

BGLF’s Objective

- BGLF (the “Company”)’s 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 30/10/15	30-Oct-15	YTD	1 Year	Ann. Since Inception	Cum. Since Inception
BGLF Euro NAV	0.83%	7.97%	5.85%	5.59%	7.18%

BGLF Monthly Commentary

- The total return for October was 0.83%, which included total portfolio net income of 1.65% and net portfolio movements of -0.82%. Income on the directly held loan portfolio, less financing costs, was 0.34% with -0.05% from net portfolio movements. Retained CLO Income Note investments contributed 1.35% of net income with -0.76% of net portfolio movements.
- BGCF has experienced strong distributions during October from four of its retained CLO Income Note investments. Dartry Park made its first distribution during the month paying an annualised distribution of 19%, which is higher than originally expected. Castle Park, Dorchester Park, and Phoenix Park also made quarterly distributions that were in line with our expectations.
- Investors’ optimism, stemming from faded concerns around Chinese growth and the continued dovish tone from the European Central Bank, resulted in a generally good October for European risk assets.
- Equities (+10.37%) were top performers during the month, followed by high yield (+3.13%) and investment grade (+1.83%) bonds, and treasuries (+0.53%). Performance of the S&P European Leveraged Loan Index (“S&P ELLI”) lagged (+0.25%) other asset classes as rates have less influence on their valuations.⁹
- New issue loan volume in October rose to a four month high of €7.1 billion as the summer overhang finally cleared. M&A activity led loan issuance totalling around 75% of October’s volume.¹⁰
- The secondary market remained firm as a number of IPO-related repayments left investors with cash to deploy; the S&P ELLI’s average price was relatively unchanged as it declined a mere 8 bps to 97.05.¹⁰
- Average spreads of European term loans have increased dramatically since June (from E+380 to E+459). The additional spread combined with lower pricing bodes well for CLO managers warehousing assets. Current liability pricing makes for a challenging arbitrage, but the Adviser believes that assets acquired in the coming months may help boost equity returns for transactions early next year.¹⁰
- CLO issuance increased versus September as two EUR CLOs totalling \$0.8 billion and 15 US CLOs totalling \$7.3 billion priced this month. Global CLO issuance year-to-date has totalled \$10.9 billion in Europe, slightly lower though still healthy compared to the same period in 2014 (€11.9 billion), and stands at \$85.6 billion in the US, down compared to the \$104.6 billion priced last year.¹⁰
- Since launch, BGCF has purchased €2.7 billion in loans, mandated and closed six CLO transactions, and invested €176 million in retained CLO Income Notes, which are currently distributing 18.6%.¹¹ In addition to the investments in retained CLO Income Notes, BGCF has originated a portfolio of directly held loans. This portfolio, on which the Investment Adviser does not charge any management fees, is currently yielding approximately 10% p.a. on invested capital.¹² BGCF is approximately five months ahead of its planned capital deployment at the time of launch.

BGLF Key Facts

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: ⁴	€0.9825
Monthly NAV: ¹³	-1.18%
Share Price: ⁵	€0.9750
Premium/Discount:	-0.76%
Latest Dividend:	€0.0200
Dividend Yield: ⁶	8.00%
BGCF Gross Assets:	€616.2m
BGLF Net Assets:	€325.5m
Market Capitalisation: ⁵	€323.0m
Shares Outstanding:	331.3m

Top 10 Holdings ^{7, 8}

Eircom	3.10%
Telenet	2.00%
Numericable Finance / YPSO	1.78%
Capio Sanidad	1.75%
Amaya	1.72%
Ziggo Finance BV	1.55%
Springer Science	1.48%
Horizon Holdings III	1.48%
Ineos	1.43%
Delek Group	1.29%

Top 10 Industries ^{7, 8}

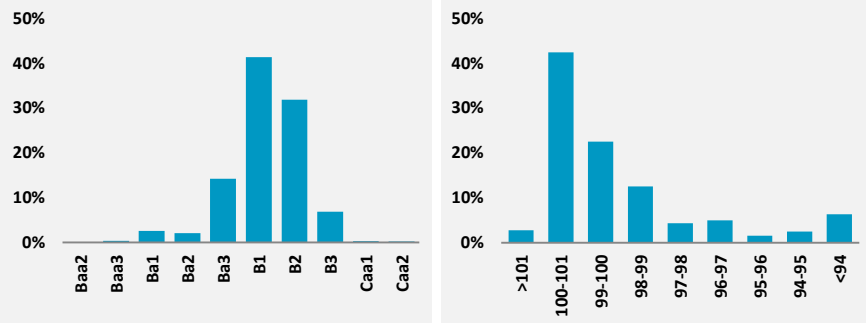
Healthcare & Pharma	12.15%
Business Services	9.11%
Broadcast & Subscription	8.82%
Chemical Plastics & Rubber	7.06%
Construction & Building	6.90%
Hotels, Gaming & Leisure	6.79%
Telecommunications	6.62%
Containers & Packaging	6.34%
High Tech Industries	5.63%
Capital Equipment	4.74%

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Top 10 Countries ^{7, 8}

USA	29.19%
France	15.22%
United Kingdom	11.28%
Germany	10.16%
Netherlands	8.42%
Luxembourg	6.84%
Spain	4.26%
Ireland	4.04%
Switzerland	2.08%
Belgium	2.00%

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
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
BGCF Position (% of CLO Income Notes)	51.4%	60.5%	100.0%	60.9%	51.1%	51.0%
Last Distribution (Annualised)	17.8%	18.2%	17.8%	20.7%	19.1%	n/a

Asset Breakdown ⁸

	BGCF Direct Loan Portfolio	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€168.7m	€156.8m
% of BGLF NAV:	51.83%	48.17%
Number of Issuers:	95	327
Senior Secured Loans/Notes:	99.0%	99.0%
Floating Rate:	92.8%	98.9%
Weighted Average Asset Spread (including impact of floors):	4.76%	4.60%
Weighted Average Loan MTM:	98.39%	98.62%
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 October 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.
- S&P/LCD (S&P ELLI total return ex currency), 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 17 November 2015.
- Weighted average annualised distribution rate based on the par amounts of each Retained CLO Income Note Investment, with the exception of Orwell Park, which has not yet made a distribution. Past performance is not necessarily indicative of future performance results and there can be no assurance that BGLF or BGCF will achieve comparable results.
- Represents the approximate annual income on BGCF's current directly held loan portfolio inclusive of the existing leverage structure.
- Monthly NAV: 0.83% monthly performance; -1.18% 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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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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