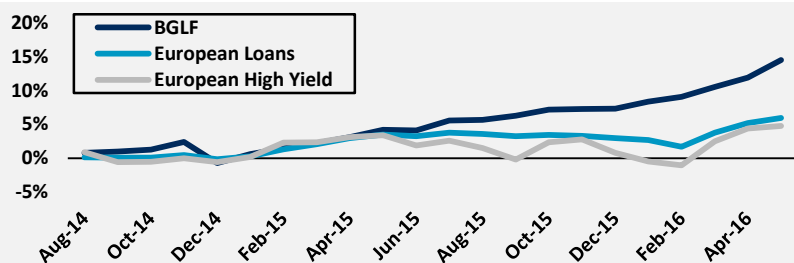


## Objective

- 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 31/05/16	May-16	YTD	LTM	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	2.31%	6.70%	9.90%	7.57%	14.52%



## Monthly Commentary

- The Company's total return for May was +2.31%, which included total portfolio net income of +1.11% and net portfolio movements of 1.20%. BGLF has returned +6.69% year-to-date, which compares well to European loans (+2.90%) and European high yield (+3.95%).<sup>9</sup>
- Market sentiment remained positive in May, with European loans returning +0.74%, doubling high yield's +0.36% gain.<sup>9</sup> The supply / demand imbalance in the primary loan market continues to fuel secondary levels with loans now trading at their highest level since July 2015. The average bid of S&P/LCD's European loan flow name composite ended May at 98.94 of par, up almost 2% from the start of the year (97.17).<sup>11</sup>
- European CLO spreads continued to tighten in both the primary and second markets, especially in the junior tranches. In the US, there was a visible divergence between the top and bottom part of the capital structure, as discount margins tightened for the higher rated tranches but widened for the junior tranches.<sup>10</sup>
- The CLO new issue market slowed in May as three European CLOs totalling €1.1 billion and 11 US CLOs totalling \$4.6 billion priced. Current year-to-date volume stands at €5.6 billion through 14 deals in Europe and \$18.7 billion through 45 deals in the US.<sup>11</sup>
- BGCF received a distribution during May from one of its retained CLO Income Note investments. Sorrento Park has distributed a total of 30.06% on its CLO Income Notes since BGCF's initial investment in October 2014.
- Elm Park, BGCF's 8<sup>th</sup> CLO transaction, and which at €558 million is the largest European CLO of 2016, closed and funded on 26 May. BGCF retained 82% of the Elm Park CLO Income Notes and in addition purchased €9 million of the Elm Park Class E Notes, which carry a coupon of 8.65%.
- BGCF's portfolio is now invested directly and indirectly in 362 credits, of which 99% are 1<sup>st</sup> Lien Senior Secured.
- The Company has been purchasing its own shares in accordance with the authority granted to it by shareholders at its Annual General Meeting held on 18 June 2015. The purchased Euro shares are being held in treasury. As of 16 June 2016, the Company has 326,819,700 Euro shares in issue and 4,500,000 Euro shares held in treasury.

## Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>4</sup>	€1.0083
Share Price: <sup>5</sup>	€0.9050
Premium/Discount:	-10.24%
Latest Dividend:	€0.0200
Dividend Yield: <sup>6</sup>	8.00%
BGCF Gross Assets:	€438.1m
BGLF Net Assets:	€334.1m
Market Capitalisation: <sup>5</sup>	€299.8m
Shares Outstanding:	331.3m

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

Eircom	2.99%
Capio Sanidad S.L.	1.96%
Numericable Finance / YPSO	1.83%
Ziggo Finance BV	1.56%
Ineos	1.51%
Amaya	1.42%
Solera, LLC	1.37%
Springer Science	1.34%
Verallia	1.33%
Cyan Blue Holdco 3 Limited	1.30%

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

Healthcare & Pharma	14.13%
Services Business	9.14%
Hotels, Gaming and Leisure	8.50%
Chemicals, Plastics & Rubber	7.70%
High Tech Industries	6.76%

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

United States of America	27.99%
France	14.40%
United Kingdom	11.87%
Germany	9.99%
Netherlands	8.55%

# Blackstone / GSO Loan Financing Limited

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

	BGCF Direct Loan Portfolio	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€110.7m	€223.3m
% of BGLF NAV:	33.14%	66.86%
Number of Issuers:	50	362
Senior Secured Loans/Notes:	99.1%	99.4%
Floating Rate:	98.5%	98.2%
Weighted Average Asset Spread (including impact of floors):	4.55%	4.66%
Weighted Average Loan MTM:	98.9%	99.4%
Weighted Average Cost of Liabilities:	0.80% undrawn / 1.80% drawn	2.20%

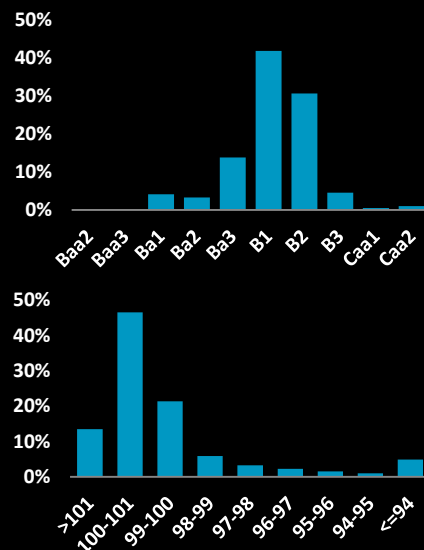
## Retained CLO Income Note Investments <sup>8</sup>

	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%								6.70%
European Loans	-0.32%	-0.93%	2.06%	1.35%	0.74%								2.90%
European High Yield	-1.24%	-0.60%	3.59%	1.85%	0.36%								3.95%
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.

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For footnotes, please see page 3. Your attention is drawn to the disclaimer (Important Disclosure Information) on the final page of this document. 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.

# 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 31 May 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 31 May 2016.
10. BNP Paribas, Trading and Sales Market Commentary, 10 June 2016. J.P. Morgan CLOIE Monitor, 1 June 2016.
11. S&P/LCD, as of 17 June 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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# Blackstone / GSO Loan Financing Limited

## **IMPORTANT DISCLOSURE INFORMATION (cont'd.)**

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