

BGLF’s Objective

- BGLF’s (the “Company”) investment objective is to provide shareholders with stable and growing income returns, and to grow the capital value of its investment portfolio by exposure predominantly to floating rate senior secured loans, both directly and indirectly. The Company achieves its investment objective solely through its investment in Blackstone / GSO Corporate Funding Limited (“BGCF”)¹, which is an investor in floating rate senior secured loans.
- BGCF funds its investment in loans using a variety of funding sources, including equity capital, its 3-year syndicated financing facility, notes issued to the Company, and non-recourse leverage obtained from retaining Income Notes in collateralised loan obligations (“CLOs”) that BGCF has established.

BGLF’s Total Return

Total Returns ^{2,3} As at 29/01/2016	29-Jan-16	2015	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	0.95%	8.11%	5.41%	8.35%

BGLF Monthly Commentary

- The total return for January was 0.95%, which included total portfolio net income of 1.30% and net portfolio movements of -0.35%. Income on the directly held loan portfolio, less financing costs, was 0.09% with -0.49% from net portfolio movements. Retained CLO Income Note investments contributed 1.38% of net income with 0.13% of net portfolio movements.
- BGCF received distributions during January from five of its retained CLO Income Note investments. Orwell Park made its first distribution, which, at 19.4%, was higher than initially modelled. Castle Park, Dartry Park, Phoenix Park and Dorchester Park made quarterly distributions in line with expectations.
- To date, the average annualised distribution on the Retained CLO Income Note investments has been approximately 19%.
- The risk-off sentiment seen in late 2015 continued into January with the pressure on credit and equity markets persisting. European Loans outperformed other risk assets, falling 0.32% versus high yield (-1.24%) and equities (-6.62%).⁹
- Despite the turbulent start to the year in the secondary market, new issue activity hit a seven-month high of €7.5 billion. Loan issuance was again led by M&A borrowing, which accounts for almost 84% of total volume.¹⁰
- Volatility in the secondary market and selective investors helped keep new issue pricing on the wider side, with single-B loans clearing at 5.78% - relatively unchanged from December levels.¹⁰
- Secondary loan prices declined €0.27 to €96.64 by the end of January, with the majority of the decline occurring late in the month as equity market volatility trickled over to credit markets. US loan prices dropped \$1.03 given the tireless credit market sell-off. As of 31 January, the average loan price was \$90.22, compared to \$95.97 at the same time last year.¹¹
- The European CLO market took the lead in 2016, pricing the first global CLO mid-month. CLO new issuance in Europe was modest, though not atypical, with that one CLO pricing for €414 million. The US market, however, had its slowest January since 2011 as only two transactions totalling \$826 million priced. The main driver for lack of CLO supply has been a weakened demand for CLO equity.¹⁰
- On 5 February 2016, the Company posted a circular to shareholders convening an extraordinary general meeting to be held at 2.00pm on 29 February 2016 at which resolutions will be put forward to approve the proposals set out in the circular. These proposals include permitting investments in all debt tranches of CLOs and in Loan Warehouses and enabling the Company to invest by way of exposure to additional risk retention companies. The amendments to the investment objective and policy will enable the Company to invest, through BGCF, in a newly-formed US entity, controlled by an affiliate of the Adviser, that may invest in loans and CLO Securities and enable the Adviser to comply with US risk retention obligations.

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: ⁴	€0.9932
Share Price: ⁵	€0.9675
Premium/Discount:	-2.59%
Latest Dividend:	€0.0200
Dividend Yield: ⁶	8.00%
BGCF Gross Assets:	€404.5m
BGLF Net Assets:	€329.0m
Market Capitalisation: ⁵	€320.5m
Shares Outstanding:	331.3m

Top 10 Holdings ^{7, 8}

Eircom	2.76%
Telenet	1.83%
Numericable Finance / YPSO	1.68%
Capio Sanidad	1.66%
Amaya	1.62%
Ineos	1.53%
Ziggo Finance BV	1.50%
Cyan Blue	1.49%
Avago	1.46%
Verallia	1.45%

Top 10 Industries ^{7, 8}

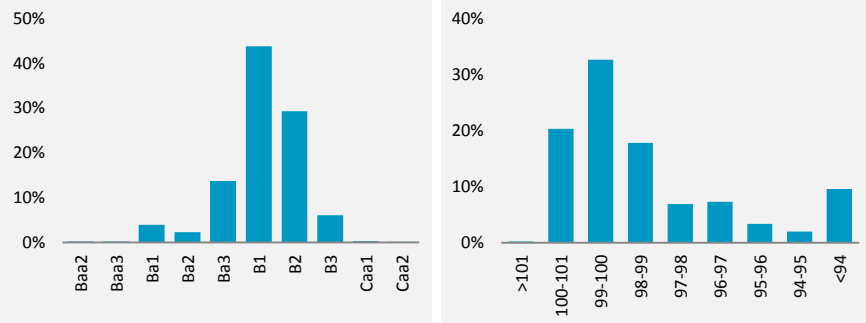
Healthcare & Pharma	12.40%
Services Business	10.71%
Media Broadcasting	8.35%
Hotels, Gaming and Leisure	7.15%
High Tech Industries	6.89%
Chemicals, Plastics & Rubber	6.75%
Containers, Packaging, Glass	6.47%
Telecommunications	6.28%
Construction & Building	5.73%
Beverage, Food & Tobacco	5.04%

Blackstone / GSO Loan Financing Limited

Top 10 Countries ^{7, 8}

United States of America	27.66%
France	14.96%
United Kingdom	11.86%
Germany	8.96%
Netherlands	8.92%
Luxembourg	8.26%
Spain	4.00%
Ireland	3.77%
Switzerland	3.17%
Belgium	1.83%

Moody's Rating Distribution and Asset MTM Bands ^{7, 8}



Retained CLO Income Note Investments ⁸

	Phoenix Park	Sorrento Park	Castle Park	Dorchester Park	Dartry Park	Orwell Park	Tymon Park
Closing Date	Jul 14	Oct 14	Dec 14	Jan 15	Feb 15	May 15	Dec 15
Currency	EUR	EUR	EUR	USD	EUR	EUR	EUR
Deal Size	€413m	€517m	€415m	\$509m	€411m	€415m	€414m
BGCF Position (% of CLO Income Notes)	51.4%	60.5%	100.0%	60.9%	51.1%	51.0%	51.0%
Last Distribution (Annualised)	15.9%	20.3%	14.6%	21.9%	16.1%	19.4%	n/a

Asset Breakdown ⁸

	BGCF Direct Loan Portfolio	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€155.3m	€173.7m
% of BGLF NAV:	47.20%	52.80%
Number of Issuers:	56	340
Senior Secured Loans/Notes:	98.4%	99.2%
Floating Rate:	94.1%	98.4%
Weighted Average Asset Spread (including impact of floors):	4.82%	4.62%
Weighted Average Loan MTM:	97.8%	97.8%
Weighted Average Cost of Liabilities:	0.80% undrawn/ 1.80% drawn	2.10%

Other Information:

BGLF charges no management or performance fees. The Adviser earns a management and performance fee on CLOs it manages in which BGCF 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 BGCF, pro-rata to CLO Income Notes held by BGCF. 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:

- Blackstone / GSO Corporate Funding Limited ("BGCF") was 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. Please refer to the "Important Disclosure Information" section of this document for important information, including information about performance results.
- YTD and Monthly performance are non-annualised. Dividends are assumed to be reinvested at the NAV.
- 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.
- Source: Bloomberg as at 29 January 2016.
- Dividend Yield based on IPO issue price and last declared dividend of €0.02.
- 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 BGCF. Indirect asset holdings are held within CLOs BGCF 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 BGCF. Data calculated by GSO.
- 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 Spread 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 Spread 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. Data calculated by GSO.
- Credit Suisse (Western European Leveraged Loan Index (hedged to EUR), Western European High Yield Index (hedged to EUR), US Leveraged Loan Index), Bloomberg (Euro STOXX 50 Index ticker SX5e).
- S&P/LCD, as of 16 February 2016.
- Average prices of the Credit Suisse Western European Leveraged Loan Index and the Credit Suisse Leveraged Loan Index, as of 29 January 2016.

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

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