building	7.67%
Broadcast & Subscription	6.00%
Retail	5.57%
Beverage Food & Tobacco	5.55%
Hotel, Gaming & Leisure	5.46%
Banking & Finance	5.38%

# Blackstone / GSO Loan Financing Limited

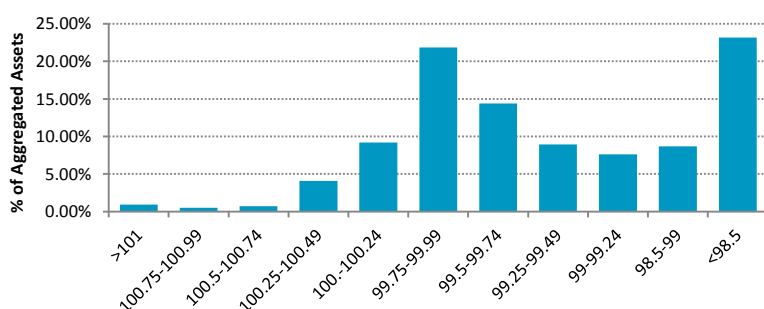
## Top 10 Countries <sup>6,7</sup>

USA	23.47%
France	17.71%
Germany	15.37%
Great Britain	11.42%
Netherlands	8.96%
Luxembourg	6.08%
Spain	4.38%
Ireland	4.09%
Norway	1.65%
Italy	1.52%

## Moody's Rating Distribution <sup>6,7</sup>



## Asset MTM Bands <sup>6,7</sup>



## Asset Breakdown <sup>7</sup>

	Originator Direct Loan Portfolio	Originator Indirect Loans/CLO Portfolio
<b>Originator Net Assets:</b>	€203.45m	€95.55m
<b>% of BGLF NAV:</b>	68.04%	31.96%
Number of Issuers:	145	131
Senior Secured Loans/Notes:	99.9%	99.9%
Floating Rate:	100.0%	100.0%
Weighted Average Asset Spread (including impact of floors):	4.63%	4.54%
Weighted Average Loan MTM:	98.88%	98.73%
Weighted Average Cost of Liabilities:	0.80% undrawn/ 1.80% drawn	2.09%

## 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, pro-rata to CLO Income Notes held by the Originator. Capitalised terms used but not defined herein have the meanings assigned to them in the Company's Prospectus dated 10 July 2014.

## Contacts:

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[www.blackstone.com/bglf](http://www.blackstone.com/bglf)

## 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. 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: For loan market data: S&P Capital IQ, Q4, 2014.

# Blackstone / GSO Loan Financing Limited

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**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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Although the portfolio reflected in this document (the "**Portfolio**") is consistent with the investment strategy of the Company, there is no guarantee that the portfolio acquired will be identical to the make-up of the Portfolio. Moreover, the future investments to be made by the Company may differ substantially from the investments included in the Portfolio. Therefore, the Portfolio parameters, industry concentration, rating concentration, spread distribution and other factors related to the Portfolio could all be materially different than those of the future portfolio acquired by the Company.

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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