

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 ^{2,3}
As at 31/07/15

31-July-15

YTD

**SINCE
INCEPTION**

BGLF Euro NAV

1.42%

6.38%

5.60%

BGLF Monthly Commentary

- The total return for July was 1.42%. Net Income was 1.79% with -0.37% from net portfolio movements. The weighted average mark-to-market of the CLO Income Notes in the portfolio was 91.61% as at 31 July 2015.
- The Company has experienced strong distributions during July from three of its CLO Income Note investments. Castle Park and Dorchester Park each made their first CLO Income Note distribution during the month. The annualised distributions were 17.9% and 28.0%, respectively, which are higher than originally expected. Phoenix Park’s July payment was 19.0% annualised, an increase of almost 5% from April.
- In August, the Originator mandated Bank of America Merrill Lynch to arrange Tymon Park CLO Limited (“Tymon Park”) with an anticipated target size of approximately €400 million. At closing, the Originator will purchase a majority of the Tymon Park’s Income Notes, expected to be approximately €44 million. The Originator anticipates selling approximately €340-360 million from its loan portfolio to Tymon Park at its closing, using proceeds, net of the Originator’s expected €22.5 million investment in the Income Notes, to originate more loans in the primary and secondary loan market.
- European investors felt more at ease given the lessening of uncertainty around the situation in Greece, which helped lift market prices and contributed to positive performance across different asset classes. The S&P European Leveraged Loan Index’s (“S&P ELLI”) average price gained 30bps and the index returned +0.75% over the month, though underperformed high yield bonds (+1.15%), investment grade bonds (+1.31%), German Treasuries (+1.46%), and equities (+5.24%).⁹
- A significant pick-up in M&A activity was the driving force behind a resurgent primary market. European leverage loan volume totalled €6.5 billion for July, with institutional volume reaching a four month high. Market technicals subsided as prepayment rates slowed and CLO issuance was well short of primary supply. Despite the influx of new-issue transactions, clearing yields rose during the month as market sentiment waned on the back of the Greek crisis.¹⁰
- The primary loan pipeline was generally steady throughout July as buyout activity continued. While the August calendar is expected to be light, as it typically is, September’s pipeline is expected to bring a healthy supply of LBO activity.¹⁰
- The European CLO market experienced its second busiest month of 2015 in July as it priced 5 transactions totalling €2.0 billion while US CLO issuance slowed with only 12 new CLOs pricing for a total of \$6.9 billion. European CLO issuance year to date is outpacing 2014 volume as €9.6 billion has priced, versus €6.9 billion last year. Total US CLO new issuance year to date now stands as \$66.3 billion versus \$74.4 billion over the same period in 2014.¹⁰

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
Monthly NAV: ¹¹	-0.59%
NAV per share: ⁴	€0.9877
Share Price: ⁵	€1.0013
Premium/Discount:	1.38%
Latest Dividend:	€0.0200
Dividend Yield: ⁶	8.00%
Originator Gross Assets:	€602.8m
BGLF Net Assets:	€327.3m
Market Capitalisation: ⁵	€331.8m
Shares Outstanding:	331.3m

Top 10 Holdings ^{7, 8}

Eircom	2.81%
Telenet	1.98%
Capio Sanidad	1.64%
Horizon Holdings III	1.47%
Ineos	1.42%
Springer Science	1.31%
Delek Group	1.28%
Amaya	1.20%
YPSO Holding	1.19%
Apollo Holding	1.17%

Top 10 Industries ^{7, 8}

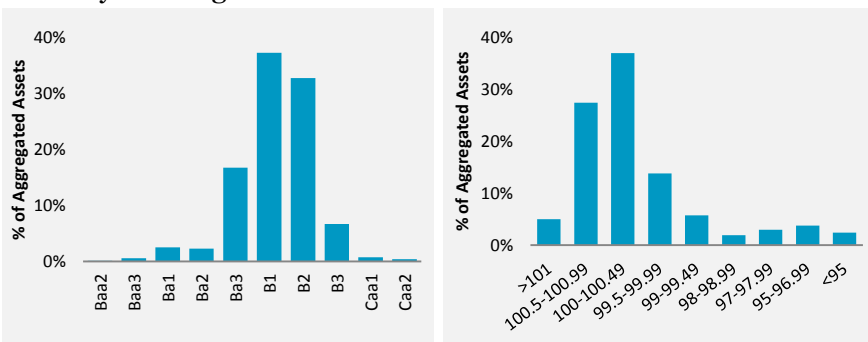
Healthcare & Pharma	13.13%
Business Services	8.61%
Broadcast & Subscription	7.79%
Chemical Plastics & Rubber	7.03%
Construction & Building	6.60%
High Tech Industries	6.49%
Telecommunications	6.30%
Containers & Packaging	6.15%
Hotel, Gaming & Leisure	5.95%
Beverage, Food & Tobacco	5.05%

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Top 10 Countries ^{7, 8}

USA	32.53%
France	15.76%
United Kingdom	11.16%
Germany	10.61%
Netherlands	6.75%
Luxembourg	6.70%
Spain	3.75%
Ireland	3.57%
Belgium	1.98%
Switzerland	1.88%

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



Direct CLO Investments ⁸

	Phoenix Park	Sorrento Park	Castle Park	Dorchester Park	Dartry Park	Orwell Park
Closing Date	Jul 14	Oct 14	Dec 14	Jan 15	Feb 15	May 15
Currency	EUR	EUR	EUR	USD	EUR	EUR
Deal Size	€413m	€517m	€415m	\$509m	€411m	€415m
BGLF Position (% of CLO Income Notes)	51.4%	60.5%	100.0%	60.9%	51.1%	51.0%
Last Distribution (Annualised)	19.0%	20.4%	17.9%	28.0%	n/a	n/a

Asset Breakdown ⁸

	Originator Direct Loan Portfolio	Originator Indirect Loans / CLO Portfolio
Originator Net Assets:	€165.91m	€161.35m
% of BGLF NAV:	50.70%	49.30%
Number of Issuers:	105	319
Senior Secured Loans/Notes:	100.0%	100.0%
Floating Rate:	92.5%	99.9%
Weighted Average Asset Spread (including impact of floors):	4.79%	4.58%
Weighted Average Loan MTM:	99.38%	99.81%
Weighted Average Cost of Liabilities:	0.80% undrawn/ 1.80% drawn	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, 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.

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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. 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 31 July 2015.
- Dividend Yield based on IPO issue price.
- 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. 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.
- S&P/LCD, Barclays (Pan-European High Yield Index, Pan-European Corporate Index, Euro-Aggregate Treasury Germany Index), Bloomberg (Euro STOXX 50 Index ticker SX5e).
- S&P/LCD as of 18 August 2015.
- Monthly NAV: 1.42% monthly performance; -0.59% change in monthly NAV. Difference due to distribution of the quarterly dividend.

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IMPORTANT DISCLOSURE 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.