

**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>2,3</sup>  
As at 29/05/15

29-May-15

YTD

SINCE  
INCEPTION

BGLF Euro NAV

1.05%

4.96%

4.20%

**BGLF Monthly Commentary**

- The total return for May was 1.05%. Net Income was +1.38% with -0.33% from net portfolio movements. The weighted average mark-to-market of the CLO Income Notes in the portfolio was 95.00% as at 29 May 2015.
- European loans and high yield bonds posted positive monthly returns of 0.34% and 0.31%, respectively, outperforming longer duration assets such as investment grade bonds (+0.15%), equities (+0.26%), and German Treasuries (-1.06%).<sup>9</sup>
- The European loan market experienced 11 repricings totalling €3.2 billion during the month, which is the highest level of repricing activity seen since 2011 when S&P LCD started tracking this data. Borrowers have been able to decrease their costs by 56bps on average through repricing their loans this year.<sup>10</sup>
- New issuance increased 13% month-over-month as €5.2 billion came to market in May versus April’s issuance of €4.6 billion. Though new issuance is up slightly, the supply-demand imbalance continued throughout the month causing new issue loan spreads to tighten 28 bps.<sup>10</sup>
- The lagging 12-month default rate by principal amount dropped to 2.13% in May from 2.79% at the end of April, as seen in the S&P European Leveraged Loan Index (“ELLI”). The ELLI distress ratio, which tracks the percentage of performing loans trading below 80, also fell. At the end of May, 4.3% of the market was trading distressed, down from 6.4% in April.<sup>10</sup>
- European CLO activity increased in May with six deals totaling €2.4 billion pricing, bringing the 2015 total to €6.8 billion across 17 transactions. U.S. CLO new issue activity declined for the second consecutive month as non-repricing loan issuance remained low and loan spreads tightened further, exacerbating the challenge CLO managers face sourcing collateral. May saw 12 new U.S. CLOs price totaling \$5.7 billion, lifting year-to-date issuance to \$46.6 billion.<sup>10</sup> Strategists forecast 2015 volume to be €20 billion in Europe and \$70-80 billion in the U.S.<sup>11</sup>
- Orwell Park CLO Limited (“Orwell”), the Originator’s sixth CLO, closed on 4 June with total assets of approximately €400 million. The Originator purchased €24 million of Orwell’s subordinated notes with an expected IRR of around 13–14% under “base case” assumptions. Roughly €240 million of loans were sold from the Originator to Orwell at its closing. The Originator received a fee rebate of 8% of the Originator’s amount invested paid by the arranger at its closing.
- The Originator continues to review the possibility of becoming compliant under U.S. Retention Rules. The Company’s advisors are progressing this with a view to BGLF being able to finance retention compliant CLOs both in Europe and the U.S.
- With the closing of Orwell, the Originator is 10 months ahead of its original CLO Income Note investment plan.

**BGLF Key Facts**

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>4</sup>	€0.9943
Share Price: <sup>5</sup>	€1.0113
Premium/Discount:	1.71%
Latest Dividend:	€0.0200
Dividend Yield: <sup>6</sup>	8.00%
Originator Gross Assets:	€670.4m
BGLF Net Assets:	€329.4m
Market Capitalisation: <sup>5</sup>	€335.0m
Shares Outstanding:	331.3m

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

Eircom	2.94%
Ineos	1.59%
IDCsalud	1.49%
Springer	1.47%
Delek Group	1.43%
Amaya	1.35%
Aenova	1.24%
Chryso Group	1.21%
Northgate	1.15%
Gardner Denver	1.13%

**Top 10 Industries** <sup>7, 8</sup>

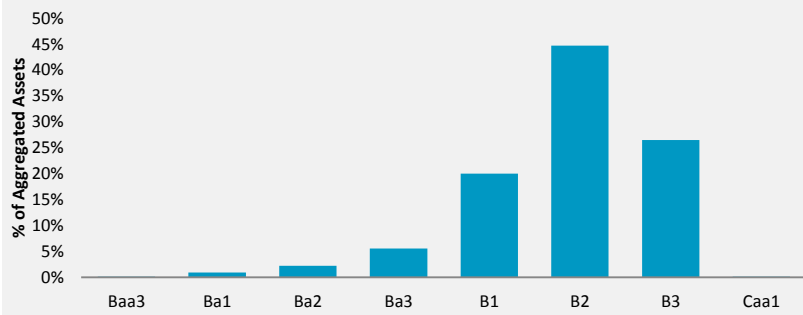
Healthcare & Pharma	13.98%
Business Services	7.93%
Chemical Plastics & Rubber	7.81%
Telecommunications	6.62%
High Tech Industries	6.57%
Broadcast & Subscription	6.26%
Hotel, Gaming & Leisure	6.23%
Construction & Building	6.20%
Capital Equipment	5.58%
Banking Finance Insurance	5.47%

# Blackstone / GSO Loan Financing Limited

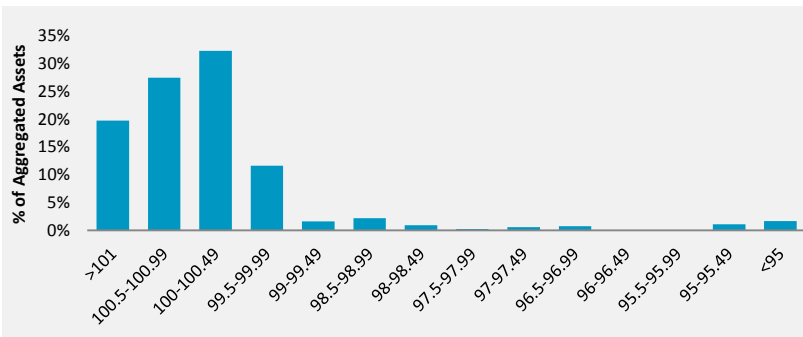
## Top 10 Countries <sup>7, 8</sup>

USA	34.34%
France	15.14%
Great Britain	12.16%
Germany	11.07%
Luxembourg	6.14%
Netherlands	6.12%
Spain	3.97%
Ireland	3.80%
Italy	1.67%
Austria	1.12%

## Moody's Rating Distribution <sup>7, 8</sup>



## Asset MTM Bands <sup>7, 8</sup>



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

	Originator Direct Loan Portfolio	Originator Indirect Loans/CLO Portfolio
<b>Originator Net Assets:</b>	€161.94m	€167.50m
<b>% of BGLF NAV:</b>	49.16%	50.84%
<b>Number of Issuers:</b>	131	304
<b>Senior Secured Loans/Notes:</b>	100.0%	100.0%
<b>Floating Rate:</b>	99.9%	100.0%
<b>Weighted Average Asset Spread (including impact of floors):</b>	4.69%	4.71%
<b>Weighted Average Loan MTM:</b>	100.12%	100.16%
<b>Weighted Average Cost of Liabilities:</b>	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 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. 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 May 2015.
- Dividend Yield based on Inception Share 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 provided by Virtus Partners.
- 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 provided by Virtus Partners.
- Credit Suisse ("CS") WELLI Institutional 1st lien Index, CS High Yield Index, Barclays Pan-Euro Corporate Index, Bloomberg (Euro STOXX 50 Index ticker SX5e), Barclays Euro-Aggregate Treasury Germany Index.
- S&P / LCD as of 16 June 2015.
- J.P. Morgan, Leveraged Loan Market Monitor and Default Monitor, 1 June 2015.

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