

BGLF’s 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 Limited (“BGCF”)¹, 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.

BGLF’s Total Return

Total Returns ^{2,3}					
As at 30/11/15	30-Nov-15	YTD	1 Year	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	0.07%	8.04%	4.75%	5.30%	7.25%

BGLF Monthly Commentary

- The total return for November was 0.07%, which included total portfolio net income of 1.08% and net portfolio movements of -1.01%. Income on the directly held loan portfolio, less financing costs, was 0.44% with -0.40% from net portfolio movements. Retained CLO Income Note investments contributed 0.80% of net income with -0.61% of net portfolio movements.
- BGCF received a strong distribution of 20.3%, annualised, during November from Sorrento Park.
- Tymon Park CLO Limited (“Tymon”), BGCF’s seventh CLO, closed on 17 December with total assets of approximately €400 million. BGCF purchased €22.7 million of Tymon’s Income Notes with an expected IRR of around 14% under “base case” assumptions. Roughly €350 million of loans were sold from BGCF to Tymon at its closing. Tymon priced its AAAs at a discount margin of E+150, which was 5 basis points tighter than the previous deal issued into the market.
- European risk assets closed the month on a high, reflecting (unfounded) hopes that the ECB would deliver a comprehensive QE package at the December meeting. Equities (+2.73%) and high yield (+0.68%) outperformed the loan market, which returned -0.11%.⁹
- Amid more volatile conditions and a heavy primary loan market calendar in the US, European managers picked up some slack on cross-border issuance. New issue volume for November totalled €5.9 billion as sponsors sought to clear the pipeline ahead of a typically quiet period in the market.¹⁰
- Investors have continued to remain disciplined despite the healthier appetite in Europe. With institutional buyers remaining selective, clearing yields of B-rated loans rose to a two-year high of 5.75%.¹¹
- European secondary loan prices declined slightly over the month, falling 26 cents to 96.32. The price decline in the US over the month was more significant, however, as US loan prices fell 1.13 to a near four-year low of 92.69.¹²
- The primary CLO market was strong in Europe as 3 transactions for €1.3 billion priced, while the US CLO market experienced its lightest monthly volume of the year with just 9 CLOs totalling \$4.5 billion. Global issuance YTD through mid-December now stands at €13.6 billion in Europe, versus €14.1 billion last year, and at \$94.5 billion in the US, versus \$118.8 billion in 2014.¹⁰
- On 14 December, the Company announced that it is considering raising additional capital through an issue of shares, given its growth strategy and the continued attractive investment and funding environment. Any fundraising will be subject to market conditions.

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: ⁴	€0.9832
Share Price: ⁵	€0.9725
Premium/Discount:	-1.09%
Latest Dividend:	€0.0200
Dividend Yield: ⁶	8.00%
BGCF Gross Assets:	€635.3m
BGLF Net Assets:	€325.8m
Market Capitalisation: ⁵	€322.2m
Shares Outstanding:	331.3m

Top 10 Holdings ^{7, 8}

Eircom	3.00%
Telenet	1.94%
Numericable Finance / YPSO	1.73%
Capio Sanidad	1.70%
Amaya	1.66%
Ziggo Finance BV	1.53%
Springer Science	1.44%
Ineos	1.42%
Horizon Holdings III	1.37%
Delek Group	1.25%

Top 10 Industries ^{7, 8}

Healthcare & Pharma	12.45%
Business Services	8.75%
Broadcast & Subscription	8.35%
Chemical Plastics & Rubber	6.89%
Telecommunications	6.76%
Construction & Building	6.73%
High Tech Industries	6.59%
Hotels, Gaming & Leisure	6.57%
Containers & Packaging	6.13%
Beverage, Food & Tobacco	5.09%

Blackstone / GSO Loan Financing Limited

Top 10 Countries ^{7, 8}

USA	29.09%
France	15.22%
United Kingdom	11.24%
Germany	9.90%
Netherlands	8.24%
Luxembourg	7.74%
Spain	4.09%
Ireland	4.04%
Switzerland	2.10%
Belgium	1.94%

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



Retained CLO Income Note Investments ⁸

	Phoenix Park	Sorrento Park	Castle Park	Dorchester Park	Dartry Park	Orwell Park	Tymon Park
Closing Date	Jul 14	Oct 14	Dec 14	Jan 15	Feb 15	May 15	Dec 15
Currency	EUR	EUR	EUR	USD	EUR	EUR	EUR
Deal Size	€413m	€517m	€415m	\$509m	€411m	€415m	€414m
BGCF Position (% of CLO Income Notes)	51.4%	60.5%	100.0%	60.9%	51.1%	51.0%	51.0%
Last Distribution (Annualised)	17.8%	20.3%	17.8%	20.7%	19.1%	n/a	n/a

Asset Breakdown ⁸

	BGCF Direct Loan Portfolio	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€169.2m	€156.6m
% of BGLF NAV:	51.94%	48.06%
Number of Issuers:	99	334
Senior Secured Loans/Notes:	99.0%	99.0%
Floating Rate:	93.1%	99.0%
Weighted Average Asset Spread (including impact of floors):	4.76%	4.61%
Weighted Average Loan MTM:	98.31%	98.39%
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 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 10 July 2014.

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Footnotes:

- Blackstone / GSO Corporate Funding Limited ("BGCF") was 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 30 November 2015.
- Dividend Yield based on IPO issue price and last declared dividend of €0.02.
- 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.
- 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.
- Credit Suisse Western European Leveraged Loan Index (hedged to EUR), Barclays (Pan-European High Yield Index, hedged), Bloomberg (Euro STOXX 50 Index ticker SX5e).
- S&P/LCD, as of 14 December 2015. Global YTD CLO issuance is through 11 December, 2015.
- S&P/LCD European Playbook, as of 1 December 2015.
- Average prices of the Credit Suisse Western European Leveraged Loan Index and the Credit Suisse Leveraged Loan Index, as of 30 November 2015.
- With effect from 1 January 2016, BNP Paribas Securities Services S.C.A., Jersey Branch Liberté House 19-23 La Motte Street St Helier Jersey JE2 4SY.

Blackstone / GSO Loan Financing Limited

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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.

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