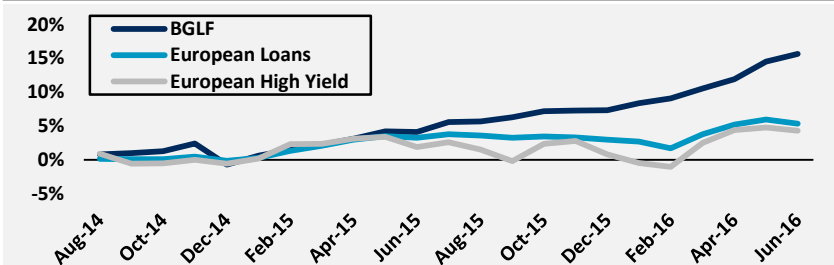


## Objective

- 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 DAC (“BGCF”)<sup>1</sup>, 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 30/06/16	Jun-16	YTD	LTM	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	0.98%	7.75%	11.06%	7.78%	15.64%



## Monthly Commentary

- The Company’s total return for June was +0.98%, which included total portfolio net income of +0.77%, net portfolio movements of +0.06%, and a +0.15% increase in NAV as a result of shares repurchased at a discount to NAV. BGLF has returned +7.75% year-to-date, which compares well to European loans (+2.28%) and European high yield (+3.48%).<sup>9</sup>
- As announced on 21 July 2016, the Board of the Company has declared a dividend of €0.02 per share, which equates to 8.0% annualised on the initial IPO price, for the period from 1 April 2016 to 30 June 2016. The dividend is payable on 19 August 2016 to shareholders on the register as at 29 July 2016.
- June will undoubtedly be remembered as the month in which the UK voted to leave the EU. Focus on the referendum dominated price action across the market. Risk assets tumbled by mid-month yet recouped those early losses to approach the referendum vote broadly unchanged. With markets largely pricing in a remain vote, the magnitude of the post-vote selloff was unsurprising. What did surprise was that the risk-off move only lasted a few days and markets rebounded sharply into month end. European high yield fell 0.46% and loans fell 0.60%, with the average bid of S&P/LCD’s European loan flow name composite falling 0.69 to 99.25, a 14-week low.<sup>11</sup>
- The brief risk-off move also affected European CLOs in the secondary market as spreads widened across the capital structure before reversing to pre-UK referendum levels. These swings were less noticeable in US CLOs given the negligible exposure to UK issuers and GBP-denominated assets.<sup>10</sup>
- Spread levels continue to tighten in the primary market as demonstrated by the most recent European CLO, which priced in July, achieved a AAA cost of E+125bp.<sup>11</sup>
- The CLO new issue market held its momentum in June as four European CLOs totalling €1.6 billion and 14 US CLOs totalling \$6.1 billion priced. Current year-to-date volume stands at €7.2 billion through 18 deals in Europe (95% of 1H 2015 volume) and \$25.7 billion through 61 deals in the US (46% of 1H 2015 volume).<sup>11</sup>
- BGCF mandated Barclays to arrange BGCF’s ninth CLO transaction, Griffith Park CLO DAC (“Griffith”), with an anticipated target size of €400 million. BGCF intends to purchase a majority of Griffith’s Income Notes, expected to be approximately €22 million. Griffith is expected to be approximately 70% ramped at closing.
- As of 30 June 2016, the Company’s issued share capital and total number of voting rights totalled 324,600,700 Euro shares. The Company held 6,719,000 non-voting Euro shares in treasury.

## Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>4</sup>	€1.0182
Share Price: <sup>5</sup>	€0.9400
Premium/Discount:	-7.68%
Latest Dividend:	€0.0200
Dividend Yield: <sup>6</sup>	8.00%
BGCF Gross Assets:	€458.7m
BGLF Net Assets:	€330.5m
Market Capitalisation: <sup>5</sup>	€305.1m
Shares Outstanding:	324.6m

## Top 10 Holdings <sup>7, 8</sup>

Eircom	2.59%
Capio Sanidad S.L.	1.72%
Ziggo Finance BV	1.71%
Ineos	1.54%
Amaya	1.40%
Verallia	1.31%
Solera, LLC	1.30%
Cyan Blue Holdco 3 Limited	1.29%
Springer Science	1.20%
Telenet	1.20%

## Top 5 Industries <sup>7, 8</sup>

Healthcare & Pharma	13.80%
Services Business	9.48%
Hotels, Gaming and Leisure	8.61%
Chemicals, Plastics & Rubber	7.66%
High Tech Industries	7.30%

## Top 5 Countries <sup>7, 8</sup>

United States of America	27.83%
France	14.09%
United Kingdom	11.99%
Germany	9.96%
Netherlands	8.41%

# Blackstone / GSO Loan Financing Limited

## Asset Breakdown <sup>8</sup>

	BGCF Direct Loan Portfolio	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€103.6m	€226.9m
% of BGLF NAV:	31.36%	68.64%
Number of Issuers:	61	375
Senior Secured Loans/Notes:	99.2%	99.3%
Floating Rate:	100.0%	98.3%
Weighted Average Asset Spread (including impact of floors):	4.79%	4.68%
Weighted Average Loan MTM:	98.1%	98.5%
Weighted Average Cost of Liabilities:	0.80% undrawn / 1.80% drawn	2.20%

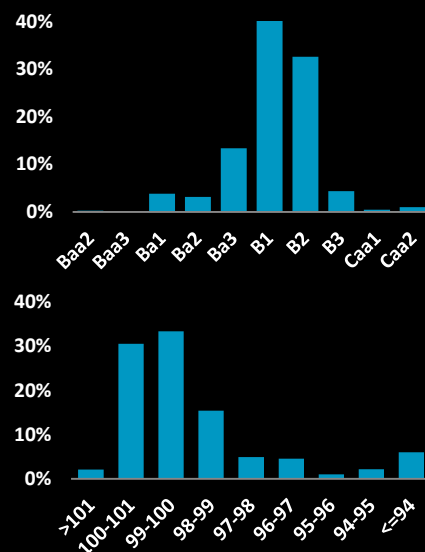
## Retained CLO Income Note Investments <sup>8</sup>

	Closing Date	Currency	Deal Size	BGCF Position (% of Tranche)	Distributions Through Last Payment Date	
					Ann.	Cum.
Phoenix Park	Jul 14	EUR	€413m	51.4%	16.6%	29.3%
Sorrento Park	Oct 14	EUR	€517m	60.5%	19.0%	30.1%
Castle Park	Dec 14	EUR	€415m	100.0%	16.9%	22.4%
Dorchester Park	Jan 15	USD	\$509m	60.9%	22.6%	26.0%
Dartry Park	Feb 15	EUR	€411m	51.1%	18.0%	20.1%
Orwell Park	May 15	EUR	€415m	51.0%	18.9%	16.5%
Tymon Park	Dec 15	EUR	€414m	51.0%	n/a	n/a
Elm Park	May 16	EUR	€558m	82.4%	n/a	n/a

## Historical Performance <sup>2,9</sup>

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%							7.75%
European Loans	-0.32%	-0.93%	2.06%	1.35%	0.74%	-0.60%							2.28%
European High Yield	-1.24%	-0.60%	3.59%	1.85%	0.36%	-0.46%							3.48%
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%
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%	-0.73%
European Loans								0.13%	-0.07%	0.03%	0.37%	-0.61%	-0.16%
European High Yield								0.86%	-1.42%	0.02%	0.54%	-0.58%	-0.59%

## Moody's Rating Distribution and Asset MTM Bands <sup>7, 8</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:

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# Blackstone / GSO Loan Financing Limited

## 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 30 June 2016.
6. Dividend Yield based on IPO issue price and last declared dividend of €0.02.
7. 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.
8. 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.
9. Credit Suisse (Western European Leveraged Loan Index (hedged to EUR), Western European High Yield Index (hedged to EUR)), as of 30 June 2016.
10. BNP Paribas, Trading and Sales Market Commentary, 7 July 2016 and 8 July 2016. J.P. Morgan CLOIE Monitor, 1 July 2016.
11. S&P/LCD, as of 18 July 2016.

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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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