

**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”)<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.

**BGLF’s Total Return**

Total Returns <sup>2,3</sup> As at 30/09/15	30-Sep-15	YTD	SINCE INCEPTION
BGLF Euro NAV	0.57%	7.07%	6.30%

**BGLF Monthly Commentary**

- The total return for September was 0.57%, which included total portfolio net income of 1.00% and net portfolio movements of -0.43%. Income on the directly held loan portfolio, less financing costs, was 0.50% with -0.53% from net portfolio movements. Retained CLO Income Note investments contributed 0.56% of net income with 0.10% of net portfolio movements.
- The Company’s underlying assets, held both directly and indirectly, have not been immune to the price movement seen across the market; however, the Adviser actively monitors all positions and does not have any material concerns in the portfolio at this time.
- As announced on 21 October 2015, 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 July 2015 to 30 September 2015. The dividend is payable on 20 November 2015 to shareholders on the register as at 30 October 2015.
- Credit and equity markets continued to experience significant volatility in September as a result of global growth concerns, mixed Fed messaging, and sector-specific weakness. Once again, loans proved to be resilient and outperformed high yield and equities considerably as investors took a risk-off position.
- The S&P European Leveraged Loan Index (“S&P ELLI”) returned -0.13% over the month, significantly outperforming investment grade bonds (-0.82%), high yield bonds (-2.03%), and equities (-5.05%) while underperforming German Treasuries (+1.24%) given the flight to quality.<sup>9</sup>
- September proved to be an unusually quiet month for loan issuance, with continued market volatility hampering the supply side. New issue volume for the month totalled €3.9bn, contributing to the lowest quarterly new issuance total since Q4 2012 at €10.4bn.
- The encouraging side of the market’s persistent volatility is the resulting 28bps widening of single B loan all-in loan spreads and 36bps decline in the average price of the S&P ELLI. These changes combined with the decline of underlying borrowers’ total leverage to 4.6x from 4.9x last month contribute to our view that it is a positive environment for which to deploy capital.<sup>10</sup>
- CLO issuance was relatively flat month over month as 11 CLOs priced in the US totalling \$5.6 billion and 1 CLO priced in Europe (\$0.5 billion). In spite of the slowdown seen during the third quarter, global CLO issuance YTD has been healthy at \$78.3 billion in the US, compared to \$93.4 billion last year, and at €10.1 billion in Europe, which is flat versus the same period in 2014.<sup>10</sup>
- On 30 September 2015, the European Commission published its final proposal for securitisation regulation, which included the anticipated anti-avoidance provisions, designed to restrict so-called “originator for a day” securitisations. GSO welcomes the inclusion of these anti-avoidance provisions, in line with the European Banking Authority’s recommendations.

**BGLF Key Facts**

Ticker LN:	BGLF
Inception Date:	23/7/14
Inception Share Price:	€1.00
NAV per share: <sup>4</sup>	€0.9942
Share Price: <sup>5</sup>	€0.9963
Premium/Discount:	0.21%
Latest Dividend:	€0.0200
Dividend Yield: <sup>6</sup>	8.00%
BGCF Gross Assets:	€620.9m
BGLF Net Assets:	€329.4m
Market Capitalisation: <sup>5</sup>	€330.1m
Shares Outstanding:	331.3m

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

Eircom	3.03%
Telenet	1.98%
Capio Sanidad	1.73%
Amaya	1.70%
Numericable Finance / YPSO	1.56%
Ziggo Finance BV	1.53%
Springer Science	1.47%
Horizon Holdings III	1.46%
Ineos	1.41%
Delek Group	1.28%

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

Healthcare & Pharma	13.03%
Business Services	9.42%
Broadcast & Subscription	8.81%
Chemical Plastics & Rubber	7.06%
Construction & Building	6.71%
Hotels, Gaming & Leisure	6.60%
Telecommunications	6.51%
High Tech Industries	6.28%
Containers & Packaging	6.10%
Capital Equipment	4.67%

# Blackstone / GSO Loan Financing Limited

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

USA	29.89%
France	15.84%
United Kingdom	11.61%
Germany	10.44%
Netherlands	7.84%
Luxembourg	6.69%
Spain	4.21%
Ireland	3.95%
Belgium	1.98%
Switzerland	1.96%

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



## Direct CLO Investments <sup>8</sup>

	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
BGLF Position (% of CLO Income Notes)	51.4%	60.5%	100.0%	60.9%	51.1%	51.0%
Last Distribution (Annualised)	19.0%	18.2%	18.0%	28.4%	n/a	n/a

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

	BGCF Direct Loan Portfolio	BGCF Indirect Loans / CLO Portfolio
Net Assets:	€167.6m	€161.8m
% of BGLF NAV:	50.88%	49.12%
Number of Issuers:	96	326
Senior Secured Loans/Notes:	98.4%	99.0%
Floating Rate:	92.8%	99.0%
Weighted Average Asset Spread (including impact of floors):	4.77%	4.60%
Weighted Average Loan MTM:	98.25%	98.88%
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.

## Contacts:

### Company Secretary:

State Street Fund Services (Jersey) Limited  
Lime Grove House  
Green Street  
St Helier  
Jersey C.I. JE1 2ST

### Adviser:

Blackstone / GSO Debt Funds Management Europe Limited

Alan Kerr +353 1 436 0107  
Alex Leonard +353 1 436 0113  
David Cunningham +353 1 436 0122

[www.blackstone.com/bgfl](http://www.blackstone.com/bgfl)

## 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 September 2015.
- Dividend Yield based on IPO issue 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 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 30 September 2015.

# Blackstone / GSO Loan Financing Limited

## 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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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.

All investments are subject to risk, including the loss of the principal amount invested. Past performance is no guarantee of future returns. All investments to be held by the Company involve a substantial degree of risk, including the risk of total loss. The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. You should always seek expert legal, financial, tax and other professional advice before making any investment decision.

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