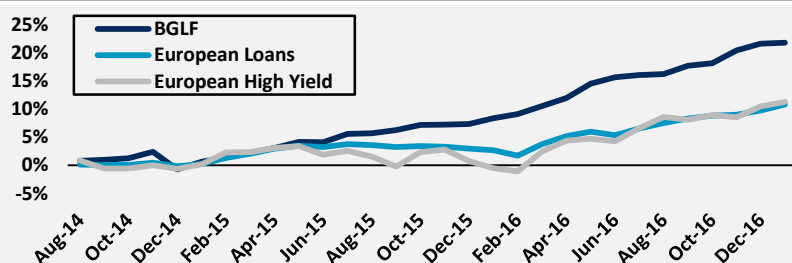


## Objective

- 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 (“BGCF”), 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.

## Total Return

Total Returns <sup>2, 3</sup> As at 31/01/17	Jan-17	YTD	LTM	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	0.14%	0.14%	12.37%	8.40%	21.75%



## Monthly Commentary

- The Company’s total return for January was 0.14%, including total net portfolio income of 1.09% and net portfolio movements of -0.95%.
- BGCF received distributions during January from seven of its retained CLO Income Note investments. These payments brought the total distributed amounts since BGCF’s initial investments to: Castle 35.5%; Dartry 32.5%; Dorchester 37.6%; Elm 11.1%; Orwell 28.8%; Phoenix 42.5%; Tymon 19.0%.
- We began to see some positive indicators for the European economy in the first month of the year, with the economic confidence index at the highest level since 2011 and the unemployment rate falling to 9.6%, a level not seen since 2009. Eurozone GDP growth rose in Q4 to 0.5% from 0.4% in Q3.
- European and US loans experienced steady starts to 2017, returning 1.00% and 0.53%, respectively. Lower-rated assets continued their march upwards and started the year as they finished 2016: lead performers based on rating in both markets.<sup>10</sup>
- Loan issuance began 2017 vigorously with €9.4 billion recorded in January, the strongest opening in over eight years. The lack of new paper is the continued market narrative with the majority of primary market activity used for refinancing and repricing.<sup>11</sup>
- Similar to last year, January’s CLO issuance was off to a slow start with volume totalling €0.4 billion through one European CLO and \$1.0 billion through two US CLOs. However, CLO refinancing and reset activity produced another strong month with volumes totalling €1.3 billion in Europe and \$8.0 billion in the US.<sup>11</sup>
- On 15 February 2017, GSO announced that Alan Kerr, Senior Managing Director and Head of GSO’s European Customized Credit Strategies (“CCS”) business, has decided to leave the firm in 2017. Mr. Kerr will transition his management responsibilities to Alex Leonard and Fiona O’Connor, who will report to Dan Smith, Global Head of CCS, and will move to a role as senior adviser to the firm. It is expected that this transition period will run until May 2017.
- Palmerston Park CLO DAC (“Palmerston Park”), a €415m CLO and the 11th CLO that BGCF has established, priced on 17 February. Palmerston Park AAA and A notes achieved the tightest levels since the CLO 2.0 market opened, pricing at E+0.92% and E+2.30%, respectively.
- On 21 February 2017, the Company announced its intention to issue new ordinary shares under the Placing Programme (the “Placing”) described in the 31 March 2016 prospectus. The issue price will be at a 2% premium to the Company’s January NAV, and is expected to close on 2 March.<sup>12</sup>

## Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>4</sup>	€1.0252
Share Price: <sup>5</sup>	€1.0500
Premium/Discount:	2.42%
Latest Dividend:	€0.025
Target Dividend Yield: <sup>6</sup>	10.00%
BGCF Gross Assets: <sup>7</sup>	€498.4m
BGLF Net Assets:	€332.8m
Market Capitalisation: <sup>5</sup>	€340.8m
Shares Outstanding:	324.6m

Top 10 Holdings <sup>8, 9</sup>

Eircom	2.0%
Numericable Finance	1.9%
Euro Garages	1.7%
Ziggo Finance BV	1.6%
Ineos	1.4%
Verallia	1.4%
Concordia	1.4%
Wind Acquisition	1.3%
Labco / Synlab	1.3%
One Wizard Acquisition	1.3%

Top 5 Industries <sup>8, 9</sup>

Healthcare & Pharma	12.9%
Hotels, Gaming and Leisure	8.6%
Services Business	8.5%
Media, Broadcasting & Sub	7.0%
Chemicals, Plastics & Rubber	6.7%

Top 5 Countries <sup>8, 9</sup>

United States of America	25.4%
United Kingdom	16.2%
France	13.4%
Germany	10.0%
Luxembourg	8.0%

# Blackstone / GSO Loan Financing Limited

## Asset Breakdown <sup>9</sup>

	BGCF Directly Held Loans	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€126.5m	€206.3m
% of BGLF NAV:	38.00%	62.00%
Number of Issuers:	67	445
Senior Secured Loans/Notes:	100.0%	99.9%
Floating Rate:	96.45%	98.2%
Weighted Average Asset Spread (including impact of floors):	4.32%	4.46%
Weighted Average Loan MTM:	102.1%	100.4%
Average Cost of Liabilities:	0.8% undrawn / 1.8% drawn	2.1%

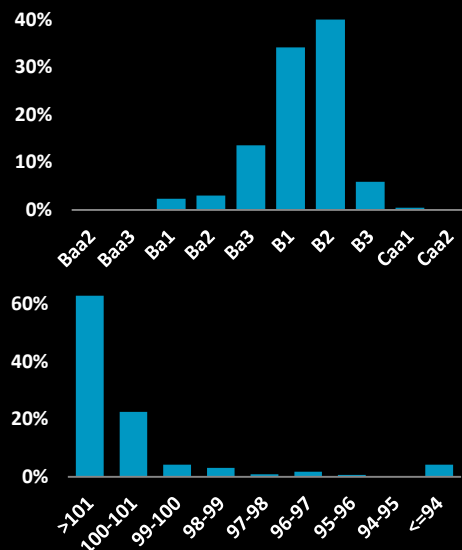
## Retained CLO Income Note Investments <sup>9</sup>

	Closing Date	Currency	Deal Size	BGCF Position (% of Tranche)	Distributions Through Last Payment Date	
					Ann.	Cum.
Phoenix Park	Jul 14	EUR	€413m	51.4%	16.9%	42.5%
Sorrento Park	Oct 14	EUR	€517m	51.8%	18.6%	39.2%
Castle Park	Dec 14	EUR	€415m	100.0%	17.0%	35.5%
Dorchester Park	Feb 15	USD	\$509m	60.9%	19.8%	37.6%
Dartry Park	Mar 15	EUR	€411m	51.1%	17.3%	32.5%
Orwell Park	Jun 15	EUR	€415m	51.0%	17.7%	28.8%
Tymon Park	Dec 15	EUR	€414m	51.0%	17.2%	19.0%
Elm Park	May 16	EUR	€558m	82.4%	17.2%	11.1%
Griffith Park	Sep 16	EUR	€454m	59.5%	n/a	n/a
Clarinda Park	Nov 16	EUR	€415m	51.2%	n/a	n/a

## Historical Performance <sup>2, 10</sup>

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF	0.14%												0.14%
European Loans	1.00%												1.00%
European High Yield	0.70%												0.70%
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF	0.95%	0.67%	1.32%	1.28%	2.31%	0.98%	0.34%	0.13%	1.28%	0.37%	1.96%	0.97%	13.28%
European Loans	-0.32%	-0.93%	2.06%	1.35%	0.74%	-0.60%	1.16%	0.88%	0.74%	0.50%	0.18%	0.63%	6.52%
European High Yield	-1.24%	-0.60%	3.59%	1.85%	0.36%	-0.46%	2.21%	1.86%	-0.42%	0.78%	-0.40%	1.82%	9.63%
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF	1.36%	0.82%	0.76%	0.86%	1.05%	-0.07%	1.42%	0.09%	0.57%	0.83%	0.07%	0.07%	8.11%
European Loans	0.42%	1.06%	0.73%	0.88%	0.50%	-0.23%	0.50%	-0.17%	-0.33%	0.18%	-0.11%	-0.32%	3.14%
European High Yield	0.77%	2.12%	0.06%	0.70%	0.31%	-1.47%	0.68%	-1.04%	-1.72%	2.57%	0.43%	-1.95%	1.36%

## Moody's Rating Distribution and Asset MTM Bands <sup>8,9</sup>



## Other Information:

BGLF does not pay any 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 31 March 2016.

## Contacts:

### Company Secretary:

BNP Paribas Securities Services S.C.A., Jersey Branch  
Liberté House  
19-23 La Motte Street  
St Helier  
Jersey JE2 4SY

### Adviser:

Blackstone / GSO Debt Funds Management Europe Limited  
Alan Kerr +353 1 436 0107  
Alex Leonard +353 1 436 0113  
David Cunningham +353 1 436 0122

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

# Blackstone / GSO Loan Financing Limited

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BGLF								0.78%	0.21%	0.26%	1.12%	-3.05%	<b>-0.73%</b>
European Loans								0.13%	-0.07%	0.03%	0.37%	-0.61%	<b>-0.16%</b>
European High Yield								0.86%	-1.42%	0.02%	0.54%	-0.58%	<b>-0.59%</b>

## Footnotes:

1. Blackstone / GSO Corporate Funding DAC ("BGCF") was incorporated in Ireland on 16 April 2014.
2. 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.
3. YTD and Monthly performance are non-annualised. Dividends are assumed to be reinvested at the NAV.
4. 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.
5. Source: Bloomberg, as at 31 January 2017.
6. Dividend Yield based on IPO issue price and last announced target dividend yield of €0.10 per share annualised (2 September 2016). The target dividend should not be taken as an indication of the Company's expected future performance or results. The target dividend is a target only and there is no guarantee that it can or will be achieved and should not be seen as an indication of the Company's expected or actual return. Target returns are hypothetical and are neither guarantees nor predictions or projections of future performance. Actual events and conditions may differ materially from the assumptions used to establish the target dividend.
7. BGLF's proportion of BGCF's gross assets.
8. 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.
9. 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 Directly Held 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. Directly Held Loan Portfolio holdings are reported on a trade date basis and liabilities will only be drawn on the relevant loan settlement date. CLO Note and CLO warehouse investments are excluded from all figures. Data calculated by GSO.
10. Credit Suisse: Leveraged Loan Index, Western European Leveraged Loan Index (hedged to EUR), Western European High Yield Index (hedged to EUR), as of 31 January 2017.
11. S&P /LCD, as of 17 February 2017.
12. Please see the 21 February 2017 RNS for more details on the Placing, which will take place through the Company's joint brokers, Fidante Partners Europe Limited, trading as Fidante Capital, and Nplus1 Singer Advisory LLP (together "the Joint Bookrunners"). The Placing is expected to close at [1.30pm] (London time), [28] February 2017, but may be closed earlier or later at the discretion of the Company and the Joint Bookrunners. The final number of New Shares will be agreed between the Company and the Joint Bookrunners following close of the Placing, and announced shortly thereafter.

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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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All investments are subject to risk, including the loss of the principal amount invested. 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. All investments to be held by the Company involve a substantial degree of risk, including the risk of total loss. The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. You should always seek expert legal, financial, tax and other professional advice before making any investment decision.

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